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 aboveground 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:

First: 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 paraphernalia in violation of this subdivision is subject to having the tobacco products, tobacco substitutes, or 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

Second: 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 age under the legal age.

Third: By striking out Secs. 10 and 15 in their entirety and inserting in lieu thereof “[Deleted.]”

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

Pending the question, Shall the bill be amended as recomended 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 recomended 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  Canfield of Fair Haven  Devereux of Mount Holly
Baser of Bristol  Carr of Brandon  Dickinson of St. Albans
Batchelor of Derby  Condon of Colchester  Town
Berry of Manchester  Connor of Fairfield  Donahue of Northfield
Beyor of Highgate  Conquest of Newbury  Eastman of Orwell
Bissonnette of Winooski  Corcoran of Bennington  Fagan of Rutland City
Branagan of Georgia  Cupoli of Rutland City  Fiske of Enosburgh
Brennan of Colchester  Dakin of Colchester  Forguites of Springfield
Briglin of Thetford  Dame of Essex  Gage of Rutland City
Burditt of West Rutland  Davis of Washington  Gamache of Swanton
Graham of Williamstown          Masland of Thetford          Shaw of Derby
Greshin of Warren              McCormack of Burlington      Sibilia of Dover
Hebert of Vernon               McFaun of Burre Town       Smith of New Haven
Helm of Fair Haven             Morrissey of Bennington      Strong of Albany
Higley of Lowell               Murphy of Fairfax            Tate of Mendon
Hubert of Milton               Myers of Essex              Terenzini of Rutland Town
Hugley of Lowell               Olsen of Londonderry        Toll of Danville
Hubert of Milton               Parent of St. Albans Town   Triebel of Rockingham
Juskiewicz of Cambridge        Patt of Worcester            Troiano of Stannard
Keenan of St. Albans City      Pearce of Richford           Turner of Milton
Kitzmiller of Montpelier       Purvis of Colchester         Van Wyck of Ferrisburgh
Komline of Dorset              Quimby of Concord            Viens of Newport City
Krebs of South Hero            Ram of Burlington            Willhoit of St. Johnsbury
LaClair of Barre Town          Russell of Rutland City      Wood of Waterbury
Lawrence of Lyndon             Scheuermann of Stowe         Wright of Burlington
Lewis of Berlin                Sharpe of Bristol            Young of Glover
Marcotte of Coventry           Shaw of Pittsford            Zagar of Barnard
Martel of Waterford *          Shaw of Pittsford

Those who voted in the negative are:

Ancel of Calais                 Grad of Moretown            Nuovo of Middlebury
Bartholomew of Hartland         Haas of Rochester           O'Brien of Richmond
Beck of St. Johnsbury           Head of South Burlington    O'Sullivan of Burlington
Botzow of Pownal                Hooper of Montpelier         Partridge of Windham
Browning of Arlington           Jerman of Essex             Pearson of Burlington
Burke of Brattleboro            Jewett of Ripton            Poirier of Barre City
Buxton of Tunbridge             Johnson of South Hero        Pugh of South Burlington
Chesnut-Tangerman of Middletown Springs Krowinski of Burlington  Rachelson of Burlington
Clarkson of Woodstock           Lalone of South Burlington  Ryerson of Randolph
Cole of Burlington              Lanpher of Vergennes         Sheldon of Middlebury
Copeland-Hanzas of Bradford     Lefebvre of Newark           Stevens of Waterbury
Dakin of Chester                Lippert of Hinesburg         Sullivan of Burlington
Deen of Westminster             Long of Newfane              Swayne of Windsor
Donovan of Burlington           Lucke of Hartford            Till of Jericho
Emmons of Springfield           Macaig of Williston          Toleno of Brattleboro
Evans of Essex                  Manwaring of Wilmington      Townsend of South
Feltus of Lyndon                Martin of Wolcott            Burlington
Frank of Underhill              McCullough of Williston       Walz of Barre City
French of Randolph              Miller of Shaftsbury         Webb of Shelburne
Gonzalez of Winooski            Mrowicki of Putney            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 Tobacco Trust Fund is established in the office of the state treasurer, Office of the State Treasurer 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 Tobacco Litigation Settlement Fund pursuant to subdivision subsection (b) of this section; and

(C) five percent of the revenue from the taxes levied on cigarettes 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 Ninety-five percent of the 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. The remaining five percent shall be 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:
(1) **all 95 percent of the revenue** from the tobacco products tax and **95 percent of the revenue** 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**

**Second:** 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.**

Therewith, **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:

First: 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 154 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 $2.57 $2.62 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of $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 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, 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 August 25, 2015, 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, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, 2015, 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, 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.

Second: 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 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 $2.62 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of $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 $3.14 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. 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, 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, 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, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before 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 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 January 1, 2017, and on which cigarette stamps have been affixed before 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 January 1, 2017, 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, 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, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before January 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.

Third: 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 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. 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 $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, 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, and on which cigarette stamps have been affixed before January 1, 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, 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, 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, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before January 25, 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.

Thereupon, 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 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 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,

Those who voted in the affirmative are:

| Ancel of Calais | Fiske of Enosburgh | McFaun of Barre Town |
| Bancroft of Westford | Forguites of Springfield | Miller of Shaftsbury |
| Bartholomew of Hartland | Frank of Underhill | Morrissey of Bennington * |
| Baser of Bristol | French of Randolph | Mrowicki of Putney |
| Batchelor of Derby | Gage of Rutland City | Murphy of Fairfax |
| Beck of St. Johnsbury | Gamache of Swanton | Myers of Essex |
| Berry of Manchester | Gonzalez of Winooski | Nuovo of Middlebury |
| Beyor of Highgate | Grad of Moretown | O'Brien of Richmond |
| Bissonnette of Winooski | Graham of Williamstown | Olsen of Londonderry |
| Botzow of Pownal | Greshin of Warren | O'Sullivan of Burlington |
| Branagan of Georgia | Haas of Rochester | Parent of St. Albans Town |
| Brennan of Colchester | Head of South Burlington | Partridge of Windham |
| Briglin of Thetford | Hebert of Vernon | Patt of Worcester |
| Browning of Arlington | Helm of Fair Haven | Pearce of Richford |
| Burditt of West Rutland | Higley of Lowell | Pearson of Burlington |
| Burke of Brattleboro | Hooper of Montpelier | Poirier of Barre City |
| Buxton of Tunbridge * | Hubert of Milton | Potter of Clarendon |
| Canfield of Fair Haven | Huntley of Cavendish | Pugh of South Burlington |
| Carr of Brandon | Jerman of Essex | Purvis of Colchester |
| Chesnut-Tangerman of Middletown Springs | Johnson of South Hero | Quimby of Concord |
| Clarkson of Woodstock | Juskiewicz of Cambridge | Rachelson of Burlington |
| Cole of Burlington | Keenan of St. Albans City | Ram of Burlington |
| Condon of Colchester | Kitzmiller of Montpelier | Russell of Rutland City |
| Connor of Fairfield | Klein of East Montpelier | Ryerson of Randolph |
| Conquest of Newbury | Krebs of South Hero | Scheuermann of Stowe * |
| Copeland-Hanzas of Bradford | Krowsinski of Burlington | Sharpe of Bristol |
| Copleland-Hanzas of Bradford | LaClair of Barre Town | Shaw of Pittsford |
| Corcoran of Bennington | Lalonde of South Burlington | Shaw of Derby |
| Cupoli of Rutland City | Lanpher of Vergennes | Sheldon of Middlebury |
| Dakin of Chester | Lawrence of Lyndon | Sibilia of Dover |
| Dakin of Colchester | Lefebvre of Newark | Smith of New Haven |
| Dame of Essex | Lenes of Shelburne | Stevens of Waterbury |
| Davis of Washington | Lewis of Berlin | Strong of Albany |
| Deen of Westminster | Lippert of Hinesburg | Stuart of Brattleboro |
| Devereux of Mount Holly | Long of Newfane | Sullivan of Burlington |
| Dickinson of St. Albans Town | Lucke of Hartford | Sweaney of Windsor |
| Town | Macaig of Williston | Tate of Mendon |
| Donahue of Northfield | Manwaring of Wilmington | Terenzini of Rutland Town |
| Donovan of Burlington | Marcotte of Coventry | Till of Jericho |
| Emmons of Springfield | Martel of Waterford | Toleno of Brattleboro |
| Evans of Essex | Martin of Wolcott | Townsend of South |
| Fagan of Rutland City | Masland of Thetford | Burlington |
| Feltus of Lyndon | McCormack of Burlington | Troiano of Stannard |
| | | Turner of Milton * |
Van Wyck of Ferrisburgh
Viens of Newport City
Walz of Barre City
Webb of Shelburne
Willhoit of St. Johnsbury
Wood of Waterbury
Yantachka of Charlotte
Zagar of Barnard

Those who voted in the negative are:
Komline of Dorset *
Toll of Danville
Triber of Rockingham *
Wright of Burlington
Young of Glover

Those members absent with leave of the House and not voting are:
Christie of Hartford
Eastman of Orwell
Fields of Bennington
Jewett of Ripton
McCoy of Poultney
Morris of Bennington
Savage of Swanton
Woodward of Johnson

Rep. Buxton of Tunbridge explained her vote as follows:
“Mr. Speaker:

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:

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.

* * *

**Third:** 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.