

## Memorandum

**To:** House Committee on Human Services  
**From:** Heidi Moreau, DCF Policy Advisor  
**Re:** H.249  
**Date:** March 11, 2019

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### Background

The Reach Up program provides support services to participants to improve their prospects for upward economic mobility. Support services are tailored to each participants' needs. Support services include: child care, housing assistance, transportation, and other services necessary to achieve the purpose of the Reach Up program.

Transportation is one of the greatest barriers to employment and upward economic mobility for the population served by the Reach Up program. Each year, the Reach Up program purchases approximately 60 cars for participants. Before the Reach Up program purchases a car for a participant, the participant must demonstrate that they have enough money to pay the taxes. Lack of funds to pay for taxes often prevent Reach Up participants from being eligible to receive a car.

### Purpose of the Bill

The purpose of this bill is to exempt motor vehicles provided by the Department for Children (DCF) and Families to participants in the Reach Up program from sales and use tax and to waive the initial registration fee for such vehicles. This bill supports Reach Up's mission of helping families overcome obstacles, explore opportunities, improve their finances and reach their goals by mitigating transportation as a barrier.

### DCF's Recommendations

DCF supports this bill with the following modifications, as proposed by legislative counsel, to the language about the purchaser of the vehicle in 32 V.S.A. § 8911(6), and 32 V.S.A. § 361:

#### § 8911. EXCEPTIONS

The tax imposed by this chapter shall not apply to:

\* \* \*

(6) A pleasure car purchased by the Department for Children and Families for a participant in the Reach Up Program established pursuant to 33 V.S.A. chapter 11 as a support service provided through the Department for Children and Families.

§ 361. PLEASURE CARS

The annual fee for registration of any motor vehicle of the pleasure car type, and all vehicles powered by electricity, shall be \$74.00, and the biennial fee shall be \$136.00. The annual fee shall be waived for one year for pleasure cars purchased by the Department for Children and Families for a participant in the Reach Up Program established pursuant to 33 V.S.A. chapter 11 as a support service provided through the Department for Children and Families.