

# Journal of the Senate

TUESDAY, MARCH 14, 2023

The Senate was called to order by the President.

## **Devotional Exercises**

A moment of silence was observed in lieu of devotions.

## **Pledge of Allegiance**

The President then led the members of the Senate in the pledge of allegiance.

## **Bill Referred to Committee on Finance**

### **S. 18.**

Senate bill of the following title, appearing on the Calendar for notice, and affecting the revenue of the state, under the rule was referred to the Committee on Finance:

An act relating to banning flavored tobacco products and e-liquids.

## **Bill Referred to Committee on Appropriations**

### **S. 99.**

Senate bill of the following title, appearing on the Calendar for notice and carrying an appropriation or requiring the expenditure of funds, under the rule was referred to the Committee on Appropriations:

An act relating to miscellaneous changes to laws related to vehicles.

## **Joint Senate Resolution Adopted on the Part of the Senate**

### **J.R.S. 18.**

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Baruth,

**J.R.S. 18.** Joint resolution relating to weekend adjournment.

### ***Resolved by the Senate and House of Representatives:***

That when the two Houses adjourn on Friday, March 17, 2023, it be to meet again no later than Tuesday, March 21, 2023.

**Proposed Amendment to the Constitution Introduced**

The Proposed Amendment to the Constitution of the State of Vermont designated as Proposal 2 was introduced, read the first time and referred:

By Senators White and Vyhovsky,

**PROPOSAL 2**

## Sec. 1. PURPOSE

(a) Since 1777, attitudes toward incarceration and the treatment of justice-involved individuals have changed considerably. The idea that the commission of crimes is effectively deterred “by continued visible punishments of long duration” is outmoded.

(b) This proposal would amend the Constitution of the State of Vermont to repeal the section calling for criminals to be punished at hard labor. Guidelines for the proper treatment of justice-involved individuals can, and should, continue to evolve; such methods should not be enshrined in a state’s constitution.

Sec. 2. Section 64 of Chapter II of the Vermont Constitution is amended to read:

§ 64. ~~[PUNISHMENT AT HARD LABOR, WHEN]~~

~~To deter more effectually from the commission of crimes, by continued visible punishments of long duration, and to make sanguinary punishments less necessary, means ought to be provided for punishing by hard labor, those who shall be convicted of crimes not capital, whereby the criminal shall be employed for the benefit of the public, or for the reparation of injuries done to private persons: and all persons at proper times ought to be permitted to see them at their labor. [Repealed.]~~

## Sec. 3. EFFECTIVE DATE

The amendment set forth in Sec. 2 shall become a part of the Constitution of the State of Vermont on the first Tuesday after the first Monday of November 2026 when ratified and adopted by the people of this State in accordance with the provisions of 17 V.S.A. chapter 32.

To the Committee on Judiciary.

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**Bills Introduced**

Senate bills of the following titles were severally introduced, read the first time and referred:

**S. 122.**

By Senator Perchlik,

An act relating to creating health care facility safety policies.

To the Committee on Health and Welfare.

**S. 123.**

By Senator Brock,

An act relating to fair disclosure of lodging rates and resort fees.

To the Committee on Economic Development, Housing and General Affairs.

**Committee Bill Introduced**

Senate committee bill of the following title was introduced, read the first time, and, under the rule, placed on the Calendar for notice tomorrow:

**S. 124.**

By the Committee on Education,

An act relating to the creation of the School Construction Aid Task Force.

**Bill Introduced**

Senate bill of the following title was introduced, read the first time and referred:

**S. 125.**

By Senators White, Bray, Clarkson, Gulick, Hardy, Harrison, Hashim, McCormack, Ram Hinsdale and Vyhovsky,

An act relating to voluntary engagement in sex work.

To the Committee on Judiciary.

**Bills Referred**

House bills of the following titles were severally read the first time and referred:

**H. 53.**

An act relating to driver's license suspensions.

To the Committee on Judiciary.

**H. 67.**

An act relating to household products containing hazardous substances.

To the Committee on Natural Resources and Energy.

**H. 148.**

An act relating to raising the age of eligibility to marry.

To the Committee on Judiciary.

**Bill Amended; Third Reading Ordered****S. 14.**

Senator Vyhovsky, for the Committee on Judiciary, to which was referred Senate bill entitled:

An act relating to Justice Reinvestment II reporting requirements.

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 28 V.S.A. § 125 is amended to read:

§ 125. ~~JUSTICE REINVESTMENT II INITIATIVES~~ CRIMINAL JUSTICE INVESTMENTS AND TRENDS; REPORT

(a) Definitions. As used in this section:

(1) “Arrest” means when a person is seized by law enforcement, charged with the commission of an offense, and referred for prosecution.

(2) “Clearance” means the process by which a law enforcement agency closes an offense by arrest or exceptional means in accordance with the Federal Bureau of Investigation’s Uniform Crime Reporting Program.

(3) “Desistance” means the process by which criminality, or the individual risk for antisocial conduct, declines over the life-course of the individual, generally after adolescence.

(4) “Exceptional means” means the death of the offender, the victim’s refusal to cooperate with the prosecution after the offender is identified, the denial of extradition because the offender committed a crime in another jurisdiction and is being prosecuted for that offense, or other circumstance in

accordance with the Federal Bureau of Investigation's Uniform Crime Reporting Program.

(5) "Recidivism" has the same meaning as in section 4 of this title.

(b) Report.

(1) On or before January November 15 each year, 2024 and every three years thereafter, the Commissioner of Corrections Vermont Statistical Analysis Center (SAC), in consultation with the Commissioners of Corrections, of Health, of Mental Health, of Public Safety, of Labor, and for Children and Families and; the Attorney General; the Chief Superior Judge of the Superior Court; the Division of Racial Justice Statistics; and the Parole Board Director, shall submit a report to the House Committees on Appropriations and on Corrections and Institutions and, the Senate Committees on Appropriations and on Judiciary detailing the expenditures on Justice Reinvestment II and the following related initiatives:

(1) funding for domestic violence intervention programming in the Department of Corrections;

(2) funding for offender transitional housing capacity with the Department of Corrections and other departments;

(3) funding for the Department of Correction's data collection Offender Management System;

(4) funding for community-based mental health and substance use services for individuals under Department of Corrections supervision;

(5) funding provided for diversion and restorative justice programs including community justice centers, court diversion, and balanced and restorative justice (BARJ); and

(6) funding and a description of any other General Fund expenditures for Justice Reinvestment II initiatives., the Joint Legislative Justice Oversight Committee, and the Executive Director of the Office of Racial Equity examining the trends associated with Vermont's criminal justice-related investments and expenditures since the last report was submitted pursuant to this section.

(2) The report required pursuant to subdivision (1) of this section shall include data showing:

(A) recidivism rates;

(B) clearance rates;

(C) evidence of desistance, including successful completion of community supervision;

(D) returns to incarceration from community supervision with the following relevant data points:

(i) community supervision type, classified by probation, parole, and furlough;

(ii) an indication if a return was for a violation or a new charge, including the crime type;

(iii) an indication if a violation was classified as “significant/not violent” or “significant and violent” for any applicable statuses; and

(iv) all available demographic information.

(E) bail rates, including detainees held without bail, detainees held with bail and the associated monetary amounts, and bailees who post bail and are released;

(F) pretrial detainees held in Vermont correctional facilities, including the crime type and jurisdiction for which they are held;

(G) the funding for, and utilization of, substance use, mental health, educational, and vocational initiatives for incarcerated individuals; and

(H) the funding for, and utilization by, individuals served through Justice Reinvestment II and related initiatives, including:

(i) domestic violence intervention programming in the Department of Corrections, including the results from the evaluation framework between the Vermont Network Against Domestic and Sexual Violence and the University of Nebraska;

(ii) offender transitional housing capacity with the Department of Corrections and other departments;

(iii) advancements to the Department of Corrections’ data collection Offender Management System;

(iv) agencies, departments, municipalities, programs, and services employing restorative justice principles, including community justice centers;

(v) other General Fund expenditures for Justice Reinvestment II initiatives;

(vi) the Department of Corrections’ out-of-state beds contracted by the Department and the average cost per bed in fiscal year 2019 and for each fiscal year thereafter; and

(vii) the Department of Corrections' in-state beds, separated by gender, including specialty units and units closed or unavailable in fiscal year 2019 and for each fiscal year thereafter.

~~(b) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this section.~~

(c) Informational availability.

(1) The information required pursuant to subsection (b) of this section shall include race, gender, age, and other demographic variables whenever possible.

(2) The report required pursuant to subsection (b) of this section shall explain any obstacles or impediments to the availability and collectability of data required pursuant to this section, including whether collecting certain data would put particular populations at risk, along with the substance use and mental health needs and educational and vocational status of justice-involved individuals.

(d) Data sharing. Notwithstanding any provision of law to the contrary, all State and local agencies and departments that possess the data necessary to compile the report required pursuant to this section shall, upon request, provide SAC with any data that it determines is relevant to the report. The obligation to disclose shall supersede any other legal obligation with respect to the data required pursuant to this section, and a department, agency, or other entity shall not decline to disclose data required based on any other purported legal obligation.

(e) Confidentiality. Any data or records transmitted to or obtained by SAC are exempt from public inspection and copying under the Public Records Act and shall be confidential to the extent required by law unless and until the data or records are included in the report required by this section. A State or local agency or department that transmits data or records to SAC shall be the sole records custodian for purposes of responding to requests for the data or records. SAC may direct any request for these data or records to the transmitting agency or department for response.

## Sec. 2. SUNSET OF REPORT

28 V.S.A. § 125 is repealed on July 1, 2028.

## Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

And that after passage the title of the bill be amended to read:

An act relating to a report on criminal justice-related investments and trends.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

**Bill Amended; Third Reading Ordered****S. 95.**

Senator Cummings, for the Committee on Finance, to which was referred Senate bill entitled:

An act relating to banking and insurance.

Reported recommending that the bill be amended as follows:

First: In Sec. 9, 8 V.S.A. chapter 112, §§ 4171–4190, in section 4173, in subsection (b), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) This chapter shall provide coverage to a person specified in subsection (a) of this section for a policy or contract of direct, nongroup life insurance, health insurance, which for purposes of this chapter includes health maintenance organization subscriber contracts and certificates, an annuity, or a certificate under a direct group policy or contract, and supplemental policies or contracts to any of these, and for an unallocated annuity contract, in each case, issued by a member insurer, except as limited by this chapter. An annuity contract or certificate under a group annuity contract includes a guaranteed investment contract, guaranteed interest contract, guaranteed accumulation contract, deposit administration contract, unallocated funding agreement, allocated funding agreement, structured settlement annuity, annuity issued to or in connection with a government lottery, and any immediate or deferred annuity contract.

Second: In Sec. 9, 8 V.S.A. chapter 112, §§ 4171–4190, in section 4173, in subdivision (b)(2)(K), by striking out the words “an affiliated member insurer” and inserting in lieu thereof the words an affiliate of a member insurer



Third: In Sec. 9, 8 V.S.A. chapter 112, §§ 4171–4190, in section 4176, in subsection (b), in the second sentence, by striking out the word “or” and inserting in lieu thereof the word of

Fourth: In Sec. 9, 8 V.S.A. chapter 112, §§ 4171–4190, in section 4178, in subdivision (n)(1)(C)(i), in the second sentence, by striking out the word “receiver” and inserting in lieu thereof the word liquidator

Fifth: In Sec. 9, 8 V.S.A. chapter 112, §§ 4171–4190, in section 4184, in subdivision (e)(1), in the second sentence, by striking out the word “policyholders” and inserting in lieu thereof the word policyowners

Sixth: By adding a new Sec. 10 and Secs. 11 and 12 to read as follows:

Sec. 10. 8 V.S.A. § 7033 is amended to read:

§ 7033. INJUNCTIONS AND ORDERS

(a) A receiver appointed in a proceeding under this chapter may at any time apply for, and any court of general jurisdiction may grant, restraining orders, preliminary and permanent injunctions, and other orders as may be deemed necessary and proper to prevent:

- (1) the transaction of further business;
- (2) the transfer of property;
- (3) interference with the receiver or with a proceeding under this chapter;
- (4) waste of the insurer’s assets;
- (5) dissipation and transfer of bank accounts;
- (6) the institution or further prosecution of any actions or proceedings;
- (7) the obtaining of preferences, judgments, attachments, garnishments, or liens against the insurer, its assets or its policyholders;
- (8) the levying of execution against the insurer, its assets or its policyholders;
- (9) the making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer;
- (10) the withholding from the receiver of books, accounts, documents, or other records relating to the business of the insurer; or
- (11) any other threatened or contemplated action that might lessen the value of the insurer’s assets or prejudice the rights of policyholders, creditors, or shareholders, or the administration of any proceeding under this chapter.

(b) The receiver may apply to a court outside the State for the relief described in subsection (a) of this section.

(c) Notwithstanding subsections (a) and (b) of this section, subsection 7054(a) of this title, or any other provision of this chapter to the contrary, no person, for more than 10 days, shall be restrained, stayed, enjoined, or prohibited from exercising or enforcing any right or cause of action under any pledge, security, credit, collateral, loan, advances, reimbursement, or guarantee agreement or arrangement, or any similar agreement, arrangement, or other credit enhancement to which a federal home loan bank is a party.

(d) A federal home loan bank exercising its rights regarding collateral pledged by an insurer-member shall, within seven days after receiving a redemption request made by the insurer-member, repurchase any of the insurer-member's outstanding capital stock in excess of the amount the insurer-member must hold as a minimum investment. The federal home loan bank shall repurchase the excess outstanding capital stock only to the extent that it determines in good faith that the repurchase is both of the following:

(1) permissible under federal laws and regulations and the federal home loan bank's capital plan; and

(2) consistent with the capital stock practices currently applicable to the federal home loan bank's entire membership.

(e) Not later than 10 days after the date of appointment of a receiver in a proceeding under this chapter involving an insurer-member of a federal home loan bank, the federal home loan bank shall provide to the receiver a process and timeline for the following:

(1) the release of any collateral held by the federal home loan bank that exceeds the amount that is required to support the secured obligations of the insurer-member and that is remaining after any repayment of loans, as determined under the applicable agreements between the federal home loan bank and the insurer-member;

(2) the release of any collateral of the insurer-member remaining in the federal home loan bank's possession following repayment in full of all outstanding secured obligations of the insurer-member;

(3) the payment of fees owed by the insurer-member and the operation, maintenance, closure, or disposition of deposits and other accounts of the insurer-member, as mutually agreed upon by the receiver and the federal home loan bank; and

(4) any redemption or repurchase of federal home loan bank stock or excess stock of any class that the insurer-member is required to own under agreements between the federal home loan bank and the insurer-member.

(f) Upon the request of a receiver appointed in a proceeding under this chapter involving a federal home loan bank insurer-member, the federal home loan bank shall provide to the receiver any available options for the insurer-member to renew or restructure a loan. In determining which options are available, the federal home loan bank may consider market conditions, the terms of any loans outstanding to the insurer-member, the applicable policies of the federal home loan bank, and the federal laws and regulations applicable to federal home loan banks.

(g) As used in this section, "federal home loan bank" means an institution chartered under the "Federal Home Loan Bank Act of 1932," 12 U.S.C. 1421, et seq. and "insurer-member" means a member of the federal home loan bank in question that is an insurer.

Sec. 11. 8 V.S.A. § 7065 is amended to read:

§ 7065. FRAUDULENT TRANSFERS PRIOR TO PETITION

(a) Every transfer made or suffered and every obligation incurred by an insurer within one year prior to the filing of a successful petition for rehabilitation or liquidation under this chapter is fraudulent as to then existing and future creditors if made or incurred without fair consideration, or with actual intent to hinder, delay, or defraud either existing or future creditors. A transfer made or an obligation incurred by an insurer ordered to be rehabilitated or liquidated under this chapter, which is fraudulent under this section, may be avoided by the receiver, except as to a person who in good faith is a purchaser, lienor, or obligee, for a present fair equivalent value, and except that a purchaser, lienor, or obligee, who in good faith has given a consideration less than fair for such transfer, lien, or obligation, may retain the property, lien, or obligation as security for repayment. The Court may, on due notice, order any such transfer or obligation to be preserved for the benefit of the estate, and in that event, the receiver shall succeed to and may enforce the rights of the purchaser, lienor, or obligee.

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(e) Notwithstanding subsection (a) of this section, section 7066 of this title, or any other provision of this chapter to the contrary, no receiver or any other person shall avoid any transfer of, or any obligation to transfer, money or any other property arising under or in connection with any pledge, security, credit, collateral, loan, advances, reimbursement, or guarantee agreement or arrangement, or any similar agreement, arrangement, or other credit

enhancement to which a federal home loan bank, as defined in section 7033 of this title, is a party, that is made, incurred, or assumed prior to or after the filing of a successful petition for rehabilitation or liquidation under this chapter, or otherwise would be subject to avoidance under this section or section 7066 of this title; provided, however, that a transfer may be avoided under this section or section 7066 of this title if the transfer was made with actual intent to hinder, delay, or defraud the insurer, a receiver appointed for the insurer, or existing or future creditors.

Sec. 12. 8 V.S.A. § 7067 is amended to read:

§ 7067. VOIDABLE PREFERENCES AND LIENS

(a)(1) A preference is a transfer of any of the property of an insurer to or for the benefit of a creditor, for or on account of an antecedent debt, made or suffered by the insurer within one year before the filing of a successful petition for liquidation under this chapter, the effect of which transfer may be to enable the creditor to obtain a greater percentage of this debt than another creditor of the same class would receive. If a liquidation order is entered while the insurer is already subject to a rehabilitation order, then such transfers shall be deemed preferences if made or suffered within one year before the filing of the successful petition for rehabilitation, or within two years before the filing of the successful petition for liquidation, whichever time is shorter.

(2) A preference may be avoided by the liquidator if:

(A) the insurer was insolvent at the time of the transfer of property;

(B) the transfer of property was made within four months before the filing of the petition;

(C) the creditor receiving it or to be benefited by it or the creditor's agent acting with reference to it had, at the time when the transfer of property was made, reasonable cause to believe that the insurer was insolvent or was about to become insolvent; or

(D) the creditor receiving transferred property was an officer, or any employee or attorney or other person who was in fact in a position of comparable influence in the insurer to an officer whether or not he or she held such position, or any shareholder holding directly or indirectly more than five per centum of any class of any equity security issued by the insurer, or any other person, firm, corporation, association, or aggregation of persons with whom the insurer did not deal at arm's length.

(3) Where the preference is voidable, the liquidator may recover the property or, if it has been converted, its value from any person who has received or converted the property; except where a bona fide purchaser or

lienor has given less than fair equivalent value, ~~he or she~~ the purchaser or lienor shall have a lien upon the property to the extent of the consideration actually given by ~~him or her~~ the purchaser or lienor. Where a preference by way of lien or security title is voidable, the court may on due notice order the lien or title to be preserved for the benefit of the estate, in which event the lien or title shall pass to the liquidator.

(4) Notwithstanding subdivision (2) of this section, or any other provision of this chapter to the contrary, no receiver or any other person shall avoid any preference arising under or in connection with any pledge, security, credit, collateral, loan, advances, reimbursement, or guarantee agreement or arrangement, or any similar agreement, arrangement, or other credit enhancement to which a federal home loan bank, as defined in section 7033 of this title, is a party.

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And by renumbering the remaining section to be numerically correct.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

### **Message from the House No. 28**

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

**H. 40.** An act relating to nonconsensual removal of or tampering with a condom.

**H. 94.** An act relating to removing the Reach Up ratable reduction.

**H. 217.** An act relating to miscellaneous workers' compensation amendments.

**H. 227.** An act relating to the Vermont Uniform Power of Attorney Act.

**H. 411.** An act relating to extending COVID-19 health care regulatory flexibility.

**H. 429.** An act relating to miscellaneous changes to election laws.

In the passage of which the concurrence of the Senate is requested.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

**H. 145.** An act relating to fiscal year 2023 budget adjustments.

And has adopted the same on its part.

### **Adjournment**

On motion of Senator Baruth, the Senate adjourned until one o'clock in the afternoon on Wednesday, March 15, 2023.