| 1 | H.287 |
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| 2 | Introduced by Representatives Hooper of Montpelier, Bartholomew of |
| 3 | Hartland, Berry of Manchester, Burke of Brattleboro, Carr of |
| 4 | Brandon, Chesnut-Tangerman of Middletown Springs, Christie |
| 5 | of Hartford, Cole of Burlington, Dakin of Chester, Deen of |
| 6 | Westminster, Donovan of Burlington, Ellis of Waterbury, Feltus |
| 7 | of Lyndon, Frank of Underhill, French of Randolph, Head of |
| 8 | South Burlington, Kitzmiller of Montpelier, Krowinski of |
| 9 | Burlington, Lanpher of Vergennes, Lenes of Shelburne, Lewis |
| 10 | of Berlin, Macaig of Williston, Masland of Thetford, |
| 11 | McCormack of Burlington, McCullough of Williston, McFaun |
| 12 | of Barre Town, Miller of Shaftsbury, Mrowicki of Putney, |
| 13 | O'Sullivan of Burlington, Partridge of Windham, Patt of |
| 14 | Worcester, Pearson of Burlington, Poirier of Barre City, |
| 15 | Ryerson of Randolph, Stevens of Waterbury, Stuart of |
| 16 | Brattleboro, Sullivan of Burlington, Till of Jericho, Toleno of |
| 17 | Brattleboro, Townsend of South Burlington, Troiano of |
| 18 | Stannard, Walz of Barre City, and Yantachka of Charlotte |
| 19 | Referred to Committee on |
| 20 | Date: |

20

(3) electricity;

| 1 | Subject: Energy; public service; human services; low-income weatherization; |
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| 2 | thermal energy efficiency |
| 3 | Statement of purpose of bill as introduced: This bill proposes to increase |
| 4 | delivery of weatherization and thermal energy efficiency services to Vermont |
| 5 | consumers through two mechanisms that each last for a three-year period. |
| 6 | First, it increases the fuel gross receipts tax that funds low-income |
| 7 | weatherization, with a cap in case the price of fuel rises. Second, it transfers |
| 8 | funds from the energy efficiency's electric efficiency budgets to its thermal |
| 9 | efficiency budgets. |
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| 10 11 | An act relating to increasing delivery of weatherization and thermal energy efficiency services to Vermonters |
| 12 | It is hereby enacted by the General Assembly of the State of Vermont: |
| 13 | Sec. 1. 33 V.S.A. § 2503 is amended to read: |
| 14 | § 2503. FUEL GROSS RECEIPTS TAX |
| 15 | (a) There is imposed a gross receipts tax of 0.5 percent on the retail sale of |
| 16 | the following types of fuel: |
| 17 | (1) heating oil, propane, kerosene, and other dyed diesel fuel delivered |
| 18 | to a residence or business; |
| 19 | (2) natural gas; |

| 1 | (4) coal. |
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| 2 | (b) The tax shall be levied upon and collected quarterly from the seller. |
| 3 | Fuel sellers may include the following message on their bills to customers: |
| 4 | "The amount of this bill includes a 0.5% gross receipts tax, enacted in 1990, |
| 5 | for support of Vermont's Low Income Home Weatherization Program." |
| 6 | (c) The tax shall be administered by the Commissioner of Taxes, and all |
| 7 | receipts shall be deposited by the Commissioner in the Home Weatherization |
| 8 | Assistance Trust Fund. All provisions of law relating to the collection, |
| 9 | administration, and enforcement of the sales and use tax imposed by 32 V.S.A. |
| 10 | chapter 233 shall apply to the tax imposed by this chapter. |
| 11 | * * * |
| 12 | (g) No tax under this section shall be imposed for any quarter ending after |
| 13 | June 30, 2016. Monies from the escrow account shall be issued for rebates |
| 14 | pursuant to subsection (f) of this section until March 1, 2017. Each fiscal year, |
| 15 | commencing on July 1, 2015, the tax percentage stated in subsection (a) of this |
| 16 | section shall increase by an additional 0.5 percent in each subsequent fiscal |
| 17 | year until reaching two percent, subject to each of the following: |
| 18 | (1) The additional percentages required by this subsection shall not |
| 19 | apply to the retail sale of electricity. |
| 20 | (2) There shall be a ceiling on the additional amount of tax imposed by |
| 21 | this section, in accordance with the following: |

| 1 | (A) The ceiling shall apply to the tax on a fuel for each quarter in |
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| 2 | which the data used by the Department of Public Service to publish its monthly |
| 3 | fuel price report shows the average price of that fuel to have been equal to or |
| 4 | greater than \$3.50 per gallon. The Commissioner of Taxes, in consultation |
| 5 | with the Commissioner of Public Service, shall develop a ceiling amount to |
| 6 | apply under this subdivision to natural gas and coal that is roughly equivalent |
| 7 | to \$3.50 per gallon. |
| 8 | (B) For each quarter in which the ceiling applies to a fuel, the |
| 9 | additional tax to be paid under this subsection by a seller of that fuel shall not |
| 10 | exceed the difference between the ceiling amount and the seller's average |
| 11 | price charged for that fuel during the quarter, multiplied by the number of |
| 12 | gallons sold. |
| 13 | (3) The Commissioner of Taxes shall adopt procedures to implement |
| 14 | this subsection and shall have the assistance of the Commissioner of Public |
| 15 | Service in implementing the subsection. |
| 16 | Sec. 2. PROSPECTIVE REPEAL |
| 17 | 33 V.S.A. § 2503(g) shall be repealed on July 1, 2018. |
| 18 | Sec. 3. 30 V.S.A. § 209(e) is amended to read: |
| 19 | (e) Thermal energy and process fuel efficiency funding. |
| 20 | * * * |
| 21 | (3) In this subsection: |

| 1 | (A) "Efficiency services" includes the establishment of a statewide |
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| 2 | information clearinghouse under subsection (g) of this section. |
| 3 | (B) "Regulated fuels" means electricity and natural gas delivered by |
| 4 | a regulated utility. |
| 5 | (C) "Unregulated fuels" means fuels used by thermal energy and |
| 6 | process fuel customers other than electricity and natural gas delivered by a |
| 7 | regulated utility. |
| 8 | (4) Notwithstanding any contrary provision of this section or of a Board |
| 9 | decision or order: |
| 10 | (A) The following amounts to be raised from an energy efficiency |
| 11 | charge on electric customers under subsection (d) of this section are transferred |
| 12 | from the energy efficiency utility electric budgets to the energy efficiency |
| 13 | utility thermal efficiency and process fuel budgets: |
| 14 | (i) \$2 million during calendar year 2015; |
| 15 | (ii) \$3 million during calendar year 2016; and |
| 16 | (iii) \$4 million during calendar year 2017. |
| 17 | (B) In this subdivision (4): |
| 18 | (i) "Energy efficiency utility electric budgets" refers to the |
| 19 | budgets approved by the Board in paragraph one of its order of July 9, 2014, in |
| 20 | Docket EEU-2013-01, pages 76–77. |

| 1 | (ii) "Energy efficiency utility thermal efficiency and process fuel |
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| 2 | budgets" refers to the budgets approved by the Board in paragraph three of its |
| 3 | order of July 9, 2014, in Docket EEU-2013-01, page 77. |
| 4 | (C) The amounts transferred under this subdivision (4) shall be added |
| 5 | to the energy efficiency utility thermal efficiency and process fuel budgets and |
| 6 | shall be for the delivery of thermal energy efficiency services on a whole |
| 7 | building basis to Vermont consumers of unregulated fuels, regardless of |
| 8 | income level, at properties that have not previously received thermal energy |
| 9 | efficiency services under this section or 33 V.S.A. chapter 25 (home |
| 10 | weatherization assistance). |
| 11 | (D) The amounts transferred under this subdivision (4) shall reduce |
| 12 | the energy efficiency utility electric budgets. The Board shall not increase an |
| 13 | energy efficiency charge in order to replace these amounts in those electric |
| 14 | budgets. |
| 15 | Sec. 4. EFFECTIVE DATE |
| 16 | This act shall take effect on passage. |