

PHILIP B. SCOTT
Governor



State of Vermont
OFFICE OF THE GOVERNOR

February 10, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H. 157, *An act relating to registration of contractors*, without my signature because of my objections described herein.

As I have previously said, I strongly support protecting the interests of consumers, who are already facing a crisis of affordability. I also support policy that helps Vermont's small businesses succeed and grow. These small, local businesses are the heart and soul of our communities and the backbone of our economy.

The fact is the findings of the Legislature in support of this bill are flawed.

This bill has the potential to undermine and weaken a large number of Vermont's small businesses – small, local residential contractors – at a time when we all agree we must prioritize new and revitalized housing.

More specifically, this bill favors larger and more established businesses at the expense of small entry-level businesses by imposing, by law, specific contract and insurance requirements that many of the smaller businesses will not be able to meet. Such specific requirements are rarely, if ever imposed on other professions. Ultimately, these provisions harm small businesses – which could lead to closures – and they harm consumers through higher costs and fewer options for making needed repairs.

There are multiple ways of finding residential contractors in one's community and for holding contractors accountable without creating this new regulatory system. One can find directories maintained by trades associations, as well as commercial listings, social media, consumer sites, references, and, of course, word of mouth.

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Importantly, there are existing avenues for determining and adjudicating complaints already, as well as an existing Home Improvement Fraud Registry. Current law clearly authorizes the Attorney General to pursue both civil and criminal complaints against contractors for unfair or deceptive acts or practices. The Criminal Law provisions relating to home improvement fraud apply to oral and written contracts for \$500 or more; convictions for home improvement fraud require notice to the Attorney General; and the Attorney General maintains the Home Improvement Fraud Registry (although it is important to note successfully completed deferred sentences will be expunged).

Finally, the Legislature concedes in its findings that registration confers no assurance of competence. Given this concession, we should not risk the economic harm of this legislation when we already have tools in the toolbox to protect consumers and perhaps those tools should be sharpened.

I would agree there is room to improve existing processes already designed to protect consumers, but not necessarily through Legislative action, and certainly not action that could advantage larger established entities over small, local mom-and-pop businesses; reduce our contracting workforce and increase costs for already over-burdened consumers – not to mention the \$250 fee that will be charged to get on this registry.

As legislators are well aware, I have been willing to work with you to find a path forward, but based on the objections outlined above, I cannot support this piece of legislation and must return it without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip B. Scott", with a long horizontal flourish extending to the right.

Philip B. Scott
Governor

PBS/kp