

VBA 2024 Legislative Report Week 11

This past Friday marked the crossover deadline for bills that have taxes or spending in them – which are many! While the so-called “money committees” worked feverishly to move out all the bills that were referred, the House floor and Senate floor were also busy, sometimes late into the night, debating and voting on all the bills that were on their calendars. Other than action in the money committees, there wasn’t a lot of action in the other policy committees that we closely follow. Next week will be another busy week on the House and Senate floor before committees get back to work on all the new bills referred by the other body.

→ TAXES

While the House Appropriations Committee works to wrap up the FY2025 budget, the House Ways and Means Committee was busy developing new tax proposals to pay for leadership’s spending priorities. This week, the House Ways and Means Committee rolled out three new tax increases.

- Double the property transfer tax on homes over \$600,000. This would raise about \$17.5 million annually;
- Increase the top marginal income tax rate 3% to 11.75%. This would raise \$74.9 million annually; and,
- Increase corporate taxes from 8.5 to 10% and add back currently deductible Subpart F corporate income. This would raise about \$33 million annually.

If approved, Vermont would have the highest corporate tax rate in the country. The House Ways and Means Committee is also contemplating a surcharge on short-term rentals (\$37.8 - \$47 million). Meanwhile, both chambers are likely to add a new tax on video streaming services (on top of the sales tax).

On Thursday, Tax Commissioner Craig Bolio [sent a letter](#) to the committee raising concern about the new proposals. He noted that these tax increases come at a time when property taxes for some Vermonters could increase by 20% and a new \$80 million payroll tax for childcare is set to take effect in July.

It’s not yet clear whether the Senate will go along with any or all of these proposals. If they do, there is sure to be a pitched battle with the Governor at the end of the session. Stay tuned!

→ MISCELLANEOUS ALCOHOL BILL

Earlier this week the [H.867, the Miscellaneous Tax Bill](#) was approved by the full House and moved to the Senate Economic Development Housing and General Affairs Committee.

As we reported last week, some members of the House Human Services raised concerns about the mingling of alcoholic and non-alcoholic beverages in 2nd Class retail outlets. There was some talk about an amendment to require that these establishments physically separate the alcoholic beverages from the nonalcoholic beverages. A compromise amendment was reached and passed as part of H.867. The amendment requires DLL to audit and report back on the placement of alcoholic beverages in 2nd class establishments.

We expect that the Senate committee will begin consideration of H.867 sometime in the next few weeks.

→ **HEADLINES OF NOTE**

[Final Reading: House bills now carry \\$100 million-plus in new wealth and corporate taxes](#)

[Capitol Recap: Vermont lawmakers assess spending priorities against stark fiscal realities](#)

[The Vermonters going all in on the eclipse, from a church to a septic company](#)

[Vermont lawmakers consider taxing streaming services to help fund community access TV stations](#)

[Vermont sets national precedent with unanimous House passage of comprehensive data privacy legislation](#)

VBA 2023/2024 BILL REPORT			
Bill	Sponsors	Description	Status
H 601	Rep. Lawrence Satcowitz	An Act Relating To Prohibiting The Presence Of Toxic Chemicals In Plastic Packaging This bill proposes to prohibit the presence of certain high priority materials and high priority chemicals in packaging or packaging components sold or distributed in the State.	Committees: House Environment and Energy Status: Read First Time and referred to the Committee on Environment and Energy (01/03/24)
A	Rep. Lucy Boyden	An Act Relating To The Sale Of Closed Containers Of Alcoholic Beverages Within A First- Or Third-class License Serving Area This bill proposes to allow the holder of any combination of first-, second-, and third-class licenses to sell closed containers of alcoholic beverages, for off-premises consumption, anywhere in first- or third-class licensed premises.	Committees: House Government Operations and Military Affairs Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/04/24)

H 662	Rep. Michael Marcotte; Rep. Woodman Page	<p>An Act Relating To The Merger Of Entities That Hold Separate Alcoholic Beverage Licenses</p> <p>This bill proposes to allow two or more licensed entities that have merged and formed a parent corporation to continue to hold separate alcoholic beverage licenses while operating under a unified payroll and administrative system.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/04/24)</p>
H 680	Rep. Katherine "Kari" Dolan; Rep. Matthew Birong; Rep. Stephanie Jerome	<p>An Act Relating To Expanding Access To Special Venue Serving Permits</p> <p>This bill proposes to allow any retail establishment to acquire a special venue serving permit from the Division of Liquor Control.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/04/24)</p> <p>Included in the Miscellaneous Alcohol Bill H.867 – limited to 12 annually.</p>
H 726	Rep. Kate Nugent	<p>An Act Relating To Compliance Checks By The Division Of Liquor Control</p> <p>This bill proposes to require the Division of Liquor Control to perform regular compliance checks of alcoholic beverage licensees.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/10/24)</p>
H.867	Committee on Government Operations sand Military Affairs	<p>An act relating to miscellaneous amendments to the laws governing alcoholic beverages and the Board of Liquor and Lottery</p> <p>This bill proposes to authorize retail establishments to acquire special venue serving permits; allow a sampling event permit holder to purchase invoiced volumes of alcoholic beverages from wholesale</p>	<p>Committees: Senate Economic Development Housing and General Affairs</p> <p>Status: Passed by the House</p> <p><u>AS PASSED BY THE HOUSE</u></p>

		dealers; increase the limit on special event permits that may be acquired by an individual licensee from 10 to 20; amend provisions related to the annual report concerning the State Lottery; extend the effective date for required liquor liability insurance to July 1, 2026; and to establish a retail master license for parent corporations that are formed for purposes of merging licensed retail dealers or manufacturers.	
BILLS INTRODUCED IN 2023 THAT ARE STILL "ALIVE"			
H 7	Rep. Anne Donahue	<p>An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7</p> <p>This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/05/23)</p>
H 78	Rep. Matthew Birong	<p>An Act Relating To Repealing The Sunset Of 7 V.S.A. § 230</p> <p>This bill proposes to repeal the sunset of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption) to allow licensees to sell alcoholic beverages for pick up or delivery beyond July 1, 2023.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/20/23)</p>
H 225	Rep. Joseph "Chip" Troiano; Rep. Avram Patt; Rep. Brian Cina; Rep. Dennis LaBounty; Rep. Emma Mulvaney-Stanak; Rep. James Carroll; Rep. James Masland; Rep. John Arrison; Rep. Josie Leavitt; Rep. Kate Logan; Rep. Kate McCann; Rep. Kristi Morris; Rep. Leslie Goldman; Rep. Michael Mrowicki; Rep. R. Scott Campbell; Rep. Robert "Bobby" Farlice-Rubio; Rep. Troy Headrick	<p>An Act Relating To Eliminating The Tipped Minimum Wage</p> <p>This bill proposes to require that tipped employees are paid the standard minimum wage by 2024.</p>	<p>Committees: House General and Housing</p> <p>Status: Read First Time and referred to the Committee on General and Housing (02/10/23)</p> <p>VBA OPPOSES THIS BILL</p>

H 261	Rep. Logan Nicoll	<p>An Act Relating To Retail Delivery Of Alcoholic Beverages By Third-party Contractors</p> <p>This bill proposes to allow the holder of a second-class license and retail delivery permit to deliver certain alcoholic beverages to individuals 21 years of age or older through an approved third-party contractor and amend the provisions related to the permitted hours of sale.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/15/23)</p>
H 272	Rep. Matthew Birong	<p>An Act Relating To A Reciprocity Requirement For Out-of-state Consumer Shipping Licenses</p> <p>This bill proposes to limit the issuance of out-of-state malt beverage consumer shipping licenses to breweries that are located in states that allow Vermont brewers to acquire consumer shipping licenses.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)</p>
H 273	Rep. Matthew Birong	<p>An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines</p> <p>This bill proposes to authorize a manufacturer of spirits or fortified wines to acquire a consumer shipping license and ship the manufacturer's products directly to consumers in Vermont.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)</p>
H 417	Rep. Kelly Pajala; Rep. Logan Nicoll	<p>An Act Relating To Drink Specials</p> <p>This bill proposes to permit a first-class licensee to sell malt and vinous beverages at a reduced price during a period of not more than two hours each day. It also proposes to permit a third-class licensee to sell spirits and fortified wines at a reduced price during a period of not more than two hours each day.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/28/23)</p> <p>VBA SUPPORTS THIS BILL</p>
S 60	Sen. Kesha Ram Hinsdale; Sen. Thomas Chittenden	<p>An Act Relating To Local Option Taxes</p> <p>This bill proposes to authorize: (1) any Vermont municipality to adopt a one percent local option tax on sales, meals and alcoholic beverages, and rooms; and (2) the Commissioner of Taxes to disclose a municipality's local</p>	<p>Committees: Senate Finance; House Government Operations and Military Affairs; Senate Finance?</p> <p>Status: Read First Time and</p>

		option tax data to the town manager or legislative body of that municipality, provided that the disclosure subjects the recipient to the penalties for unauthorized disclosure of confidential tax data.	referred to the Committee on Government Operations and Military Affairs (04/11/23)
S 86	Sen. Richard Westman	<p>An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7</p> <p>This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/16/23)</p>
S 107	Sen. Richard Westman	<p>An Act Relating To Authorizing Off-site Tasting Rooms For Alcoholic Beverage Manufacturers</p> <p>This bill proposes to allow holders of a manufacturer's or rectifier's license to acquire a first-class license to sell their products at a tasting room that is not located on property contiguous with the manufacturing location.</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: This bill was considered by the committee last year and essentially put on hold because of tied house concerns.</p>
S 110	Sen. Richard Westman; Sen. Kesha Ram Hinsdale	<p>An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines</p> <p>This bill proposes to authorize a manufacturer of spirits or fortified wines to acquire a consumer shipping license and ship the manufacturer's products directly to consumers in Vermont.</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/28/23)</p>