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## Vermont Chamber Sets 2021 Legislative Priorities

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Dear Policy Leader,

Thank you for your actions to address the health and economic impacts of the COVID-19 pandemic, including your support of business relief packages throughout 2020.



With the Legislature meeting remotely and continued restrictions on business activity, engagement by our members is significantly limited. Therefore, we encourage you to focus exclusively on COVID-related legislation while containing spending and avoiding raising new revenue as businesses and their employees manage through this pandemic. Our COVID-focused priority recommendations are below.

### **Additional Business Grants**

Even with the state grants and federal EIDL and PPP loans, it is certain that Vermont businesses will need more financial and regulatory help to reach a post-pandemic economy. We are pleased with the additional federal relief targeting small businesses and the restaurant and hospitality sectors. This additional relief has been our top priority, and if more funds are allocated, we will encourage the State to complement federal programs with additional business grants as you did previously. If we are fortunate to receive this additional funding, we encourage you to adopt the following guidelines for allocating funds.

- *Provide Substantial Funding Quickly*

The Agency of Commerce estimates the unmet need of Vermont businesses from March through September 30, 2020, to be about \$500 million. This figure represents the remaining need that exists after factoring in all resources provided through that time. There has been no state business grant relief provided for the last quarter of 2020 or for any anticipated loss due to the pandemic in the coming year. The depth of the ongoing need means businesses will require a significant additional aid package.

- *Make Funding Flexible*

Greater flexibility for the use of funds and the timeline to use them would be most helpful. Using grant funds for ongoing expenses, replacing lost revenue, and planning for future expenses is needed.

- *Broaden Qualifying Expenditures*

Include health- and safety-related capital improvements to existing infrastructure and deferred maintenance of existing locations. These are projects that can be completed while guests and customers are absent and often provide opportunities to keep employees working.

- *Target Funds*

Targeting of business grants to industries most impacted by state-mandated operating restrictions is needed. Restaurants, lodging establishments, and retail operations have a substantial economic footprint and continue to be impacted the most.

### **Special Help for Restaurants & Lodging Properties**

We will also be advocating for specific restaurant and lodging legislation to provide meaningful support for the hospitality sector.

- Adjustments to alcohol-related regulations, including the establishment of licensee pricing for third class license holders to purchase spirits, would bring Vermont in line with other control states and ensure competitive industry pricing moving forward. Additionally, allowing establishments to purchase spirits from Vermont liquor stores with a credit card would remove a logistical burden. We will also seek a formal extension for the current pandemic-allowed liquor-to-go sales to allow for a wind-down period of this service that licensees have provided, and customers have come to expect.
- Consent legislation is needed to ensure restaurants have approval over third-party apps like Grubhub, DoorDash, and Uber Eats, which offer restaurant delivery without the knowledge of the restaurant.
- Pandemic-related travel restrictions have highlighted some of the challenges created by the relatively unregulated short-term rental (STR) market. The Vermont Chamber has long advocated for regulatory equity between STRs and the traditional lodging establishment, and we continue to believe the significant disparities should be identified and remedied. As a meaningful first step, we recommend establishing a STR registry to improve the State's ability to understand the market, ensure compliance with health and safety requirements, and develop data related to affordable housing scarcity.

### **Unemployment Insurance**

With the pandemic has come widespread unemployment, and Congress has been instrumental in providing recipients extended and enhanced benefits. It is anticipated that a rate hike from the lowest rate to the highest rate will be set in July. We encourage the passage of a bill to prevent that rate shock by setting a limit for any rate increase in a 12-month period.

### **Child Care & Broadband**

For immediate and long-term economic health, Vermont's economy would also greatly benefit from additional investment in child care and broadband infrastructure. While these critical needs were important prior to the pandemic, the last several months highlighted the severity of the issues. We believe that the massive amount of investment for these issues must be a priority for federal funding. Without substantial investment from Congress, Vermont will need to increase taxes to a level that is not sustainable by our businesses, our workers, and all Vermonters. We must prioritize these needs for federal funding to help our rural economy recover.

Thank you for your consideration of the above suggestions. We appreciate your willingness to maintain continuous dialogue with businesses during these turbulent times. Please contact me at [cmartin@vtchamber.com](mailto:cmartin@vtchamber.com) with any questions.

Stay healthy,

*Charles Martin*



Charles Martin  
Government Affairs Director  
Vermont Chamber of Commerce  
[cmartin@vtchamber.com](mailto:cmartin@vtchamber.com)