
April 1, 2012

Hello All,

One week it's warm and sunny, the following cold with snowflakes. It must be spring in Vermont, a bracing and challenging season. I hope your woodpile is still in good shape and your gardening tools are ready to go. Each week is an adventure and that's the way it is in the legislature as the House and Senate continue to send over their bills and define their priorities for the end of the session.

Here's what we worked on this week.

H. 782 An act relating to miscellaneous tax changes for 2012

Every year the legislature works on a miscellaneous tax bill that makes necessary changes to our tax system. Some changes are policy decisions, some are housekeeping and some are made to stay in compliance with federal law. This year's bill was not controversial. In a final vote it passed 125 to 14. Here are a few of the highlights of the bill.

- The bill enhanced the role of the tax payer advocate so they could better assist in individual tax payer cases and it calls for the taxpayer advocate to make a proposal for a taxpayer bill of rights, including the feasibility of requiring the department to pay for reasonable expenses if the department's position wasn't substantially justified. The tax payer advocate would also look at the feasibility of establishing a procedure for educational assessments.
- Sets an annual and monthly interest rate equal to the prime rate, subject to rounding rules, for the overpayment of tax. Provides an annual and monthly rate of interest for the underpayment of taxes that are 200 basis points higher than the rates for overpayments.
- Extends sunset for the Vermont Economic Growth Incentive program for five years. This is an important tool for job creation and economic development. It also calls for better data for reporting.
- Makes improvements to the renter rebate claim process
- Removes the double counting of dividend and interest income for property tax adjustments but eliminates the 2013 \$500,000 house site value cap.

- The bill extends the final date for filing property tax adjustment claims and renter rebate claims from September 1 to October 15. A floor amendment proposed a further extension but it was defeated 45 to 93 and I voted no thinking we should take changes such as this a step at a time to see how implementation works.
- In Current use clarifies that forest cutting contrary to the forest management plan constitutes development.
- Says that sales and use tax appeals go to the superior court of the county in which the taxpayer resides or has a place of business.
- Makes sure the meals and rooms tax doesn't apply to independent living facilities.
- Replaces the money Entergy has been paying to the Clean Energy Development Fund with an increase to the electric generation tax. The money goes to the education fund, to the CEDF, and to economic development for Windham County to prepare for post-VY closure.

H. 785 An act relating to capital construction and state bonding budget adjustment

This year's capital bill adjusts last year's two year bill to respond to Tropical Storm Irene. The chief changes are the need to address mental health facilities and to deal with flooded state office buildings in Waterbury. Local appropriations and projects remain on track such as paying down the state's share of the Pownal wastewater project.

H. 535 An act relating to racial disparities in the Vermont criminal justice system

Here are the findings in the bill. They well make the case for the bill.

The general assembly finds that:

(1) In 2010, the United States Census counted a total Vermont population of 625,741, of which 95.3 percent were white, 1.0 percent African-American, 1.5 percent Hispanic/Latino, 1.3 percent Asian, 0.4 percent American Indian, 0.3 percent other and 1.7 percent reporting that they were of two or more undisclosed races.

(2) The Vermont Department of Corrections (DOC) reported in its *Facts and Figures: FY2010* that by November 2010, African-Americans made up 10.3 percent of Vermont inmates—more than ten times the rate that African-Americans appear in the general population of Vermont. In the same report, DOC reported that on June 1, 2001, 5.1 percent of Vermont inmates were identified as African-American. DOC data show that the percentage of African-Americans

incarcerated in Vermont has been steadily increasing since 1993, far surpassing the growth rate for any other racial group.

(3) A 2003 study by the Vermont Center for Justice Research (“the Center”), *Exploring the Dynamics of Race and Crime Using Vermont NIBRS Data* by Bill Clements, using arrest data from 1993–2000, found that African-Americans experienced a significantly higher arrest rate than whites, Asians, or Native Americans. In that study, regression analysis suggested that as a result of race, African-American males were 1.5 times and African-American females were 2.6 times more likely to be arrested than their

white counterparts.

(4) A 2007 Center study, *Felony Sentencing in Vermont: 2001–2006* by Robin Adler, found that nonwhite felony defendants were more likely to be sentenced to incarceration than white defendants even after controlling for all other variables.

(5) Discretionary decision-making by a variety of criminal justice professionals may result in racial disparities in criminal justice systems. In every step of the criminal justice process, persons exercise discretion, including: (A) the initial investigation by law enforcement; (B) the decision to lodge or release on citation; (C) the decision by prosecutors to file a particular charge; (D) the prosecutor’s bail recommendation; (E) the judge’s bail decision; (F) the plea negotiation process; (G) the defendant’s decision whether to exercise the right to a trial by jury; (H) the prosecutor’s sentencing recommendation; (I) the judge’s sentencing decision as to a jail or probationary sentence; (J) the department of corrections’ programming decision, supervision practices, and its recommendation to release on parole; and (K) the parole board’s decision whether to grant parole.

(6) Vermont has become, and will continue to become, more racially diverse.

(7) Tolerance and concern for all people regardless of race, color, or national origin has long been part of the legacy of Vermont, the first state to prohibit slavery by constitutional protection and a leader in prohibiting discrimination in public accommodation, employment, banking and insurance, education, and housing.

(8) It is critically important that officials from all three branches of government have access to the data and the analysis of that data to be able to investigate and assess the extent of racial and ethnic disparities in Vermont’s criminal justice system. This assessment is necessary to identify practices of criminal justice professionals that have a disparate impact on racial and ethnic minorities, so that remedies can be fashioned to address such practices promptly and effectively.

(9) The supreme court of Vermont, pursuant to its constitutional responsibilities, has adopted a Code of Conduct and Employee Discipline governing all employees of the judiciary, providing that behavior based on bias will not be condoned or tolerated.

(10) The office of the state court administrator, through its comprehensive judicial education program for judicial officers and its educational programs for court managers and court staff, regularly conducts

and supports programs focused on diversity issues, implicit bias, cultural awareness, and the requirements of the relevant codes of conduct.

(11) The Uncommon Alliance of Chittenden County, which included members of the communities of color as well as representatives of the police departments of Burlington, South Burlington, Winooski, the University of Vermont, and Vermont civil rights organizations, are commended for their work, in particular, opening dialogue and initiating the voluntary collection and analysis of roadside-stop race data for the first time by law enforcement agencies in Vermont.

(12) The Vermont State Police are further commended for extending the voluntary collection and analysis of roadside-stop race data statewide.

The collection and analysis of the data called for in the bill is the right basis for any policy changes in this area.

H. 780 An act relating to compensation for certain state employees

The Pay Act passed out of the House 135 to 3 this week and I voted yes. The pay act sets policy on the way state employees are paid. This year's bill restores the 3 and 5 percent reduction that people took in the last biennium. The bill also covers how salaries are calculated for various groups of workers: three kinds of judges, sheriffs, State's attorneys, and the Vermont Veteran's Home workers. Here's a link to the bill <http://www.leg.state.vt.us/docs/2012/bills/House/H-780.pdf>

H. 774 An act relating to meat inspection, delivery of liquid fuels, dairy operations, and animal foot baths

This bill is a miscellaneous agriculture bill. One of its main provisions gives the Agency of Agriculture permission to use revenue from selling the mobile poultry unit to provide matching grants to promote poultry slaughter and poultry processing statewide. It also clarifies the definition of "milk" and "fluid dairy products" and it gives the Agency of Agriculture authority to regulate animal foot baths. The bill passed on a unanimous voice vote.

Here's a link to the bill; <http://www.leg.state.vt.us/docs/2012/bills/Intro/H-774.pdf>

H. 773 An act relating to veterans' tax exemption

This bill proposes to amend the definition of “veteran” for the purposes of the veterans’ property tax exemption. It makes sure that all veterans who are 50% or more disabled because of their service are eligible, not just those who served overseas.

H. 496 An act relating to preserving Vermont’s working landscape

This economic development bill passed with a strong 131 to 5 vote. I supported the bill and made sure that the House Commerce Committee was involved in its development. This bill supports agriculture and forestry, two areas important to our communities both through a better process and with an appropriation. The findings and intent sections tell the story of the bill.

LEGISLATIVE FINDINGS

- (1) The report issued by the Council on the Future of Vermont indicates that over 97 percent of Vermonters polled endorsed the value of the “working landscape” as key to our future.
- (2) Vermont’s unique agricultural and forest assets—its working landscape—are crucial to the state’s economy, communities, character, and culture. These assets provide jobs, food and fiber, energy, security, tourism and recreational opportunities, and a sense of well-being. They contribute to Vermont’s reputation for quality, resilience, and self-reliance.
- (3) Human activity involving Vermont’s agricultural and forestland has been integral to the development of Vermont’s economy, culture, and image. Sustainable land use will need to balance economic development demands with the other services the land provides, many of which have economic benefits beyond the agriculture and forest product sectors. Some of these benefits include clean air and water, recreational opportunities, ecosystem restoration, scenic vistas, and wildlife habitat.
- (4) The agriculture and forest product sectors are similar and share many of the same challenges. There are potential benefits to be realized by the joining of these sectors in development planning and coordination, making policy decisions, and leveraging economic opportunities.
- (5) The agriculture and forest product sectors provide renewable and harvestable products that form the basis of Vermont’s land-based economy. The conversion of these raw commodities into value-added products within our borders represents further economic and employment opportunities.
- (6) Vermont is in the midst of an agricultural renaissance and is at the forefront of the local foods movement. The success has been due to the efforts of skilled and dedicated farmers, creative entrepreneurs, and the strategic investment of private and public funds.

(7) State investment in a given industry or economic sector is often essential to stimulate and attract additional private and philanthropic investment. The combination of public, private, and foundation support can create enterprise opportunities that any one of them alone cannot. Grants

issued as a result of No. 52 of the Acts of 2011 helped create jobs and economic activity in the agricultural sector. They also leveraged private and foundation investments.

(8) Vermont's land-based economy has proven to be a driver for Vermont's ongoing economic recovery.

(9) Value-added and specialty Vermont products are a growing source of revenue for Vermont's agricultural producers, many of whom have benefited from the existing infrastructure requirements of commodity producers. Both export and instate markets are necessary options for the agriculture and forest product sectors' economic development.

(10) The Vermont brand is highly regarded both nationally and internationally. Forest management is seen as crop management by those active in the forest product industry. An actively managed forest is a healthy and productive one.

(11) Vermont's agriculture and forest product sectors have not been perceived or treated as businesses by the traditional business and lending communities. They often lack available capital and financial package options that match their stage of development.

(12) Financial service and workforce development programs need to be customized to meet the unique needs of Vermont's agriculture and forest product sectors. Landowner education and labor skills training are also important for future productive management of forestlands.

(13) Scale is an important determining factor for the successful development of businesses that utilize Vermont's agriculture and forest products. Other limiting factors include labor and transportation costs, support services, resource base, and the regulatory environment.

(14) Workers' compensation, health care, energy costs, and regulatory requirements are a major concern to the agriculture and forest product sectors. For example, workers' compensation premiums for loggers may run as high as 48 percent of each dollar of wages.

(15) The amount of land in Vermont is finite, and part of its community and economic value is tied to the way it is used. Farmland and forestland that are developed for other uses affect the future viability of remaining farms and forest enterprises.

(16) A forestland owner is often not the person actively engaged in the business of land management, such as planning, harvesting, or marketing the raw product, whereas in agricultural operations, the farmer often owns both the land and the business. Many farm operations have woodlots that have traditionally been used for syrup, timber, and firewood production.

(17) Vermonters' perception of and support for local wood and forest products is not at the same level as it is for local food. Public outreach and education efforts need to be created to address

the public's perception of actively managed working lands and the people who perpetuate them. Over the last decade, consumers of wood products have become more interested in production and management methods, certification programs, and the source of the raw materials.

(18) Vermont's forest products industry has been in decline for many years, in part due to rising costs, a poor housing market, and a lack of manufacturing. The total value of the forest product industry has dropped from \$1.8 billion to \$1.3 billion since 2007. If wood chips were priced at the equivalent BTU replacement value of oil, they would command a higher price. The number of active sawmills has also declined to fewer than 20 today.

(19) The average age of Vermont's farmers and loggers is over 55 years and the average age of forestland owners is over 65. Attention needs to be brought to efforts that will ensure intergenerational succession and lower those averages. Economically viable farm and forest-based operations are critical to that goal. "Legacy" skills such as farming and logging are disappearing, as the children of those making a living from those skills often aspire to different employment opportunities.

(20) Access to land is a challenge for many, especially younger, people who want the opportunity to make a living from productive use of the land. Farm and forestland ownership is often out of reach for young people who do not have some sort of assistance.

(21) The Vermont forest product sector contains approximately 7,000 jobs, and approximately 57,000 jobs are in Vermont's food system.

(22) Regulations for forest product enterprises need to reflect a balance between economic development and responsible land use practices. There is a need to assess regulations involving the primary processing and transportation elements of the forest product sector.

(23) Seventy-six percent of Vermont's 4.5 million acres is forested, 84 percent of which is privately owned. Sustainable management of state-owned forestlands represents an opportunity for private sector forest businesses.

(24) Forest product sector representatives have identified needs for their industry including market development, additional secondary processing facilities, lower energy and transportation costs, and capital for growth enterprises as well as research and development for new and improved value added

products that make use of Vermont's forest resources. Factors such as health care, labor, and energy policies in Canada contribute to the northward flow of Vermont logs. Research is needed in order to develop strategies that will help keep Vermont's forest product sector competitive.

(25) Vermont's Use Value Appraisal (Current Use) Program is critically important to every component of Vermont's agriculture and forest product sectors. It also helps keep Vermont forestland productive and healthy through the requirement of active forest management plans.

(26) Dairy enterprises remain Vermont's leading source of agricultural revenues, with an estimated annual economic impact of over \$2 billion or approximately 75 percent of total gross agricultural output.

(27) Recent grants and educational programs have started to address the lack of slaughter and meat-processing facilities in the state; however, there continues to be a strong need to further these efforts.

LEGISLATIVE INTENT

It is the intent of the general assembly in adopting this subchapter to:

(1) stimulate a concerted economic development effort on behalf of Vermont's agriculture and forest product sectors by systematically advancing entrepreneurship, business development, and job creation;

(2) recognize and build on the similarities and unique qualities of Vermont's agriculture and forest product sectors;

(3) increase the value of Vermont's raw and value-added products through the development of in-state and export markets;

(4) attract a new generation of entrepreneurs to Vermont's farm, food system, forest, and value-added chain by facilitating more affordable access to the working landscape;

(5) provide assistance to agricultural and forest product businesses in navigating the regulatory process;

(6) use Vermont's brand recognition and reputation as a national leader in food systems development, innovative entrepreneurship, and as a "green" state to leverage economic development and opportunity in the agriculture and forest product sectors;

(7) promote the benefits of Vermont's working lands, from the economic value of raw and value-added products to the public value of ecological stability, land stewardship, recreational opportunities, and quality of life;

(8) increase the amount of state investment in working lands enterprises, particularly when it leverages private and philanthropic funds; and

(9) support the people and businesses that depend on Vermont's renewable land-based resources and the sustainable and productive use of the land by coordinating and integrating financial products and programs.

H. 766 An act relating to the national guard

This bill “proposes to give the adjutant general the authority to create medals and awards to recognize meritorious service. The bill allows a court to stay a civil or administrative proceeding during the time a

Vermont National Guard member is on state active duty. The bill clarifies that a guard member is allowed to take unpaid leave from work during a period of state active duty. The bill also allows members of the guard to continue their civilian health insurance when called to state active duty, and clarifies the law regarding the receipt of educational assistance.” It passed on a unanimous voice vote.

I hope everyone enjoys a safe, healthy and productive week.

Stay in touch,

Bill

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