Senate Calendar

TUESDAY, MARCH 15, 2016

SENATE CONVENES AT: 9:30 A.M.

TABLE OF CONTENTS
Page No.
ACTION CALENDAR
UNFINISHED BUSINESS OF MARCH 11, 2016
Second Reading
Favorable with Recommendation of Amendment
S. 245 An act relating to disclosure of health care provider affiliations Health and Welfare Report - Sen. Ayer
NEW BUSINESS
Third Reading
S. 75 An act relating to food and lodging establishments
S. 157 An act relating to breast density notification and education
S. 183 An act relating to permanency for children in the child welfare system
S. 225 An act relating to miscellaneous changes to laws related to motor vehicles
S. 255 An act relating to regulation of hospitals, health insurers, and managed care organizations
Amendment - Sen. Benning
Committee Resolution for Second Reading
J.R.S. 45 Joint resolution relating to the transfer of two State-owned parcels of land to the Town of Duxbury
Second Reading
Favorable with Recommendation of Amendment
S. 196 An act relating to the Agency of Human Services' contracts with providers
Health and Welfare Report - Sen. Lyons704

NOTICE CALENDAR

Second Reading

Favorable with Recommendation of Amendment

S. 52 An act relating to the Uniform Interstate Family Support Act Judiciary Report - Sen. White	.708
S. 91 An act relating to qualifications of judicial officers and judicial selection and retention Judiciary Report - Sen. Ashe	.709
S. 132 An act relating to the prohibition of conversion therapy on minors Health and Welfare Report - Sen. Ayer	.714
S. 153 An act relating to jurors' fees Judiciary Report - Sen. White	.719
S. 174 An act relating to a model State policy for use of body cameras by law enforcement officers Judiciary Report - Sen. Ashe	.719
S. 176 An act relating to an income tax credit for home modifications required by a disability or physical hardship Finance Report - Sen. Sirotkin	.721
S. 215 An act relating to the regulation of vision insurance plans Finance Report - Sen. Mullin	.722
S. 216 An act relating to prescription drug formularies Finance Report - Sen. Sirotkin	.724
S. 220 An act relating to the public financing of campaigns Government Operations Report - Sen. Pollina	.725
S. 224 An act relating to warranty obligations of equipment dealers and suppliersEcon. Dev., Housing and General Affairs Report - Sen. Cummings	.728
S. 230 An act relating to improving the siting of energy projects Natural Resources and Energy Report - Sen. Bray	.738
S. 242 An act relating to the service of civil process by a constable Government Operations Report - Sen. White	.767
S. 243 An act relating to combating opioid abuse in Vermont Health and Welfare Report - Sen. Lyons	.768
S. 257 An act relating to residential rental agreements Econ. Dev., Housing and General Affairs Report - Sen. Balint	.784

ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF FRIDAY, MARCH 11, 2016

Second Reading

Favorable with Recommendation of Amendment

S. 245.

An act relating to disclosure of health care provider affiliations.

Reported favorably with recommendation of amendment by Senator Ayer for the Committee on Health & Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. GREEN MOUNTAIN CARE BOARD; NOTICE TO PATIENTS OF NEW AFFILIATION

The Green Mountain Care Board shall maintain a policy for reviewing new physician acquisitions and transfers as part of the Board's hospital budget review responsibilities. The policy shall require hospitals to provide written notice about a new acquisition or transfer of health care providers to each patient served by a health care provider during the previous three-year period, including:

- (1) notifying the patient that the health care provider is now affiliated with the hospital;
 - (2) providing the hospital's name and contact information;
- (3) notifying the patient that the change in affiliation may affect his or her out-of-pocket costs, depending on the patient's health insurance plan and the services provided; and
- (4) recommending that the patient contact his or her insurance company with specific questions or to determine his or her actual financial liability.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2016.

And that after passage the title of the bill be amended to read: "An act relating to notice to patients of new health care provider affiliations"

(Committee vote: 5-0-0)

NEW BUSINESS

Third Reading

S. 75.

An act relating to food and lodging establishments.

S. 157.

An act relating to breast density notification and education.

S. 183.

An act relating to permanency for children in the child welfare system.

S. 225.

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

S. 255.

An act relating to regulation of hospitals, health insurers, and managed care organizations.

Amendment to S. 255 to be offered by Senator Benning before Third Reading

Senator Benning moves that the bill be amended by striking out Sec. 11, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 11. VERMONT HEALTH CONNECT SUSTAINABILITY ASSESSMENT; REPORT

- (a) The Green Mountain Care Board shall determine the long-term sustainability of Vermont Health Connect. If the Board determines that Vermont's operation of a State-based Exchange is not feasible in the long-term, the Board shall recommend whether it would be more advantageous for Vermont residents to transition to a fully federally facilitated Exchange or to a federally facilitated State-based Exchange.
- (b) On or before December 15, 2016, the Green Mountain Care Board shall deliver to the General Assembly its report, which shall include the evaluation of Vermont Health Connect's long-term sustainability and an implementation plan for transitioning to the selected federal Exchange model, if applicable, for coverage beginning on January 1, 2018 or as soon thereafter as is practicable. If the Board recommends moving to a new Exchange model, the plan shall include a description of the federally facilitated Exchange model selected, estimates of the costs associated with the transition and with ongoing participation in the federally facilitated Exchange, options for financing the transition and participation costs, and a detailed timeline of the steps necessary

to ensure that the transition will take place without causing any disruption to Medicaid or private health insurance coverage. The plan shall also include a description of the steps needed to dismantle unnecessary functions of Vermont Health Connect while minimizing financial exposure to the State.

Sec. 12. EFFECTIVE DATES

- (a) Secs. 1 (hospital needs assessment), 2 (hospital community reports), 11 (Exchange sustainability assessment), and this section shall take effect on passage.
 - (b) The remaining sections shall take effect on July 1, 2016.

Committee Resolution for Second Reading J.R.S. 45.

Joint resolution relating to the transfer of two State-owned parcels of land to the Town of Duxbury.

By the Committee on Institutions. (Senator Rodgers for the Committee.)

Text of Resolution:

Whereas, 10 V.S.A. § 2606(b) authorizes the Commissioner of Forests, Parks and Recreation to exchange or lease certain lands with the approval of the General Assembly, and

Whereas, the General Assembly considers the following actions to be in the best interest of the State of Vermont, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly authorizes the Commissioner of Forests, Parks and Recreation to convey a 137-acre portion of Camel's Hump State Park and an adjacent 32.3-acre State-owned parcel known as the "Father Logue's Camp," both located in the Town of Duxbury, to the Town of Duxbury for use as a municipal forest, *and be it further*

Resolved: That the Town of Duxbury shall use these two parcels only for forestry, conservation, and recreation purposes, *and be it further*

Resolved: That to ensure these purposes are upheld, the Department shall convey a conservation easement encumbering these parcels to the Duxbury Land Trust, *and be it further*

Resolved: That in consideration of the public benefits associated with these transactions, these parcels shall be transferred to the Town at no cost, *and be it further*

Resolved: That these transactions are conditioned on the Town of Duxbury assuming all associated costs, including legal, survey, and permitting that may be necessary to complete these transactions, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Commissioner of Forests, Parks and Recreation, to the Duxbury Town Clerk, and to the Duxbury Land Trust.

Second Reading

Favorable with Recommendation of Amendment

S. 196.

An act relating to the Agency of Human Services' contracts with providers.

Reported favorably with recommendation of amendment by Senator Lyons for the Committee on Health & Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Nutrition Procurement Standards for State Government * * *

Sec. 1. FINDINGS

- (a) Approximately 13,000 Vermont residents are employed by the State. Reducing the impact of diet-related diseases will support a more productive and healthy workforce that will pay dividends to Vermont's economy and cultivate national competitiveness for State residents and employees.
- (b) Improving the nutritional quality of food sold or provided by the State on public property will support people in making healthy eating choices.
- (c) State properties are visited by Vermont residents and out-of-state visitors, and also provide care to dependent adults and children.
- (d) Approximately 25 percent of Vermont residents are overweight or obese.
- (e) Obesity costs Vermont \$291 million each year in health care costs, contributing to debilitating yet preventable diseases, such as heart disease, cancer, stroke, and diabetes.
- (f) Improving the types of foods and beverages served and sold in workplaces positively affects employees' eating behaviors and can result in weight loss.
- (g) Maintaining a healthy workforce can positively affect indirect costs by reducing absenteeism and increasing worker productivity.

Sec. 2. 29 V.S.A. § 160c is added to read:

§ 160c. NUTRITION PROCUREMENT STANDARDS

- (a)(1) The Commissioner of Health shall establish and post on the Department's website nutrition procurement standards that:
- (A) consider relevant guidance documents, including those published by the U.S. General Services Administration, the American Heart Association, and the National Alliance for Nutrition and Activity and, upon request, the Department shall provide a rationale for any divergence from these guidance documents;
- (B) consider both positive and negative contributions of nutrients, ingredients, and food groups to diets, including calories, portion size, saturated fat, trans fat, sodium, sugar, and the presence of fruits, vegetables, whole grains, and other nutrients of concern in Americans' diets; and
- (C) contain exceptions for circumstances in which State-procured foods or beverages are intended for individuals with specific dietary needs.
- (2) The Commissioner shall review and, if necessary, amend the nutrition procurement standards at least every five years to reflect advances in nutrition science, dietary data, new product availability, and updates to federal Dietary Guidelines for Americans.
- (b)(1) All foods and beverages purchased, sold, served, or otherwise provided by the State or any entity, subdivision, or employee on behalf of the State shall meet the minimum nutrition procurement standards established by the Commissioner of Health.
- (2) All bids and contracts between the State and food and beverage vendors shall comply with the nutrition procurement standards. The Commissioner, in conjunction with the Commissioner of Buildings and General Services, may periodically review or audit a contracting food or beverage vendor's financial reports to ensure compliance with this section.
- (c) The Governor's Health in All Policies Task Force may disseminate information to State employees on the Commissioner's nutrition procurement standards.
- (d) All State-owned or -operated vending machines, food or beverage vendors contracting with the State, or cafeterias located on property owned or operated by the State shall display nutritional labeling to the extent permitted under the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. ch. 9 § 301 et seq.

(e) The Commissioner of Buildings and General Services shall incorporate the nutrition procurement standards established by the Commissioner into the appropriate procurement document.

Sec. 3. EXISTING PROCUREMENT CONTRACTS

To the extent possible, the State's existing contracts and agreements with food and beverage vendors shall be modified to comply with the nutrition procurement standards established by the Commissioner of Health.

* * * Contracts between the Agency of Human Services and Providers * * *

Sec. 4. REPORT; AGENCY OF HUMAN SERVICES' CONTRACTS

- (a) On or before January 1, 2017, the Agency of Human Services, in consultation with Vermont Care Partners, the Green Mountain Care Board, and representatives from preferred providers, shall submit a report to the Senate Committee on Health and Welfare and to the House Committees on Health Care and on Human Services. The report shall address the following:
- (1) the amount and type of performance measures and other evaluations used in fiscal year 2016 and 2017 Agency contracts with designated agencies, specialized service agencies, and preferred providers;
- (2) how the Agency's funding levels of designated agencies, specialized service agencies, and preferred providers affect access to and quality of care; and
- (3) how the Agency's funding levels for designated agencies, specialized service agencies, and preferred providers affect compensation levels for staff relative to private and public sector pay for the same services.
- (b) The report shall contain a plan developed in conjunction with the Vermont Health Care Innovation Project and in consultation with the Vermont Care Network and the Vermont Council of Developmental and Mental Health Services to implement a value-based payment methodology for designated agencies, specialized service agencies, and preferred providers that shall improve access to and quality of care, including long-term financial sustainability. The plan shall describe the interaction of the value-based payment methodology for Medicaid payments made to designated agencies, specialized service agencies, and preferred providers by the Agency with any Medicaid payments made to designated agencies, specialized service agencies, and preferred providers by the accountable care organizations.

(c) As used in this section:

(1) "Designated agency" means the same as in 18 V.S.A. § 7252.

- (2) "Preferred provider" means any substance abuse organization that has attained a certificate of operation from the Department of Health's Division of Alcohol and Drug Abuse Programs and has an existing contract or grant from the Division to provide substance abuse treatment.
- (3) "Specialized service agency" means any community mental health and developmental disability agency or any public or private agency providing specialized services to persons with a mental condition or psychiatric disability or with developmental disabilities or children and adolescents with a severe emotional disturbance pursuant to 18 V.S.A. § 8912.

Sec. 5. MEDICAID PATHWAY

- (a) The Secretary of Human Services, in consultation with the Director of Health Care Reform and affected providers, shall create a process for payment and delivery system reform for Medicaid providers and services. This process shall address all Medicaid payments to affected providers and shall focus on services not included in the Medicaid equivalent of Medicare Part A and Part B services.
- (b) On or before January 15, 2017 and annually for five years thereafter, the Secretary of Human Services shall report on the results of this process to the Senate Committee on Health and Welfare, the House Committees on Health Care and on Human Services, and the Green Mountain Care Board. The Secretary's report shall address:
- (1) all Medicaid payments to affected providers, including progress toward integration of services not included in the Medicaid equivalent of Medicare Part A and Part B services in the previous year;
 - (2) changes to reimbursement methodology and services impacted;
- (3) changes to quality measure collection and identifying alignment efforts and analyses, if any; and
- (4) the interrelationship of results-based accountability initiatives with the quality measures in subdivision (3) of this subsection.

Sec. 6. EFFECTIVE DATES

- (a) This section and Secs. 4 and 5 shall take effect on passage.
- (b) Secs. 1–3 shall take effect on July 1, 2016.

And that after passage the title of the bill be amended to read: "An act relating to nutrition procurement standards for State government and the Agency of Human Services' contracts with providers"

(Committee vote: 5-0-0)

NOTICE CALENDAR

Second Reading

Favorable with Recommendation of Amendment

S. 52.

An act relating to the Uniform Interstate Family Support Act.

Reported favorably with recommendation of amendment by Senator White for the Committee on Judiciary.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. SPOUSAL SUPPORT AND MAINTENANCE TASK FORCE

- (a) Creation. There is created a Spousal Support and Maintenance Task Force for the purpose of reviewing and modernizing Vermont's law concerning spousal support and maintenance.
- (b) Membership. The Task Force shall be composed of the following seven members:
- (1) a current member of the House of Representatives who shall be appointed by the Speaker of the House;
- (2) a current member of the Senate who shall be appointed by the Committee on Committees;
- (3) a Superior Court judge who has significant experience in the Family Division of Superior Court appointed by the Chief Justice;
 - (4) the Chief Superior Court Judge;
- (5) two experienced family law attorneys appointed by the Family Law Section of the Vermont Bar Association; and
- (6) a representative of Vermont Alimony Reform who is a resident of Vermont.
- (c) Powers and duties. The Task Force shall consider amendments to Vermont's spousal support and maintenance laws aimed to improve clarity, fairness, and predictability in recognition of changes to the family structure in recent decades. The Task Force may hold public hearings and shall endeavor to hear a wide variety of perspectives from stakeholders and interested parties.
- (d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Office of Legislative Council.

(e) Recommendation. On or before January 15, 2017, the Task Force shall submit its recommendations for any legislative action to the Senate and House Committees on Judiciary.

(f) Meetings.

- (1) The Superior Court judge appointed in accordance with subdivision (b)(3) of this section shall serve as chair.
 - (2) A majority of the membership shall constitute a quorum.
 - (3) The Task Force shall cease to exist on March 1, 2017.

(g) Reimbursement.

- (1) For attendance at meetings during adjournment of the General Assembly, legislative members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than four regular meetings and two public hearings.
- (2) Other members of the Task Force who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for no more than four regular meetings and two public hearings.

Sec. 2. 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 creating a Spousal Support and Maintenance Task Force"

(Committee vote: 5-0-0)

S. 91.

An act relating to qualifications of judicial officers and judicial selection and retention.

Reported favorably with recommendation of amendment by Senator Ashe for the Committee on Judiciary.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 4 V.S.A. § 601 is amended to read:

§ 601. JUDICIAL NOMINATING BOARD CREATED; COMPOSITION

- (a) A Judicial Nominating Board is created for the nomination of Supreme Court Justices, Superior judges, magistrates, the Chair of the Public Service Board, and members of the Public Service Board.
- (b) The Board shall consist of 11 members who shall be selected as follows:
- (1) The Governor shall appoint two members who are not attorneys at law.
- (2) The Senate shall elect three of its members, not all of whom shall be members of the same party, and only one of whom may be an attorney at law.
- (3) The House shall elect three of its members, not all of whom shall be members of the same party, and only one of whom may be an attorney at law.
- (4) Attorneys at law admitted to practice before the Supreme Court of Vermont, and residing in the State, shall elect three of their number as members of the Board. The Supreme Court shall regulate the manner of their nomination and election.
- (5) The members of the Board appointed by the Governor shall serve for terms of two years and may serve for no more than three <u>consecutive</u> terms. The members of the Board elected by the House and Senate shall serve for terms of two years and may serve for no more than three consecutive terms. The members of the Board elected by the attorneys at law shall serve for terms of two years and may serve for no more than three consecutive terms. All appointments or elections shall be between January 1 and February 1 of each odd-numbered year, except to fill a vacancy. Members shall serve until their successors are elected or appointed.
- (6) The members shall elect their own chair who will serve for a term of two years.
- (c) Legislative members of the Board shall be entitled to per diem compensation and reimbursement for expenses in accordance with 2 V.S.A. § 406. Members of the Board who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement for expenses in the same manner as board members are compensated under 32 V.S.A. § 1010. All compensation and reimbursement shall be paid from the legislative appropriation.
- (d) The Judicial Nominating Board shall may adopt rules under 3 V.S.A. chapter 25 which shall establish criteria and standards for the nomination of candidates for Justices of the Supreme Court, Superior judges, magistrates, and the Chair of the Public Service Board, and members of the Public Service Board based on the attributes identified in subsection 602(f) of this title. The

eriteria and standards shall include such factors as integrity, legal knowledge and ability, judicial temperament, impartiality, health, experience, diligence, administrative and communicative skills, social consciousness, and public service. The application form shall not be included in the rules and may be developed and periodically revised at the discretion of the Board.

- (e) A quorum of the Board shall consist of eight members.
- (f) The Board is authorized to use the staff and services of appropriate State agencies and departments as necessary to conduct investigations of applicants. The Office of Legislative Council shall assist the Board for the purpose of rulemaking.
- (g) Except as provided in subsection (h) of this section, proceedings of the Board, including the names of candidates considered by the Board and information about any candidate submitted by the Court Administrator or by any other source shall be confidential.
 - (h) The following shall be public:
 - (1) operating procedures of the Board;
- (2) standard application forms and any other forms used by the Board, provided they do not contain personal information about a candidate or confidential proceedings;
- (3) all proceedings of the Board prior to the Board's receipt of the first candidate's completed application; and
- (4) at the time the Board sends the names of the candidates to the Governor, the total number of applicants for the vacancy and the total number of candidates sent to the Governor.
- Sec. 2. 4 V.S.A. § 602 is amended to read:

§ 602. DUTIES; JUSTICES, JUDGES, MAGISTRATES, AND THE CHAIR OF THE PUBLIC SERVICE BOARD

(a)(1) Prior to submission of submitting to the Governor the names of qualified candidates for justices Justices of the supreme court Supreme Court, superior Superior Court judges, magistrates, the chair of the public service board, and members of the public service board to the governor and the Chair of the Public Service Board, the board Judicial Nominating Board shall submit to the court administrator of the supreme court Court Administrator a list of all candidates, and the administrator he or she shall disclose to the board Board information solely about professional disciplinary action taken or pending concerning any candidate.

- (2) From the list of candidates presented, the judicial nominating board Judicial Nominating Board shall select by majority vote, provided that a quorum is present, qualified well-qualified candidates for the position to be filled.
- (b) Whenever a vacancy occurs in the office of a supreme court justice or Supreme Court Justice, a superior judge Superior Court judge, magistrate, or Chair of the Public Service Board, or when an incumbent does not declare that he or she will be a candidate to succeed himself or herself, the judicial nominating board Board shall submit to the governor Governor the names of as many persons as it deems qualified well qualified to be appointed to the office. There shall be included in the qualifications for appointment that the person shall be an attorney at law who has been engaged in the practice of law or a judge in the state of Vermont for a period of at least five out of the ten years preceding appointment, and with respect to a candidate for superior judge particular consideration shall be given to the nature and extent of the candidate's trial practice.
- (c) All proceedings of the board, including the names of candidates considered by the board and information about any candidate submitted by the court administrator or by any other source, shall be confidential.
- (1) A candidate for judge or Justice shall be a Vermont resident and an experienced lawyer who has practiced law in Vermont for a minimum of ten years, with at least five years immediately preceding his or her application to the Board.
- (2) A candidate for magistrate shall be a Vermont resident and an experienced lawyer who has practiced law in Vermont for at least five years immediately preceding his or her application to the Board.
- (3) A candidate for Chair of the Public Service Board shall not be required to be an attorney; however if the candidate is admitted to practice law in Vermont, the Judicial Nominating Board shall submit the candidate's name to the Court Administrator, and he or she shall disclose to the Board information solely about professional disciplinary action taken or pending concerning the candidate. If a candidate is not admitted to practice law in Vermont, but practices a profession requiring licensure, certification, or other professional regulation by the State, the Judicial Nominating Board shall submit the candidate's name to the State professional regulatory entity and that entity shall disclose to the Board any professional disciplinary action taken or pending concerning the candidate.

- (d) A candidate shall possess the following attributes:
- (1) Integrity. A candidate shall possess a record and reputation for excellent character and integrity.
- (2) Legal knowledge and ability. A candidate shall possess a high degree of knowledge of established legal principles and procedures and have demonstrated a high degree of ability to interpret and apply the law to specific factual situations.
- (3) Judicial temperament. A candidate shall possess an appropriate judicial temperament.
- (4) Impartiality. A candidate shall exhibit an ability to make judicial determinations in a manner free of bias.
- (5) Communication capability. A candidate shall possess demonstrated oral and written capacities, with reasonable accommodations, required by the position.
- (6) Financial integrity. A candidate shall possess demonstrated financial probity.
 - (7) Work ethic. A candidate shall demonstrate diligence.
- (8) Administrative capabilities. A candidate shall demonstrate management and organizational skills or experience required by the position.
- (9) Courtroom experience. For Superior Court, a candidate shall have sufficient trial or other comparable experience that ensures knowledge of the Vermont Rules of Evidence and courtroom procedure. For the Environmental Division of the Superior Court, a candidate shall have experience in environmental and zoning law.
- (10) Other. A candidate shall possess other attributes the Board deems relevant as identified through its rules.
- Sec. 3. 4 V.S.A. § 602a is added to read:

§ 602a. DUTIES; PUBLIC SERVICE BOARD MEMBERS

(a) In accordance with 30 V.S.A. § 3, whenever a vacancy occurs for a member position on the Public Service Board, the Governor shall submit at least five names of potential nominees to the Judicial Nominating Board for review. The Judicial Nominating Board shall submit to the Governor the names of candidates it deems well qualified. The Judicial Nominating Board shall submit to the Governor a summary of the qualifications and experience of each candidate whose name is submitted to the Governor, together with any further information relevant to the matter. Vacancies for the position of Chair

of the Public Service Board shall follow the procedure set forth in section 602 of this title.

- (b) A candidate for the position of member of the Public Service Board shall not be required to be an attorney; however, if the candidate is admitted to practice law in Vermont, the Judicial Nominating Board shall submit the candidate's name to the Court Administrator, and he or she shall disclose to the Board information solely about professional disciplinary action taken or pending concerning the candidate. If a candidate is not admitted to practice law in Vermont, but practices a profession requiring licensure, certification, or other professional regulation by the State, the Judicial Nominating Board shall submit the candidate's name to the State professional regulatory entity and that entity shall disclose to the Board any professional disciplinary action taken or pending concerning the candidate.
- (c) A candidate shall possess the attributes provided in subsection 602(d) of this title.

Sec. 4. 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 procedures of the Judicial Nominating Board and qualifications of candidates for the positions of Justice, judge, magistrate, and Chair and member of the Public Service Board"

(Committee vote: 5-0-0)

S. 132.

An act relating to the prohibition of conversion therapy on minors.

Reported favorably with recommendation of amendment by Senator Ayer for the Committee on Health & Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Findings * * *

Sec. 1. FINDINGS

In recognition that being lesbian, gay, bisexual, or transgender is part of the natural spectrum of human identity and is not a disease, disorder, illness, deficiency, or shortcoming, the General Assembly finds:

(1) Vermont has a compelling interest in protecting the physical and psychological well-being of children, including lesbian, gay, bisexual, and

transgender youth, and in protecting its children against exposure to serious harms.

- (2) A 2015 report published by the U.S. Substance Abuse and Mental Health Service's Administration states "conversion therapy...is a practice that is not supported by credible evidence and has been disavowed by behavioral health experts and associations...[m]ost importantly, it may put young people at risk of serious harm."
- (3) The American Academy of Pediatrics, the American Counseling Association, the American Psychiatric Association, the American Psychological Association, the National Association of School Psychologists, and the National Association of Social Workers, together representing more than 477,000 health and mental health professionals, have all taken the position that homosexuality is not a mental disorder and thus there is no need for a "cure."

* * * Conversion Therapy * * *

Sec. 2. 18 V.S.A. chapter 196 is added to read:

CHAPTER 196. CONVERSION THERAPY

§ 8351. DEFINITIONS

As used in this chapter:

- (1) "Conversion therapy" means any practice by a mental health care provider that seeks to change an individual's sexual orientation, including efforts to change behaviors or gender expressions or to eliminate or reduce sexual or romantic attractions or feelings toward individuals of the same sex. "Conversion therapy" does not include psychotherapies that:
- (A) provide support to an individual undergoing gender transition; and
- (B) provide acceptance, support, and understanding of clients or the facilitation of clients' coping, social support, and identity exploration and development, including sexual-orientation-neutral interventions to prevent or address unlawful conduct or unsafe sexual practices and that do not seek to change an individual's sexual orientation or gender identity.
- (2) "Mental health care provider" means a person licensed to practice medicine pursuant to 26 V.S.A. chapter 23, 33, or 81 who specializes in the practice of psychiatry; a psychologist, a psychologist-doctorate, or a psychologist-master as defined in 26 V.S.A. § 3001; a clinical social worker as defined in 26 V.S.A. § 3201; a clinical mental health counselor as defined in 26 V.S.A. § 3261; a licensed marriage and family therapist as defined in

26 V.S.A. § 4031; a psychoanalyst as defined in 26 V.S.A. § 4051; any other allied mental health professional; or a student, intern, or trainee of any such profession.

§ 8352. TREATMENT OF MINORS

A mental health care provider shall not use conversion therapy with a client younger than 18 years of age.

§ 8353. UNPROFESSIONAL CONDUCT

Any conversion therapy used on a client younger than 18 years of age by a mental health care provider shall constitute unprofessional conduct as provided in the relevant provisions of Title 26 and shall subject the mental health care provider to discipline pursuant to the applicable provisions of that title and of 3 V.S.A. chapter 5.

* * * Physicians * * *

Sec. 3. 26 V.S.A. § 1354(a) is amended to read:

(a) The <u>board Board</u> shall find that any one of the following, or any combination of the following, whether or not the conduct at issue was committed within or outside the <u>state State</u>, constitutes unprofessional conduct:

* * *

- (39) use of the services of a physician assistant by a physician in a manner which is inconsistent with the provisions of chapter 31 of this title; or
- (40) use of conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.

* * * Osteopathy * * *

Sec. 4. 26 V.S.A. § 1842(b) is amended to read:

(b) Unprofessional conduct means the following conduct and conduct set forth in 3 V.S.A. \S 129a_{$\bar{\tau}$}:

* * *

(13) Use of conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.

* * * Psychologists * * *

Sec. 5. 26 V.S.A. § 3016 is amended to read:

§ 3016. UNPROFESSIONAL CONDUCT

Unprofessional conduct means the conduct listed in this section and in 3 V.S.A. § 129a:

(11) Use of conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.

* * * Clinical Social Workers * * *

Sec. 6. 26 V.S.A. § 3210(a) is amended to read:

(a) The following conduct and the conduct set forth in 3 V.S.A. § 129a by a licensed social worker constitutes unprofessional conduct. When that conduct is by an applicant or a person who later becomes an applicant, it may constitute grounds for denial of a license:

* * *

- (12) failing to clarify the clinical social worker's role with the parties involved and to take appropriate action to minimize any conflicts of interest, when the clinical social worker anticipates a conflict of interest among the individuals receiving services or anticipates having to perform in conflicting roles such as testifying in a child custody dispute or divorce proceedings involving clients; or
- (13) using conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.
- Sec. 7. 26 V.S.A. § 3210(a) is amended to read:
- (a) The following conduct and the conduct set forth in 3 V.S.A. § 129a by a person licensed under this chapter constitutes unprofessional conduct. When that conduct is by an applicant or a person who later becomes an applicant, it may constitute grounds for denial or discipline of a license:

* * *

- (12) failing to clarify the licensee's role with the parties involved and to take appropriate action to minimize any conflicts of interest, when the clinical social worker anticipates a conflict of interest among the individuals receiving services or anticipates having to perform in conflicting roles such as testifying in a child custody dispute or divorce proceedings involving clients; or
- (13) using conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.
 - * * * Clinical Mental Health Counselors * * *
- Sec. 8. 26 V.S.A. § 3271(a) is amended to read:
- (a) Unprofessional conduct means the following conduct and conduct set forth in 3 V.S.A. \S 129a_{$\bar{\tau}$}:

- (7) independently practicing outside or beyond a clinical mental health counselor's area of training, experience or competence without appropriate supervision; or
- (8) using conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.
 - * * * Marriage and Family Therapists * * *
- Sec. 9. 26 V.S.A. § 4042(a) is amended to read:
- (a) Unprofessional conduct means the following conduct and the conduct set forth in 3 V.S.A. § 129a:

* * *

- (7) Using conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.
 - * * * Psychoanalysts * * *
- Sec. 10. 26 V.S.A. § 4062(a) is amended to read:
- (a) Unprofessional conduct means the following conduct and the conduct set forth in 3 V.S.A. § 129a:

* * *

- (7) Using conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.
 - * * * Naturopathic Physicians * * *
- Sec. 11. 26 V.S.A. § 4132(a) is amended to read:
- (a) The following conduct and conduct set forth in 3 V.S.A. § 129a by a person licensed under this chapter or an applicant for licensure constitutes unprofessional conduct:

* * *

(11) Using conversion therapy as defined in 18 V.S.A. § 8351 on a client younger than 18 years of age.

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

This act shall take effect on July 1, 2016, except Sec. 7 shall take effect on July 1, 2017.

(Committee vote: 5-0-0)

An act relating to jurors' fees.

Reported favorably with recommendation of amendment by Senator White for the Committee on Judiciary.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 32 V.S.A. § 1511 is amended to read:

§ 1511. GRAND AND PETIT JURORS IN SUPERIOR COURT

There shall be allowed to grand and petit jurors in the Superior Court the following fees compensation expenses:

- (1) For for attendance, \$30.00 \$50.00 a day, on request, unless the jurors were otherwise compensated by their employer;
- (2) For for each talesman, \$30.00 \$50.00 a day, on request, unless the talesmen were otherwise compensated by their employer;
- (3) Upon upon request and upon a showing of hardship, reimbursement for expenses necessarily incurred for travel from home to court, and return, at the rate of reimbursement allowed State employees for travel under the terms of the prevailing collective bargaining agreement.

Sec. 2. APPROPRIATION

The sum of \$60,000.00 is appropriated to the Judiciary from the General Fund in fiscal year 2017 for jurors' compensation under 32 V.S.A. § 1511.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2016.

And that after passage the title of the bill be amended to read: "An act relating to jurors' compensation"

(Committee vote: 5-0-0)

S. 174.

An act relating to a model State policy for use of body cameras by law enforcement officers.

Reported favorably with recommendation of amendment by Senator Ashe for the Committee on Judiciary.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LAW ENFORCEMENT ADVISORY BOARD; MODEL STATE POLICY; BODY CAMERAS

- (a)(1) On or before December 15, 2016, the Law Enforcement Advisory Board shall establish and report to the Senate and House Committees on Judiciary and on Government Operations a statewide policy for the use of body cameras by Vermont law enforcement officers.
- (2) The report required by this subsection shall include a section addressing:
- (A) any costs associated with establishing the statewide policy, including strategies for minimizing the costs of obtaining cameras and storing data; and
- (B) potential grants available to alleviate the costs of establishing the statewide policy.
- (b) The model policy required by this section shall include provisions regarding:
 - (1) when a law enforcement officer should wear a body camera;
- (2) under what circumstances a law enforcement officer wearing a body camera should turn the camera on and off, and a requirement that the officer provide the reasons for doing so each time the camera is turned on and off;
- (3) when a video recording made by a law enforcement officer's body camera should be exempt from disclosure under the Public Records Act as determined by 1 V.S.A. chapter 5, subchapter 3; and
- (4) treatment of situations when a law enforcement officer's body camera malfunctions or is unavailable.
- (c)(1) Except as provided in subdivision (2) of this subsection, on or before July 1, 2017, every State, local, county, and municipal law enforcement agency and every constable who is not employed by a law enforcement agency shall adopt a policy for the use of body cameras by law enforcement officers that at a minimum meets the requirements of the policy established by the Law Enforcement Advisory Board pursuant to subsection (a) of this section. If a law enforcement agency or officer that is required to adopt a policy pursuant to this subsection fails to do so on or before July 1, 2017, that agency or officer shall be deemed to have adopted, and shall follow and enforce, the model policy established by the Law Enforcement Advisory Board pursuant to subsection (a) of this section.

(2) A law enforcement agency or constable that does not use body cameras shall not be required to adopt a model policy under subdivision (1) of this subsection.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

S. 176.

An act relating to an income tax credit for home modifications required by a disability or physical hardship.

Reported favorably with recommendation of amendment by Senator Sirotkin for the Committee on Finance.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 20 V.S.A. § 2907 is amended to read:

§ 2907. ACCESSIBILITY STANDARDS; RESIDENTIAL CONSTRUCTION

- (a) For the purposes of <u>As used in</u> this chapter, "residential construction" means new construction of one family or multifamily dwellings. "Residential construction" shall not include a single family dwelling built by the owner for the personal occupancy of the owner and the owner's family, or the assembly or placement of residential construction that is prefabricated or manufactured out of state.
- (b) Any residential construction shall be built to comply with all the following standards:
 - (1) At least one first floor exterior door that is at least 36 inches wide.
- (2) First floor interior doors between rooms that are at least 34 inches wide or open doorways that are at least 32 inches wide with thresholds that are level, ramped, or beveled.
 - (3) Interior hallways that are level and at least 36 inches wide.
- (4) Environmental and utility controls and outlets that are located at heights that are in compliance with standards adopted by the Vermont access board Access Board.
- (5) Bathroom walls that are reinforced to permit attachment of grab bars.

- (c) A violation of this section shall neither affect marketability nor create a defect in title of the residential construction.
- (d) Prior to the sale of residential construction, a seller shall provide written disclosure to a prospective buyer detailing whether the residential construction is in compliance with the standards described in subsection (b) of this section. Disclosure shall be made on a form and in a manner prescribed by the Access Board.

Sec. 2. 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 disclosure of compliance with accessibility standards in the sale of residential construction"

(Committee vote: 7-0-0)

S. 215.

An act relating to the regulation of vision insurance plans.

Reported favorably with recommendation of amendment by Senator Mullin for the Committee on Finance.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 8 V.S.A. § 4088j is amended to read:

§ 4088j. CHOICE OF PROVIDERS FOR VISION CARE AND MEDICAL EYE CARE SERVICES

* * *

- (e)(1) An agreement between a health insurer or an entity that writes vision insurance and an optometrist or ophthalmologist for the provision of vision services to plan members or subscribers in connection with coverage under a stand-alone vision <u>care</u> plan or other health insurance plan shall not require that an optometrist or ophthalmologist provide services or materials at a fee limited or set by the plan or insurer unless the services or materials are reimbursed as covered services under the contract.
- (2) An optometrist or ophthalmologist shall not charge more for services and materials that are noncovered services under a vision <u>care</u> plan than his or her usual and customary rate for those services and materials.

- (3) Reimbursement paid by a vision <u>care</u> plan for covered services and materials shall be reasonable and shall not provide nominal reimbursement in order to claim that services and materials are covered services.
- (4) A vision care plan shall not limit an optometrist's or ophthalmologist's choice of or relationship with optical laboratories or sources and suppliers of services or materials if the source, supplier, or laboratory selected by the optometrist or ophthalmologist offers the services or materials at a lower cost to the consumer than the source, supplier, or laboratory selected by the vision care plan.
- (f) The Department of Financial Regulation shall enforce the provisions of this section.

(g) As used in this section:

- (1) "Covered services" means services and materials for which reimbursement from a vision <u>care</u> plan or other health insurance plan is provided by a member's or subscriber's plan contract, or for which a reimbursement would be available but for application of the deductible, co-payment, or coinsurance requirements under the member's or subscriber's health insurance plan.
- (2) "Health insurance plan" means any health insurance policy or health benefit plan offered by a health insurer or a subcontractor of a health insurer, as well as Medicaid and any other public health care assistance program offered or administered by the State or by any subdivision or instrumentality of the State. The term includes vision <u>care</u> plans but does not include policies or plans providing coverage for a specified disease or other limited benefit coverage.

* * *

(7) "Vision care plan" means an integrated or stand-alone plan, policy, or contract providing vision benefits to enrollees with respect to covered services or covered materials, or both.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2016.

(Committee vote: 5-2-0)

An act relating to prescription drug formularies.

Reported favorably with recommendation of amendment by Senator Sirotkin for the Committee on Finance.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. PRESCRIPTION DRUG FORMULARIES; RULEMAKING

On or before January 1, 2017, the Commissioner of Financial Regulation shall adopt rules pursuant to 3 V.S.A. chapter 25 to require all health insurers that offer health benefit plans to Vermont residents through the Vermont Health Benefit Exchange to provide information to enrollees, potential enrollees, and health care providers about the plans' prescription drug formularies. The rules shall ensure that the formulary is posted online in a standard format established by the Department of Financial Regulation; that the formulary is updated frequently and is searchable by enrollees, potential enrollees, and health care providers; and that it includes information about the prescription drugs covered, applicable cost-sharing amounts, drug tiers, prior authorization, step therapy, and utilization management requirements.

Sec. 2. 33 V.S.A. § 2011 is added to read:

§ 2011. 340B DRUG PRICING; REIMBURSEMENT FORMULA

The Department of Vermont Health Access shall use the same dispensing fee in its reimbursement formula for 340B prescription drugs as the Department uses to pay for non-340B prescription drugs under the Medicaid program.

Sec. 3. 340B REIMBURSEMENT; REPORT

The Department of Vermont Health Access shall determine the formula used by other states' Medicaid programs to reimburse covered entities that use 340B pricing for dispensing prescription drugs to Medicaid beneficiaries. On or before January 15, 2017, the Department shall report to the House Committees on Health Care and the Senate Committees on Health and Welfare and on Finance regarding its findings, its recommendations for modifications to Vermont's 340B reimbursement formula, if any, and the financial implications of implementing any recommended modification.

Sec. 4. 18 V.S.A. § 4631a(b) is amended to read:

(b)(1) It is unlawful for any manufacturer of a prescribed product or any wholesale distributor of medical devices, or any agent thereof, to offer or give

any gift to a health care provider or to a member of the Green Mountain Care Board established in chapter 220 of this title.

(2) The prohibition set forth in subdivision (1) of this subsection shall not apply to any of the following:

* * *

(K) The provision of coffee or other, snacks, or other refreshments at a booth at a conference or seminar.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-1-0)

S. 220.

An act relating to the public financing of campaigns.

Reported favorably with recommendation of amendment by Senator Pollina for the Committee on Government Operations.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 17 V.S.A. § 2981 is amended to read:

§ 2981. DEFINITIONS

As used in this subchapter:

* * *

- (4) "Vermont campaign finance qualification period" means <u>one of</u> the period beginning February 15 of each even-numbered year and ending on the date on which primary petitions must be filed under section 2356 of this title following periods within which a candidate who intends to seek Vermont campaign finance grants shall be required to obtain qualifying contributions, as chosen by the candidate:
- (A) The period beginning October 1 of the odd-numbered year and ending on January 15 of the even-numbered year.
- (B) The period beginning November 1 of the odd-numbered year and ending on February 15 of the even-numbered year.
- (C) The period beginning December 1 of the odd-numbered year and ending on March 15 of the even-numbered year.
- (D) The period beginning January 1 of the even-numbered year and ending on April 15 of the even-numbered year.

- (E) The period beginning February 1 of the even-numbered year and ending on May 15 of the even-numbered year.
- Sec. 2. 17 V.S.A. § 2982 is amended to read:

§ 2982. FILING OF VERMONT CAMPAIGN FINANCE <u>DECLARATION</u> AND AFFIDAVIT

- (a) A candidate for the office of Governor or Lieutenant Governor who intends to seek Vermont campaign finance grants from the Secretary of State Services Fund shall file:
- (1) a declaration of his or her chosen Vermont campaign finance qualification period on or before the date on which that chosen period begins; and
- (2) a Vermont campaign finance affidavit on <u>or before</u> the date on or before which primary petitions must be filed, whether the candidate seeks to enter a party primary or is an independent candidate which his or her chosen Vermont campaign finance qualification period ends.
- (b) The Secretary of State shall prepare a the Vermont campaign finance declaration and affidavit form forms described in this section, informational materials on procedures and financial requirements, and notification of the penalties for violation of this subchapter.
- (c)(1) The Vermont campaign finance affidavit shall set forth the conditions of receiving grants under this subchapter and provide space for the candidate to agree that he or she will abide by such conditions and all expenditure and contribution limitations, reporting requirements, and other provisions of this chapter.

* * *

(3) The affidavit shall also contain a list of all the candidate's qualifying contributions together with the name and town of residence of the contributor and the date each contribution was made.

* * *

Sec. 3. 17 V.S.A. § 2983 is amended to read:

§ 2983. VERMONT CAMPAIGN FINANCE GRANTS; CONDITIONS

- (a) A person shall not be eligible for Vermont campaign finance grants if:
- (1) prior to February 15 of the general election year during any two-year general election cycle his or her chosen Vermont campaign finance qualification period, he or she becomes a candidate by announcing that he or she seeks an elected position as Governor or Lieutenant Governor or by

accepting contributions totaling \$2,000.00 or more or by making expenditures totaling \$2,000.00 or more; or

- (2) except for the contributions permitted under subdivision (1) of this subsection, prior to accepting any Vermont campaign finance grant, he or she solicits or accepts any contributions, other than qualifying contributions.
 - (b) A candidate who accepts Vermont campaign finance grants shall:
- (1)(A) not Not solicit, accept, or expend any contributions except qualifying contributions, Vermont campaign finance grants, and contributions authorized under section 2985 of this chapter, which contributions may be solicited, accepted, or expended only in accordance with the provisions of this subchapter.
- (B) For the purposes of this subdivision (1), notwithstanding the provisions of subdivision 2944(c)(1) of this chapter, an expenditure described in that subdivision that is made by a political party that is associated with the candidate shall not be presumed to be a related expenditure made on behalf of the candidate.
- (2) <u>deposit</u> <u>Deposit</u> all qualifying contributions, Vermont campaign finance grants, and any contributions accepted in accordance with the provisions of section 2985 of this chapter in a federally insured noninterest-bearing checking account; and.
- (3) not Not later than 40 days after the general election, deposit in the Secretary of State Services Fund, after all permissible expenditures have been paid, the balance of any amounts remaining in the account established under subdivision (2) of this subsection.

Sec. 4. 17 V.S.A. § 2984 is amended to read:

§ 2984. QUALIFYING CONTRIBUTIONS

- (a) In order to qualify for Vermont campaign finance grants, a candidate for the office of Governor or Lieutenant Governor shall obtain during the his or her chosen Vermont campaign finance qualification period the following amount and number of qualifying contributions for the office being sought:
- (1) for Governor, a total amount of no less than \$35,000.00 collected from no fewer than 1,500 qualified individual contributors making a contribution of no more than \$50.00 each; or
- (2) for Lieutenant Governor, a total amount of no less than \$17,500.00 collected from no fewer than 750 qualified individual contributors making a contribution of no more than \$50.00 each.

Sec. 5. EFFECTIVE DATE

This act shall take effect on January 1, 2017.

(Committee vote: 5-0-0)

S. 224.

An act relating to warranty obligations of equipment dealers and suppliers.

Reported favorably with recommendation of amendment by Senator Cummings for the Committee on Economic Development, Housing & General Affairs.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS AND INTENT

(a) The General Assembly finds:

- (1) Vermont has long relied on economic activity relating to working farms and forestland in the State. These working lands, and the people who work the land, are part of the State's cultural and ecological heritage, and Vermont has made major policy and budget commitments in recent years in support of working lands enterprises. Farm and forest enterprises need a robust system of infrastructure to support their economic and ecological activities, and that infrastructure requires a strong economic base consisting of dealers, manufacturers, and repair facilities. Initiatives to help strengthen farm and forest working land infrastructure are in the best interest of the State.
- (2) Snowmobiles and all-terrain vehicles have a significant economic impact in the State, including the distribution and sale of these vehicles, use by residents, ski areas, and emergency responders, as well as tourists that come to enjoy riding snowmobiles and all-terrain vehicles in Vermont. It is in the best interest of the State to ensure that Vermont consumers who want to purchase snowmobiles and all-terrain vehicles have access to a competitive marketplace and a strong network of dealers, suppliers, and repair facilities in the State.
- (3) The distribution and sale of equipment, snowmobiles, and all-terrain vehicles within this State vitally affects the general economy of the State and the public interest and the public welfare, and in order to promote the public interest and the public welfare, and in the exercise of its police power, it is necessary to regulate equipment, snowmobile, and all-terrain vehicle suppliers and their representatives, and to regulate dealer agreements issued by suppliers who are doing business in this State, in order to protect and preserve the investments and properties of the citizens of this State.

- (4) There continues to exist an inequality of bargaining power between equipment, snowmobile, and all-terrain vehicle suppliers and the independent dealer network. This inequality of bargaining power enables equipment, snowmobile, and all-terrain vehicle suppliers to compel dealers to execute dealer agreements, related contracts, and addenda that contain terms and conditions that would not routinely be agreed to by the equipment, snowmobile, and all-terrain vehicle dealer if this inequality did not exist. It therefore is in the public interest to enact legislation to prevent unfair or arbitrary treatment of equipment, snowmobile, and all-terrain vehicle dealers by equipment, snowmobile, and all-terrain vehicle suppliers. It is also in the public interest that Vermont consumers, municipalities, businesses, and others that purchase equipment, snowmobiles, and all-terrain vehicles in Vermont have access to a robust independent dealer network to obtain competitive prices when purchasing these items and to obtain warranty, recall, or other repair work.
- (b) It is the intent of the General Assembly that this act be liberally construed in order to achieve its purposes.
- Sec. 2. 9 V.S.A. chapter 107 is amended to read:

CHAPTER 107. <u>EQUIPMENT AND</u> MACHINERY DEALERSHIPS § 4071. DEFINITIONS

As used in this chapter:

- (1) "Current net price" means the price listed in the supplier's price list or eatalog catalogue in effect at the time the dealer agreement is terminated, less any applicable discounts allowed.
- (2)(A) "Dealer" means a person, corporation, or partnership primarily engaged in the business of retail sales of farm and utility tractors, farm implements, farm machinery, forestry equipment, industrial equipment, utility equipment, yard and garden equipment, attachments, accessories, and repair parts inventory. Provided however, "dealer" shall
- (B) "Dealer" does not include a "single line dealer," a person primarily engaged in the retail sale and service of industrial, forestry, and construction equipment. "Single line dealer" means a person, partnership or corporation who:
- (A)(i) has purchased 75 percent or more of the dealer's total new product his or her new inventory from a single supplier; and
- $\frac{\text{(B)(ii)}}{\text{(B)}}$ has a total annual average sales volume for the previous three years in excess of \$15 \frac{\$100}{\$100} million for the entire territory for which the dealer is responsible.

- (3) "Dealer agreement" means a written or oral contract or agreement between a dealer and a wholesaler, manufacturer, or distributor supplier by which the supplier gives the dealer is granted the right to sell or distribute goods or services or to use a trade name, trademark, service mark, logotype, or advertising or other commercial symbol.
- (4) "Inventory" means farm, utility, forestry, or industrial equipment, implements, machinery, yard and garden equipment, attachments, or repair parts. These terms do not include heavy construction equipment.

(A) "Inventory" means:

- (i) farm, utility, forestry, yard and garden, or industrial:
 - (I) tractors;
 - (II) equipment;
 - (III) implements;
 - (IV) machinery;
 - (V) attachments;
 - (VI) accessories; and
 - (VII) repair parts;
- (ii) snowmobiles, as defined in 23 V.S.A. § 3201(5); and
- (iii) all-terrain vehicles, as defined in 23 V.S.A. § 3801(1).
- (B) "Inventory" does not include heavy construction equipment.
- (5) "Net cost" means the price the dealer paid the supplier for the inventory, less all applicable discounts allowed, plus the amount the dealer paid for freight costs from the supplier's location to the dealer's location. In the event of termination of a dealer agreement by the supplier, "net cost" shall include the reasonable cost of assembly or disassembly performed by a dealer.
- (6) "Supplier" means a wholesaler, manufacturer, or distributor of inventory as defined in this chapter who enters into a dealer agreement with a dealer.
- (7) "Termination" of a dealer agreement means the cancellation, nonrenewal, or noncontinuance of the agreement.

§ 4072. NOTICE OF TERMINATION OF DEALER AGREEMENTS

(a) Notwithstanding any agreement to the contrary, prior to the termination of a dealer agreement, a supplier shall notify the dealer of the termination not less than 120 days prior to the effective date of the termination. No supplier

may terminate, cancel, or fail to renew a dealership agreement without cause. "Cause" means failure by an equipment dealer to comply with the requirements imposed upon the equipment dealer by the dealer agreement, provided the requirements are not substantially different from those requirements imposed upon other similarly situated equipment dealers in this State.

- (b) The supplier may immediately terminate the agreement at any time upon the occurrence of any of the following events which in addition to the above definition of cause, are also cause for termination, cancellation, or failure to renew a dealership agreement:
- (1) the filing of a petition for bankruptcy or for receivership either by or against the dealer;
- (2) the making by the dealer of an intentional and material misrepresentation as to the dealer's financial status:
- (3) any default by the dealer under a chattel mortgage or other security agreement between the dealer and the supplier;
- (4) the commencement of voluntary or involuntary dissolution or liquidation of the dealer if the dealer is a partnership or corporation;
- (5) a change or additions in location of the dealer's place of business as provided in the agreement without the prior written approval of the supplier; or
- (6) withdrawal of an individual proprietor, partner, major shareholder, the involuntary termination of the manager of the dealership, or a substantial reduction in the interest of a partner or major shareholder without the prior written consent of the supplier.
- (c) Unless there is an agreement to the contrary, a dealer who intends to terminate a dealer agreement with a supplier shall notify the supplier of that intent not less than 120 days prior to the effective date of termination.
- (d) Notification required by this section shall be in writing and shall be made by certified mail or by personal delivery and shall contain:
 - (1) a statement of intention to terminate the dealer agreement;
 - (2) a statement of the reasons for the termination; and
 - (3) the date on which the termination shall be effective.

TERMINATION OF DEALER AGREEMENT

(a) Requirements for notice.

- (1) A person shall provide a notice required in this section by certified mail or by personal delivery.
 - (2) A notice shall be in writing and shall include:
 - (A) a statement of intent to terminate the dealer agreement;
- (B) a statement of the reasons for the termination, including specific reference to one or more requirements of the dealer agreement that serve as the basis for termination, if applicable; and
 - (C) the effective date of termination.
 - (b) Termination by a supplier for cause.
- (1) In this subsection, "cause" means the failure of a dealer to meet one or more requirements of a dealer agreement, provided that the requirement is reasonable, justifiable, and substantially the same as requirements imposed on similarly situated dealers in this State.
 - (2) A supplier shall not terminate a dealer agreement except for cause.
- (3) To terminate a dealer agreement for cause, a supplier shall deliver a notice of termination to the dealer at least 120 days before the effective date of termination.
- (4) A dealer has 60 days from the date it receives a notice of termination to meet the requirements of the dealer agreement specified in the notice.
- (5) If a dealer meets the requirements of the dealer agreement specified in the notice within the 60-day period, the dealer agreement does not terminate pursuant to the notice of termination.
- (c) Termination by a supplier for failure to meet reasonable marketing or market penetration requirements.
- (1) Notwithstanding subsection (b) of this section, a supplier shall not terminate a dealer agreement for failure to meet reasonable marketing or market penetration requirements except as provided in this subsection.
- (2) A supplier shall deliver an initial notice of termination to the dealer at least 18 months before the effective date of termination.
- (3) After providing an initial notice, the supplier shall work with the dealer in good faith to meet the reasonable marketing or market penetration requirements specified in the notice, including reasonable efforts to provide the dealer with adequate inventory and competitive marketing programs.
- (4) If the dealer fails to meet reasonable marketing or market penetration requirements specified in the notice by the end of the 18-month period, the

supplier may terminate the dealer agreement by providing a final notice of termination.

- (5) A dealer has 90 days from the date it receives a final notice of termination to meet the reasonable marketing or market penetration requirements specified in the notice.
- (6) If a dealer meets the reasonable marketing or market penetration requirements specified in the notice within the 90-day period, the dealer agreement does not terminate pursuant to the final notice of termination.
- (d) Termination by a supplier upon a specified event. A supplier may terminate a dealer agreement if one of the following events occurs:
- (1) A person files a petition for bankruptcy or for receivership on behalf of or against the dealer.
- (2) The dealer makes an intentional and material misrepresentation regarding his or her financial status.
- (3) The dealer defaults on a chattel mortgage or other security agreement between the dealer and the supplier.
- (4) A person commences the voluntary or involuntary dissolution or liquidation of a dealer organized as a business entity.
 - (5) Without the prior written consent of the supplier:
- (A) The dealer changes the business location specified in the dealer agreement or adds an additional dealership of the supplier's same brand.
- (B) An individual proprietor, partner, or major shareholder withdraws from, or substantially reduces his or her interest in, the dealer.
 - (C) The dealer terminates a manager of the dealer.
- (e) Termination by a dealer. Unless a provision of a dealer agreement provides otherwise, a dealer may terminate the dealer agreement by providing a notice of termination to the supplier at least 120 days before the effective date of termination.

* * *

§ 4074. REPURCHASE TERMS

(a)(1) Within 90 days from receipt of the written request of the dealer, a supplier under the duty to repurchase inventory pursuant to section 4073 of this title may examine any books or records of the dealer to verify the eligibility of any item for repurchase.

- (2) Except as otherwise provided in this chapter, the supplier shall repurchase from the dealer the following items that the dealer previously purchased from the supplier, or other qualified vendor approved by the supplier, that are in the possession of the dealer on the date of termination of the dealer agreement:
- (A) all inventory previously purchased from the supplier in possession of the dealer on the date of termination of the dealer agreement; and
- (B) required signage, special tools, books, manuals, supplies, data processing equipment, and software previously purchased from the supplier or other qualified vendor approved by the supplier in the possession of the dealer on the date of termination of the dealer agreement.
 - (b) The supplier shall pay the dealer:
- (1) 100 percent of the net cost of all new and undamaged and complete farm and utility tractors, utility equipment, forestry equipment, industrial equipment, farm implements, farm machinery, yard and garden equipment, attachments, and accessories inventory, other than repair parts, purchased from the supplier within the 30-month period preceding the date of termination, less a reasonable allowance for deterioration attributable to weather conditions at the dealer's location.
- (2) 90 percent of the current net prices of all new and undamaged repair parts.
- (3) 85 percent of the current net prices of all new and undamaged superseded repair parts.
- (4) 85 percent of the latest available published net price of all new and undamaged noncurrent repair parts.
- (5) Either the fair market value, or assume the lease responsibilities of any specific data processing hardware that the supplier required the dealer to purchase to satisfy the reasonable requirements of the dealer agreement, including computer systems equipment and software required and approved by the supplier to communicate with the supplier.
- (6) Repurchase at 75 percent of the net cost of specialized repair tools, signage, books and supplies previously purchased, pursuant to requirements of the supplier and held by the dealer on the date of termination. Specialized repair tools must be unique to the supplier's product line, must be no more than 10 years old, and must be complete and in usable condition.
- (7) Repurchase at average Average as-is value shown in current industry guides, for dealer-owned rental fleet financed by the supplier or its finance

subsidiary, provided the equipment was purchased from the supplier within 30 months of the date of termination.

- (c) The party that initiates the termination of the dealer agreement shall pay the cost of the return, handling, packing, and loading of the inventory. If the termination is initiated by the supplier, the supplier shall reimburse the dealer five percent of the net parts return credited to the dealer as compensation for picking, handling, packing, and shipping the parts returned to the supplier.
- (d) Payment to the dealer required under this section shall be made by the supplier not later than 45 days after receipt of the inventory by the supplier. A penalty shall be assessed in the amount of daily interest at the current New York prime rate plus three percent of any outstanding balance over the required 45 days. The supplier shall be entitled to apply any payment required under this section to be made to the dealer as a setoff against any amount owed by the dealer to the supplier.

* * *

§ 4077a. PROHIBITED ACTS

No supplier shall:

- (1) coerce any dealer to accept delivery of any equipment, parts, or accessories therefor, which such dealer has not voluntarily ordered, except that a supplier may require a dealer to accept delivery of equipment, parts or accessories that are necessary to maintain equipment generally sold in the dealer's area of responsibility, and a supplier may require a dealer to accept delivery of safety-related equipment, parts, or accessories pertinent to equipment generally sold in the dealer's area of responsibility;
- (2) condition the sale of any equipment on a requirement that the dealer also purchase any other goods or services, but nothing contained in this chapter shall prevent the supplier from requiring the dealer to purchase all parts reasonably necessary to maintain the quality of operation in the field of any equipment used in the trade area;
- (3) coerce any dealer into a refusal to purchase the equipment manufactured by another supplier; or
- (4) discriminate in the prices charged for equipment of like grade and quality sold by the supplier to similarly situated dealers, but nothing contained in this chapter shall prevent differentials which make only due allowance for a difference in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such equipment is sold or delivered by the supplier.

PROHIBITED ACTS

- (a) A supplier shall not coerce or attempt to coerce a dealer to accept delivery of inventory that the dealer has not voluntarily ordered, except inventory that is:
- (1) necessary to maintain inventory generally sold in the dealer's area of responsibility; or
- (2) safety-related and pertinent to inventory generally sold in the dealer's area of responsibility.
- (b) A supplier shall not condition the sale of inventory on a requirement that the dealer also purchase any other goods or services, provided that a supplier may require a dealer to purchase parts reasonably necessary to maintain inventory used in the dealer's area of responsibility.
- (c)(1) A supplier shall not prevent, coerce, or attempt to coerce a dealer from investing in, or entering into an agreement for the sale of, a competing product line or make of inventory.
- (2) A supplier shall not require, coerce, or attempt to coerce a dealer to provide a separate facility or personnel for a competing product line or make of inventory.
 - (3) Subdivisions (1)–(2) of this subsection do not apply unless a dealer:
- (A) maintains a reasonable line of credit for each product line or make of inventory;
 - (B) maintains the principal management of the dealer; and
- (C) remains in substantial compliance with the supplier's reasonable facility requirements, which shall not include a requirement to provide a separate facility or personnel for a competing product line or make of inventory.
- (d) A supplier shall not discriminate in the prices it charges for inventory of like grade and quality it sells to similarly situated dealers, provided that a supplier may use differentials that allow for a difference in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which the supplier sells or delivers the inventory.
- (e) A supplier shall not change the area of responsibility specified in a dealer agreement without good cause, which for purposes of this subsection includes changes in the dealer's vehicle or warranty registration pattern, demographics, and geographic barriers.

§ 4078. WARRANTY OBLIGATIONS

(a) A supplier shall:

- (1) specify in writing a dealer's reasonable obligation to perform warranty service on the supplier's inventory;
- (2) provide the dealer a schedule of reasonable compensation for warranty service, including amounts for diagnostic work, parts, labor, and the time allowance for the performance of warranty service; and
- (3) compensate the dealer pursuant to the schedule of compensation for the warranty service the supplier requires it to perform.
- (b) Time allowances for the diagnosis and performance of warranty service shall be reasonable and adequate for the service to be performed by a dealer that is equipped to complete the requirements of the warranty service.
- (c) The hourly rate paid to a dealer shall not be less than the rate the dealer charges to customers for nonwarranty service.
- (d) A supplier shall compensate a dealer for parts used to fulfill warranty and recall obligations of warranty service at a rate not less than the price the dealer actually paid the supplier for the parts plus 20 percent.
- (e)(1) Whenever a supplier and a dealer enter into an agreement providing consumer warranties, the supplier shall pay any warranty claim made for warranty parts and service within 30 days after its receipt and approval.
- (2) The supplier shall approve or disapprove a warranty claim within 30 days after its receipt.
- (3) If a claim is not specifically disapproved in writing within 30 days after its receipt, it shall be deemed to be approved and payment shall be made by the supplier within 30 days after its receipt.
 - (f) A supplier violates this section if it:
 - (1) fails to perform its warranty obligations;
- (2) fails to include in written notices of factory recalls to machinery owners and dealers the expected date by which necessary parts and equipment will be available to dealers for the correction of such defects; or
 - (3) fails to compensate a dealer for repairs required by a recall.
 - (g) A supplier shall not:
- (1) impose an unreasonable requirement in the process a dealer must follow to file a warranty claim; or
- (2) impose a surcharge or fee, or otherwise increase the prices or charges to a dealer, in order to recover the additional costs the supplier incurs from complying with the provisions of this section.

§ 4079. REMEDIES

- (a) A person damaged as a result of a violation of this chapter may bring an action against the violator <u>in a Vermont court of competent jurisdiction</u> for damages, together with the actual costs of the action, including reasonable attorney's fees, injunctive relief against unlawful termination, cancellation, nonrenewal, or substantial change of competitive circumstances, and such other relief as the Court deems appropriate.
- (b) A provision in a dealer agreement that purports to deny access to the procedures, forums, or remedies provided by the laws of this State is void and unenforceable.
- (c) Nothing contained in this chapter may prohibit Notwithstanding subsection (b) of this section, a dealer agreement may include a provision for binding arbitration of disputes in an agreement. Any arbitration shall be consistent with the provisions of this chapter and 12 V.S.A. chapter 192, and the place of any arbitration shall be in the county in which the dealer's principal place of business is maintained in this State.

* * *

Sec. 3. APPLICABILITY TO EXISTING DEALER AGREEMENTS

Notwithstanding 1 V.S.A. § 214, for a dealer agreement, as defined in 9 V.S.A. § 4071, that is in effect on or before July 1, 2016, the provisions of this act shall apply on July 1, 2017.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2016.

(Committee vote: 5-0-0)

S. 230.

An act relating to improving the siting of energy projects.

Reported favorably with recommendation of amendment by Senator Bray for the Committee on Natural Resources & Energy.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Designation * * *

Sec. 1. DESIGNATION OF ACT

This act shall be referred to as the Energy Development Improvement Act.

* * * Integration of Energy and Land Use Planning * * *

Sec. 2. 24 V.S.A. § 4302 is amended to read:

§ 4302. PURPOSE; GOALS

* * *

- (c) In addition, this chapter shall be used to further the following specific goals:
- (1) To plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside.
- (A) Intensive residential development should be encouraged primarily in areas related to community centers, and strip development along highways should be discouraged.
- (B) Economic growth should be encouraged in locally designated growth areas, employed to revitalize existing village and urban centers, or both, and should be encouraged in growth centers designated under chapter 76A of this title.
- (C) Public investments, including the construction or expansion of infrastructure, should reinforce the general character and planned growth patterns of the area.
- (D) Development should be undertaken in accordance with smart growth principles as defined in subdivision 2791(13) of this title.
- (2) To provide a strong and diverse economy that provides satisfying and rewarding job opportunities and that maintains high environmental standards, and to expand economic opportunities in areas with high unemployment or low per capita incomes.

- (4) To provide for safe, convenient, economic, and energy efficient transportation systems that respect the integrity of the natural environment, including public transit options and paths for pedestrians and bicyclers.
- (A) Highways, air, rail, and other means of transportation should be mutually supportive, balanced, and integrated.
- (5) To identify, protect, and preserve important natural and historic features of the Vermont landscape, including:
 - (A) significant natural and fragile areas;
- (B) outstanding water resources, including lakes, rivers, aquifers, shorelands, and wetlands;
 - (C) significant scenic roads, waterways, and views;

- (D) important historic structures, sites, or districts, archaeological sites, and archaeologically sensitive areas.
- (6) To maintain and improve the quality of air, water, wildlife, and land resources.
- (A) Vermont's air, water, wildlife, mineral, and land resources should be planned for use and development according to the principles set forth in 10 V.S.A. § 6086(a).
- (B) Vermont's water quality should be maintained and improved according to the policies and actions developed in the basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.
- (7) To encourage the efficient use of energy and the development of renewable energy resources, consistent with the following:
- (A) Vermont's greenhouse gas reduction goals under 10 V.S.A. § 578(a);
- (B) Vermont's 25 by 25 goal for renewable energy under 10 V.S.A. § 580;
 - (C) Vermont's building efficiency goals under 10 V.S.A. § 581;
- (D) State energy policy under 30 V.S.A. § 202a and the specific recommendations identified in the State energy plans adopted pursuant to 30 V.S.A. §§ 202 and 202b pertaining to the efficient use of energy and the siting and development of renewable energy resources; and
- (E) the distributed renewable generation and energy transformation categories of resources to meet the requirements of the Renewable Energy Standard under 30 V.S.A. §§ 8004 and 8005.

- (9) To encourage and strengthen agricultural and forest industries.
- (A) Strategies to protect long-term viability of agricultural and forest lands should be encouraged and should include maintaining low overall density.
- (B) The manufacture and marketing of value-added agricultural and forest products should be encouraged.
 - (C) The use of locally-grown food products should be encouraged.
- (D) Sound forest and agricultural management practices should be encouraged.

(E) Public investment should be planned so as to minimize development pressure on agricultural and forest land.

* * *

Sec. 3. 24 V.S.A. § 4345 is amended to read:

§ 4345. OPTIONAL POWERS AND DUTIES OF REGIONAL PLANNING COMMISSIONS

Any regional planning commission created under this chapter may:

* * *

(6) Undertake studies and make recommendations on land development, urban renewal, transportation, economic, industrial, commercial, and social development, urban beautification and design improvements, historic and scenic preservation, the conservation of energy and the development of renewable energy resources, State capital investment plans, and wetland protection.

* * *

Sec. 4. 24 V.S.A. § 4345a is amended to read:

§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

A regional planning commission created under this chapter shall:

* * *

(14) Appear before the Public Service Board to aid the Board in making determinations under 30 V.S.A. § 248 and shall have the right to appear and participate in proceedings under that statute.

* * *

(19) Undertake studies and make recommendations on the conservation of energy and the development of renewable energy resources.

Sec. 5. CLARIFICATION OF EXISTING LAW

Sec. 4 of this act, amending 24 V.S.A. § 4345a(14) (participation in Section 248 proceedings), clarifies existing law.

Sec. 6. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

- (1) A statement of basic policies of the region to guide the future growth and development of land and of public services and facilities, and to protect the environment.
- (2) A land use element, which shall consist of a map and statement of present and prospective land uses:
- (A) indicating those areas proposed for forests, recreation, agriculture (using the agricultural lands identification process established in 6 V.S.A. § 8), residence, commerce, industry, public, and semi-public uses, open spaces, and areas identified by the State, regional planning commissions or municipalities, which require special consideration for aquifer protection, wetland protection, or for other conservation purposes;
- (B) indicating those areas within the region that are likely candidates for designation under sections 2793 (downtown development districts), 2793a (village centers), 2793b (new town centers), and 2793c (growth centers) of this title;
- (C) indicating locations proposed for developments with a potential for regional impact, as determined by the regional planning commission, including flood control projects, surface water supply projects, industrial parks, office parks, shopping centers and shopping malls, airports, tourist attractions, recreational facilities, private schools, public or private colleges, and residential developments or subdivisions;
- (D) setting forth the present and prospective location, amount, intensity, and character of such land uses and the appropriate timing or sequence of land development activities in relation to the provision of necessary community facilities and services;
- (E) indicating those areas that have the potential to sustain agriculture and recommendations for maintaining them which may include transfer of development rights, acquisition of development rights, or farmer assistance programs.
- (3) An energy element, which may include an a comprehensive analysis of energy resources, needs, scarcities, costs, and problems within the region, across all energy sectors, including electric, thermal, and transportation; a statement of policy on the conservation and efficient use of energy and the development and siting of distributed and utility-scale renewable energy resources, and; a statement of policy on patterns and densities of land use and control devices likely to result in conservation of energy; and a statement of policy on and identification of potential areas for the development and siting of renewable energy resources and areas that are inappropriate for siting those resources or particular categories or sizes of those resources.

(4) A transportation element, which may consist of a statement of present and prospective transportation and circulation facilities, and a map showing existing and proposed highways, including limited access highways, and streets by type and character of improvement, and where pertinent, anticipated points of congestion, parking facilities, transit routes, terminals, bicycle paths and trails, scenic roads, airports, railroads and port facilities, and other similar facilities or uses, and recommendations to meet future needs for such facilities, with indications of priorities of need, costs, and method of financing.

* * *

Sec. 7. 24 V.S.A. § 4352 is added to read:

§ 4352. CERTIFICATION OF ENERGY COMPLIANCE; REGIONAL AND MUNICIPAL PLANS

- (a) Regional plan certification. A regional planning commission may submit its adopted regional plan to the Commissioner of Public Service appointed under 30 V.S.A. § 1 for a certification of energy compliance. The Commissioner shall issue such a certification on finding that the regional plan is consistent with the statutes, goals, and policies listed in subdivision 4302(c)(7) of this title.
- (b) Municipal plan certification. If the Commissioner of Public Service has certified a regional plan that is in effect, a municipal legislative body within the region may submit its adopted municipal plan to the regional planning commission for a certification of energy compliance. Such a submission may be made separately from or at the same time as a request for review and approval of the municipal plan under section 4350 of this title. The regional planning commission shall issue such a certification on finding that the regional plan is consistent with the statutes, goals, and policies listed in subdivision 4302(c)(7) of this title and the portions of the regional plan that implement those statutes, goals, and policies.
- (c) Standards. In determining whether to issue a certification of energy compliance under this section, the Commissioner or regional planning commission shall employ the standards for issuing such a certification developed pursuant to 30 V.S.A. §§ 202(b)(6) and 202b(a)(3).
- (d) Process. Review of whether to issue a certification under this section shall include a public hearing noticed at least 15 days in advance by direct mail to the requesting regional planning commission or municipal legislative body, posting on the website of the entity from which the certification is requested, and publication in a newspaper of general publication in the region or municipality affected. The Commissioner or regional planning commission

shall grant or deny certification within two months of the receipt of a request for certification. If certification is denied, the Commissioner or regional planning commission shall state the reasons for denial in writing and, if appropriate, suggest acceptable modifications. Submissions for certification that follow a denial shall receive a grant or denial of certification within 45 days.

Sec. 8. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

- (a) A plan for a municipality may shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:
- (1) A statement of objectives, policies, and programs of the municipality to guide the future growth and development of land, public services, and facilities, and to protect the environment.

(2) A land use plan:

- (A) consisting of a map and statement of present and prospective land uses, indicating those areas proposed for forests, recreation, agriculture (using the agricultural lands identification process established in 6 V.S.A. § 8), residence, commerce, industry, public, and semi-public uses and open spaces reserved for flood plain, wetland protection, or other conservation purposes;
- (B) setting forth the present and prospective location, amount, intensity, and character of such land uses and the appropriate timing or sequence of land development activities in relation to the provision of necessary community facilities and service; and
- (C) identifying those areas, if any, proposed for designation under chapter 76A of this title, together with, for each area proposed for designation, an explanation of how the designation would further the plan's goals and the goals of section 4302 of this title, and how the area meets the requirements for the type of designation to be sought.
- (3) A transportation plan, consisting of a map and statement of present and prospective transportation and circulation facilities showing existing and proposed highways and streets by type and character of improvement, and where pertinent, parking facilities, transit routes, terminals, bicycle paths and trails, scenic roads, airports, railroads, and port facilities, and other similar facilities or uses, with indications of priority of need.
- (4) A utility and facility plan, consisting of a map and statement of present and prospective community facilities and public utilities showing

existing and proposed educational, recreational and other public sites, buildings and facilities, including hospitals, libraries, power generating plants and transmission lines, water supply, sewage disposal, refuse disposal, storm drainage, and other similar facilities and activities, and recommendations to meet future needs for community facilities and services, with indications of priority of need, costs and method of financing.

(5) A statement of policies on the preservation of rare and irreplaceable natural areas, and scenic and historic features and resources.

* * *

(9) An energy plan, including an a comprehensive analysis of energy resources, needs, scarcities, costs, and problems within the municipality, across all energy sectors, including electric, thermal, and transportation; a statement of policy on the conservation and efficient use of energy, including programs, such as thermal integrity standards for buildings, to implement that policy, a statement of policy on the development and siting of distributed and utility-scale renewable energy resources, a statement of policy on patterns and densities of land use likely to result in conservation of energy and a statement of policy on and identification of potential areas for the development and siting of renewable energy resources and areas that are inappropriate for siting those resources or particular categories or sizes of those resources.

* * *

Sec. 9. 30 V.S.A. § 202 is amended to read:

§ 202. ELECTRICAL ENERGY PLANNING

- (a) The Department of Public Service, through the Director for Regulated Utility Planning, shall constitute the responsible utility planning agency of the State for the purpose of obtaining for all consumers in the State proper utility service at minimum cost under efficient and economical management consistent with other public policy of the State. The Director shall be responsible for the provision of plans for meeting emerging trends related to electrical energy demand, supply, safety, and conservation.
- (b) The Department, through the Director, shall prepare an electrical energy plan for the State. The Plan shall be for a 20-year period and shall serve as a basis for State electrical energy policy. The Electric Energy Plan shall be based on the principles of "least cost integrated planning" set out in and developed under section 218c of this title. The Plan shall include at a minimum:
- (1) an overview, looking 20 years ahead, of statewide growth and development as they relate to future requirements for electrical energy,

including patterns of urban expansion, statewide and service area economic growth, shifts in transportation modes, modifications in housing types, and design, conservation, and other trends and factors which, as determined by the Director, will significantly affect State electrical energy policy and programs;

- (2) an assessment of all energy resources available to the State for electrical generation or to supply electrical power, including, among others, fossil fuels, nuclear, hydro-electric, biomass, wind, fuel cells, and solar energy and strategies for minimizing the economic and environmental costs of energy supply, including the production of pollutants, by means of efficiency and emission improvements, fuel shifting, and other appropriate means;
 - (3) estimates of the projected level of electrical energy demand;
- (4) a detailed exposition, including capital requirements and the estimated cost to consumers, of how such demand shall be met based on the assumptions made in subdivision (1) of this subsection and the policies set out in subsection (c) of this section; and
- (5) specific strategies for reducing electric rates to the greatest extent possible in Vermont over the most immediate six-year period, for the next succeeding six-year period, and long-term sustainable strategies for achieving and maintaining the lowest possible electric rates over the full 20-year planning horizon consistent with the goal of maintaining a financially stable electric utility industry in Vermont; and
- (6) the following for use as guidance to municipal and regional planning commissions in preparing municipal and regional plans under 24 V.S.A. chapter 117 that are consistent with the statutes listed in 24 V.S.A. § 4302(c)(7) and with the Plan and in obtaining a certification of energy compliance under that chapter:
- (A) specific recommendations on the conservation and efficient use of electric energy and the development and siting of renewable electric generation, developed in accordance with 24 V.S.A. § 4302(c)(7); and
- (B) based on 24 V.S.A. § 4302(c)(7) and the recommendations developed under subdivision (A) of this subdivision (6), a list of standards for use in determining whether municipal and regional plans should receive a certificate of energy compliance under 24 V.S.A. § 4352.
- (c) In developing the Plan, the Department shall take into account the protection of public health and safety; preservation of environmental quality; the goals of 24 V.S.A. § 4302; the potential for reduction of rates paid by all retail electricity customers; the potential for reduction of electrical demand through conservation, including alternative utility rate structures; use of load

management technologies; efficiency of electrical usage; utilization of waste heat from generation; and utility assistance to consumers in energy conservation.

- (d) In establishing plans, the Director shall:
 - (1) Consult with:
 - (A) the public;
 - (B) Vermont municipal utilities and planning commissions;
 - (C) Vermont cooperative utilities;
 - (D) Vermont investor-owned utilities;
 - (E) Vermont electric transmission companies;
- (F) environmental and residential consumer advocacy groups active in electricity issues;
 - (G) industrial customer representatives;
 - (H) commercial customer representatives;
 - (I) the Public Service Board;
- (J) an entity designated to meet the public's need for energy efficiency services under subdivision 218c(a)(2) of this title;
 - (K) other interested State agencies; and
 - (L) other energy providers; and
 - (M) the regional planning commissions.

* * *

(h) The Plans adopted under this section shall become the electrical energy portion of the State Energy Plan.

* * *

Sec. 10. 30 V.S.A. § 202b is amended to read:

§ 202b. STATE COMPREHENSIVE ENERGY PLAN

(a) The Department of Public Service, in conjunction with other State agencies designated by the Governor, shall prepare a State Comprehensive Energy Plan covering at least a 20-year period. The Plan shall seek to implement the State energy policy set forth in section 202a of this title <u>and</u> shall be consistent with the goals of 24 V.S.A. § 4302. The Plan shall include:

- (1) a comprehensive analysis and projections regarding the use, cost, supply, and environmental effects of all forms of energy resources used within Vermont: and
- (2) recommendations for State implementation actions, regulation, legislation, and other public and private action to carry out the comprehensive energy plan; and
- (3) the following for use as guidance to municipal and regional planning commissions in preparing municipal and regional plans under 24 V.S.A. chapter 117 that are consistent with the statutes listed in 24 V.S.A. § 4302(c)(7) and with the Plan and in obtaining a certification of energy compliance under that chapter:
- (A) specific recommendations on the conservation and efficient use of energy and the development and siting of energy facilities, developed in accordance with 24 V.S.A. § 4302(c)(7); and
- (B) based on 24 V.S.A. § 4302(c)(7) and the policies developed under subdivision (A) of this subdivision (3), a list of standards for use in determining whether municipal and regional plans should receive a certificate of energy compliance under 24 V.S.A. § 4352.
- (b) In developing or updating the Plan's recommendations, the Department of Public Service shall seek public comment by holding public hearings in at least five different geographic regions of the State on at least three different dates, and by providing notice through publication once a week and at least seven days apart for two or more successive weeks in a newspaper or newspapers of general circulation in the regions where the hearings will be held, and by delivering notices to all licensed commercial radio and television stations with transmitting facilities within the State, plus Vermont Public Radio and Vermont Educational Television.
- (c) The Department shall adopt a State Energy Plan on or before January 1, 2016 and shall readopt the Plan by every sixth January 1 thereafter. On adoption or readoption, the Plan shall be submitted to the General Assembly. The provisions of 2 V.S.A. § 20(d)(expiration of required reports) shall not apply to such submission.
- (1) Upon adoption of the Plan, analytical portions of the Plan may be updated and published biennially.
- (2) Every fourth year after the adoption or readoption of a Plan under this section, the Department shall publish the manner in which the Department will engage the public in the process of readopting the Plan under this section.

- (3) The publication requirements of subdivisions (1) and (2) of this subsection may be met by inclusion of the subject matter in the Department's biennial report.
- (4) The Plan's implementation recommendations shall be updated by the Department no less frequently than every six years. These recommendations shall be updated prior to the expiration of six years if the General Assembly passes a joint resolution making a request to that effect. If the Department proposes or the General Assembly requests the revision of implementation recommendations, the Department shall hold public hearings on the proposed revisions.
- (d) Distribution of the Plan to members of the General Assembly shall be in accordance with the provisions of 2 V.S.A. § 20(a)-(c).

Sec. 11. INITIAL IMPLEMENTATION; CERTIFICATION STANDARDS

- (a) On or before October 1, 2016, the Department of Public Service shall publish specific recommendations and standards in accordance with 30 V.S.A. §§ 202(b)(6) and 202b(a)(3) as enacted by Secs. 8 and 10 of this act. Prior to issuing these recommendations and standards, the Department shall post on its website a draft set of initial recommendations and standards and provide notice and an opportunity to comment and request a public hearing to all persons listed in 30 V.S.A. § 202(d)(1). The Commissioner may elect to hold one or more public hearings on the Commissioner's own initiative.
- (b) On publication under subsection (a) of this section, the specific recommendations and standards shall be considered an appendix to the currently adopted plans under 30 V.S.A. §§ 202 and 202b. After this publication, the Department may revise these policies and procedures in accordance with the procedures for adopting and revising plans under those statutes.

Sec. 12. 30 V.S.A. § 248(b) is amended to read:

- (b) Before the Public Service Board issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment, or construction:
- (1) With respect to an in-state facility, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. However:

- (A) with With respect to a natural gas transmission line subject to Board review, the line shall be in conformance with any applicable provisions concerning such lines contained in the duly adopted regional plan; and, in addition, upon application of any party, the Board shall condition any certificate of public good for a natural gas transmission line issued under this section so as to prohibit service connections that would not be in conformance with the adopted municipal plan in any municipality in which the line is located; and.
- (B) with With respect to a ground-mounted solar electric generation facility, the facility shall comply with the screening requirements of a municipal bylaw adopted under 24 V.S.A. § 4414(15) or a municipal ordinance adopted under 24 V.S.A. § 2291(28), and the recommendation of a municipality applying such a bylaw or ordinance, unless the Board finds that requiring such compliance would prohibit or have the effect of prohibiting the installation of such a facility or have the effect of interfering with the facility's intended functional use.
- (C) With respect to an in-state electric generation facility, the Board shall give substantial deference to the land conservation measures and specific policies contained in a duly adopted regional and municipal plan that has received a certificate of energy compliance under 24 V.S.A. § 4352. In this subdivision (C), "substantial deference" means that a land conservation measure or specific policy shall be applied in accordance with its terms unless there is a clear and convincing demonstration that other factors affecting the general good of the State outweigh the application of the measure or policy.

- * * * Regulatory and Financial Incentives; Preferred Locations * * * Sec. 13. 30 V.S.A. § 8002(30) is added to read:
- (30) "Preferred location" means a site within the State on which a renewable energy plant will be located that is one of the following:
- (A) A new or existing structure, including a commercial or residential building, a parking lot, or parking lot canopy, whose primary use is not the generation of electricity or providing support for the placement of equipment that generates electricity.
- (B) A tract previously developed for a use other than siting a plant on which a structure or impervious surface was lawfully in existence and use prior to January 1 of the year in which an application for a certificate of public good under section 248 of this title for the plant is filed or in which the plant seeks an award of a contract under the standard offer program under section 8005a of

- this title, whichever is earlier. To qualify under this subdivision (B), the limits of disturbance of a proposed renewable energy plant must include either the existing structure or impervious surface and shall not include any headwaters, streams, shorelines, floodways, rare and irreplaceable natural areas, necessary wildlife habitat, wetlands, endangered species, productive forestlands, and primary agricultural soils, all of which are as defined in 10 V.S.A. chapter 151.
- (C) Land certified by the Secretary of Natural Resources to be a brownfield site as defined under 10 V.S.A. § 6642.
- (D) A sanitary landfill as defined in 10 V.S.A. § 6602, provided that the Secretary of Natural Resources certifies that the land constitutes such a landfill and is suitable for the development of the plant.
- (E) The disturbed portion of a gravel pit, quarry, or similar site for the extraction of a mineral resource, provided that all activities pertaining to site reclamation required by applicable law or permit condition are satisfied prior to the installation of the plant.
- (F) A specific location designated in a duly adopted municipal plan under 24 V.S.A. chapter 117 for the siting of a renewable energy plant or specific type or size of renewable energy plant, provided that the plant meets any siting criteria recommended in the plan for the location. On or after January 1, 2019, to qualify under this subdivision (F), the plan must be certified under 24 V.S.A. § 4352.
- (G) If the plant constitutes a net metering system, then in addition to subdivisions (A) through (F) of this subdivision (30), a site designated by Board rule as a preferred location.
- Sec. 14. 30 V.S.A. § 8004(g) is added to read:
- (g) Preferred locations. With respect to a renewable energy plant to be located in the State whose energy or environmental attributes may be used to satisfy the requirements of the RES, the Board shall exercise its authority under this section and sections 8005 and 8006 of this title to promote siting such a plant in a preferred location.
- Sec. 15. 30 V.S.A. § 8005a is amended to read:

§ 8005a. STANDARD OFFER PROGRAM

(a) Establishment. A standard offer program is established. To achieve the goals of section 8001 of this title, the Board shall issue standard offers for renewable energy plants that meet the eligibility requirements of this section. The Board shall implement these standard offers by rule, order, or contract and shall appoint a Standard Offer Facilitator to assist in this implementation. For

the purpose of this section, the Board and the Standard Offer Facilitator constitute instrumentalities of the State.

- (b) Eligibility. To be eligible for a standard offer under this section, a plant must constitute a qualifying small power production facility under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292, must not be a net metering system under section 219a of this title, and must be a new standard offer plant. In this section, "new standard offer plant" means a renewable energy plant that is located in Vermont, that has a plant capacity of 2.2 MW or less, and that is commissioned on or after September 30, 2009.
- (c) Cumulative capacity. In accordance with this subsection, the Board shall issue standard offers to new standard offer plants until a cumulative plant capacity amount of 127.5 MW is reached.
- (1) Pace. Annually commencing April 1, 2013, the Board shall increase the cumulative plant capacity of the standard offer program (the annual increase) until the 127.5-MW cumulative plant capacity of this subsection is reached.
- (A) Annual amounts. The amount of the annual increase shall be five MW for the three years commencing April 1, 2013, 7.5 MW for the three years commencing April 1, 2016, and 10 MW commencing April 1, 2019.
- (B) Blocks. Each year, a portion of the annual increase shall be reserved for new standard offer plants proposed by Vermont retail electricity providers (the provider block), and the remainder shall be reserved for new standard offer plants proposed by persons who are not providers (the independent developer block).
- (i) The portion of the annual increase reserved for the provider block shall be 10 percent for the three years commencing April 1, 2013, 15 percent for the three years commencing April 1, 2016, and 20 percent commencing April 1, 2019.
- (ii) If the provider block for a given year is not fully subscribed, any unsubscribed capacity within that block shall be added to the annual increase for each following year until that capacity is subscribed and shall be made available to new standard offer plants proposed by persons who are not providers.
- (iii) If the independent developer block for a given year is not fully subscribed, any unsubscribed capacity within that block shall be added to the annual increase for each following year until that capacity is subscribed and:

- (I) shall be made available to new standard offer plants proposed by persons who are not providers; and
- (II) may be made available to a provider following a written request and specific proposal submitted to and approved by the Board.
- (C) Adjustment; greenhouse gas reduction credits. The Board shall adjust the annual increase to account for greenhouse gas reduction credits by multiplying the annual increase by one minus the ratio of the prior year's greenhouse gas reduction credits to that year's statewide retail electric sales.
- (i) The amount of the prior year's greenhouse gas reduction credits shall be determined in accordance with subdivision 8006a(a) of this title.
- (ii) The adjustment in the annual increase shall be applied proportionally to the independent developer block and the provider block.
- (iii) Greenhouse gas reduction credits used to diminish a provider's obligation under section 8004 of this title may be used to adjust the annual increase under this subsection (c).
- (D) Pilot project; preferred locations. For a period of three years commencing on January 1, 2017:
- (i) The Board shall allocate the following portions of the annual increase to new standard offer plants that will be wholly located in one or more preferred locations other than parking lots or parking lot canopies:
 - (I) one-sixth of the annual increase, during the first year;
- (II) one-quarter of the annual increase, during the second year; and
 - (III) one-third of the annual increase, during the third year.
- (ii) The Board separately shall allocate the following portions of the annual increase to new standard offer plants that will be wholly located on parking lots or parking lot canopies:
 - (I) one-sixth of the annual increase, during the first year;
- (II) one-quarter of the annual increase, during the second year; and
 - (III) one-third of the annual increase, during the third year.
- (iii) To qualify for these allocations, the plant shall not require the construction of a new substation by the interconnecting retail electricity

provider or by increasing the capacity of one or more of the provider's existing facilities.

- (iv) These allocations shall apply proportionally to the independent developer block and provider block.
- (v) If in a given year an allocation under this pilot project is not fully subscribed, the Board in the same year shall allocate the unsubscribed capacity to new standard offer plants outside the pilot project.
- (2) Technology allocations. The Board shall allocate the 127.5-MW cumulative plant capacity of this subsection among different categories of renewable energy technologies. These categories shall include at least each of the following: methane derived from a landfill; solar power; wind power with a plant capacity of 100 kW or less; wind power with a plant capacity greater than 100 kW; hydroelectric power; and biomass power using a fuel other than methane derived from an agricultural operation or landfill.

- (f) Price. The categories of renewable energy for which the Board shall set standard offer prices shall include at least each of the categories established pursuant to subdivision (c)(2) of this section. The Board by order shall determine and set the price paid to a plant owner for each kWh generated under a standard offer required by this section, with a goal of ensuring timely development at the lowest feasible cost. The Board shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25.
- (1) Market-based mechanisms. For new standard offer projects, the Board shall use a market-based mechanism, such as a reverse auction or other procurement tool, to obtain up to the authorized amount of a category of renewable energy, if it first finds that use of the mechanism is consistent with:
 - (A) applicable federal law; and
 - (B) the goal of timely development at the lowest feasible cost.
 - (2) Avoided cost.
- (A) The price paid for each category of renewable energy shall be the avoided cost of the Vermont composite electric utility system if the Board finds either of the following:
- (i) Use of the pricing mechanism described in subdivision (1)(market-based mechanisms) of this subsection (f) is inconsistent with applicable federal law.
- (ii) Use of the pricing mechanism described in subdivision (1)(market-based mechanisms) of this subsection (f) is reasonably likely to

result in prices higher than the prices that would apply under this subdivision (2).

- (B) For the purpose of As used in this subsection (f), the term "avoided cost" means the incremental cost to retail electricity providers of electric energy or capacity or both, which, but for the purchase through the standard offer, such providers would obtain from distributed renewable generation that uses the same generation technology as the category of renewable energy for which the Board is setting the price. For the purpose of As used in this subsection (f), the term "avoided cost" also includes the Board's consideration of each of the following:
- (i) The relevant cost data of the Vermont composite electric utility system.
- (ii) The terms of the contract, including the duration of the obligation.
- (iii) The availability, during the system's daily and seasonal peak periods, of capacity or energy purchased through the standard offer, and the estimated savings from mitigating peak load.
- (iv) The relationship of the availability of energy or capacity purchased through the standard offer to the ability of the Vermont composite electric utility system or a portion thereof to avoid costs.
- (v) The costs or savings resulting from variations in line losses and other impacts to the transmission or distribution system from those that would have existed in the absence of purchases through the standard offer.
- (vi) The supply and cost characteristics of plants eligible to receive the standard offer.

- (5) Price; preferred location pilots. For the period during which the Board allocates capacity to new standard offer plants that will be wholly located in one or more preferred locations as set forth in subdivision (c)(1)(D) of this section, the following shall apply to the price paid to such a plant:
- (A) In using a market-based mechanism such as a reverse auction to determine this price for each of the two allocations of capacity, the Board shall compare only the proposals of plants that qualify for the allocation.
- (B) In using avoided costs to determine this price for each of the two allocations of capacity, the Board shall derive the incremental cost from distributed renewable generation that is sited on a location that qualifies for the

allocation and uses the same generation technology as the category of renewable energy for which the Board is setting the price.

Sec. 16. STANDARD OFFER PILOT; REPORT

On or before January 15, 2018, the Public Service Board shall file a report with the House Committee on Commerce and Economic Development, the Senate Committee on Finance, and the House and Senate Committees on Natural Resources and Energy on the progress of the standard offer pilot project on preferred locations authorized in Sec. 15 of this act. This report shall itemize the size, type of preferred location, generation technology, and cost per kilowatt hour of each application received under the pilot project and shall identify each generation facility approved under the pilot and the bill credit per kilowatt hour awarded to each such facility.

Sec. 17. 30 V.S.A. § 8010 is amended to read:

§ 8010. SELF-GENERATION AND NET METERING

* * *

- (c) In accordance with this section, the Board shall adopt and implement rules that govern the installation and operation of net metering systems.
 - (1) The rules shall establish and maintain a net metering program that:

* * *

- (G) accounts for changes over time in the cost of technology; and
- (H) allows a customer to retain ownership of the environmental attributes of energy generated by the customer's net metering system and of any associated tradeable renewable energy credits or to transfer those attributes and credits to the interconnecting retail provider, and:
- (i) if the customer retains the attributes, reduces the value of the credit provided under this section for electricity generated by the customer's net metering system by an appropriate amount; and
- (ii) if the customer transfers the attributes to the interconnecting provider, requires the provider to retain them for application toward compliance with sections 8004 and 8005 of this title; and
 - (I) promotes the siting of net metering systems in preferred locations.

* * *

(3) The rules shall establish standards and procedures governing application for and issuance or revocation of a certificate of public good for net

metering systems under the provisions of section 248 of this title. In establishing these standards and procedures, the rules:

- (A) The rules may waive the requirements of section 248 of this title that are not applicable to net metering systems, including criteria that are generally applicable to public service companies as defined in this title.
- (B) The rules may modify notice and hearing requirements of this title as the Board considers appropriate;
- (C) <u>The rules</u> shall seek to simplify the application and review process as appropriate; and.
- (D) with With respect to net metering systems that exceed 150 kW in plant capacity, shall apply the so-called "Quechee" test for aesthetic impact as described by the Vermont Supreme Court in the case of In re Halnon, 174 Vt. 515 (2002) (mem.). The rules and application form shall state the components of this test.
- (E) With respect to a net metering system exceeding 15 kW in plant capacity, the rules shall not waive or include provisions that are less stringent than the following, notwithstanding any contrary provision of law:
- (i) the requirement of subdivision 248(a)(4)(C) of this title to provide a copy of the application to the Agencies of Agriculture, Food and Markets and of Natural Resources; the Department of Public Service; the Division for Historic Preservation; the municipal legislative body; and the municipality and regional planning commissions; and
- (ii) the requirements of subdivision 248(a)(4)(J) (required information) and subsections 248(f) (preapplication submittal) and (t) (aesthetic mitigation) and, with respect to a net metering system exceeding 150 kW in plant capacity, of subsection (u) (decommissioning) of this title.

* * *

* * * Regulatory Process; Public Assistance Officer * * *

Sec. 18. 30 V.S.A. § 3 is amended to read:

§ 3. PUBLIC SERVICE BOARD

(a) The <u>public service board Public Service Board</u> shall consist of a <u>chairperson chair</u> and two members. The <u>chairperson Chair</u> and each member shall not be required to be admitted to the practice of law in this <u>state State</u>.

* * *

(g) The chairperson <u>Chair</u> shall have general charge of the offices and employees of the board <u>Board</u>.

- (h) The Board shall employ a Public Assistance Officer (PAO) in accordance with this subsection.
- (1) The PAO shall provide guidance to and answer questions from parties and members of the public on all matters under this title concerning the siting and construction of facilities in the State that generate or transmit electricity, constitute a meteorological station as defined in section 246 of this title, or constitute a natural gas facility as defined in subdivision 248(a)(3) of this title. As used in this section:
 - (A) "Contested case" has the same meaning as in 3 V.S.A. § 801.
- (B) "Matter" means any proceeding before or by the Board, including an application for a certificate of public good, a petition for condemnation, rulemaking, and the issuance of guidance or procedures.
- (2) Guidance and information to be provided by the PAO shall include the following:
- (A) An explanation of the proceeding, including its purpose; its type, such as rulemaking or contested case; and the restrictions or lack of restrictions applicable to the type of proceeding, such as whether ex parte communications are prohibited.
- (B) Answers to procedural questions and direction to the statutes and rules applicable to the proceeding.
- (C) How to participate in the proceeding including, if necessary for participation, how to file to a motion to intervene and how to submit prefiled testimony. The Board shall create forms and templates for motions to intervene, prefiled testimony, and other types of documents commonly filed with the Board, which the PAO shall provide to a person on request. The Board shall post these forms and templates on the Board's website.
 - (D) The responsibilities of intervenors and other parties.
- (E) The status of the proceeding. Examples of a proceeding's status include: a petition has been filed; the proceeding awaits scheduling a prehearing conference or hearing; parties are conducting discovery or submitting prefiled testimony; hearings are concluded and parties are preparing briefs; and the proceeding is under submission to the Board and awaits a decision. For each proceeding in which the next action constitutes the issuance of an order, decision, or proposal for decision by the Board or a hearing officer, the Chair or assigned hearing officer shall provide the PAO with an expected date of issuance and the PAO shall provide this expected date to requesting parties or members of the public.

- (3) For each proceeding within the scope of subdivision (1) of this subsection, the Board shall post, on its website, electronic copies of all filings and submissions to the Board and all orders of the Board.
- (4) The Board shall adopt rules or procedures to ensure that the communications of the PAO with the Board's members and other employees concerning contested cases do not contravene the requirements of the Administrative Procedure Act applicable to such cases.
- (5) The PAO shall have a duty to provide requesting parties and members of the public with information that is accurate to the best of the PAO's ability. The Board and its other employees shall have a duty to transmit accurate information to the PAO. However, the Board and any assigned hearing officer shall not be bound by statements of the PAO.
- (6) The PAO shall not be an advocate for any person and shall not have a duty to assist a person in the actual formation of the person's position or arguments before the Board or the actions necessary to advance the person's position or arguments such as the actual preparation of motions, memoranda, or prefiled testimony.
- (7) The Board may assign secondary duties to the PAO that do not conflict with the PAO's execution of his or her duties under this subsection.

Sec. 19. POSITION; APPROPRIATION

The following classified position is created in the Public Service Board—one permanent, full-time Public Assistance Officer—for the purpose of Sec. 2 of this act. There is appropriated to the Public Service Board for fiscal year 2017 from the special fund described in 30 V.S.A. § 22 the amount of \$100,000.00 for the purpose of this position.

Sec. 20. 30 V.S.A. § 248(a)(4) is amended to read:

- (4)(A) With respect to a facility located in the State, the Public Service Board shall hold a nontechnical public hearing on each petition for such finding and certificate in at least one county in which any portion of the construction of the facility is proposed to be located.
- (B) The Public Service Board shall hold technical hearings at locations which it selects.
- (C) At the time of filing its application with the Board, copies shall be given by the petitioner to the Attorney General and the Department of Public Service, and, with respect to facilities within the State, the Department of Health, Agency of Natural Resources, Historic Preservation Division, Agency of Transportation, Agency of Agriculture, Food and Markets, and to the chair or director of the municipal and regional planning commissions and

the municipal legislative body for each town and city in which the proposed facility will be located.

- (D) Notice of the public hearing shall be published and maintained on the Board's website for at least 12 days before the day appointed for the hearing. Notice of the public hearing shall be published once in a newspaper of general circulation in the county or counties in which the proposed facility will be located, and the notice shall include an Internet address where more information regarding the proposed facility may be viewed.
- (E) The Agency of Natural Resources shall appear as a party in any proceedings held under this subsection, shall provide evidence and recommendations concerning any findings to be made under subdivision (b)(5) of this section, and may provide evidence and recommendations concerning any other matters to be determined by the Board in such a proceeding.
- (F) The Agency of Agriculture, Food and Markets shall have the right to appear as a party in any proceedings held under this subsection.
- (G) The regional planning commission for the region in which the facility is located shall have the right to appear as a party in any proceedings held under this subsection. The regional planning commission of an adjacent region shall have the same right if the facility is located within 500 feet of the boundary of that planning commission.
- (H) The legislative body and the planning commission for the municipality in which a facility is located shall have the right to appear as a party in any proceedings held under this subsection. The legislative body and planning commission of an adjacent municipality shall have the same right if the facility is located within 500 feet of the boundary of that adjacent municipality.
- (I) When a person has the right to appear and participate in a proceeding before the Board under this chapter, the person may activate this right by filing a letter with the Board stating that the person appears through the person's duly authorized representative, signed by that representative.
- (J) With respect to an application for an electric generation facility with a capacity that is greater than 15 kilowatts, and in addition to any other information required by the Board, the application shall include information that delineates:
- (i) the full limits of physical disturbance due to the construction and operation of the facility and related infrastructure, including areas disturbed due to the creation or modification of access roads and utility lines and the clearing or management of vegetation;

- (ii) the presence and total acreage of primary agricultural soils as defined in 10 V.S.A. § 6001 on each tract to be physically disturbed in connection with the construction and operation of the facility and the amount of those soils to be disturbed;
 - (iii) all visible infrastructure associated with the facility; and
- (iv) all impacts of the facility's construction and operation under subdivision (b)(5) of this section, including impacts due to the creation or modification of access roads and utility lines and the clearing or management of vegetation.

Sec. 21. 30 V.S.A. § 248(f) is amended to read:

- (f) However, plans for the construction of such a facility within the State must be submitted by the petitioner to the municipal and regional planning commissions no less than 45 days prior to application for a certificate of public good under this section, unless the municipal and regional planning commissions shall waive such requirement.
- (1) Such municipal or regional planning commission may hold a public hearing on the proposed plans. Such commissions shall make recommendations, if any, to the Public Service Board and to the petitioner at least seven days prior to filing of the petition with the Public Service Board.
- (2) The petitioner's application shall address the substantive written comments related to the criteria of subsection (b) of this section received by the petitioner within 45 days of the submittal made under this subsection and the substantive oral comments related to those criteria made at a public hearing under subdivision (1) of this subsection.
 - * * * CPG Conditions: Aesthetics Mitigation and Decommissioning * * *
- Sec. 22. 30 V.S.A. § 248(t) and (u) are added to read:
- (t) A certificate under this section for an in-state facility shall require the following with respect to all measures to be undertaken to mitigate the impacts of the facility on aesthetics and scenic beauty:
- (1) The certificate holder shall obtain a certification from a qualified expert that all required mitigation measures have been undertaken and all required plantings have been installed.
- (2) The certificate holder shall have control over all vegetation used to demonstrate that the facility will not have an undue adverse effect on aesthetics and all locations on which mitigation plantings are required to be installed. As used in this subdivision, "control" means that the certificate holder has an enforceable right to install and maintain plantings and to manage vegetation.

- (3) For three years after installation of all required plantings, the certificate holder annually shall submit documentation by a qualified expert that the plantings have been maintained in accordance with the approved plans.
- (4) The certificate holder shall have an ongoing duty to maintain the plantings in accordance with the approved plans and replace dead or diseased plantings as soon as seasonably possible.
- (5) The Board shall approve each qualified expert employed to issue a certification under this subsection. However, a qualified expert retained by the Department of Public Service shall be the one to make the certification if the Department has retained such an expert during the course of the proceeding leading to issuance of the certificate.
- (u) A certificate under this section for an in-state electric generation facility with a capacity that is greater than 150 kilowatts shall require the decommissioning or dismantling of the facility and ancillary improvements at the end of the facility's useful life and the posting of a bond or other security acceptable to the Board that is sufficient to finance the decommissioning or dismantling activities in full.
 - * * * Greenhouse Gases; Life Cycle Analysis * * *

Sec. 23. 30 V.S.A. § 248(v) is added to read:

- (v) A petition under this section for an in-state facility that is not a net metering system as defined in this title shall include a life cycle analysis of the greenhouse gas impacts of the facility that the Board shall consider in issuing findings under subdivisions (b)(2) and (5) of this section. In this subsection, "facility" includes all generating equipment, poles, wires, substations, structures, roads, and infrastructure, and all other associated land development. This analysis shall include:
 - (1) emissions embodied in all facility components;
- (2) emissions associated with the transportation of all such components to the site or sites at which they will be installed;
- (3) emissions associated with site preparation, including the clearing of forested areas and reductions in future carbon sequestration potential from the facility site or sites;
- (4) emissions associated with the construction of all facility components;
 - (5) emissions associated with the operation of the facility;
 - (6) emissions associated with the decommissioning of the facility; and

(7) for facilities that employ renewable energy as defined under section 8002 of this title, the reduction in greenhouse gas emissions achieved by the facility as compared to alternative generation facilities that do not employ renewable energy.

* * * Sound Standards Docket; Energy Facilities * * *

Sec. 24. SOUND STANDARDS DOCKET: COMPLETION DATE

On or before September 1, 2016, the Public Service Board shall issue a final order in its pending Docket 8167, Investigation into the potential establishment of standards related to sound levels from the operation of generation, transmission, and distribution equipment by entities subject to Public Service Board jurisdiction.

* * * Agency of Agriculture, Food and Markets; Fees; Billback * * *

Sec. 25. 30 V.S.A. § 248c is added to read:

§ 248c. FEES; AGENCY OF AGRICULTURE, FOOD AND MARKETS; PARTICIPATION IN ENERGY SITING PROCEEDINGS

- (a) Establishment. This section establishes fees for the purpose of supporting the role of the Agency of Agriculture, Food and Markets (the Agency) in reviewing applications for in-state facilities under section 248 of this title. These fees are in addition to the fees under section 248b of this title.
- (b) Payment. The applicant shall pay the fee into the State Treasury at the time the application for a certificate of public good under section 248 of this title is filed with the Public Service Board in an amount determined in accordance with this section. The fee shall be credited to a special fund that shall be established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and which shall be available to the Agency to offset the cost of participation in proceedings under section 248 of this title.
- (c) Application. The fee established under this section shall apply only if any generation equipment, utility lines, roads, or other improvements associated with an in-state facility seeking a certificate of public good under section 248 of this title will be located on a tract of land that contains primary agricultural soils as defined in 10 V.S.A. § 6001.
- (c) Amount. The fee shall be 10 percent of the amount calculated in accordance with subsection 248b(d) of this title.

* * * Allocation of AAFM Costs * * *

Sec. 26. 30 V.S.A. §§ 20 and 21 are amended to read:

§ 20. PARTICULAR PROCEEDINGS; PERSONNEL

(a)(1) The Board or Department may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research services:

* * *

- (2) The Agency of Natural Resources may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, other research, scientific, or engineering services to:
- (A) Assist the Agency of Natural Resources in any proceeding under section 248 of this title.
- (B) Monitor compliance with an order issued under section 248 of this title.
- (C) Assist the Board or Department in any proceedings described in subdivisions (b)(9) (Federal Energy Regulatory Commission) and (11) (Nuclear Regulatory Commission) of this section. Allocation of Agency of Natural Resources costs under this subdivision (C) shall be in the same manner as provided under subdivisions (b)(9) and (11) of this section. The Agency of Natural Resources shall report annually to the Joint Fiscal Committee all costs incurred and expenditures charged under the authority of this subsection with respect to proceedings under subdivision (b)(9) of this section and the purpose for which such costs were incurred and expenditures made.
- (3) The Agency of Agriculture, Food and Markets may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, other research, scientific, or engineering services to:
- (A) assist the Agency of Agriculture, Food and Markets in any proceeding under section 248 of this title; or
- (B) monitor compliance with an order issued under section 248 of this title.
- (4) The personnel authorized by this section shall be in addition to the regular personnel of the Board or Department or other State agencies; and in the case of the Department or other State agencies may be retained only with the approval of the Governor and after notice to the applicant or the public service company or companies. The Board or Department shall fix the amount of compensation and expenses to be paid such additional personnel, except that the Agency of Natural Resources or of Agriculture, Food and Markets, respectively, shall fix the amount of compensation and expenses to be paid to additional personnel that it retains under subdivision (2) of this subsection.

§ 21. PARTICULAR PROCEEDINGS; ASSESSMENT OF COSTS

- (a) The Board, the Department, or the Agency of Natural Resources An agency may allocate the portion of the expense incurred or authorized by it in retaining additional personnel for the particular proceedings authorized in pursuant to section 20 of this title to the applicant or the public service company or companies involved in those proceedings. As used in this section, "agency" means an agency, board, or department of the State enabled to authorize or retain personnel under section 20 of this title.
- (1) The Board shall upon petition of an applicant or public service company to which costs are proposed to be allocated, review and determine, after opportunity for hearing, having due regard for the size and complexity of the project, the necessity and reasonableness of such costs, and may amend or revise such allocations. Nothing in this section shall confer authority on the Board to select or decide the personnel, the expenses of whom are being allocated, unless such personnel are retained by the Board. Prior to allocating costs, the Board shall make a determination of the purpose and use of the funds to be raised hereunder, identify the recipient of the funds, provide for allocation of costs among companies to be assessed, indicate an estimated duration of the proceedings, and estimate the total costs to be imposed. With the approval of the Board, such estimates may be revised as necessary. From time to time during the progress of the work of such additional personnel, the Board, the Department, or the Agency of Natural Resources agency retaining the personnel shall render to the company detailed statements showing the amount of money expended or contracted for in the work of such personnel, which statements shall be paid by the applicant or the public service company into the State Treasury at such time and in such manner as the Board, the Department, or the Agency of Natural Resources agency may reasonably direct.
- (2) In any proceeding under section 248 of this title, the Agency of Natural Resources may allocate the portion of the expense incurred in retaining additional staff authorized in subsection 21(a) of this title only if the following apply:
- (A) the Agency does not have the expertise and the retention of such expertise is required to fulfill the Agency's statutory obligations in the proceeding; and
- (B) the Agency allocates only that portion of the cost for such expertise that exceeds the fee paid by the applicant under section 248b of this title.

(b) When regular employees of the Board, the Department, or the Agency of Natural Resources an agency are employed in the particular proceedings described in section 20 of this title, the Board, the Department, or the Agency of Natural Resources agency may also allocate the portion of their costs and expenses to the applicant or the public service company or companies involved in the proceedings. The costs of regular employees shall be computed on the basis of working days within the salary period. The manner of assessment and of making payments shall otherwise be as provided for additional personnel in subsection (a) of this section. However, with respect to proceedings under section 248 of this title, the Agency of Natural Resources shall not allocate the costs of regular employees.

* * *

- (d) The Agency of Natural Resources may allocate expenses under this section only for costs in excess of the amount specified in 3 V.S.A. § 2809(d)(1)(A).
- (e) On Annually on or before January 15, 2011, and annually thereafter, the Agency of Natural Resources and of Agriculture, Food and Markets each shall report to the Senate and House Committees on Natural Resources and Energy, the Senate Committee on Agriculture, and the House Committee on Agriculture and Forests Products the total amount of expenses allocated under this section during the previous fiscal year. The report shall include the name of each applicant or public service company to whom expenses were allocated and the amount allocated to each applicant or company.

* * *

* * * Effective Dates * * *

Sec. 27. EFFECTIVE DATES

This act shall take effect on July 1, 2016, except that:

- (1) This section and Sec. 11 (initial implementation; certification standards) shall take effect on passage. The following in Secs. 2, 9, and 10 shall apply on passage to the activities of the Department of Public Service under Sec. 11: 24 V.S.A. § 4302(c) and 30 V.S.A. §§ 202(b)(6) and 202b(a)(3).
- (2) Sec. 17 (net metering systems) shall take effect on January 2, 2017, and shall amend 30 V.S.A. § 8010 as amended by 2015 Acts and Resolves No. 56, Sec. 12.

(Committee vote: 5-0-0)

An act relating to the service of civil process by a constable.

Reported favorably with recommendation of amendment by Senator White for the Committee on Government Operations.

The Committee recommends that the bill be amended as follows:

<u>First</u>: In Sec. 1, 32 V.S.A. § 1591 (sheriffs and other officers), by striking out subdivision (1)(D) in its entirety and inserting in lieu thereof the following:

- (D)(i) All civil process to be served by a constable shall be directed to the legislative body of the town in which the constable serves. The legislative body shall assign civil process to the constable to ensure that process is completed in a timely and orderly manner. All payments for service of civil process shall be made to the town. A constable shall be entitled to fees paid for service of process, except as provided in subdivision (ii) of this subdivision (D). A constable shall not receive fees or payment in lieu of fees for civil process, except payment for actual and necessary expenses.
- (ii) Quarterly, 15 percent of the gross civil process fees received by a town during that quarter shall be forwarded as follows:
- (I) ten percent to the State Treasurer for deposit in the State's General Fund; and
 - (II) five percent to the town.

<u>Second</u>: By striking out in its entirety Sec. 2 (effective date) and inserting in lieu thereof the following:

Sec. 2. 24 V.S.A. § 1936a is amended to read:

§ 1936a. CONSTABLES; POWERS AND QUALIFICATIONS

- (a) A town may vote at a special or annual town meeting to prohibit constables from exercising any law enforcement authority or from exercising the service of civil or criminal process.
- (b) Notwithstanding the provisions of subsection (a) of this section, constables may perform the following duties:
- (1) the service of civil or criminal process, under 12 V.S.A. § 691; [Repealed.]

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

(Committee vote: 5-0-0)

An act relating to combating opioid abuse in Vermont.

Reported favorably with recommendation of amendment by Senator Lyons for the Committee on Health & Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Prescription Monitoring System * * *

Sec. 1. 18 V.S.A. § 4284 is amended to read:

§ 4284. PROTECTION AND DISCLOSURE OF INFORMATION

* * *

- (g) Following consultation with the <u>Unified Pain Management System Controlled Substances and Pain Management</u> Advisory Council and an opportunity for input from stakeholders, the Department shall develop a policy that will enable it to use information from VPMS to determine if individual prescribers and dispensers are using VPMS appropriately.
- (h) Following consultation with the <u>Unified Pain Management System Controlled Substances and Pain Management</u> Advisory Council and an opportunity for input from stakeholders, the Department shall develop a policy that will enable it to evaluate the prescription of regulated drugs by prescribers.

* * *

Sec. 2. 18 V.S.A. § 4289 is amended to read:

§ 4289. STANDARDS AND GUIDELINES FOR HEALTH CARE PROVIDERS AND DISPENSERS

- (a) Each professional licensing authority for health care providers shall develop evidence-based standards to guide health care providers in the appropriate prescription of Schedules II, III, and IV controlled substances for treatment of acute pain, chronic pain and for other medical conditions to be determined by the licensing authority. The standards developed by the licensing authorities shall be consistent with rules adopted by the Department of Health. The licensing authorities shall submit their standards to the Commissioner of Health, who shall review for consistency across health care providers and notify the applicable licensing authority of any inconsistencies identified.
- (b)(1) Each health care provider who prescribes any Schedule II, III, or IV controlled substances shall register with the VPMS by November 15, 2013.

- (2) If the VPMS shows that a patient has filled a prescription for a controlled substance written by a health care provider who is not a registered user of VPMS, the Commissioner of Health shall notify the applicable licensing authority and the provider by mail of the provider's registration requirement pursuant to subdivision (1) of this subsection.
- (3) The Commissioner of Health shall develop additional procedures to ensure that all health care providers who prescribe controlled substances are registered in compliance with subdivision (1) of this subsection.
- (c) Each dispenser who dispenses any Schedule II, III, or IV controlled substances shall register with the VPMS and shall query the VPMS in accordance with rules adopted by the Commissioner of Health.
- (d) Health Except in the event of electronic or technological failure, health care providers shall query the VPMS with respect to an individual patient in the following circumstances:
- (1) at least annually for patients who are receiving ongoing treatment with an opioid Schedule II, III, or IV controlled substance;
- (2) when starting a patient on a Schedule II, III, or IV controlled substance for nonpalliative long-term pain therapy of 90 days or more;
- (3) the first time the provider prescribes an opioid Schedule II, III, or IV controlled substance written to treat chronic pain; and
- (4) prior to writing a replacement prescription for a Schedule II, III, or IV controlled substance pursuant to section 4290 of this title.
- (e) The Commissioner of Health shall, after consultation with the Unified Pain Management System Controlled Substances and Pain Management Advisory Council, adopt rules necessary to effect the purposes of this section. The Commissioner and the Council shall consider additional circumstances under which health care providers should be required to query the VPMS, including whether health care providers should be required to query the VPMS prior to writing a prescription for any opioid Schedule II, III, or IV controlled substance or when a patient requests renewal of a prescription for an opioid Schedule II, III, or IV controlled substance written to treat acute pain, and the Commissioner may adopt rules accordingly.
- (f) Each professional licensing authority for dispensers shall adopt standards, consistent with rules adopted by the Department of Health under this section, regarding the frequency and circumstances under which its respective licensees shall:
 - (1) query the VPMS; and

- (2) report to the VPMS, which shall be no less than once every seven days daily.
- (g) Each professional licensing authority for health care providers and dispensers shall consider the statutory requirements, rules, and standards adopted pursuant to this section in disciplinary proceedings when determining whether a licensee has complied with the applicable standard of care.
 - * * * Expanding Access to Substance Abuse Treatment with Buprenorphine * * *

Sec. 3. 18 V.S.A. chapter 93 is amended to read:

CHAPTER 93. TREATMENT OF OPIOID ADDICTION

Subchapter 1. Regional Opioid Addiction Treatment System

§ 4751. PURPOSE

It is the purpose of this <u>ehapter</u> subchapter to authorize the <u>department of health</u> Department of <u>Health</u> to establish a regional system of opioid addiction treatment.

* * *

Subchapter 2. Opioid Addiction Treatment Care Coordination

§ 4771. CARE COORDINATION

- (a) In addition to participation in the regional system of opioid addiction treatment established pursuant to subchapter 1 of this chapter, health care providers may coordinate patient care in order to provide to the maximum number of patients high quality opioid addiction treatment with buprenorphine or a drug containing buprenorphine.
- (b) Care for patients with opioid addiction may be provided by a care coordination team comprising the patient's primary care provider, a qualified addiction medicine physician or nurse practitioner as described in subsection (c) of this section, and members of a medication-assisted treatment team affiliated with the Blueprint for Health.
- (c)(1) A primary care provider participating in the care coordination team and prescribing buprenorphine or a drug containing buprenorphine pursuant to this section shall meet federal requirements for prescribing buprenorphine or a drug containing buprenorphine to treat opioid addiction and shall see the patient he or she is treating for opioid addiction for an office visit at least once every three months.
- (2)(A) A qualified addiction medicine physician participating in a care coordination team pursuant to this section shall be a physician who is

board-certified in addiction medicine or satisfies one or more of the following conditions:

- (i) has completed not fewer than 24 hours of classroom or interactive training in the treatment and management of opioid-dependent patients for substance use disorders provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Commissioner of Health deems appropriate; or
- (ii) has such other training and experience as the Commissioner of Health determines will demonstrate the ability of the physician to treat and manage opioid dependent patients.
- (B) The qualified physician shall see the patient for addiction-related treatment other than the prescription of buprenorphine or a drug containing buprenorphine and shall advise the patient's primary care physician.
- (3)(A) A qualified addiction medicine nurse practitioner participating in a care coordination team pursuant to this section shall be an advanced practice registered nurse who is certified as a nurse practitioner and who satisfies one or more of the following conditions:
- (i) has completed not fewer than 24 hours of classroom or interactive training in the treatment and management of opioid-dependent patients for substance use disorders provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Commissioner of Health deems appropriate; or
- (ii) has such other training and experience as the Commissioner of Health determines will demonstrate the ability of the nurse practitioner to treat and manage opioid dependent patients.
- (B) The qualified nurse practitioner shall see the patient for addiction-related treatment other than the prescription of buprenorphine or a drug containing buprenorphine and shall advise the patient's primary care physician.
- (d) The primary care provider, qualified addiction medicine physician or nurse practitioner, and medication-assisted treatment team members shall coordinate the patient's care and shall communicate with one another as often as needed to ensure that the patient receives the highest quality of care.

(e) The Director of the Blueprint for Health shall recommend to the Commissioner of Vermont Health Access whether to increase payments to primary care providers participating in the Blueprint who choose to engage in care coordination by prescribing buprenorphine or a drug containing buprenorphine for patients with opioid addiction pursuant to this section.

Sec. 4. TELEMEDICINE FOR TREATMENT OF SUBSTANCE USE DISORDER; PILOT

- (a) The Green Mountain Care Board and Department of Vermont Health Access shall develop a pilot program to enable a patient taking buprenorphine or a drug containing buprenorphine for a substance use disorder to receive treatment from an addiction medicine specialist delivered through telemedicine at a health care facility that is capable of providing a secure telemedicine connection and whose location is convenient to the patient. The Board and the Department shall ensure that both the specialist and the hosting facility are reimbursed for services rendered.
- (b)(1) Patients beginning treatment for a substance use disorder with buprenorphine or a drug containing buprenorphine shall not receive treatment through telemedicine. A patient may receive treatment through telemedicine only after a period of stabilization on the buprenorphine or drug containing buprenorphine, as measured by an addiction medicine specialist using an assessment tool approved by the Department of Health.
- (2) Notwithstanding the provisions of subdivision (1) of this subsection, patients whose care has been transferred from a regional specialty addictions treatment center may begin receiving treatment through telemedicine immediately upon the transfer of care to an office-based opioid treatment provider.
- (c) On or before January 15, 2017 and annually thereafter, the Board and the Department shall provide a progress report on the pilot program to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.
 - * * * Expanding Role of Pharmacies and Pharmacists * * *

Sec. 5. 26 V.S.A. § 2022 is amended to read:

§ 2022. DEFINITIONS

As used in this chapter:

* * *

(14)(A) "Practice of pharmacy" means:

(i) the interpretation and evaluation of prescription orders;

- (ii) the compounding, dispensing, and labeling of drugs and legend devices (except labeling by a manufacturer, packer, or distributor of nonprescription drugs and commercially packaged legend drugs and legend devices);
- (iii) the participation in drug selection and drug utilization reviews;
- (iv) the proper and safe storage of drugs and legend devices and the maintenance of proper records therefor;
- (v) the responsibility for advising, where necessary or where regulated, of therapeutic values, content, hazards, and use of drugs and legend devices; and
- (vi) the providing of patient care services within the pharmacist's authorized scope of practice;
- (vii) the optimizing of drug therapy through the practice of clinical pharmacy; and
- (viii) the offering or performing of those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of pharmacy.
 - (B) "Practice of clinical pharmacy" means:
- (i) the health science discipline in which, in conjunction with the patient's other practitioners, a pharmacist provides patient care to optimize medication therapy and to promote disease prevention and the patient's health and wellness:
- (ii) the provision of patient care services within the pharmacist's authorized scope of practice, including medication therapy management, comprehensive medication review, and postdiagnostic disease state management services; or
- (iii) the practice of pharmacy by a pharmacist pursuant to a collaborative practice agreement.
- (C) A rule shall not be adopted by the Board under this chapter that shall require the sale and distribution of nonprescription drugs by a licensed pharmacist or under the supervision of a licensed pharmacist or otherwise interfere with the sale and distribution of such medicines.

* * *

(19) "Collaborative practice agreement" means a written agreement between a pharmacist and a health care facility or prescribing practitioner that

permits the pharmacist to engage in the practice of clinical pharmacy for the benefit of the facility's or practitioner's patients.

Sec. 6. 26 V.S.A. § 2023 is added to read:

§ 2023. CLINICAL PHARMACY

<u>In accordance with rules adopted by the Board, a pharmacist may engage in the practice of clinical pharmacy.</u>

Sec. 7. 8 V.S.A. § 4089j is amended to read:

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

(a) A health insurer and pharmacy benefit manager doing business in Vermont shall permit a retail pharmacist licensed under 26 V.S.A. chapter 36 to fill prescriptions in the same manner and at the same level of reimbursement as they are filled by mail order pharmacies with respect to the quantity of drugs or days' supply of drugs dispensed under each prescription.

(b) As used in this section:

- (1) "Health insurer" is defined by shall have the same meaning as in 18 V.S.A. § 9402 and shall also include Medicaid and any other public health care assistance program.
- (2) "Pharmacy benefit manager" means an entity that performs pharmacy benefit management. "Pharmacy benefit management" means an arrangement for the procurement of prescription drugs at negotiated dispensing rates, the administration or management of prescription drug benefits provided by a health insurance plan for the benefit of beneficiaries, or any of the following services provided with regard to the administration of pharmacy benefits:
 - (A) mail service pharmacy;
- (B) claims processing, retail network management, and payment of claims to pharmacies for prescription drugs dispensed to beneficiaries;
 - (C) clinical formulary development and management services;
 - (D) rebate contracting and administration;
- (E) certain patient compliance, therapeutic intervention, and generic substitution programs; and
 - (F) disease management programs.
- (3) "Health care provider" means a person, partnership, or corporation, other than a facility or institution, that is licensed, certified, or otherwise

authorized by law to provide professional health care service in this State to an individual during that individual's medical care, treatment, or confinement.

- (b) A health insurer and pharmacy benefit manager doing business in Vermont shall permit a retail pharmacist licensed under 26 V.S.A. chapter 36 to fill prescriptions in the same manner and at the same level of reimbursement as they are filled by mail order pharmacies with respect to the quantity of drugs or days' supply of drugs dispensed under each prescription.
- (c) This section shall apply to Medicaid and any other public health care assistance program. Notwithstanding any provision of a health insurance plan to the contrary, if a health insurance plan provides for payment or reimbursement that is within the lawful scope of practice of a pharmacist, the insurer may provide payment or reimbursement for the service when the service is provided by a pharmacist.

Sec. 8. ROLE OF PHARMACIES IN PREVENTING OPIOID ABUSE; REPORT

- (a) The Department of Health, in consultation with the Board of Pharmacy, pharmacists, prescribing health care practitioners, health insurers, pharmacy benefit managers, and other interested stakeholders shall consider the role of pharmacies in preventing opioid misuse, abuse, and diversion. The Department's evaluation shall include a consideration of whether, under what circumstances, and in what amount pharmacists should be reimbursed for counting or otherwise evaluating the quantity of pills, films, patches, and solutions of opioid controlled substances prescribed by a health care provider to his or her patients.
- (b) On or before January 15, 2017, the Department shall report to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare its findings and recommendations with respect to the appropriate role of pharmacies in preventing opioid misuse, abuse, and diversion.
 - * * * Continuing Medical Education * * *

Sec. 9. CONTINUING EDUCATION; PROFESSIONAL LICENSING BOARDS

(a) On or before December 15, 2016, the professional boards that license physicians, osteopathic physicians, dentists, pharmacists, advanced practice registered nurses, optometrists, and naturopathic physicians shall amend their continuing education rules to require a total of at least two hours of continuing education for each licensing period for all licensees with a registration number from the U.S. Drug Enforcement Administration (DEA), who have a pending

application for a DEA number, or who dispense controlled substances on the topics of the abuse and diversion, safe use, and appropriate storage and disposal of controlled substances; the appropriate use of the Vermont Prescription Monitoring System; risk assessment for abuse or addiction; pharmacological and nonpharmacological alternatives to opioids for managing pain; medication tapering; and relevant State and federal laws and regulations concerning the prescription of opioid controlled substances.

(b) The Department of Health shall consult with the Board of Veterinary Medicine and the Agency of Agriculture, Food and Markets to develop recommendations regarding appropriate safe prescribing and disposal of controlled substances prescribed by veterinarians for animals and disposal of their owners, as well as appropriate continuing education for veterinarians on the topics described in subsection (a) of this section. On or before January 15, 2017, the Department shall report its findings and recommendations to the House Committees on Agriculture and Forest Products and on Human Services and the Senate Committees on Agriculture and on Health and Welfare.

* * * Medical Education Core Competencies * * *

Sec. 10. MEDICAL EDUCATION CORE COMPETENCIES; PREVENTION AND MANAGEMENT OF PRESCRIPTION DRUG MISUSE

The Commissioner of Health shall convene medical educators and other stakeholders to develop appropriate curricular interventions and innovations to ensure that students in medical education programs have access to certain core competencies related to safe prescribing practices and to screening, prevention, and intervention for cases of prescription drug misuse and abuse. The goal of the core competencies shall be to support future health care professionals over the course of their medical education to develop skills and a foundational knowledge in the prevention of prescription drug misuse. These competencies should be clear baseline standards for preventing prescription drug misuse, treating patients at risk for substance use disorders, and managing substance use disorders as a chronic disease, as well as developing knowledge in the areas of screening, evaluation, treatment planning, and supportive recovery.

* * * Community Grant Program for Opioid Prevention * * *

Sec. 11. REGIONAL PREVENTION PARTNERSHIPS

To the extent funds are available, the Department of Health shall establish a community grant program for the purpose of supporting local opioid prevention strategies. This program shall support evidence-based approaches and shall be based on a comprehensive community plan, including community education and initiatives designed to increase awareness or implement local

programs, or both. Partnerships involving schools, local government, and hospitals shall receive priority.

* * * Pharmaceutical Manufacturer Fee * * *

Sec. 12. 33 V.S.A. § 2004 is amended to read:

§ 2004. MANUFACTURER FEE

- (a) Annually, each pharmaceutical manufacturer or labeler of prescription drugs that are paid for by the Department of Vermont Health Access for individuals participating in Medicaid, Dr. Dynasaur, or VPharm shall pay a fee to the Agency of Human Services. The fee shall be 0.5 1.235 percent of the previous calendar year's prescription drug spending by the Department and shall be assessed based on manufacturer labeler codes as used in the Medicaid rebate program.
- (b) Fees collected under this section shall fund collection and analysis of information on pharmaceutical marketing activities under 18 V.S.A. §§ 4632 and 4633, analysis of prescription drug data needed by the Office of the Attorney General for enforcement activities, the Vermont Prescription Monitoring System established in 18 V.S.A. chapter 84A, the evidence-based education program established in 18 V.S.A. chapter 91, subchapter 2, statewide unused prescription drug disposal initiatives, nonpharmacological approaches to pain management, a hospital antimicrobial program for the purpose of reducing hospital-acquired infections, the purchase and distribution of naloxone to emergency medical services personnel, and any opioid-antagonist education, training, and distribution program operated by the Department of Health or its agents. The fees shall be collected in the Evidence-Based Education and Advertising Fund established in section 2004a of this title.
- (c) The Secretary of Human Services or designee shall make rules for the implementation of this section.

Sec. 13. 33 V.S.A. § 2004a(a) is amended to read:

(a) The Evidence-Based Education and Advertising Fund is established in the State Treasury as a special fund to be a source of financing for activities relating to fund collection and analysis of information on pharmaceutical marketing activities under 18 V.S.A. §§ 4632 and 4633, for analysis of prescription drug data needed by the Office of the Attorney General for enforcement activities, for the Vermont Prescription Monitoring System established in 18 V.S.A. chapter 84A, for the evidence-based education program established in 18 V.S.A. chapter 91, subchapter 2, for statewide unused prescription drug disposal initiatives, for nonpharmacological approaches to pain management, for a hospital antimicrobial program for the

purpose of reducing hospital-acquired infections, for the purchase and distribution of naloxone to emergency medical services personnel, and for the support of any opioid-antagonist education, training, and distribution program operated by the Department of Health or its agents. Monies deposited into the Fund shall be used for the purposes described in this section.

- * * * Controlled Substances and Pain Management Advisory Council * * *
- Sec. 14. 18 V.S.A. § 4255 is added to read:

§ 4255. CONTROLLED SUBSTANCES AND PAIN MANAGEMENT ADVISORY COUNCIL

- (a) There is hereby created a Controlled Substances and Pain Management Advisory Council for the purpose of advising the Commissioner of Health on matters related to the Vermont Prescription Monitoring System and to the appropriate use of controlled substances in treating acute and chronic pain and in preventing prescription drug abuse, misuse, and diversion.
- (b)(1) The Controlled Substances and Pain Management Advisory Council shall consist of the following members:
- (A) the Commissioner of Health or designee, who shall serve as chair;
- (B) the Deputy Commissioner of Health for Alcohol and Drug Abuse Programs or designee;
 - (C) the Commissioner of Mental Health or designee;
 - (D) the Commissioner of Public Safety or designee;
 - (E) the Vermont Attorney General or designee;
 - (F) the Director of the Blueprint for Health or designee;
- (G) the Medical Director of the Department of Vermont Health Access;
- (H) the Chair of the Board of Medical Practice or designee, who shall be a clinician;
- (I) a representative of the Vermont State Dental Society, who shall be a dentist;
- (J) a representative of the Vermont Board of Pharmacy, who shall be a pharmacist;
- (K) a faculty member of the academic detailing program at the University of Vermont's College of Medicine;

- (L) a faculty member of the University of Vermont's College of Medicine with expertise in the treatment of addiction or chronic pain management;
- (M) a representative of the Vermont Medical Society, who shall be a primary care clinician;
- (N) a representative of the American Academy of Family Physicians, Vermont chapter, who shall be a primary care clinician;
- (O) a representative from the Vermont Board of Osteopathic Physicians, who shall be an osteopath;
- (P) a representative of the Federally Qualified Health Centers, who shall be a primary care clinician selected by the Bi-State Primary Care Association;
 - (Q) a representative of the Vermont Ethics Network;
- (R) a representative of the Hospice and Palliative Care Council of Vermont;
 - (S) a representative of the Office of the Health Care Advocate;
- (T) a clinician who works in the emergency department of a hospital, to be selected by the Vermont Association of Hospitals and Health Systems in consultation with any nonmember hospitals;
- (U) a member of the Vermont Board of Nursing Subcommittee on APRN Practice, who shall be an advanced practice registered nurse;
- (V) a representative from the Vermont Assembly of Home Health and Hospice Agencies;
- (W) a psychologist licensed pursuant to 26 V.S.A. chapter 55 who has experience in treating chronic pain, to be selected by the Board of Psychological Examiners;
- (X) a drug and alcohol abuse counselor licensed pursuant to 33 V.S.A. chapter 8, to be selected by the Deputy Commissioner of Health for Alcohol and Drug Abuse Programs;
- (Y) a retail pharmacist, to be selected by the Vermont Pharmacists Association;
- (Z) an advanced practice registered nurse full-time faculty member from the University of Vermont's College of Nursing and Health Sciences;
- (AA) a licensed acupuncturist with experience in pain management, to be selected by the Vermont Acupuncture Association;

- (BB) a representative of the Vermont Substance Abuse Treatment Providers Association;
- (CC) a consumer representative who is either a consumer in recovery from prescription drug abuse or a consumer receiving medical treatment for chronic noncancer-related pain; and
- (DD) up to three adjunct members appointed by the Commissioner in consultation with the Opioid Prescribing Task Force.
- (2) In addition to the members appointed pursuant to subdivision (1) of this subsection (b), the Council shall consult with specialists and other individuals as appropriate to the topic under consideration.
- (c) Advisory Council members who are not employed by the State or whose participation is not supported through their employment or association shall be entitled to a per diem and expenses as provided by 32 V.S.A. § 1010.
- (d)(1) The Advisory Council shall provide advice to the Commissioner concerning rules for the appropriate use of controlled substances in treating acute pain and chronic noncancer pain; the appropriate use of the Vermont Prescription Monitoring System; and the prevention of prescription drug abuse, misuse, and diversion.
- (2) The Advisory Council shall evaluate the use of nonpharmacological approaches to treatment for pain, including the appropriateness, efficacy, and cost-effectiveness of using complementary and alternative therapies such as chiropractic, acupuncture, and massage.
- (e) The Commissioner of Health may adopt rules pursuant to 3 V.S.A. chapter 25 regarding the appropriate use of controlled substances in treating acute pain and chronic noncancer pain; the appropriate use of the Vermont Prescription Monitoring System; and the prevention of prescription drug abuse, misuse, and diversion, after seeking the advice of the Council.
 - * * * Acupuncture * * *

Sec. 15. ACUPUNCTURE AS ALTERNATIVE TREATMENT FOR PAIN MANAGEMENT AND SUBSTANCE USE DISORDER; REPORTS

(a) The Director of Health Care Reform in the Agency of Administration, in consultation with the Departments of Health and of Human Resources, shall review Vermont State employees' experience with acupuncture for treatment of pain. On or before December 1, 2016, the Director shall report his or her findings to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

- (b) Each nonprofit hospital and medical service corporation licensed to do business in this State and providing coverage for pain management shall evaluate the evidence supporting the use of acupuncture as a modality for treating and managing pain in its enrollees, including the experience of other states in which acupuncture is covered by health insurance plans. On or before January 15, 2017, each such corporation shall report to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare its assessment of whether its insurance plans should provide coverage for acupuncture when used to treat or manage pain.
- (c) On or before January 15, 2017, the Department of Health, Division of Alcohol and Drug Abuse Programs shall make available to its preferred provider network evidence-based best practices related to the use of acupuncture to treat substance use disorder.

Sec. 15a. ACUPUNCTURE; MEDICAID PILOT PROJECT

- (a) The Department of Vermont Health Access shall develop a pilot project to offer acupuncture services to Medicaid-eligible Vermonters with a diagnosis of chronic pain. The project would provide acupuncture services for a defined period of time to determine if acupuncture treatment as an alternative or adjunctive to prescribing opioids is as effective or more effective than opioids alone for returning individuals to social, occupational, and psychological function. The project shall include:
- (1) an advisory group of pain management specialists and acupuncture providers familiar with the current science on evidence-based use of acupuncture to treat or manage chronic pain;
- (2) specific patient eligibility requirements regarding the specific cause or site of chronic pain for which the evidence indicates acupuncture may be an appropriate treatment; and
- (3) input and involvement from the Department of Health to promote consistency with other State policy initiatives designed to reduce the reliance on opioid medications in treating or managing chronic pain.
- (b) On or before January 15, 2017, the Department of Vermont Health Access shall provide a progress report on the pilot project to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare that includes an implementation plan for the pilot project described in this section. In addition, the Department shall consider any appropriate role for acupuncture in treating substance use disorder, including consulting with health care providers using acupuncture in this manner, and shall make recommendations in its progress report regarding the

use of acupuncture in treating Medicaid beneficiaries with substance use disorder.

* * * Rulemaking * * *

Sec. 16. PRESCRIBING OPIOIDS FOR ACUTE AND CHRONIC PAIN; RULEMAKING

(a) The Commissioner of Health, after consultation with the Controlled Substances and Pain Management Advisory Council, shall adopt rules governing the prescription of opioids. The rules may include numeric and temporal limitations on the number of pills prescribed, including a maximum number of pills to be prescribed following minor medical procedures, consistent with evidence-informed best practices for effective pain management. The rules may require the contemporaneous prescription of naloxone in certain circumstances, and shall require informed consent for patients that explains the risks associated with taking opioids, including addiction, physical dependence, side effects, tolerance, overdose, and death. The rules shall also require prescribers prescribing opioids to patients to provide information concerning the safe storage and disposal of controlled substances.

* * * Appropriations* * *

Sec. 17. APPROPRIATIONS

- (a) The sum of \$250,000.00 is appropriated from the Evidence-Based Education and Advertising Fund to the Department of Health in fiscal year 2017 for the purpose of funding the evidence-based education program established in 18 V.S.A. chapter 91, subchapter 2, including evidence-based information about safe prescribing of controlled substances and alternatives to opioids for treating pain.
- (b) The sum of \$625,000.00 is appropriated from the Evidence-Based Education and Advertising Fund to the Department of Health in fiscal year 2017 for the purpose of funding statewide unused prescription drug disposal initiatives, of which \$100,000.00 shall be used for a MedSafe collection and disposal program and program coordinator, \$50,000.00 shall be used for unused medication envelopes for a mail-back program, \$225,000.00 shall be used for a public information campaign on the safe disposal of controlled substances, and \$250,000.00 shall be used for a public information campaign on the responsible use of prescription drugs.
- (c) The sum of \$150,000.00 is appropriated from the Evidence-Based Education and Advertising Fund to the Department of Health in fiscal year

- 2017 for the purpose of purchasing and distributing opioid antagonist rescue kits.
- (d) The sum of \$250,000.00 is appropriated from the Evidence-Based Education and Advertising Fund to the Department of Health in fiscal year 2017 for the purpose of establishing a hospital antimicrobial program to reduce hospital-acquired infections.
- (e) The sum of \$32,000.00 is appropriated from the Evidence-Based Education and Advertising Fund to the Department of Health in fiscal year 2017 for the purpose of purchasing and distributing naloxone to emergency medical services personnel throughout the State.
- (f) The sum of \$200,000.00 is appropriated from the Evidence-Based Education and Advertising Fund to the Department of Vermont Health Access in fiscal year 2017 for the purpose of implementing the pilot project established in Sec. 15a to evaluate the use of acupuncture in treating chronic pain in Medicaid beneficiaries.

Sec. 18. REPEAL

2013 Acts and Resolves No. 75, Sec. 14, as amended by 2014 Acts and Resolves No. 199, Sec. 60 (Unified Pain Management System Advisory Council) is repealed.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

- (a) Secs. 1–2 (VPMS), 3 (opioid addiction treatment care coordination), 13 (use of Evidence-Based Education and Advertising Fund), 14 (Controlled Substances and Pain Management Advisory Council), 17 (appropriations), and 18 (repeal) shall take effect on July 1, 2016, except that in Sec. 2, 18 V.S.A. § 4289(f)(2) (dispenser reporting to VPMS) shall take effect 30 days following notice and a determination by the Commissioner of Health that daily reporting is practicable.
- (b) Secs. 4 (telemedicine pilot), 5–7 (clinical pharmacy), 8 (role of pharmacies; report), 10 (medical education), 11 (regional partnerships), 15–15a (acupuncture studies), 16 (rulemaking), and this section shall take effect on passage.
- (c) Sec. 9 (continuing education) shall take effect on July 1, 2016 and shall apply beginning with licensing periods beginning on or after that date.
- (d) Notwithstanding 1 V.S.A. § 214, Sec. 12 (manufacturer fee) shall take effect on passage and shall apply retroactive to January 1, 2016.

(Committee vote: 5-0-0)

An act relating to residential rental agreements.

Reported favorably with recommendation of amendment by Senator Balint for the Committee on Economic Development, Housing & General Affairs.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 9 V.S.A. § 4451 is amended to read:

§ 4451. DEFINITIONS

As used in this chapter:

* * *

- (9) <u>"Sublease" means a rental agreement, written or oral, embodying terms and conditions concerning the use and occupancy of a dwelling unit and premises between two tenants, a sublessor and a sublessee.</u>
- (10) "Tenant" means a person entitled under a rental agreement to occupy a residential dwelling unit to the exclusion of others.
- Sec. 2. 9 V.S.A. § 4452 is amended to read:

§ 4452. EXCLUSIONS

Unless created to avoid the application of this chapter, this chapter does not apply to any of the following:

* * *

- (7) transient residence in a campground, which for the purposes of this chapter means any property used for seasonal or short-term vacation or recreational purposes on which are located cabins, tents, or lean-tos, or campsites designed for temporary set-up of portable or mobile camping, recreational, or travel dwelling units, including tents, campers, and recreational vehicles such as motor homes, travel trailers, truck campers, and van campers; or
- (8) transient occupancy in a hotel, motel, or lodgings during the time the occupant is a recipient of General Assistance or Emergency Assistance temporary housing assistance, regardless of whether the occupancy is subject to a tax levied under 32 V. S.A. chapter 225; or
- (9) occupancy of a dwelling unit without right or permission by a person who is not a tenant.

Sec. 3. 9 V.S.A. 4456b is added to read:

§ 4456b. SUBLEASES; LANDLORD AND TENANT RIGHTS AND OBLIGATIONS

- (a)(1) A landlord may condition or prohibit subleasing a dwelling unit under the terms of a written rental agreement, and may require a tenant to provide actual notice of the name and contact information of any sublessee occupying the dwelling unit.
- (2) If the terms of a written rental agreement prohibit subleasing the dwelling unit, the landlord or tenant may give a person who is not a tenant and is occupying the dwelling unit without right or permission notice against trespass pursuant to 13 V.S.A. § 3705(a). This subdivision (2) shall not be construed to limit the rights and remedies available to a landlord pursuant to this chapter.
- (b) In the absence of a written rental agreement, a tenant shall provide the landlord with actual notice of the name and contact information of any sublessee occupying the dwelling unit.
- Sec. 4. 13 V.S.A. § 3705 is amended to read:

§ 3705. UNLAWFUL TRESPASS

- (a)(1) A person shall be imprisoned for not more than three months or fined not more than \$500.00, or both, if, without right or permission, he or she is occupying a dwelling unit for which a written rental agreement has prohibited subleasing pursuant to 9 V.S.A. § 4456b as to which notice against trespass is given, or, without legal authority or the consent of the person in lawful possession, he or she enters or remains on any land or in any place as to which notice against trespass is given. Notice against trespass may be given by:
- (A) actual communication by the person in lawful possession or his or her agent or by a law enforcement officer acting on behalf of such person or his or her agent;

* * *

(D) in the case of a dwelling unit for which a written rental agreement has prohibited subleasing pursuant to 9 V.S.A. § 4456b, actual communication by the landlord or his or her agent or by a law enforcement officer acting on behalf of the landlord or his or her agent.

* * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2016.

(Committee vote: 5-0-0)

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Service Board shall be fully and separately acted upon.

<u>Kirstin Schoonover</u> of Huntington – Superior Court Judge – By Sen. Benning for the Committee on Judiciary. (2/25/16)

<u>Brian Valentine</u> of Huntington – Magistrate Division Judge – By Sen. Nitka for the Committee on Judiciary. (3/9/16)

<u>Mary Morrissey</u> of Jericho – Superior Court Judge – By Sen. Ashe for the Committee on Judiciary. (3/9/16)

<u>Christopher Cole</u> of Richmond – Secretary of the Agency of Transportation – By Sen. Mazza for the Committee on Transportation. (3/16/16)

Kevin Bourdon of Waltham – Member, Electricians Licensing Board – By Sen. Balint for the Committee on Econ. Dev., Housing and General Affairs. (3/11/16)

Hannah Sessions of Salisbury – Member, Vermont Housing and Conservation Board – By Sen. Balint for the Committee on Econ. Dev., Housing and General Affairs. (3/11/16)

Robert Williams of Poultney – Member, Electricians Licensing Board – By Sen. Mullin for the Committee on Econ. Dev., Housing and General Affairs. (3/15/16)

Thomas Lauzon of Barre – Member, Liquor Control Board – By Sen. Cummings for the Committee on Econ. Dev., Housing and General Affairs. (3/15/16)

NOTICE OF JOINT ASSEMBLY

March 17, 2016 - 10:30 A.M. - Retention of Superior Court Judges: David Howard, Robert A. Mello, Helen M. Toor and Thomas S. Durkin.

FOR INFORMATION ONLY CROSS OVER DATES

The Joint Rules Committee established the following Crossover deadlines:

- (1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 11, 2016**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.
- (2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday**, **March 18**, **2016**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (Appropriations "Big Bill", Transportation Spending Bill, Capital Construction Bill, and Miscellaneous Tax Bill).