

**Proposal regarding increasing investments in weatherization – in particular for Vermonters with low and moderate incomes.**

February 20, 2019

Goal: Set Vermont on a path to achieve its statutory weatherization goals – weatherizing 80,000 homes – with a particular focus on serving more Vermonters earning low and moderate incomes.

1. Re-authorize the existing revenue sources for the Home Weatherization Assistance Program for households up to 80% of the Area Median Income or State Median Income, whichever is higher, as established by the U.S. Department of Housing and Urban Development (HUD), and
2. Double the number of homes and apartments weatherized for households earning up to 120% of the Area Median Income, or State Median Income, whichever is higher, as determined by the U.S. Department of Housing and Urban Development.

Specifically:

- Implement a stepped increase to the fuel taxes that fund Weatherization.
  - Exempt electricity from any increase.
  - First step, in FY 2020:
    - increase current 2c/gallon tax on heating oil, propane, kerosene, and other dyed diesel fuel to 4c/gallon, and
    - increase the Gross Receipts Tax on natural gas and coal by 0.75 percent
  - Second step, in FY 2021:
    - implement another 2c/gallon increase on heating oil, propane, kerosene, and other dyed diesel fuel, and
    - implement another 0.75 percent increase on the Gross Receipts Tax on natural gas and coal

Existing revenues shall *expressly* continue to be dedicated to the Home Weatherization Assistance Program created in 33 V.S.A. Chapter 25.

Allocation of **additional** revenues raised:

- No less than 35 percent to the low income Home Weatherization Assistance Program.
- No less than 40 percent to programs for 60-120 percent of HUD area median income.
- No less than 5 percent to affordable multi-family housing development assisted through 3E Thermal.
- Up to 10 percent for existing market-rate thermal conservation measures
- Up to 10 percent for workforce development and marketing for people up to 120 percent of area median income.

Attachment accompanying letter from Audubon Vermont, Capstone Community Action, CLF, NeighborWorks of Western Vermont, Toxics Action Center, VAHC, VBSR, the Vermont Chapter of the Sierra Club, the Vermont Climate & Health Alliance, VCV, VNRC, VPIRG, Vermont Youth Lobby, and Vermonters for a New Economy

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