Journal of the House

Wednesday, April 6, 2016

At one o'clock in the afternoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Newark Balkan Chorus, from Newark and Burke, Vt.

Bill Referred to Committee on Ways and Means

S. 20

Senate bill, entitled

An act relating to establishing and regulating dental therapists

Appearing on the Calendar, affecting the revenue of the state, under the rule, was referred to the committee on Ways and Means.

Joint Resolution Adopted in Concurrence

J.R.S. 50

By Senators Baruth and Benning,

J.R.S. 50. Joint resolution relating to weekend adjournment.

Resolved by the Senate and House of Representatives:

That when the two Houses adjourn on Friday, April 8, 2016, it be to meet again no later than Tuesday, April 12, 2016.

Was taken up read and adopted in concurrence.

Message from the Senate No. 40

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 531. An act relating to above ground storage tanks.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

Bill Amended, Read Third Time and Passed

H. 93

House bill, entitled

An act relating to increasing the smoking age from 18 to 21 years of age

Was taken up and pending third reading of the bill, **Reps. Helm of Fair Haven and McCormack of Burlington** moved to amend the bill as follows:

<u>First</u>: By adding a reader assistance heading and two new sections to be Secs. 16 and 17 to read as follows:

* * * Maintaining Smoking Age at 18 Years of Age for Military * * *

Sec. 16. 7 V.S.A. § 1013 is added to read:

§ 1013. SMOKING AGE FOR MEMBERS OF THE U.S. ARMED FORCES

(a) As used in this section:

(1) "U.S. Armed Forces" means the U.S. Army, Navy, Marine Corps, Air Force, or Coast Guard; a reserve component thereof; or the National Guard of this State or another state.

(2) "Member of the U.S. Armed Forces" means a current member of the U.S. Armed Forces or a wounded veteran of the U.S. Armed Forces.

(b) Notwithstanding any provision of section 1003 of this title to the contrary, a person shall not sell or provide tobacco products, tobacco substitutes, or tobacco paraphernalia to any member of the U.S. Armed Forces younger than 18 years of age.

(c)(1) For members of the U.S. Armed Forces under 21 years of age purchasing tobacco products, tobacco substitutes, or tobacco paraphernalia, proper proof of age pursuant to section 1004 of this title shall be:

(A) a photographic U.S. Military identification card showing the person is a current member of the U.S. Armed Forces; or

(B) for a wounded veteran, a photographic Veteran Health Identification Card issued by the U.S. Department of Veterans Affairs coupled with a photographic motor vehicle operator's license, a valid passport, or a photographic nondriver motor vehicle identification card obtained from the Department of Motor Vehicles. (2) A U.S. Military dependent's identification and privilege card shall not constitute proper proof under this subsection.

(d)(1) Notwithstanding any provision of section 1005 of this title to the contrary, a current member of the U.S. Armed Forces under 18 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment. A current member of the U.S. Armed Forces under 18 years of age who possesses tobacco products, tobacco substitutes, or tobacco products, tobacco paraphernalia in violation of this subdivision is subject to having the tobacco products, tobacco products, tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00.

(2) Notwithstanding any provision of section 1005 of this title to the contrary, a current member of the U.S. Armed Forces under 18 years of age shall not misrepresent his or her age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia. A current member of the U.S. Armed Forces under 18 years of age who misrepresents his or her age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia is subject to having the tobacco products, tobacco substitutes, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of not more than \$200.00.

(3) An action under subdivision (1) or (2) of this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

(e) Notwithstanding any provision of section 1007 of this title to the contrary, an individual who sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to a current member of the U.S. Armed Forces under 18 years of age shall be subject to a civil penalty of not more than \$100.00 for the first offense and not more than \$500.00 for any subsequent offense. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours of the occurrence of the alleged violation.

Sec. 17. 4 V.S.A. § 1102(b) is amended to read:

(b) The Judicial Bureau shall have jurisdiction of the following matters:

* * *

(27) Violations of 7 V.S.A. § 1013, relating to possession of tobacco products by a member of the U.S. Armed Forces under 18 years of age and to furnishing tobacco products to a member of the U.S. Armed Forces under 18 years of age.

and by renumbering the existing Sec. 16, effective dates, to be Sec. 18

<u>Second</u>: By striking out Sec. 5, 7 V.S.A. § 667(c), in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. 7 V.S.A. § 667(c) is amended to read:

(c) The provisions of subsection (b) of this section shall not apply to a violation of subsection 1005(a) or 1013(d) of this title, relating to purchase of tobacco products by a person less than 18 years of under the legal age.

<u>Third</u>: By striking out Secs. 10 and 15 in their entirety and inserting in lieu thereof "[Deleted.]"

<u>Fourth</u>: In the renumbered Sec. 18, effective dates, in subsection (a), following the parenthetical, by inserting "<u>Secs. 16–17</u> (smoking age for <u>military</u>),"; in subsection (b), by striking out "<u>Secs. 6–10</u>" and inserting in lieu thereof "<u>Secs. 6–9</u>"; and in subsection (c), by striking out "<u>Secs. 11–15</u>" and inserting in lieu thereof "<u>Secs. 11–14</u>"

Pending the question, Shall the bill be amended as recommended by Rep. Helm of Fair Haven and Rep. McCormack of Burlington? **Rep. Helm of Fair Haven** demanded the Yeas and Nays, which demand was sustained by the Constitutional number.

Thereupon, **Rep. Branagan of Georgia** moved to suspend the rules to call the roll in reverse order, which was disagreed to on a Division vote. Yeas, 70. Nays, 47. A three-quarters vote of 88 needed to suspend the rules.

Thereupon, the Clerk proceeded to call the roll and the question, Shall the bill be amended as recommended by Rep. Helm of Fair Haven and Rep. McCormack of Burlington? was decided in the affirmative. Yeas, 80. Nays, 63.

Those who voted in the affirmative are:

Bancroft of Westford Baser of Bristol Batchelor of Derby Berry of Manchester Beyor of Highgate Bissonnette of Winooski Branagan of Georgia Brennan of Colchester Briglin of Thetford Burditt of West Rutland Canfield of Fair Haven Carr of Brandon Condon of Colchester Connor of Fairfield Conquest of Newbury Corcoran of Bennington Cupoli of Rutland City Dakin of Colchester Dame of Essex Davis of Washington Devereux of Mount Holly Dickinson of St. Albans Town Donahue of Northfield Eastman of Orwell Fagan of Rutland City Fiske of Enosburgh Forguites of Springfield Gage of Rutland City Gamache of Swanton Graham of Williamstown Greshin of Warren Hebert of Vernon Helm of Fair Haven Higley of Lowell Hubert of Milton Huntley of Cavendish Juskiewicz of Cambridge Keenan of St. Albans City Kitzmiller of Montpelier Komline of Dorset Krebs of South Hero LaClair of Barre Town Lawrence of Lyndon Lewis of Berlin Marcotte of Coventry Martel of Waterford *

Masland of Thetford McCormack of Burlington McFaun of Barre Town Morrissey of Bennington Murphy of Fairfax Myers of Essex Olsen of Londonderry Parent of St. Albans Town Patt of Worcester Pearce of Richford Purvis of Colchester Quimby of Concord Ram of Burlington Russell of Rutland City Scheuermann of Stowe Sharpe of Bristol Shaw of Pittsford

Those who voted in the negative are:

Ancel of Calais Bartholomew of Hartland Beck of St. Johnsbury Botzow of Pownal Browning of Arlington Burke of Brattleboro Buxton of Tunbridge Chesnut-Tangerman of Middletown Springs Clarkson of Woodstock Cole of Burlington Copeland-Hanzas of Bradford Dakin of Chester Deen of Westminster Donovan of Burlington Emmons of Springfield Evans of Essex Feltus of Lyndon Frank of Underhill French of Randolph Gonzalez of Winooski

Grad of Moretown Haas of Rochester Head of South Burlington Hooper of Montpelier Jerman of Essex Jewett of Ripton Johnson of South Hero Klein of East Montpelier Krowinski of Burlington Lalonde of South Burlington Lanpher of Vergennes Lefebvre of Newark Lenes of Shelburne Lippert of Hinesburg Long of Newfane Lucke of Hartford Macaig of Williston Manwaring of Wilmington Martin of Wolcott McCullough of Williston Miller of Shaftsbury Mrowicki of Putney

Shaw of Derby Sibilia of Dover Smith of New Haven Strong of Albany Tate of Mendon Terenzini of Rutland Town Toll of Danville Trieber of Rockingham Troiano of Stannard Turner of Milton Van Wyck of Ferrisburgh Viens of Newport City Willhoit of St. Johnsbury Wood of Waterbury Wright of Burlington Young of Glover Zagar of Barnard

Nuovo of Middlebury O'Brien of Richmond O'Sullivan of Burlington Partridge of Windham Pearson of Burlington Poirier of Barre City Potter of Clarendon Pugh of South Burlington Rachelson of Burlington Ryerson of Randolph Sheldon of Middlebury Stevens of Waterbury Stuart of Brattleboro Sullivan of Burlington Sweaney of Windsor Till of Jericho Toleno of Brattleboro Townsend of South Burlington Walz of Barre City Webb of Shelburne Yantachka of Charlotte

Those members absent with leave of the House and not voting are:

Christie of Hartford	McCoy of Poultney	Savage of Swanton
Fields of Bennington	Morris of Bennington	Woodward of Johnson

Rep. Martel of Waterford explained her vote as follows:

"Mr. Speaker:

I voted yes on this amendment. My brother served in Vietnam with the Marines. He was 19 years old when he was sent to serve on the front line. He was asked before going overseas if he smoked, he said yes. They asked him what he smoked, his answer – Marlboros – is there anything else. He said it was his comfort zone."

Pending third reading of the bill, **Reps. Ram of Burlington and Young of Glover** moved to amend the bill as follows:

First: By adding three new sections to be Secs. 17–19 to read as follows:

Sec. 17. 18 V.S.A. § 9502(a) is amended to read:

(a)(1) The tobacco trust fund <u>Tobacco Trust Fund</u> is established in the office of the state treasurer, <u>Office of the State Treasurer</u> for the purposes of creating a self-sustaining, perpetual fund for tobacco cessation and prevention which is not dependent upon tobacco sales volume.

(2) The trust fund Tobacco Trust Fund shall be comprised composed of:

(A) appropriations made by the general assembly General Assembly;

(B) transfers from the litigation settlement fund <u>Tobacco Litigation</u> <u>Settlement Fund</u> pursuant to <u>subdivision</u> <u>subsection</u> (b) of this section; and

(C) <u>five percent of the revenue from the taxes levied on cigarettes</u> and tobacco products pursuant to 32 V.S.A. chapter 205; and

(D) contributions from any other source.

* * *

Sec. 18. 32 V.S.A. § 7823 is amended to read:

§ 7823. DEPOSIT OF REVENUE

The <u>Ninety-five percent of the</u> revenue generated by the taxes imposed under this chapter shall be credited to the State Health Care Resources Fund established by 33 V.S.A. § 1901d. <u>The remaining five percent shall be</u> credited to the Tobacco Trust Fund established by 18 V.S.A. § 9502 for purposes of tobacco use prevention, cessation, and control.

Sec. 19. 33 V.S.A. § 1901d(b) is amended to read:

(b) Into the Fund shall be deposited:

826

(1) all <u>95 percent of the</u> revenue from the tobacco products tax and <u>95 percent of the revenue</u> from the cigarette tax levied pursuant to 32 V.S.A. chapter 205;

* * *

and by renumbering the existing Sec. 17, effective dates, to be Sec. 20

<u>Second</u>: In the renumbered Sec. 20, effective dates, by adding a subsection (e) to read as follows:

(e) Secs. 17–19 (revenue; Tobacco Trust Fund) shall take effect on July 1, 2017.

Theruepon, **Rep. Ram of Burlington** asked and was granted leave of the House to withdraw the amendment.

Pending third reading of the bill, **Rep. Purvis of Colchester** moved to amend the bill as follows:

<u>First</u>: By striking out Secs. 5a-5c in their entirety and inserting in lieu thereof Secs. 5a-5c to read as follows:

Sec. 5a. 32 V.S.A. § 7771(d) is amended to read:

(d) The tax imposed under this section shall be at the rate of $\frac{154}{157}$ mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. 5b. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the U.S. Armed Forces operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at $\frac{2.57}{2.62}$ per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of $\frac{2.57}{2.62}$ per ounce or, if packaged for sale to a consumer in a package that

contains less than 1.2 ounces of the new smokeless tobacco, at the rate of \$3.08 \$3.14 per package, and cigars with a wholesale price greater than \$2.17, which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 5c. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the retail dealer at 12:01 a.m. on July 1, 2015 January 1, 2017, but shall not apply to retail dealers who hold less than \$500.00 in wholesale value of such snuff. Each retail dealer subject to the tax shall, on or before July 25, 2015 January 25, 2017, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. on July 1, 2015 January 1, 2017, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, 2015 February 25, 2017, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m. on July 1, 2015 January 1, 2017, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be

the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retail dealer at 12:01 a.m. on July 1, 2015 January 1, 2017, and on which cigarette stamps have been affixed before July 1, 2015 January 1, 2017. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. on July 1, 2015 January 1, 2017, and not yet affixed to a cigarette package, and the tax shall be at the rate of \$0.33 \$0.06 per stamp. Each wholesaler and retail dealer subject to the tax shall, on or before July 25, 2015 January 25, 2017, file a report to the Commissioner in such form as the Commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. on July 1, 2015 January 1, 2017, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25, 2015 February 25, 2017, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the wholesaler or retail dealer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

<u>Second</u>: By striking out Secs. 10a–10c in their entirety and inserting in lieu thereof Secs. 10a–10c to read as follows:

Sec. 10a. 32 V.S.A. § 7771(d) is amended to read:

(d) The tax imposed under this section shall be at the rate of $\frac{157}{160}$ mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. 10b. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the U.S. Armed Forces operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at $\frac{2.62}{2}$ \$2.67 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of $\frac{2.62}{2.62}$ \$2.67 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of \$3.14 \$3.20 per package, and cigars with a wholesale price greater than \$2.17, which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 10c. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the retail dealer at 12:01 a.m. on January 1, 2017 2018, but shall not apply to retail dealers who hold less than \$500.00 in wholesale value of such snuff. Each retail dealer subject to the tax shall, on or before January 25, 2017 2018, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. on January 1, 2017 2018, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before February 25, 2017 2018, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own

830

tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m. on January 1, 2017 2018, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retail dealer at 12:01 a.m. on January 1, 2017 2018, and on which cigarette stamps have been affixed before January 1, 2017 2018. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. on January 1, 2017 2018, and not yet affixed to a cigarette package, and the tax shall be at the rate of \$0.06 per stamp. Each wholesaler and retail dealer subject to the tax shall, on or before January 25, 2017 2018, file a report to the Commissioner in such form as the Commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. on January 1, 2017 2018, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before January 25, 2017 2018, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the wholesaler or retail dealer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

<u>Third</u>: By striking out Secs. 15a–15c in their entirety and inserting in lieu thereof Secs. 15a–15c to read as follows:

Sec. 15a. 32 V.S.A. § 7771(d) is amended to read:

(d) The tax imposed under this section shall be at the rate of $\frac{160 \ 163}{100}$ mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. 15b. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the U.S. Armed Forces operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at $\frac{2.67}{2.67}$ \$2.72 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of \$2.67 \$2.72 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of \$3.20 \$3.26 per package, and cigars with a wholesale price greater than \$2.17, which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 15c. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the retail dealer at 12:01 a.m. on January 1, 2018 2019, but shall not apply to retail dealers who hold less than \$500.00 in wholesale value of such snuff. Each retail dealer subject to the tax shall, on or before January 25, 2018 2019, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. on January 1, 2018 2019, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before February 25, 2018 2019, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m. on January 1, 2018 2019, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retail dealer at 12:01 a.m. on January 1, 2018 2019, and on which cigarette stamps have been affixed before January 1, 2018 2019. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. on January 1, 2018 2019, and not yet affixed to a cigarette package, and the tax shall be at the rate of \$0.06 per stamp. Each wholesaler and retail dealer subject to the tax shall, on or before January 25, 2018 2019, file a report to the Commissioner in such form as the Commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. on January 1, 2018 2019, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before January 25, 2018 2019, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the wholesaler or retail dealer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

Thereupon, **Rep. Purvis of Colchester** asked and was granted leave of the House to withdraw his amendment.

Theruepon, the bill was read the third time and passed.

Bill Amended; Third Reading Ordered

H. 865

Rep. Stevens of Waterbury spoke for the committee on General, Housing and Military Affairs.

Rep. Emmons of Springfield, for the committee on Corrections & Institutions, to which had been referred House bill, entitled

An act relating to promoting workforce housing

Reported in favor of its passage when amended as follows:

In Sec. 1, in Sec. 2(b), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read:

(1) Of the amounts appropriated to the Agency of Human Services to replace legacy technologies pursuant to 2010 Acts and Resolves No. 156, Sec. D.106(c)(1), as amended by 2011 Acts and Resolves No. 63, Sec. C.100, the amount of \$1,000,000.00 is hereby appropriated to the Vermont Housing and Conservation Board for the purpose of awarding grants to fund infrastructure improvements benefitting two or more workforce housing pilot projects pursuant to this section.

Rep. Trieber of Rockingham, for the committee on Appropriations recommended that the bill ought to pass when amended, as recommended by the committee on Corrections and Institutions and when further amended as follows:

By striking out Sec. 3 (Municipal Planning Grants; Housing; Appropriation)

Rep. Greshin of Warren, for the committee on Ways and Means recommended that the bill ought to pass when amended as recommended by the committees on Corrections and Institutions and Appropriations, and when further amended as follows:

By striking Sec. 4 in its entirety and inserting in lieu thereof a new Sec. 4 to read:

Sec. 4. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

* * *

(g)(1) In any fiscal year, the allocating agency may award up to:

(A) \$400,000.00 in total first-year credit allocations to all applicants for rental housing projects, for a total an aggregate limit of \$2,000,000.00 over any given five-year period that credits are available under this subdivision (A);

(B) \$300,000.00 in total first-year credit allocations for owner-occupied unit financing or down payment loans consistent with the allocation plan, including for new construction and manufactured housing, for a total an aggregate limit of \$1,500,000.00 over any given five-year period that credits are available under this subdivision (B).

(2) In fiscal years 2016, 2017, and 2018, the allocating agency may award up to \$125,000.00 in total first year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(2) of this

section for a total aggregate limit of \$375,000.00 over the five-year period that credits are available under this subdivision.

In any fiscal year, total first-year credit allocations under subdivision (1) of this subsection plus succeeding-year deemed allocations shall not exceed \$3,500,000.00.

(h) The aggregate limit for all credit allocations available under this section in any fiscal year is \$3,875,000.00.

(1) In fiscal year 2016 through fiscal year 2022, the allocating agency may award up to \$125,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(2) of this section.

(2) In any fiscal year, total first-year credit allocations under subdivision (1) of this subsection plus succeeding-year deemed allocations shall not exceed \$625,000.00.

Thereupon, the bill was read the second time and the report of the committees on Corrections and Institutions, Appropriations and Ways and Means agreed to.

Pending the question, Shall the bill be read the third time? **Rep. Stevens of Waterbury** moved to amend the bill as follows:

In Sec. 2 by striking out subdivisions (a)(2)-(3) in their entirety and inserting in lieu thereof new subdivisions (2)-(3) to read:

(2)(A) A minimum of 25 percent of the total number of units in the project will be owned by or rented to occupants whose gross annual household income does not exceed 80 percent of:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development; or

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(B) the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees for owner-occupied housing, and rent, utilities, and condominium association fees for rental housing, is not more than 30 percent of the gross annual household income.

(3)(A) A minimum of 50 percent of the total number of units in the project will be owned by or rented to occupants whose gross annual household income exceeds 80 percent, but does not exceed 120 percent, of:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development; or

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(B) the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees, is not more than 30 percent of the gross annual household income.

Which was agreed to.

Thereupon, **Reps. Johnson of South Hero and Lippert of Hinesburg** moved to amend the bill as follows:

By striking Sec. 5 in its entirety and inserting in lieu thereof new Secs. 5–8 to read:

Sec. 5. VERMONT HEALTH BENEFIT EXCHANGE

TECHNOLOGY; SUSTAINABILITY ANALYSIS; REPORT;

(a)(1) The Joint Fiscal Office, in collaboration with one or more independent third parties pursuant to contracts negotiated for that purpose, shall conduct an analysis and provide a report to the General Assembly on or before December 1, 2016 on the current functionality and long-term sustainability of the technology for Vermont's Health Benefit Exchange, including a review of the deficiencies in Vermont Health Connect functionality and the integration, connectivity, and business logic of each as they pertain to both the back-end systems and the user interface of Vermont Health Connect.

(2) The analysis shall provide recommendations for improving the function, efficiency, reliability, operations, and customer experience of the technology going forward.

(3) The report shall include an evaluation of the investment value of existing components of the Exchange technology and the contractor's assessment of the feasibility and cost-effectiveness of leveraging existing components of the Vermont Health Benefit Exchange as part of the technology for a larger, integrated eligibility system, including reviewing changes other states have made to the Exchange components of their technology infrastructure.

(4) The analysis and report shall provide a comparison of the investments required to ensure a sustainable State-based Exchange through further investment in Vermont Health Connect's current technology, including

any opportunities to build on other states' Exchange technology, with the estimated investments that would be required to transition to a fully or partially federally facilitated Exchange.

(b) In conducting the analysis and report pursuant to this section, and in preparing any requests for proposals from independent third parties, the Joint Fiscal Office shall consult with health insurers offering qualified health plans on Vermont Health Connect.

(c) The General Assembly shall provide ongoing oversight and review of the analysis and report.

Sec. 6. FISCAL YEAR 2016; REVERSIONS; APPROPRIATIONS

(a) Notwithstanding any provision of law to the contrary, and in addition to any other reversions in fiscal year 2016, the following amounts appropriated in fiscal year 2016 to the following sources shall revert to the General Fund:

(1) from the Office of the State Treasurer, the amount of \$115,000.00;

(2) from the Green Mountain Care Board, the amount of \$109,320.00.

(b) The amount of \$224,320.00 is appropriated in fiscal year 2016 from the General Fund to the Joint Fiscal Office for the purpose of implementing Sec. 5 of this act.

Sec. 7. FISCAL YEAR 2017; APPROPRIATION; ALLOCATION

(a) Of the amounts appropriated in fiscal year 2017 from the General Fund to the Agency of Agriculture, Food and Markets, the amount of \$175,680.00 is appropriated from the Agency to the Joint Fiscal Office for the purpose of implementing Sec. 5 of this act.

(b) The Commissioner of Finance and Management shall exercise his or her authority pursuant to 32 V.S.A. § 511 (allocation of excess receipts) to allocate \$175,680.00 to the Agency of Agriculture, Food and Markets.

Sec. 8. EFFECTIVE DATES

(a) This section and Sec. 6 (FY 2016 reversion; appropriation) shall take effect on passage.

(b) Secs. 1–4 (workforce housing), 5 (health benefit exchange study), and 7 (FY 2017 appropriation; allocation) shall take effect on July 1, 2016.

Pending the question, Shall the bill be amended as recommended by Rep. Johnson of South Hero and Rep. Lippert of Hinesburg? **Rep. Webb of Shelburne** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question,

Shall the bill be amended as recommended by Rep. Johnson of South Hero and Rep. Lippert of Hinesburg? was decided in the affirmative. Yeas, 136. Nays, 5.

Those who voted in the affirmative are:

Ancel of Calais Bancroft of Westford Bartholomew of Hartland Baser of Bristol Batchelor of Derby Beck of St. Johnsbury Berry of Manchester Beyor of Highgate Bissonnette of Winooski Botzow of Pownal Branagan of Georgia Brennan of Colchester Briglin of Thetford Browning of Arlington Burditt of West Rutland Burke of Brattleboro Buxton of Tunbridge * Canfield of Fair Haven Carr of Brandon Chesnut-Tangerman of Middletown Springs Clarkson of Woodstock Cole of Burlington Condon of Colchester Connor of Fairfield Conquest of Newbury Copeland-Hanzas of Bradford Corcoran of Bennington Cupoli of Rutland City Dakin of Chester Dakin of Colchester Dame of Essex Davis of Washington Deen of Westminster Devereux of Mount Holly Dickinson of St. Albans Town Donahue of Northfield Donovan of Burlington Emmons of Springfield Evans of Essex Fagan of Rutland City Feltus of Lyndon

Fiske of Enosburgh Forguites of Springfield Frank of Underhill French of Randolph Gage of Rutland City Gamache of Swanton Gonzalez of Winooski Grad of Moretown Graham of Williamstown Greshin of Warren Haas of Rochester Head of South Burlington Hebert of Vernon Helm of Fair Haven Higley of Lowell Hooper of Montpelier Hubert of Milton Huntley of Cavendish Jerman of Essex Johnson of South Hero Juskiewicz of Cambridge Keenan of St. Albans City Kitzmiller of Montpelier Klein of East Montpelier Krebs of South Hero Krowinski of Burlington LaClair of Barre Town Lalonde of South Burlington Lanpher of Vergennes Lawrence of Lyndon Lefebvre of Newark Lenes of Shelburne Lewis of Berlin Lippert of Hinesburg Long of Newfane Lucke of Hartford Macaig of Williston Manwaring of Wilmington Marcotte of Coventry Martel of Waterford Martin of Wolcott Masland of Thetford McCormack of Burlington McCullough of Williston

McFaun of Barre Town Miller of Shaftsbury Morrissey of Bennington * Mrowicki of Putney Murphy of Fairfax Myers of Essex Nuovo of Middlebury O'Brien of Richmond Olsen of Londonderry O'Sullivan of Burlington Parent of St. Albans Town Partridge of Windham Patt of Worcester Pearce of Richford Pearson of Burlington Poirier of Barre City Potter of Clarendon Pugh of South Burlington Purvis of Colchester Quimby of Concord Rachelson of Burlington Ram of Burlington Russell of Rutland City Ryerson of Randolph Scheuermann of Stowe * Sharpe of Bristol Shaw of Pittsford Shaw of Derby Sheldon of Middlebury Sibilia of Dover Smith of New Haven Stevens of Waterbury Strong of Albany Stuart of Brattleboro Sullivan of Burlington Sweaney of Windsor Tate of Mendon Terenzini of Rutland Town Till of Jericho Toleno of Brattleboro Townsend of South Burlington Troiano of Stannard Turner of Milton *

Van Wyck of Ferrisburgh	Webb of Shelburne	Yantachka of Charlotte	
Viens of Newport City	Willhoit of St. Johnsbury	Zagar of Barnard	
Walz of Barre City	Wood of Waterbury		
Those who voted in the negative are:			
Komline of Dorset *	Trieber of Rockingham *	Young of Glover	

Those members absent with leave of the House and not voting are:

Wright of Burlington

Christie of Hartford	Jewett of Ripton	Savage of Swanton
Eastman of Orwell	McCoy of Poultney	Woodward of Johnson
Fields of Bennington	Morris of Bennington	

Rep. Buxton of Tunbridge explained her vote as follows:

"Mr. Speaker:

Toll of Danville

A thorough analysis of the functionality and long-term sustainability of Vermont Health Connect will be of great value to this body as we fulfill our duty to taxpayers and Vermont Health Connect users. It was worth the long wait to ensure this analysis could be adequately funded and answers the important questions before us."

Rep. Komline of Dorset explained her vote as follows:

"Mr. Speaker:

I can save this body \$400k. Vermont Health Connect doesn't work."

Rep. Morrissey of Bennington explained her vote as follows:

"Mr. Speaker:

I voted yes to once again support the independent analysis of the Vermont Health Connect System. However, the funding should have been funded in the Appropriations Bill and not in this convoluted fashion. This has been too important for too long!"

Rep. Scheuermann of Stowe explained her vote as follows:

"Mr. Speaker:

While I suspect many of my constituents could give you an analysis of Vermont Health Connect for no money at all – just a few coarse words – I support this independent analysis because we must instill greater faith in our government from Vermonters. Most importantly it uses money already approved by the House – a state budget already too high for my liking."

Rep. Trieber of Rockingham explained his vote as follows:

"Mr. Speaker:

I wholeheartedly support the independent study of Vermont Health Connect. As this amendment will overwhelmingly pass, I must stand on principle. I cannot, in good conscience, support additional spending on Vermont Health Connect that doesn't come from within the existing Department of Vermont Health Access all funds budget of \$1.2 billion."

Rep. Turner of Milton explained his vote as follows:

"Mr. Speaker:

Republicans are, and have been, committed to restoring healthcare independence for Vermonters. This study is a move in the right direction toward developing a path forward that will allow greater access to more affordable healthcare plans. Using a bill that is not relevant to VT Health Connect is concerning. But, today, putting aside politics in Vermonters' best interest is the right thing to do! Thank you."

Pending the question, Shall the bill be read a third time? **Rep. Head of South Burlington** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be read a third time? was decided in the affirmative. Yeas, 139. Nays, 3.

Those who voted in the affirmative are:

Ancel of Calais	Clarkson of Woodstock	Evans of Essex
Bancroft of Westford	Cole of Burlington	Fagan of Rutland City
Bartholomew of Hartland	Condon of Colchester	Feltus of Lyndon
Baser of Bristol	Connor of Fairfield	Fiske of Enosburgh
Batchelor of Derby	Conquest of Newbury	Forguites of Springfield
Beck of St. Johnsbury	Copeland-Hanzas of	Frank of Underhill
Berry of Manchester	Bradford	French of Randolph
Bissonnette of Winooski	Corcoran of Bennington	Gage of Rutland City
Botzow of Pownal	Cupoli of Rutland City	Gamache of Swanton
Branagan of Georgia	Dakin of Chester	Gonzalez of Winooski
Brennan of Colchester	Dakin of Colchester	Grad of Moretown
Briglin of Thetford	Dame of Essex	Graham of Williamstown
Browning of Arlington	Davis of Washington	Greshin of Warren
Burditt of West Rutland	Deen of Westminster	Haas of Rochester
Burke of Brattleboro	Devereux of Mount Holly	Head of South Burlington
Buxton of Tunbridge	Dickinson of St. Albans	Hebert of Vernon
Canfield of Fair Haven	Town	Helm of Fair Haven
Carr of Brandon	Donahue of Northfield	Higley of Lowell
Chesnut-Tangerman of	Donovan of Burlington	Hooper of Montpelier
Middletown Springs	Emmons of Springfield	Hubert of Milton

Jerman of EssexMcFaJewett of RiptonMilleJohnson of South HeroMrowJuskiewicz of CambridgeMurpKeenan of St. Albans CityMyerKitzmiller of MontpelierNuovKlein of East MontpelierO'BriKomline of DorsetOlserKrebs of South HeroO'SulKrowinski of BurlingtonPartriLaClair of Barre TownPartriLalonde of South BurlingtonPartriLalonde of South BurlingtonPearsLefebvre of NewarkPoirieLewis of BerlinPughLippert of HinesburgPurviLong of NewfaneQuimLucke of HartfordRachMacaig of WillistonRamManwaring of WilmingtonRusseMarcotte of CoventryRyersMartel of WaterfordScherMartin of WolcottSharmMasland of ThetfordSharw	allough of Williston * aun of Barre Town r of Shaftsbury vicki of Putney hy of Fairfax s of Essex o of Middlebury en of Richmond of Londonderry livan of Burlington tt of St. Albans Town dge of Windham of Worcester e of Richford on of Burlington er of Barre City r of Clarendon of South Burlington s of Colchester by of Concord elson of Burlington of Burlington el of Rutland City * son of Randolph uermann of Stowe be of Bristol of Pittsford of Derby	Sheldon of Middlebury Sibilia of Dover Smith of New Haven Stevens of Waterbury Strong of Albany Stuart of Brattleboro Sullivan of Burlington Sweaney of Windsor Tate of Mendon Terenzini of Rutland Town Till of Jericho Toleno of Brattleboro Toll of Danville Townsend of South Burlington Trieber of Rockingham Troiano of Stannard Turner of Milton Viens of Newport City Walz of Barre City Webb of Shelburne Willhoit of St. Johnsbury Wood of Waterbury Wright of Burlington Yantachka of Charlotte Young of Glover Zagar of Barnard
--	---	---

Those who voted in the negative are:

Beyor of Highgate Mor	issey of Bennington	Van Wyck of Ferrisburgh
-----------------------	---------------------	-------------------------

Those members absent with leave of the House and not voting are:

Christie of Hartford	McCoy of Poultney	Woodward of Johnson
Eastman of Orwell	Morris of Bennington	
Fields of Bennington	Savage of Swanton	

Rep. McCullough of Williston explained his vote as follows:

"Mr. Speaker:

I vote Yes! Everybody has to have a habitat and quality, affordable, accessible healthcare as a human right."

Rep. Russell of Rutland City explained his vote as follows:

"Mr. Speaker:

I wish to thank all Committees of Jurisdiction for advancing H.865 and the positive effects which will result from this Economic/Workforce/Housing initiative for Vermont. I vote Yes!"

Senate Proposal of Amendment Concurred in

H. 248

The Senate proposed to the House to amend House bill, entitled

An act relating to miscellaneous revisions to the air pollution statutes

First: By striking out Sec. 1 in its entirety and inserting in lieu thereof:

Sec. 1. [Deleted.]

Second: By striking out Sec. 5 in its entirety and inserting in lieu thereof:

Sec. 5. 10 V.S.A. § 8003 is amended to read:

§ 8003. APPLICABILITY

(a) The Secretary may take action under this chapter to enforce the following statutes and rules, permits, assurances, or orders implementing the following statutes, and the Board may take such action with respect to subdivision (10) of this subsection:

* * *

(26) 10 V.S.A. chapter 168, relating to the collection and disposal of primary batteries; and

(27) 10 V.S.A. chapter 123, relating to threatened and endangered species; and

(28) 30 V.S.A. § 255, relating to regional coordination to reduce greenhouse gases.

* * *

<u>Third</u>: In Sec. 6 (effective dates), by striking out "2015" and inserting in lieu thereof: 2016

Which proposal of amendment was considered and concurred in.

Committee Relieved of Consideration and Bill Committed to Other Committee

S. 20

Rep. Ancel of Calais moved that the committee on Ways & Means be relieved of Senate bill, entitled

An act relating to establishing and regulating dental therapists

And that the bill be committed to the committee on Government Operations, which was agreed to.

Adjournment

At four o'clock and twenty-nine minutes in the afternoon, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at one o'clock in the afternoon.