*** 2018 FINAL LEGISLATIVE REPORT 2018 ***

Rep. Cynthia Browning Arlington, Manchester, Sandgate, & Sunderland

*** I AM RUNNING FOR RE-ELECTION ---- I ASK FOR YOUR VOTE ***

Below I provide information about some of the legislation that has moved in Montpelier. Any text in regular font like this is an objective summary. *Any text in italics like this contains my opinions*. Please contact me with questions, comments, suggestions, and criticisms – contact info is at the end of the report. I continue to hold legislative "office hours" at Chauncey's Restaurant on Route 7A in Arlington every Saturday from 8 to 9:30 am.

Income Tax Reform --

Income tax reform was imperative this year to offset the effects of the Federal Tax Cut and Job Act that would otherwise have resulted in unintended tax increases for many Vermonters. Our tax code will now be separated from the Federal code, with Vermont specific Standard Deduction and Personal Exemption provisions. Itemized deductions were eliminated at the state level, but the income tax rates for all tax brackets are reduced. Social Security benefits will be exempt from taxation up to higher income levels than before. The Earned Income Tax Credit is increased, and this can help low income working Vermonters more effectively and reliably than any other policy action.

I believe that these reforms will make our tax system simpler, more effective, and more equitable.

Education Finance –

Reforms to our Special Education system and to the Teachers Health Insurance system will likely reduce the growth of education costs in the future, and there is a task force to look at our low student/staff ratios. But despite all the major changes considered earlier in the year, only relatively small changes in the property tax adjustment programs and the Education Fund were made. The total average increase in education spending was around 1.5%, which is quite moderate, and this would usually have meant a modest increase in the base or average property tax rates. But near the end of the session it turned out that the state will have millions of dollars in surplus revenue in the General Fund. The Governor wanted to use this money to keep property tax rates level, planning to achieve cost savings in the future to prevent a bump up in rates next year and beyond. The Legislature considered his plan somewhat risky, and wanted to use the surplus revenue to pay down Teachers' Retirement Liabilities. This was the issue that led to a series of vetoes of Budget/Tax bills, a Special Session of the Legislature, and the prospect of a shutdown of state government. The ultimate outcome was to use some of the extra revenue to keep the average Homestead property tax rate level and to keep the Non Resident property tax rate one cent lower than it otherwise would be, and to use most of it to pay down the Teachers' Retirement Liabilities.

While I support using much of the extra revenue to pay down the unfunded retirement liabilities, because this will save taxpayers money in the long run, I would have like to use somewhat more of the extra revenue to mitigate property tax increases for 2019 and into 2020. I think that this would be just a small re-payment of all the times that the state has used the Education Fund for non-education expenses that were never approved of by voters. I link the transfer of the extra state revenue to covering the costs of the Act 46 merger incentives that have been paid for in the Education Fund. Covering the cost of the property tax reductions that served as incentives for merging within the Education Fund has led to higher property tax rates, which is not right. Districts that merged have not gotten the full tax reductions that they were promised, and districts that could not merge have had to pay for the incentives for those that could. The extra revenue this year helps to mitigate this. **... It is important to note that for the Homestead education property tax rate it is the AVERAGE rate that is being held level – particular district property tax rates may be higher or lower depending on changes**

in spending and costs specific to local school budgets, and an ultimate property tax bill depends on multiplying that rate by the assessed value of property, and that value can also change.

Budget & Capital Bill – This year's budget establishes a rate of growth in state spending that is below 1%. This is a considerable accomplishment. Notable elements include providing **funding for mental health and drug addiction treatment, providing for paid tuition for Vermont National Guard members,** and using some one-time money to fully fund all required reserves and to reduce our unfunded pension liabilities to save money in the future. The Governor vetoed this bill because he wanted to use the one-time funds to keep property taxes flat as indicated in the tax section above. The budget was therefore part of the final deal that used the surplus revenue to do some of each.... The Capital Bill includes allocations to **investments in school safety, investments in greater capacity in our mental health system, and spending on clean water projects.**

<u>H.707 – Concerning Sexual Harassment --</u> This bill improves measures to prevent sexual harassment and creates a common standard for all work environments. Protections for victims who file complaints are strengthened. There is a new statewide education and outreach program. All Vermonters should be safe at work.

<u>H.103 – Protection from Toxic Chemicals –</u> This bill would have amended requirements under the State Toxics Use Reduction and Hazardous Waste Program. It would have established an Interagency Committee on Chemical Management to evaluate chemical inventories and identify potential risks, established a private right of action for medical monitoring damages, authorized citizen suits, requiree testing new groundwater sources and potable water supplies for specified chemical parameters, & required manufacturers of consumer products to notify the Department of Health of the presence of a chemical of high concern in a consumer product. The Governor vetoed this bill.

Clean Water, Clean Air, & Clean Earth

Permanent funding for the Clean Water Fund has not been established, although uncollected bottle deposits have been identified as a supplementary source. The possibility that there would be an increase in the Rooms and Meals tax to finance this program was removed. The general permit fee that each town must pay has been reduced and aligned with miles of roads and population instead of having every town pay the same.

I worked hard to prevent the increase in the Rooms and Meals tax and to get the municipal permit fee reduced. I believe that going forward we need to base funding of the Clean Water Fund on the principle that polluters pay: we should tax materials that cause pollution so that people will use less of them. I think that we should also reform the system of bottle deposits to include more containers, including plastic water bottles and glass wine bottles, and we should also look at ways to reduce other forms of plastics entering our waterways.

Gun Rights, Gun Responsibilities, Gun Regulations & Public Safety

Three gun regulation bills have passed the House and Senate and been signed into law by the Governor. S.221 provides for a judicial process through which an Emergency Relief Protection Order could be used to temporarily remove guns from someone who is determined to be a danger to him or herself or to others. H.422 establishes another legal process through which law enforcement could temporarily remove guns from a residence in which a domestic violence incident has occurred. S.55 has four provisions. Going forward background checks are required for all gun purchases except exchanges between immediate family members. The purchase of guns by those under 21 would be restricted to those who have received training through hunter safety courses, the military, or law enforcement. Young people can still be given a gun by a family member. "Bump stocks", which can increase the firing rate on certain rifles, are banned. The purchase of certain large capacity magazines is prohibited going forward, but people can use what they have. **No guns of any kind are banned, and current ownership of guns is not affected.** Legislative attorneys have determined that the

provisions of these bills do not infringe on rights provided in the U.S. Constitution and the Vermont Constitution. The bills regulate those rights, balancing them with our responsibility to community safety.

I voted for these bills, despite some imperfections. Such laws do not guarantee that guns will not get into the wrong hands, but together these regulations will make it harder for criminals or those of unsound mind to purchase guns legally. No law can be guaranteed to prevent the kinds of horrific tragedies and crimes that have been perpetrated in this country. However, the Legislature has also ordered an evaluation of the safety of all the schools in the state, along with an allocation of funding to invest in improvements. We will also likely continue to pursue investments in our Mental Health treatment system. But "see something, say something remains one of the best ways in which community protection can be assured.

S.40 -- More Minimum Wage Increases?

The minimum wage in Vermont has been increased in stages from about \$8.73 an hour in 2014 to \$10.50 an hour in 2018. This wage will continue to be adjusted upward for inflation going forward. The Legislature has passed a bill that would increase it further to \$15 an hour over the next six years. The Governor vetoed the bill.

I voted for the sequence of increases in the minimum wage that began in 2014 in order to better support those workers. But because we have just had that series of minimum wage increases, and the wage will continue to adjust for inflation, I think it would be better to wait until we see the consequences of those changes and allow businesses to adjust to the higher wage costs before putting more increases in place. A study of this issue by the legislative economist concludes that additional increases like going to \$15 would likely result in reductions in worker hours, loss of jobs, or accelerated automation of tasks, so that some workers are no better off. It is likely that these "dis-employment effects" would disproportionately impact slower growing areas like Bennington County. Sometimes increases in wages can mean reductions in state or federal benefits and increases in taxes that may leave workers not much better off. These would all be adverse impacts on some of the very Vermonters we are trying to help. In addition, disabled and elderly Vermonters who have home health aides that are partly paid with state and federal subsidies would end up paying more from their own pockets because the subsidies won't increase with the minimum wage. This increase in the VT Earned Income Tax Credit referred to in the first section will be of more reliable assistance to workers than another minimum wage increase at this time.

H.196 - Paid Family Leave?

It is already Federal law that people must be granted a certain amount of unpaid family leave. Some businesses already offer paid family leave for new babies or care for a sick relative to their employees. The Legislature has passed a bill to mandate a certain amount of Paid Family Leave. The benefit would be financed by a small payroll tax on workers, and up to a certain point people who make more money would get more pay. Businesses would need to hold jobs for workers who take the benefit even if they replace them during their leave. The Governor vetoed this bill.

Although I support the policy goal, I don't think that this approach is the best way to achieve it at this time. I would rather provide a program that businesses and employees can participate in on a VOLUNTARY basis when they wish to have this benefit. This could be similar to the new voluntary retirement program. I don't think that it is a good idea to add a new entitlement program when we are having trouble financing current state programs, but I do understand the need. Also, I would rather have focused just on the maternity and paternity leave at first, and I would rather give a stipend of same amount to all new Vermont parents.

H.764 – An Act Relating to Data Brokers and Consumer Protection

This bill provides consumers with greater protection over their personal information. The bill seeks to regulate data brokers, those who buy and sell the personal information of individuals with whom they have no other business relationship. It requires that data brokers register with the state and provide the Attorney General

with information about how the nature of the information they collect with the state and how they collect it. It also requires data brokers to disclose when they experience a breach of personal information.

Although the provisions in this bill are useful, I don't think that it will really protect Vermonters from identity theft and other hazards of our cyber insecurity. The criminals who are causing the problems will not be any easier to catch. I think we should be able to have more control of our information and in fact be paid a royalty by the companies that make money with it.

Vermont Seeks Federal Approval to Import Drugs from Canada

S.175 is an act relating to the wholesale importation of prescription drugs into Vermont. This bill directs the Agency of Human Services, in consultation with interested stakeholders and appropriate federal officials, design a wholesale prescription drug importation program, including requirements of safety and cost. The program would designate a state agency to become, or contract with, a licensed drug wholesaler to import prescription drugs at a significant cost savings to Vermonters. The state will submit the proposed design for the program to the Legislature by 1/1/19.

While I think that this option is worth exploring, the problem of the high prices of prescription pharmaceuticals will not be solved by this alone. I want to find more ways to hold drug companies responsible for irresponsible marketing of opiates, for high prices of essential drugs, and for bringing drugs to market before the possible side effects have been fully delineated.

Department of Motor Vehicles Inspection Process Revision

VT DMV is considering revising its Vermont Vehicle Inspection Manual. A collaborative effort by a group of industry subject matter experts, inspection station owners/mechanics, and DMV personnel have attempted to identify items in the inspection process that are not directly related to safety. A new inspection format would create a third "advisory" category added to the two "pass" or "reject" options. This new category would include those items no longer considered critical safety that formerly would have caused a "rejection", and it should make it easier for Vermonters to continue about their business while they correct any such "advisory" items … In terms of the current inspections emissions test, the DMV will look into ways to make meeting the requirements more affordable.

I AM RUNNING FOR RE-ELECTION.

*** I am working hard to develop strategic policies for a stronger Vermont.

*** I have the expertise & the independence to fight for this district in Montpelier.

*** I have the experience and the principles to forge solutions to our problems.

*** I ask for your vote ***

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