

House Calendar

Tuesday, May 01, 2018

119th DAY OF THE ADJOURNED SESSION

House Convenes at 10:00 A.M.

TABLE OF CONTENTS

Page No.

ACTION CALENDAR

Action Postponed Until May 1, 2018

S. 267 An act relating to timing of a decree nisi in a divorce proceeding..	2152
Rep. LaLonde, et al. Amendment.....	2152

NEW BUSINESS

Favorable with Amendment

J.R.H. 17 Opposing the U.S. Environmental Protection Agency's proposed rollback of federal motor vehicle emission standards.....	2154
Rep. McCormack for Energy and Technology	

S. 175 An act relating to the wholesale importation of prescription drugs into Vermont, bulk purchasing, and the impact of prescription drug costs on health insurance premiums.....	2156
Rep. Lippert for Health Care	
Rep. Till for Ways and Means.....	2159
Rep. Yacovone for Appropriations.....	2160

S. 192 An act relating to transferring the professional regulation of law enforcement officers from the Vermont Criminal Justice Training Council to the Office of Professional Regulation.....	2160
Rep. LaClair for Government Operations	
Rep. Juskiewicz for Appropriations.....	2166

S. 269 An act relating to blockchain, cryptocurrency, and financial technology	2167
Rep. O'Sullivan for Commerce and Economic Development	
Rep. Young for Ways and Means.....	2174

S. 281 An act relating to the mitigation of systemic racism.....	2176
Rep. Gannon for Government Operations	
Rep. Trieber for Appropriations.....	2181

Senate Proposal of Amendment

H. 378 The creation of the Artificial Intelligence Task Force.....2181
H. 404 Medicaid reimbursement for long-acting reversible contraceptives2183
H. 624 The protection of information in the statewide voter checklist..... 2184
H. 710 Beer franchises..... 2187
H. 718 Creation of the Restorative Justice Study Committee..... 2196
H. 719 Insurance companies and trust companies..... 2199

Senate Proposal of Amendment to House Proposal of Amendment

S. 101 An act relating to the conduct of forestry operations..... 2206

Action Postponed Until May 2, 2018

Senate Proposal of Amendment

H. 25 Sexual assault survivors’ rights..... 2206

NOTICE CALENDAR

Favorable with Amendment

H. 716 Approval of the adoption of the charter of the Edward Farrar Utility District and the merger of the Village of Waterbury into the District..... 2208
Rep. Lewis for Government Operations
S. 111 An act relating to privatization contracts..... 2210
Rep. Gannon for Government Operations
S. 180 An act relating to the Vermont Fair Repair Act..... 2211
Rep. Myers for Commerce and Economic Development
S. 206 An act relating to business consumer protection for point-of-sale equipment leases..... 2213
Rep. Hill for Commerce and Economic Development
S. 260 An act relating to funding the cleanup of State waters..... 2216
Rep. Deen for Natural Resources, Fish, and Wildlife
Rep. Ancel for Ways and Means..... 2231

Senate Proposal of Amendment

H. 593 Miscellaneous consumer protection provisions..... 2237
H. 676 Miscellaneous energy subjects..... 2239
H. 711 Employment protections for crime victims..... 2240

H. 806 The Southeast State Correctional Facility	2244
H. 856 Miscellaneous amendments to municipal law.....	2245
H. 892 Regulation of short-term, limited-duration health insurance coverage and association health plans.....	2257
H. 915 The protection of pollinators.....	2261

Ordered to Lie

H. 219 The Vermont spaying and neutering program.....	2264
--	------

Action Postponed Indefinitely

H. 167 Alternative approaches to addressing low-level illicit drug use.....	2264
--	------

ORDERS OF THE DAY

ACTION CALENDAR

Action Postponed Until May 1, 2018

S. 267

An act relating to timing of a decree nisi in a divorce proceeding

Pending Action: Shall the report of the Committee on Judiciary be substituted for the amendment offered by Rep. LaLonde, et al.?

Amendment to be offered by Reps. Lalonde of South Burlington, Colburn of Burlington, Jessup of Middlesex, Morris of Bennington, Conquest of Newbury and Grad of Moretown to S. 267

Move to substitute for the report of the Committee on Judiciary by striking all after the enacting clause and inserting in lieu thereof the following::

Sec. 1. 13 V.S.A. § 9 is amended to read:

§ 9. ATTEMPTS

(a) Attempts; generally. Except as provided in subsection (d) of this section, a person who attempts to commit an offense and does an act toward the commission thereof, but by reason of being interrupted or prevented fails in the execution of the same, shall be punished as herein provided unless other express provision is made by law for the punishment of the attempt. ~~If the offense attempted to be committed is murder, aggravated murder, kidnapping, arson causing death, human trafficking, aggravated human trafficking, aggravated sexual assault, or sexual assault, a person shall be punished as the offense attempted to be committed is by law punishable.~~

(b) Felonies. If the offense attempted to be committed is a felony other than those set forth in subsection (a)(d) of this section, a person shall be punished by the less severe of the following punishments:

(1) imprisonment for not more than 10 years or fined not more than \$10,000.00, or both; or

(2) as the offense attempted to be committed is by law punishable.

(c) Misdemeanors. If the offense attempted to be committed is a misdemeanor, a person shall be imprisoned or fined, or both, in an amount not to exceed one-half the maximum penalty for which the offense so attempted to be committed is by law punishable.

(d) Serious violent felonies.

(1) If the offense attempted to be committed is murder, aggravated

murder, kidnapping, arson causing death, human trafficking, aggravated human trafficking, aggravated sexual assault, or sexual assault, the penalty shall not exceed the maximum penalty for the offense attempted to be committed, but any presumptive or mandatory minimum penalty applicable to the offense attempted to be committed shall not apply to an attempt to commit that offense.

(2) Notwithstanding subsection (a) of this section, a person is guilty of an attempt to commit an offense under this subsection if, with the purpose of committing the offense, he or she performs any act that is a substantial step toward the commission of the offense. A “substantial step” is conduct strongly corroborative of the actor’s intent to complete the commission of the offense and that advances beyond mere preparation.

(3) Conduct shall not be held to constitute a substantial step under subdivision (2) of this subsection unless it is strongly corroborative of the actor’s criminal purpose. Without negating the sufficiency of other conduct, the following, if strongly corroborative of the actor’s criminal purpose, shall not be held insufficient as a matter of law:

(A) lying in wait, searching for, or following the contemplated victim of the crime;

(B) enticing or seeking to entice the contemplated victim of the crime to go to the place contemplated for the commission of the crime;

(C) reconnoitering the place contemplated for the commission of the crime;

(D) unlawfully entering a structure, vehicle, or enclosure contemplated for the commission of the crime;

(E) possessing materials to be employed in the commission of the crime that are:

(i) specially designed for such unlawful use; or

(ii) that can serve no lawful purpose under the circumstances;

(F) possessing, collecting, or fabricating of materials to be employed in the commission of the crime, at or near the place contemplated for its commission, if such possession, collection, or fabrication serves no lawful purpose of the actor under the circumstances; or

(G) soliciting an innocent agent to engage in conduct constituting an element of the crime.

(4) Defenses.

(A) It is no defense to a prosecution under this subsection (d) that the

offense attempted was, under the actual attendant circumstances, factually or legally impossible of commission, if such offense could have been committed had the attendant circumstances been as the actor believed them to be.

(B) It shall be an affirmative defense to a charge under this subsection (d) that the actor abandoned his or her effort to commit the crime or otherwise prevented its commission, under circumstances manifesting a complete and voluntary renunciation of his or her criminal purpose. The establishment of such a defense does not affect the liability of an accomplice who did not join in such abandonment or prevention. Renunciation of criminal purpose is not voluntary if it is motivated, in whole or in part, by circumstances, not present or apparent at the inception of the actor's course of conduct, that increase the probability of detection or apprehension or that make more difficult the accomplishment of the criminal purpose. Renunciation is not complete if it is motivated by a decision to postpone the criminal conduct until a more advantageous time or to transfer the criminal effort to another but similar objective or victim.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to attempts"

NEW BUSINESS

Favorable with Amendment

J.R.H. 17

Joint resolution opposing the U.S. Environmental Protection Agency's proposed rollback of federal motor vehicle emission standards.

Rep. McCormack of Burlington, for the Committee on Energy and Technology, recommends that the resolution be amended by striking out all after the sponsors and by inserting in lieu thereof the following:

Whereas, the federal Greenhouse Gas Emission Standards, the Corporate Average Fuel Economy (CAFE) Standards, and the waiver allowing California vehicle emissions standards to be more stringent than those of the federal government have saved tens of thousands of American lives, reduced U.S. carbon emissions by millions of tons of CO₂, and saved American motorists billions of dollars in fuel costs, and

Whereas, these programs and the waiver authority are under the jurisdiction of the federal Clean Air Act, and have contributed to a modern automobile that lasts longer, requires far fewer tune-ups, pollutes the air considerably less, and requires less fuel to operate, and

Whereas, in the 1970s, U.S. Representative James Jeffords fought for the strongest possible auto emissions standards and unsuccessfully advocated for a minimum mileage standard instead of the adopted average standard, and

Whereas, Vermont has joined with other states and the District of Columbia, including Connecticut, Delaware, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, and Washington in adopting the more stringent California vehicle emissions standards, and

Whereas, if fuel efficiency had not improved from 2005 through 2015, including as a result of the current standards adopted in 2012, households would have spent 25 percent more on fuel, and

Whereas, even with the slightly higher purchase price attributable to incorporating the technology required to comply with the 2012 standards, the average new vehicle buyer starts saving during the first month of ownership, and

Whereas, the International Council on Clean Transportation recently found that, due to technological improvements and innovation, compliance costs for model years 2022–2025 will be 34 percent to 40 percent lower than originally projected, and

Whereas, auto manufacturers are already complying with the 2012 standards, and more than half of the new vehicles introduced in 2017 already meet the 2020 level of the standards, and 32 percent comply with the 2025 level, and

Whereas, Synapse Energy Economics has reported that the 2022 and 2025 standards will create more than 100,000 U.S. jobs in the auto industry by 2025 and more than 250,000 by 2035, and

Whereas, the American Lung Association recently released a poll showing that voters overwhelmingly support the U.S. Environmental Protection Agency’s (EPA) current fuel efficiency standards for cars, SUVs, and light trucks in model years 2022 to 2025, and the poll also found that nearly seven in 10 voters want the EPA to leave current fuel efficiency standards in place, and

Whereas, the best-selling passenger car in America — while more fuel efficient than its earlier models— earned the National Highway Traffic Safety Administration’s highest-possible, 5-star rating in every safety category and earned a 2017 Top Safety Pick Plus designation from the Insurance Institute for Highway Safety, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly commends the Agency of Natural Resources

and the Vermont Attorney General for their expressed opposition to the EPA's proposal to roll back any of the Greenhouse Gas Emissions or CAFE Standards or to revoke the emissions waiver granted to California under the Clean Air Act, and be it further

Resolved: That the General Assembly urges the Vermont Attorney General to join in any legal action against the EPA's authority to adopt these regulatory changes, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the EPA Administrator, the Secretary of Natural Resources, the Vermont Attorney General, and the Vermont Congressional Delegation.

(Committee Vote: 7-1-0)

(For Text of Resolution see House Journal April 19, 2018 Page)

S. 175

An act relating to the wholesale importation of prescription drugs into Vermont, bulk purchasing, and the impact of prescription drug costs on health insurance premiums

Rep. Lippert of Hinesburg, for the Committee on Health Care, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 91, subchapter 4 is added to read:

Subchapter 4. Wholesale Prescription Drug Importation Program

§ 4651. WHOLESAL IMPORTATION PROGRAM FOR PRESCRIPTION DRUGS; DESIGN

(a) The Agency of Human Services, in consultation with interested stakeholders and appropriate federal officials, shall design a wholesale prescription drug importation program that complies with the applicable requirements of 21 U.S.C. § 384, including the requirements regarding safety and cost savings. The program design shall:

(1) designate a State agency that shall either become a licensed drug wholesaler or contract with a licensed drug wholesaler in order to seek federal certification and approval to import safe prescription drugs and provide significant prescription drug cost savings to Vermont consumers;

(2) use Canadian prescription drug suppliers regulated under the laws of Canada or of one or more Canadian provinces, or both;

(3) ensure that only prescription drugs meeting the U.S. Food and Drug Administration's safety, effectiveness, and other standards shall be imported by

or on behalf of the State;

(4) import only those prescription drugs expected to generate substantial savings for Vermont consumers;

(5) ensure that the program complies with the tracking and tracing requirements of 21 U.S.C. §§ 360eee and 360eee-1 to the extent feasible and practical prior to imported drugs coming into the possession of the State wholesaler and that it complies fully after imported drugs are in the possession of the State wholesaler;

(6) prohibit the distribution, dispensing, or sale of imported products outside Vermont's borders;

(7) establish a fee on each prescription or establish another financing mechanism to ensure that the program is funded adequately in a manner that does not jeopardize significant consumer savings; and

(8) include a robust audit function.

(b) On or before January 1, 2019, the Secretary of Human Services shall submit the proposed design for a wholesale prescription drug importation program to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

§ 4652. MONITORING FOR ANTICOMPETITIVE BEHAVIOR

The Agency of Human Services shall consult with the Office of the Attorney General to identify the potential, and to monitor, for anticompetitive behavior in industries that would be affected by a wholesale prescription drug importation program.

§ 4653. FEDERAL COMPLIANCE

(a) On or before July 1, 2019, the Agency of Human Services shall submit a formal request to the Secretary of the U.S. Department of Health and Human Services for certification of the State's wholesale prescription drug importation program.

(b) The Agency of Human Services shall seek the appropriate federal approvals, waivers, exemptions, or agreements, or a combination thereof, as needed to enable all covered entities enrolled in or eligible for the federal 340B Drug Pricing Program to participate in the State's wholesale prescription drug importation program to the fullest extent possible without jeopardizing their eligibility for the 340B Program.

§ 4654. IMPLEMENTATION PROVISIONS

Upon certification and approval by the Secretary of the U.S. Department of Health and Human Services, the Agency of Human Services shall begin

implementation of the wholesale prescription drug importation program and shall begin operating the program within six months following the date of the Secretary's approval. As part of the implementation process, the Agency of Human Services shall, in accordance with State procurement and contract laws, rules, and procedures as appropriate:

(1) become licensed as a wholesaler or enter into a contract with a Vermont-licensed wholesaler;

(2) contract with one or more Vermont-licensed distributors;

(3) contract with one or more licensed and regulated Canadian suppliers;

(4) engage with health insurance plans, employers, pharmacies, health care providers, and consumers;

(5) develop a registration process for health insurance plans, pharmacies, and prescription drug-administering health care providers who are willing to participate in the program;

(6) create a publicly available source for listing the prices of imported prescription drug products that shall be made available to all participating entities and consumers;

(7) create an outreach and marketing plan to generate program awareness;

(8) starting in the weeks before the program becomes operational, create and staff a hotline to answer questions and address the needs of consumers, employers, health insurance plans, pharmacies, health care providers, and other affected sectors;

(9) establish the audit function and a two-year audit work-plan cycle; and

(10) conduct any other activities that the Agency determines to be important for successful implementation of the program.

§ 4655. ANNUAL REPORTING

(a) Annually on or before January 15, the Agency of Human Services shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance regarding the operation of the wholesale prescription drug importation program during the previous calendar year, including:

(1) which prescription drugs were included in the wholesale importation program;

(2) the number of participating pharmacies, health care providers, and health insurance plans;

(3) the number of prescriptions dispensed through the program;

(4) the estimated savings to consumers, health plans, employers, and the State during the previous calendar year and to date;

(5) information regarding implementation of the audit plan and audit findings; and

(6) any other information the Secretary of Human Services deems relevant.

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

Sec. 2. WHOLESALE IMPORTATION PROGRAM; CONDITION FOR IMPLEMENTATION

The Agency of Human Services shall be required to design and commence implementation of the wholesale prescription drug importation program described in Sec. 1 of this act only to the extent that funds are appropriated for this purpose in the budget bill enacted by the General Assembly for fiscal year 2019 or are otherwise made available.

and that after passage the title of the bill be amended to read: “An act relating to the wholesale importation of prescription drugs into Vermont”

(Committee vote: 11-0-0)

(For text see Senate Journal February 28, 2018)

Rep. Till of Jericho, for the Committee on Ways and Means, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Health Care and when further amended as follows:

First: In Sec. 1, 18 V.S.A. chapter 91, subchapter 4, in 18 V.S.A. § 4651(a), by striking out subdivision (7) in its entirety and inserting in lieu thereof a new subdivision (7) to read as follows:

(7) recommend a charge per prescription or another method of support to ensure that the program is funded adequately in a manner that does not jeopardize significant consumer savings; and

Second: In Sec. 1, 18 V.S.A. chapter 91, subchapter 4, in 18 V.S.A. § 4651, in subsection (b), by striking out “House Committee on Health Care” and inserting in lieu thereof “House Committees on Health Care and on Ways and Means”

Third: In Sec. 1, 18 V.S.A. chapter 91, subchapter 4, by inserting a new 18 V.S.A. § 4654 to read as follows:

§ 4654. PROGRAM FINANCING

The Agency of Human Services shall not implement the wholesale prescription drug importation program until the General Assembly enacts legislation establishing a charge per prescription or another method of financial support for the program.

and by redesignating the remaining sections of the subchapter to be numerically correct

Fourth: In Sec. 1, 18 V.S.A. chapter 91, subchapter 4, in the redesignated 18 V.S.A. § 4655 (implementation provisions), by striking out the first sentence and inserting in lieu thereof the following:

Upon the last to occur of the General Assembly enacting a method of financial support pursuant to section 4654 of this chapter and receipt of certification and approval by the Secretary of the U.S. Department of Health and Human Services, the Agency of Human Services shall begin implementation of the wholesale prescription drug importation program and shall begin operating the program within six months.

Fifth: In Sec. 1, 18 V.S.A. chapter 91, subchapter 4, in the redesignated 18 V.S.A. § 4656 (annual reporting), in subsection (a), by striking out “House Committee on Health Care” and inserting in lieu thereof “House Committees on Health Care and on Ways and Means”

Sixth: In Sec. 2, wholesale importation program; condition for implementation, by striking out “CONDITION FOR IMPLEMENTATION” following the semicolon in the section heading and inserting in lieu thereof “DESIGN CONTINGENT ON FUNDING” and, following “design”, by striking out “and commence implementation of”

(Committee Vote: 8-0-3)

Rep. Yacovone of Morristown, for the Committee on Appropriations, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committees on Health Care and Ways and Means.

(Committee Vote: 11-0-0)

S. 192

An act relating to transferring the professional regulation of law enforcement officers from the Vermont Criminal Justice Training Council to the Office of Professional Regulation

Rep. LaClair of Barre Town, for the Committee on Government

Operations, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 20 V.S.A. § 2405 is amended to read:

§ 2405. COUNCIL HEARING AND SANCTION PROCEDURE

(a) Generally. Except as otherwise provided in this subchapter, ~~the Council~~ all proceedings under this subchapter shall conduct its proceedings be conducted in accordance with the Vermont Administrative Procedure Act. This includes the ability to summarily suspend the certification of a law enforcement officer in accordance with 3 V.S.A. § 814(c).

(b) Prosecutor.

(1) An Assistant Attorney General assigned by the Office of the Attorney General shall be responsible for prosecuting unprofessional conduct cases under this subchapter.

(2) The burden of proof shall be on the State to show by a preponderance of the evidence that a law enforcement officer has engaged in unprofessional conduct.

(c) Hearing officer.

(1) The Council shall appoint a hearing officer, who shall be an attorney admitted to practice law in this State, to conduct any unprofessional conduct hearing under this subchapter. The Council shall choose the hearing officer from a list of hearing officers provided by the Office of Professional Regulation.

(2) The hearing officer may administer oaths and exercise powers properly incidental to the conduct of the hearing.

(3) Any hearing officer sitting in an unprofessional conduct case shall do so impartially and without any ex parte knowledge of the case in controversy.

(4)(A) The hearing officer shall issue findings of fact and conclusions of law regarding the prosecutor's charges of unprofessional conduct.

(B) For the purposes of subdivision 2406(b)(1)(B) of this subchapter, the hearing officer shall determine at the hearing and shall include in his or her findings of fact whether there is a pending labor proceeding related to any unprofessional conduct that the hearing officer concludes a law enforcement officer committed.

(5)(A) The hearing officer shall report the findings of fact and conclusions of law to the Council within 30 days after the conclusion of the

hearing, unless the Council grants an extension. The provisions of 3 V.S.A. § 811 regarding proposals for decision shall not apply to the hearing officer's report.

(B) The hearing officer's findings and conclusions shall be binding on the Council; provided, however, that the Council may request that the hearing officer make clarifications or additional findings.

(d) Council.

(1) The Council shall hold a sanction hearing based on the hearing officer's findings of fact and conclusions of law. Unless the Council grants an extension, the Council shall hold its sanction hearing within 30 days after the date the hearing officer reports his or her findings of fact and conclusions of law to the Council or within 30 days after the date the hearing officer makes clarifications or additional findings under subdivision (c)(5)(B) of this section, whichever occurs later.

(2) Unless the Council grants an extension, the Council shall issue its sanction order within 10 days after its sanction hearing.

Sec. 2. 20 V.S.A. § 2406 is amended to read:

§ 2406. PERMITTED COUNCIL SANCTIONS

(a) Generally. The Council may impose any of the following sanctions on a law enforcement officer's certification upon its finding a hearing officer's conclusion that a law enforcement officer committed unprofessional conduct:

(1) written warning;

(2) suspension, but to run concurrently with the length and time of any suspension imposed by a law enforcement agency with an effective internal affairs program, which shall amount to suspension for time already served if an officer has already served a suspension imposed by his or her agency with such a program;

(3) revocation, with the option of recertification at the discretion of the Council; or

(4) permanent revocation.

(b) Intended revocation; temporary voluntary surrender.

(1)(A) If, after ~~an evidentiary~~ a sanction hearing, the Council intends to revoke a law enforcement officer's certification due to its finding a hearing officer's conclusion that the officer committed unprofessional conduct, the Council shall issue ~~a decision~~ an order to that effect.

(B) Within 10 business days ~~from~~ after the date of that ~~decision~~

order, such an officer may voluntarily surrender his or her certification if the hearing officer determined under subdivision 2405(c)(4)(B) of this subchapter that there is a pending labor proceeding related to the Council's unprofessional conduct findings the hearing officer concluded the law enforcement officer committed.

(C) A voluntary surrender of an officer's certification shall remain in effect until the labor proceeding and all appeals are finally adjudicated or until the officer requests a final sanction hearing, whichever occurs first, and thereafter until the Council's final sanction hearing on the matter. At that hearing, the Council may modify its ~~findings and decision~~ sanction order on the basis of additional evidence set forth in the labor proceeding decision, but shall not be bound by any outcome of the labor proceeding.

(2) If an officer fails to voluntarily surrender his or her certification in accordance with subdivision (1) of this subsection, the Council's original ~~findings and decision~~ sanction order shall take effect.

Sec. 3. 20 V.S.A. § 2410 is amended to read:

§ 2410. COUNCIL ADVISORY COMMITTEE

(a) Creation. There is created the Council Advisory Committee to provide advice to the Council regarding its duties under this subchapter.

(1) The Committee shall specifically:

(A) advise and assist the Council in developing procedures to ensure that allegations of unprofessional conduct by law enforcement officers are investigated fully and fairly, and to ensure that appropriate action is taken in regard to those allegations; and

(B) recommend to the Council any appropriate sanctions to impose on a law enforcement officer's certification upon a hearing officer's concluding that the law enforcement officer committed unprofessional conduct.

(2) The Committee shall be advisory only and shall not have any decision-making authority.

(b) Membership. The Committee shall be composed of five individuals appointed by the Governor. The Governor may solicit recommendations for appointments from the Chair of the Council.

(1) Four of these members shall be public members who during incumbency shall not serve and shall have never served as a law enforcement officer or corrections officer and shall not have an immediate family member who is serving or has ever served as either of those officers.

(2) One of these members shall be a retired law enforcement officer.

(c) Assistance. The Executive Director of the Council or designee shall attend Committee meetings as a resource for the Committee.

(d) Reimbursement. Members of the Committee ~~who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance~~ shall be entitled to per diem compensation and reimbursement of expenses ~~pursuant to~~ as permitted under 32 V.S.A. § 1010 ~~for not more than five meetings per year.~~ Such payments shall be derived from the budget of the Council.

Sec. 4. 2017 Acts and Resolves No. 56, Sec. 2 is amended to read:

Sec. 2. TRANSITIONAL PROVISIONS TO IMPLEMENT THIS ACT

(a) Effective internal affairs programs.

(1) Law enforcement agencies. On or before ~~July 1, 2018~~ January 1, 2019, each law enforcement agency shall adopt an effective internal affairs program in accordance with 20 V.S.A. § 2402(a) in Sec. 1 of this act.

(2) Vermont Criminal Justice Training Council. On or before ~~April 1, 2018~~ July 1, 2018, the Vermont Criminal Justice Training Council shall adopt an effective internal affairs program model policy in accordance with 20 V.S.A. § 2402(b) in Sec. 1 of this act.

(b) Alleged law enforcement officer unprofessional conduct. The provisions of 20 V.S.A. chapter 151, subchapter 2 (unprofessional conduct) in Sec. 1 of this act shall apply to law enforcement officer conduct alleged to have been committed on and after the effective date of that subchapter.

(c) Duty to disclose. The requirement for a former law enforcement agency to disclose the reason that a law enforcement officer is no longer employed by the agency as set forth in 20 V.S.A. § 2362a in Sec. 1 of this act shall not apply if there is a binding nondisclosure agreement prohibiting that disclosure that was executed prior to the effective date of that section.

(d) Council rules. The Vermont Criminal Justice Training Council may adopt rules in accordance with 20 V.S.A. § 2411 (Council rules) in Sec. 1 of this act, prior to the effective date of that section.

(e) Council Advisory Committee. The Governor shall make appointments to the Council Advisory Committee set forth in 20 V.S.A. § 2410 in Sec. 1 of this act prior to the effective date of that section.

(f) Annual report of Executive Director. Annually, on or before January 15, beginning in the year ~~2019~~ 2020 and ending in the year ~~2022~~ 2023, the Executive Director of the Vermont Criminal Justice Training Council

shall report to the ~~General Assembly~~ House and Senate Committees on Government Operations regarding the Executive Director's analysis of the implementation of this act and any recommendations he or she may have for further legislative action.

(g) Council, OPR; joint report. On or before October 1, 2017, the Executive Director of the Vermont Criminal Justice Training Council and the Director of the Office of Professional Regulation (Office) shall consult with law enforcement stakeholders and report to the Senate and House Committees on Government Operations on a proposal for the Office to perform duties related to the professional regulation of law enforcement officers.

Sec. 5. 2017 Acts and Resolves No. 56, Sec. 6 is amended to read:

Sec. 6. EFFECTIVE DATES

This act shall take effect on ~~July 1, 2018~~ January 1, 2019, except:

(1) this section and Sec. 2 (transitional provisions to implement this act) shall take effect on passage; and

(2) the following shall take effect on July 1, 2017:

(A) in Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council):

(i) § 2351 (creation and purpose of Council);

(ii) § 2351a (definitions);

(iii) § 2352 (Council membership);

(iv) § 2354 (Council meetings);

(v) § 2355 (Council powers and duties), except that subsection (a) shall take effect on ~~July 1, 2018~~ January 1, 2019;

(vi) § 2358 (minimum training standards; definitions); and

(vii) § 2362a (potential hiring agency; duty to contact former agency);

(B) Sec. 3, 20 V.S.A. § 1812 (definitions); and

(C) Sec. 4, 20 V.S.A. § 1922 (creation of State Police Advisory Commission; members; duties).

Sec. 6. 13 V.S.A. § 3251 is amended to read:

§ 3251. DEFINITIONS

As used in this chapter:

* * *

(9) “Law enforcement officer” means a person certified as a law enforcement officer under the provisions of 20 V.S.A. chapter 151.

Sec. 7. 13 V.S.A. § 3259 is added to read:

§ 3259. SEXUAL EXPLOITATION OF A PERSON IN THE CUSTODY OF A LAW ENFORCEMENT OFFICER

(a) No law enforcement officer shall engage in a sexual act with a person whom the officer is detaining, arresting, or otherwise holding in custody or who the officer knows is being detained, arrested, or otherwise held in custody by another officer.

(b) A person who violates subsection (a) of this section shall be imprisoned for not more than five years or fined not more than \$10,000.00, or both.

Sec. 8. EFFECTIVE DATES

This act shall take effect on passage, except that Secs. 1, 20 V.S.A. § 2405 (Council hearing and sanction procedure); 2, 20 V.S.A. § 2406 (permitted Council sanctions); and 3, 20 V.S.A. § 2410 (Council Advisory Committee) shall take effect on January 1, 2019.

and that after passage the title of the bill be amended to read: “An act relating to the Vermont Criminal Justice Training Council’s professional regulation of law enforcement officers”

(Committee vote: 10-0-1)

(For text see Senate Journal March 20, 2018)

Rep. Juskiewicz of Cambridge, for the Committee on Appropriations, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations and when further amended as follows:

In Sec. 3, 20 V.S.A. § 2410 (Council Advisory Committee), by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read:

(d) Reimbursement. Members of the Committee ~~who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance~~ shall be entitled to per diem compensation and reimbursement of expenses ~~pursuant to~~ as permitted under 32 V.S.A. § 1010 for not more than ~~five~~ eight meetings per year. Such payments shall be derived from the budget of the Council.

(Committee Vote: 9-0-2)

S. 269

An act relating to blockchain, cryptocurrency, and financial technology

Rep. O'Sullivan of Burlington, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Definition of Blockchain Technology * * *

Sec. 1. 12 V.S.A. § 1913 is amended to read:

§ 1913. BLOCKCHAIN ENABLING

(a) As used in this section, ~~“blockchain technology”~~ :

(1) “Blockchain” means a mathematically cryptographically secured, chronological, and decentralized consensus ledger or consensus database, whether maintained via Internet interaction, peer-to-peer network, or otherwise other interaction.

(2) “Blockchain technology” means computer software or hardware or collections of computer software or hardware, or both, that utilize or enable a blockchain.

* * *

* * * Personal Information Protection Companies * * *

Sec. 2. 8 V.S.A. chapter 78 is added to read:

CHAPTER 78. PERSONAL INFORMATION PROTECTION

COMPANIES

§ 2451. DEFINITIONS

As used in this section:

(1) “Personal information” means data capable of being associated with a particular natural person, including gender identification, birth information, marital status, citizenship and nationality, biometric records, government identification designations, and personal, educational, and financial histories.

(2) “Personal information protection company” means a business that is organized for the primary purpose of providing personal information protection services to individual consumers.

(3) “Personal information protection services” means:

(A) receiving, holding, and managing the disclosure or use of personal information concerning an individual consumer;

(B) pursuant to a written agreement that specifies the types of personal information to be held, and the scope of services to be provided, on behalf of the consumer; and

(C) in the best interest, and for the protection and benefit, of the consumer.

§ 2452. PERSONAL INFORMATION AS THE SUBJECT OF A
FIDUCIARY RELATIONSHIP

A personal information protection company that accepts personal information pursuant to a written agreement to provide personal information protection services has a fiduciary responsibility to the consumer when providing personal protection services.

§ 2453. QUALIFIED PERSONAL INFORMATION PROTECTION
COMPANY

(a) A personal information protection company shall qualify to conduct its business under the terms of this chapter and applicable rules adopted by the Department of Financial Regulation.

(b) A person shall not engage in business as a personal information protection company in this State without first obtaining a certificate of authority from the Department.

(c) A personal information protection company shall:

(1) be organized or authorized to do business under the laws of this State;

(2) maintain a place of business in this State;

(3) appoint a registered agent to accept service of process and to otherwise act on its behalf in this State, provided that whenever the registered agent cannot with reasonable diligence be found at the Vermont registered office of the company, the Secretary of State shall be an agent of the company upon whom any process, notice, or demand may be served;

(4) annually hold at least one meeting of its governing body in this State, at which meeting one or more members of the body are physically present; and

(5) develop, implement, and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards sufficient to protect personal information, and which may include the use of blockchain technology, as defined in 12 V.S.A. § 1913, in some or all of its business activities.

§ 2454. NAME; OFFICE

A personal information protection company shall file with the Department of Financial Regulation the name it proposes to use in connection with its business, which the Department shall not approve if it determines that the name may be misleading, likely to confuse the public, or deceptively similar to any other business name in use in this State.

§ 2455. CONDUCT OF BUSINESS

(a) A personal information protection company may:

(1) operate through remote interaction with the individuals entrusting personal information to the company, and there shall be no requirement of Vermont residency or other contact for any such individual to establish such a relationship with the company; and

(2) subject to applicable fiduciary duties, the terms of any agreement with the individual involved, and any applicable statutory or regulatory provision:

(A) provide elements of personal information to third parties with which the individual seeks to have a transaction, a service relationship, or other particular purpose interaction;

(B) provide certification or validation concerning personal information;

(C) receive compensation for acting in these capacities.

(b) An authorization to provide personal information may be either particular or general, provided it meets the terms of any agreement with the individual involved and any rules adopted by the Department of Financial Regulation.

§ 2456. FEES; AUTHORITY OF DEPARTMENT

(a)(1) The Department of Financial Regulation shall assess the following fees for a personal information protection company:

(A) an initial registration fee of \$1,000.00, which includes a licensing fee of \$500.00 and an investigation fee of \$500.00;

(B) an annual renewal fee of \$500.00;

(C) a change in address fee of \$100.00.

(2) The Department shall have the authority to bill a personal information protection company for examination time at its standard rate.

(b) In addition to other powers conferred by this chapter, the Department shall have the authority to review records, conduct examinations, and require

annual audits of a personal information protection company.

§ 2457. REPORTS; RULES

(a) The Department of Financial Regulation may prescribe by rule the timing and manner of reports by a personal information protection company to the Department.

(b) The Department may adopt rules to govern other aspects of the business of a personal information protection company, including its protection and safeguarding of personal information and its interaction with third parties with respect to personal information it holds.

Sec. 3. INSURANCE; BANKING; DFR STUDY; REPORT

(a) The Department of Financial Regulation shall review the potential application of blockchain technology to the provision of insurance and banking and consider areas for potential adoption and any necessary regulatory changes in Vermont.

(b) On or before January 15, 2019, the Department shall submit a report of its findings and recommendations to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

Sec. 4. BLOCKCHAIN AND FINANCIAL TECHNOLOGY PROMOTION

The Agency of Commerce and Community Development shall incorporate into one or more of its economic development marketing and business support programs, events, and activities the following topics:

(1) opportunities to promote blockchain technology and financial technology-related economic development in the private sector, including in the areas of banking, insurance, retail and service businesses, and cryptocurrency;

(2) legal and regulatory mechanisms that enable and promote the adoption of blockchain technology and financial technology in this State; and

(3) educational and workforce training opportunities in blockchain technology, financial technology, and related areas.

* * * Enabling Provisions for FinTech and Blockchain Approaches * * *

Sec. 5. 11 V.S.A. chapter 25, subchapter 12 is added to read:

Subchapter 12. Blockchain-Based Limited Liability Companies

§ 4171. DEFINITIONS

As used in this section:

(1) “Blockchain technology” has the same meaning as in 12 V.S.A. § 1913.

(2) “Participant” means:

(A) each person that has a partial or complete copy of the decentralized consensus ledger or database utilized by the blockchain technology, or otherwise participates in the validation processes of such ledger or database;

(B) each person in control of any digital asset native to the blockchain technology; and

(C) each person that makes a material contribution to the protocols.

(3) “Protocols” means the designated regulatory model of the software that governs the rules, operations, and communication between nodes on the network utilized by the participants.

(4) “Virtual currency” means a digital representation of value that:

(A) is used as a medium of exchange, unit of account, or store of value; and

(B) is not legal tender, whether or not denominated in legal tender.

§ 4172. ELECTION

A limited liability company organized pursuant to this title for the purpose of operating a business that utilizes blockchain technology for a material portion of its business activities may elect to be a blockchain-based limited liability company (BLLC) by:

(1) specifying in its articles of organization that it elects to be a BLLC; and

(2) meeting the requirements in subdivision 4173(2) and subsection 4174(a) of this title.

§ 4173. AUTHORITY; REQUIREMENTS

Notwithstanding any provision of this chapter to the contrary:

(1) A BLLC may provide for its governance, in whole or in part, through blockchain technology.

(2) The operating agreement for a BLLC shall:

(A) provide a summary description of the mission or purpose of the BLLC;

(B) specify whether the decentralized consensus ledger or database utilized or enabled by the BLLC will be fully decentralized or partially

decentralized and whether such ledger or database will be fully or partially public or private, including the extent of participants' access to information and read and write permissions with respect to protocols;

(C) adopt voting procedures, which may include smart contracts carried out on the blockchain technology, to address:

(i) proposals from managers, members, or other groups of participants in the BBLLC for upgrades or modifications to software systems or protocols, or both;

(ii) other proposed changes to the BBLLC operating agreement; or

(iii) any other matter of governance or activities within the purpose of the BBLLC;

(D) adopt protocols to respond to system security breaches or other unauthorized actions that affect the integrity of the blockchain technology utilized by the BBLLC;

(E) provide how a person becomes a member of the BBLLC with an interest, which may be denominated in the form of units, shares of capital stock, or other forms of ownership or profit interests; and

(F) specify the rights and obligations of each group of participants within the BBLLC, including which participants shall be entitled to the rights and obligations of members and managers.

§ 4174. PRESENCE; DIGITAL BUSINESS ENTITY TAX EXEMPTION

(a) A BBLLC shall conduct some or all of its activities within this State.

(b) A BBLLC that qualifies as and elects to be taxed as a digital business entity for the taxable year shall not be subject to the tax imposed by 32 V.S.A. § 5832.

§ 4175. MULTIPLE ROLES OF MEMBERS AND MANAGERS

(a) A member or manager of a BBLLC may interact with the BBLLC in multiple roles, including as a member, manager, developer, node, miner, or other participant in the BBLLC, or as a trader and holder of the currency in its own account and for the account of others, provided such member or manager complies with any applicable fiduciary duties.

(b) The activities of a member or manager who interacts with the BBLLC through multiple roles are not deemed to take place in this State solely because the BBLLC is organized in this State.

§ 4176. CONSENSUS FORMATION ALGORITHMS AND GOVERNANCE PROCESSES

In its governance, a BLLC may:

(1) adopt any reasonable algorithmic means for accomplishing the consensus process for validating records, as well as requirements, processes, and procedures for conducting operations, or making organizational decisions on the blockchain technology used by the BLLC; and

(2) in accordance with any procedure specified pursuant to section 4173 of this title, modify the consensus process, requirements, processes, and procedures, or substitute a new consensus process, requirements, processes, or procedures that comply with the requirements of law and the governance provisions of the BLLC.

§ 4177. SCOPE OF SUBCHAPTER; OTHER LAW

Except as expressly provided otherwise, this subchapter does not exempt a BLLC from any other judicial, statutory, or regulatory provision of Vermont law or federal law, including State and federal securities laws. Except to the extent inconsistent with the provisions of this subchapter, the provisions of the Vermont Limited Liability Company Act govern.

* * * Blockchain Technology in Public Records * * *

Sec. 6. PUBLIC RECORDS

On or before January 15, 2019, the Vermont State Archives and Records Administration, in collaboration with the Vermont League of Cities and Towns, the Vermont Municipal Clerks' and Treasurers' Association, and the Agency of Digital Services, shall:

(1) evaluate blockchain technology for the systematic and efficient management of public records in accordance with 1 V.S.A. § 317a and 3 V.S.A. § 117;

(2) recommend legislation, including uniform laws, necessary to support the possible use of blockchain technology for the recording of land records pursuant to 24 V.S.A. § 1154 and for other public records; and

(3) submit its findings and recommendations to the House Committee on Commerce and Economic Development; the Senate Committee on Economic Development, Housing and General Affairs; and the House and Senate Committees on Government Operations.

* * * Effective Date * * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

and that after passage the title of the bill be amended to read: "An act

relating to blockchain business development”

(Committee vote: 9-0-2)

(For text see Senate Journal March 20, 2018)

Rep. Young of Glover, for the Committee on Ways and Means, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Commerce and Economic Development and when further amended as follows:

First: In Sec. 5, in 11 V.S.A. chapter 25, subchapter 12, by striking out section 4174 in its entirety and renumbering the remaining sections in the subchapter to be numerically correct.

Second: By renumbering Secs. 6–7 to be Secs. 8–9 and inserting new Secs. 6–7 to read:

Sec. 6. REPEAL

32 V.S.A. § 5811(26) (digital business entity) is repealed.

Sec. 7. 32 V.S.A. chapter 151, subchapter 3 is amended to read:

Subchapter 3. Taxation of Corporations

* * *

§ 5832. TAX ON INCOME OF CORPORATIONS

* * *

(2)(A) \$75.00 for small farm corporations. “Small farm corporation” means any corporation organized for the purpose of farming, which during the taxable year is owned solely by active participants in that farm business and receives less than \$100,000.00 gross receipts from that farm operation, exclusive of any income from forest crops; or

(B) ~~An amount determined in accordance with section 5832a of this title for a corporation which qualifies as and has elected to be taxed as a digital business entity for the taxable year; or~~ [Repealed.]

(C) For C corporations with gross receipts from \$0-\$2,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$300.00; or

(D) For C corporations with gross receipts from \$2,000,001.00-\$5,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$500.00; or

(E) For C corporations with gross receipts greater than \$5,000,000.00, the greater of the amount determined under subdivision (1) of

this section or \$750.00.

§ 5832a. ~~DIGITAL BUSINESS ENTITY FRANCHISE TAX~~

~~(a) There is imposed upon every business entity which qualifies as and has elected to be taxed as a digital business entity an annual franchise tax equal to:~~

~~(1) the greater of 0.02 percent of the current value of the tangible and intangible assets of the company or \$250.00, but in no case more than \$500,000.00; or~~

~~(2) where the authorized capital stock does not exceed 5,000 shares, \$250.00; where the authorized capital stock exceeds 5,000 shares but is not more than 10,000 shares, \$500.00; and the further sum of \$250.00 on each 10,000 shares or part thereof.~~

~~(b) In no case shall the tax on any corporation for a full taxable year, whether computed under subdivision (a)(1) or (2) of this section, be more than \$500,000.00 or less than \$250.00.~~

~~(c) In the case of a corporation that has not been in existence during the whole year, the amount of tax due, at the foregoing rates and as provided, shall be prorated for the portion of the year during which the corporation was in existence.~~

~~(d) In the case of a corporation changing during the taxable year the amount of its authorized capital stock, the total annual franchise tax payable at the foregoing rates shall be arrived at by adding together the franchise taxes calculated pursuant to subdivision (a)(2) of this section as prorated for the several periods of the year during which each distinct authorized amount of capital stock was in effect.~~

~~(e) For the purpose of computing the taxes imposed by this section, the authorized capital stock of a corporation shall be considered to be the total number of shares that the corporation is authorized to issue without regard to whether the number of shares that may be outstanding at any one time is limited to a lesser number.~~

~~(f) The franchise tax under this section shall be reported and paid in the same manner as the tax under subdivision 5832(2)(B) of this title; provided, however, that an electing corporation shall also provide the Commissioner with a copy of its federal tax return. [Repealed.]~~

* * *

§ 5838. ~~DIGITAL BUSINESS ENTITY ELECTION~~

~~A corporation shall not be subject to the tax imposed by section 5832 of this title if the corporation qualifies as and elects to be taxed as a digital business~~

entity for the taxable year. [Repealed.]

(Committee Vote: 9-0-2)

S. 281

An act relating to the mitigation of systemic racism

Rep. Gannon of Wilmington, for the Committee on Government Operations, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly to promote racial justice reform throughout the State by mitigating systemic racism in all systems of State government and creating a culture of inclusiveness.

Sec. 2. 3 V.S.A. § 2102 is amended to read:

§ 2102. POWERS AND DUTIES

(a) The Governor's Cabinet shall adopt and implement a program of continuing coordination and improvement of the activities carried on at all levels of State and local government.

(b) The Cabinet shall work collaboratively with the Executive Director of Racial Equity and may provide the Director with access to all relevant records and information as permitted by law.

Sec. 3. 3 V.S.A. chapter 68 is added to read:

CHAPTER 68. EXECUTIVE DIRECTOR OF RACIAL EQUITY

§ 5001. POSITION

(a) There is created within the Executive Branch the position of Executive Director of Racial Equity to identify and work to eradicate systemic racism within State government.

(b) The Executive Director of Racial Equity shall have the powers and duties enumerated within section 2102 of this title and shall work collaboratively with and act as a liaison between the Governor's Workforce Equity and Diversity Council, the Vermont Human Rights Commission, and the Governor's Cabinet.

§ 5002. RACIAL EQUITY ADVISORY PANEL

(a) The Racial Equity Advisory Panel is established. The Panel shall be organized and have the duties and responsibilities as provided in this section. The Panel shall have administrative, legal, and technical support of the Agency

of Administration.

(b)(1) The Panel shall consist of five members, as follows:

(A) one member appointed by the Senate Committee on Committees who shall not be a current legislator;

(B) one member appointed by the Speaker of the House who shall not be a current legislator;

(C) one member appointed by the Chief Justice of the Supreme Court who shall not be a current legislator;

(D) one member appointed by the Governor who shall not be a current legislator; and

(E) one member appointed by the Human Rights Commission who shall not be a current legislator.

(2) Members shall be drawn from diverse backgrounds to represent the interests of communities of color throughout the State, have experience working to implement racial justice reform and, to the extent possible, represent geographically diverse areas of the State.

(3) The term of each member shall be three years, except that of the members first appointed, one each shall serve a term of one year, to be appointed by the Human Rights Commission; two years, to be appointed by the Governor; three years, to be appointed by the Speaker of the House; four years, to be appointed by the Senate Committee on Committees; and five years, to be appointed by the Chief Justice of the Supreme Court, so that the term of one regular member expires in each ensuing year. As terms of currently serving members expire, appointments of successors shall be in accord with the provisions of this subsection. Appointments of members to fill vacancies or expired terms shall be made by the authority that made the initial appointment to the vacated or expired term. Members shall serve until their successors are elected or appointed. Members shall serve not more than three consecutive terms in any capacity.

(4) Members of the Panel shall elect by majority vote the Chair of the Panel, who shall serve for a term of three years after the implementation period. Members of the Panel shall be appointed on or before September 1, 2018 in order to prepare as they deem necessary for the establishment of the Panel, including the election of the Chair of the Panel. Terms of members shall officially begin on January 1, 2019.

(c) The Panel shall have the following duties and responsibilities:

(1) work with the Executive Director of Racial Equity to implement the reforms identified as necessary in the comprehensive organizational review as

required by subsection 5003(a) of this title; and

(2) advise the Director to ensure ongoing compliance with the purpose of this chapter, and advise the Governor on strategies for remediating systemic racial disparities in statewide systems of government.

(d) Each member of the Panel shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

§ 5003. DUTIES OF EXECUTIVE DIRECTOR OF RACIAL EQUITY

(a) The Executive Director of Racial Equity shall work with the agencies and departments to implement a program of continuing coordination and improvement of activities in State government in order to combat systemic racial disparities and measure progress toward fair and impartial governance, including:

(1) oversee a comprehensive organizational review to identify systemic racism in each of the three branches of State government and inventory systems in place that engender racial disparities;

(2) create a strategy for implementing a centralized platform for race-based data collection and manage the aggregation, correlation, and public dissemination of the data; and

(3) develop a model fairness and diversity policy and review and make recommendations regarding the fairness and diversity policies held by all State government systems.

(b) Pursuant to section 2102 of this title, work collaboratively with State agencies and departments to gather relevant existing data and records necessary to carry out the purpose of this chapter and to develop best practices for remediating systemic racial disparities throughout State government.

(c) The Director shall work with the agencies and departments and with the Chief Performance Officer to develop performance targets and performance measures for the General Assembly, the Judiciary, and the agencies and departments to evaluate respective results in improving systems. These performance measures shall be included in the agency's or department's quarterly reports to the Director, and the Director shall include each agency's or department's performance targets and performance measures in his or her annual reports to the General Assembly.

(d) The Director shall, in consultation with the Department of Human Resources and the agencies and departments, develop and conduct trainings for agencies and departments regarding the nature and scope of systemic racism and the institutionalized nature of race-based bias. Nothing in this subsection shall be construed to discharge the existing duty of the Department of Human

Resources to conduct trainings.

(e) On or before January 15, 2020, and annually thereafter, report to the House and Senate Committees on Government Operations demonstrating the State's progress in identifying and remediating systemic racial bias within State government.

§ 5004. INFORMATION; DISCLOSURE AND CONFIDENTIALITY

(a) Confidentiality of records. Except as provided in subsection (b) of this section, the records of the Racial Equity Director and the Racial Equity Advisory Panel shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

(b) Exceptions.

(1) The Director and Panel members may make records available to each other, the Governor, and the Governor's Cabinet as necessary to fulfill their duties as set forth in this chapter. They may also make records pertaining to any alleged violations of antidiscrimination statutes available to any State or federal law enforcement agency authorized to enforce such statutes. The Director or Panel may refuse to disclose records or information the release of which may be prohibited under State or federal law absent court order.

(2) Any records or information described in subdivision (1) of this subsection made available to a party or entity pursuant to a confidentiality agreement or court order requiring confidentiality shall be kept confidential in accordance with the agreement or order, unless disclosure is otherwise authorized by law or court order.

§ 5005. NOMINATION AND APPOINTMENT PROCESS

(a) The Racial Equity Advisory Panel shall select for consideration by the Panel, by majority vote, provided that a quorum is present, from the applications for the position of Executive Director of Racial Equity as many candidates as it deems qualified for the position.

(b) The Panel shall submit to the Governor the names of the three candidates it deems most qualified to be appointed to fill the position.

(c) The Governor shall make the appointment to the Executive Director position from the list of qualified candidates submitted pursuant to subsection (b) of this section. The names of candidates submitted and not selected shall remain confidential.

Sec. 4. AUTHORIZATION FOR EXECUTIVE DIRECTOR OF RACIAL EQUITY POSITION

One new permanent, exempt position of Executive Director of Racial

Equity is created within the Agency of Administration.

Sec. 5. FISCAL YEAR 2019 APPROPRIATION

There is appropriated to the Agency of Administration from the General Fund for fiscal year 2019 the amount of \$75,000.00 for the Racial Equity Advisory Panel and the position of Executive Director of Racial Equity.

Sec. 6. SECRETARY OF ADMINISTRATION; RACIAL EQUITY

ADVISORY PANEL; EXECUTIVE DIRECTOR OF RACIAL
EQUITY; REPORT

(a) On or before September 1, 2018, the Racial Equity Advisory Panel shall be appointed.

(b) On or before November 1, 2018, the Racial Equity Advisory Panel shall, in consultation with the Secretary of Administration and the Department of Human Resources, have developed and posted a job description for the Executive Director of Racial Equity.

(c) On or before January 1, 2019, the Racial Equity Advisory Panel shall submit to the Governor the names of the three candidates for the Executive Director of Racial Equity position.

(d) On or before February 1, 2019, the Governor shall appoint the Executive Director of Racial Equity.

(e) On or before May 1, 2019, the Executive Director of Racial Equity shall update the House and Senate Committees on Government Operations regarding how best to complete a comprehensive organizational review to identify systemic racism pursuant to 3 V.S.A. § 5003, and potential private and public sources of funding to achieve the review.

Sec. 7. REPEAL

On June 30, 2023:

(1) Sec. 3 of this act (creating the Executive Director of Racial Equity and Racial Equity Advisory Panel in 3 V.S.A. chapter 68) is repealed and the Officer position and Panel shall cease to exist; and

(2) Sec. 4 of this act (authorization for the Executive Director of Racial Equity position) is repealed.

Sec. 8. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: “An act relating to racial equity in State government”

(Committee vote: 10-0-1)

(For text see Senate Journal March 21, 2018)

Rep. Trieber of Rockingham, for the Committee on Appropriations, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations.

(Committee Vote: 9-0-2)

Senate Proposal of Amendment

H. 378

An act relating to the creation of the Artificial Intelligence Task Force

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. ARTIFICIAL INTELLIGENCE TASK FORCE; REPORT

(a) Creation. There is created the Artificial Intelligence Task Force to:

(1) investigate the field of artificial intelligence; and

(2) make recommendations on the responsible growth of Vermont's emerging technology markets, the use of artificial intelligence in State government, and State regulation of the artificial intelligence field.

(b) Definition. As used in this section, "artificial intelligence" means models and systems performing functions generally associated with human intelligence, such as reasoning and learning.

(c) Membership. The Task Force shall be composed of the following 14 members:

(1) the Secretary of Commerce and Community Development or designee;

(2) the Secretary of Digital Services or designee;

(3) the Commissioner of Public Safety or designee;

(4) the Secretary of Transportation or designee;

(5) one member to represent the interests of workers appointed by the President of the Vermont State Labor Council, AFL-CIO;

(6) the Executive Director of the American Civil Liberties Union of Vermont or designee;

(7) one member appointed by the Chief Justice of the Supreme Court;

(8) two members who are academics at a postsecondary institute, with

one appointed by the Speaker and one appointed by the Committee on Committees;

(9) one member with experience in the field of ethics and human rights, appointed by the Vermont chapter of the National Association of Social Workers;

(10) one member appointed by the Vermont Society of Engineers;

(11) one member appointed by the Vermont Academy of Science and Engineering;

(12) one member who is a secondary or postsecondary student in Vermont, appointed by the Governor; and

(13) one member appointed by the Vermont Medical Society.

(d) Powers and duties. The Task Force shall study the field of artificial intelligence, including the following:

(1) an assessment of the development and use of artificial intelligence technology, including benefits and risks;

(2) whether and how to use artificial intelligence in State government, including an analysis of the fiscal impact, if any, on the State; and

(3) whether State regulation of the artificial intelligence field is needed.

(e) Meetings.

(1) The Secretary of Commerce and Community Development or designee shall call the first meeting of the Task Force to occur on or before October 1, 2018.

(2) The Task Force shall select a chair from among its members at the first meeting.

(3) The Task Force shall meet not more than 10 times and shall cease to exist on June 30, 2019.

(f) Quorum. A majority of membership shall constitute a quorum of the Task Force.

(g) Staff services. The Task Force shall be entitled to staff services of the Agency of Commerce and Community Development.

(h) Reports. On or before February 15, 2019, the Task Force shall submit an update to the Senate Committee on Government Operations and the House Committee on Energy and Technology. On or before June 30, 2019, the Task Force shall submit a final report to the Senate Committee on Government Operations and the House Committee on Energy and Technology that shall include:

(1) a summary of the development and current use of artificial intelligence in Vermont;

(2) a proposal for a definition of artificial intelligence, if needed;

(3) a proposal for State regulation of artificial intelligence, if needed;

(4) a proposal for the responsible and ethical development of artificial intelligence in the State, including an identification of the potential risks and benefits of such development; and

(5) a recommendation on whether the General Assembly should establish a permanent commission to study the artificial intelligence field.

(i) The update and report described in subsection (h) of this section shall be submitted electronically to the Senate Committee on Government Operations and the House Committee on Energy and Technology, unless otherwise requested.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

(For text see House Journal March 2, 2018)

H. 404

An act relating to Medicaid reimbursement for long-acting reversible contraceptives

The Senate proposes to the House to amend the bill as follows:

By striking out Sec. 2, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 2. COVERAGE FOR CERTAIN OVER-THE-COUNTER CONTRACEPTIVES; REPORT

(a) Each health insurer offering qualified health benefit plans through the Vermont Health Benefit Exchange shall, in consultation with its pharmacy benefit manager, if any, determine how to provide coverage for over-the-counter oral contraceptives and over-the-counter emergency contraceptives in its Exchange and non-Exchange plans without requiring a prescription and without imposing cost-sharing requirements.

(b) On or before January 15, 2019, each health insurer shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on how it could provide coverage for over-the-counter oral and emergency contraceptives in its health insurance plans without a prescription or cost-sharing, including any estimated impact on health insurance premiums, and whether the insurer intends to add this benefit to any

or all of its health insurance plans.

Sec. 3. EFFECTIVE DATES

(a) Sec. 1 (Medicaid reimbursement) shall take effect on July 1, 2018.

(b) Sec. 2 (over-the-counter contraceptives) and this section shall take effect on passage.

(For text see House Journal March 20, 2018)

H. 624

An act relating to the protection of information in the statewide voter checklist

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 17 V.S.A. § 2154 is amended to read:

§ 2154. STATEWIDE VOTER CHECKLIST

(a) The Secretary of State shall ~~establish~~ maintain a uniform and nondiscriminatory, statewide voter ~~registration~~ checklist. This checklist shall serve as the official voter registration list for all elections in the State. In ~~establishing~~ maintaining the statewide voter checklist, the Secretary shall:

(1) ~~limit the~~ a town clerk to adding, modifying, or deleting applicant and voter information on the portion of the checklist for that clerk's municipality;

(2) limit access to the statewide voter checklist for a local elections official to ~~verifying if whether~~ the applicant is registered in another municipality in the State by a search for the individual voter;

(3) notify a local elections official when a voter registered in that official's district registers in another voting district so that the voter may be removed from that ~~district's~~ official's district checklist;

(4) provide adequate security to prevent unauthorized access to the checklist; and

(5) ensure the compatibility and comparability of information on the checklist with information contained in the Department of Motor Vehicles' computer systems.

(b)(1) A registered voter's month and day of birth, driver's license or nondriver identification number, telephone number, e-mail address, and the last four digits of his or her Social Security number shall be kept confidential and are exempt from public ~~copying and~~ inspection and copying under the Public Records Act.

(2) A public agency as defined in 1 V.S.A. § 317 and any officer, employee, agent, or independent contractor of a public agency shall not knowingly disclose a copy of all of the statewide voter checklist or a municipality's portion of the statewide voter checklist to any foreign government or to a federal agency or commission or to a person acting on behalf of a foreign government or of such a federal entity for the purpose of:

(A) registration of a voter based on his or her information maintained in the checklist;

(B) publicly disclosing a voter's information maintained in the checklist; or

(C) comparing a voter's information maintained in the checklist to personally identifying information contained in other federal or state databases.

(c)(1) Any person wishing to obtain a copy of all of the statewide voter checklist must swear or affirm, under penalty of perjury pursuant to 13 V.S.A. chapter 65, that the person will not:

(A) use the checklist for commercial purposes; or

(B) knowingly disclose the checklist to any foreign government or to a federal agency or commission or to a person acting on behalf of a foreign government or of such a federal entity in circumvention of the prohibited purposes for using the checklist set forth in subdivision (b)(2) of this section.

(2) The affirmation shall be filed with the Secretary of State.

(d) An elections official shall not access the portion of the statewide voter checklist that is exempt from public inspection pursuant to 1 V.S.A. § 317(c)(31), except for elections purposes.

Sec. 2. 1 V.S.A. § 317 is amended to read:

§ 317. DEFINITIONS; PUBLIC AGENCY; PUBLIC RECORDS AND DOCUMENTS

* * *

(c) The following public records are exempt from public inspection and copying:

* * *

(31) Records of a registered voter's month and day of birth, driver's license or nondriver identification number, telephone number, e-mail address, and the last four digits of his or her Social Security number contained in ~~an~~ a voter registration application to the statewide voter checklist or the statewide

voter checklist established under 17 V.S.A. § 2154 or the failure to register to vote under 17 V.S.A. § 2145a.

* * *

Sec. 3. 17 V.S.A. § 2491 is amended to read:

§ 2491. POLITICAL SUBDIVISION; VOTE TABULATORS

(a) Except as provided in subsection (b) of this section, a board of civil authority may, at a meeting held not less than 60 days prior to an election and warned pursuant to 24 V.S.A. § 801, vote to require the political subdivision for which it is elected to use vote tabulators for the registering and counting of votes in subsequent local, primary, or general elections, or any combination of those.

(b) A town with 1,000 or more registered voters as of December 31 in an even-numbered year shall use vote tabulators for the registering and counting of votes in subsequent general elections.

(c)(1) The Office of the Secretary of State shall pay the following costs associated with this section by using federal Help America Vote Act funds, as available:

(A) full purchase and warranty cost of vote tabulators, ballot boxes, and two memory cards for each tabulator;

(B) annual maintenance costs of vote tabulators for each town; and

(C) the first \$500.00 of the first pair of a vote tabulator's memory cards' configuration costs for each primary and general election.

(2) A town shall pay the remainder of any cost not covered by subdivision (1) of this subsection.

(d)(1) Notwithstanding a town's use of vote tabulators under this section or any other provision of law, the Secretary of State may suspend the use of vote tabulators and require the hand count of votes in an election if the Secretary determines there are reasonable grounds to believe that the vote tabulators to be used in that election may have been rendered inoperable.

(2) Upon such a determination, the Secretary shall alert the clerks of the affected municipalities of his or her decision as soon as practicable.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

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

An act relating to the protection of information in the statewide voter checklist and to the use of vote tabulators.

(For text see House Journal February 15, 2018)

H. 710

An act relating to beer franchises

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 23, subchapter 1, which shall include 7 V.S.A. §§ 701-709, is added to read:

Subchapter 1. General Provisions

Sec. 2. 7 V.S.A. § 701 is amended to read:

§ 701. DEFINITIONS

As Except as otherwise provided pursuant to section 752 of this chapter, as used in this chapter:

* * *

(2) “Franchise” or “agreement” shall mean one or more of the following:

* * *

(E) a relationship that has been in existence for at least one year in which the wholesale dealer’s business is substantially reliant on the certificate of approval holder or manufacturer for the continued supply of malt beverages or vinous beverages; ~~and~~ or

(F) a written or oral arrangement for a definite or indefinite period that has been in existence for at least one year in which a certificate of approval holder or manufacturer grants to a wholesale dealer a license to use a trade name, ~~trade mark~~ trademark, service mark, or related characteristic, and in which there is a community of interest in the marketing of goods or services at wholesale, retail, by lease, or otherwise.

* * *

(7) “Wholesale dealer” means a packager licensed pursuant to section 272 of this title or a wholesale dealer licensed pursuant to section 273 of this title.

Sec. 3. 7 V.S.A. § 702 is amended to read:

§ 702. PROHIBITED ACTS BY MANUFACTURER OR CERTIFICATE OF APPROVAL HOLDER

A manufacturer or certificate of approval holder shall not do any of the following:

(1) ~~induce~~ Induce or coerce, or attempt to induce or coerce, any wholesale dealer to accept delivery of any alcoholic beverage, any form of advertisement, or any other commodity, that was not ordered by the wholesale dealer;

(2) ~~induce~~ Induce or coerce, or attempt to induce or coerce, any wholesale dealer to do any illegal act or thing by threatening to cancel or terminate the wholesale dealer's malt beverages or vinous beverages franchise agreement; ~~or~~

(3) ~~fail~~ Fail or refuse to deliver promptly to a wholesale dealer after the receipt of its order any malt beverages or vinous beverages when the product is ~~publicly advertised~~ available for immediate sale. If a manufacturer or certificate of approval holder believes in good faith that it does not have a sufficient amount of a product available for immediate sale to satisfy the demand of a wholesale dealer and its other customers, it shall allocate the available product between the wholesale dealer and its other customers in a fair and equitable manner.

(4) Require a wholesale dealer to agree to any condition, stipulation, or provision limiting the wholesale dealer's rights to sell the product of another manufacturer or certificate of approval holder.

Sec. 4. 7 V.S.A. § 707 is amended to read:

§ 707. SALE OR TRANSFER; PURCHASE BY MANUFACTURER

* * *

(e) The provisions of subsections (b) through (d) of this section shall not apply to the sale or transfer of a franchise to the spouse, child, grandchild, sibling, parent, foster child, child-in-law, sibling-in-law, niece, or nephew of the owner of the wholesale dealer.

Sec. 5. 7 V.S.A. chapter 23, subchapter 2 is added to read:

Subchapter 2. Small Manufacturers and Certificate of Approval Holders

§ 751. APPLICATION

(a) The provisions of this subchapter shall apply to any franchise between a wholesale dealer and either:

(1) a certificate of approval holder that produces or distributes a total annual volume of not more than 50,000 barrels of malt beverages and whose products comprise three percent or less of the wholesale dealer's total annual sales of malt beverages by volume; or

(2) a manufacturer that produces a total annual volume of not more than 50,000 barrels of malt beverages and whose products comprise three percent or less of the wholesale dealer's total annual sales of malt beverages by volume.

(b) The provisions of sections 702, 705, and 706 of this title shall apply to any franchise that is subject to the provisions of this subchapter.

§ 752. DEFINITIONS

As used in this subchapter:

(1) "Barrel" means 31 gallons of malt beverages.

(2) "Certificate of approval holder" means a holder of a certificate of approval issued by the Liquor Control Board pursuant to section 274 of this title that produces or distributes a total annual volume of not more than 50,000 barrels of malt beverages and whose products comprise three percent or less of a wholesale dealer's total annual sales of malt beverages by volume.

(3) "Compensation" means the cost of a wholesale dealer's laid-in inventory related to a franchise that has been or is about to be terminated plus five times the average annual gross profits earned by the wholesale dealer on the sale of products pursuant to the franchise during the last three calendar years or, if the franchise has not been in existence for three years, the period of time during which the franchise has been in existence. "Gross profits" shall equal the revenue earned by the wholesale dealer on the sale of products pursuant to the franchise minus the cost of those products, including shipping and taxes.

(4) "Franchise" means an agreement governing a relationship between a wholesale dealer and a certificate of approval holder or manufacturer that was entered into on or after January 1, 2019 and has existed for at least one year and has one or more of the following characteristics:

(A) the wholesale dealer is granted the right to offer and sell the brands of malt beverages offered by the certificate of approval holder or manufacturer;

(B) the wholesale dealer, as an independent business, constitutes a component of a certificate of approval holder's or manufacturer's distribution system;

(C) the wholesale dealer's business is substantially associated with the certificate of approval holder's or manufacturer's brand, advertising, or other commercial symbol designating the manufacturer;

(D) the wholesale dealer's business is substantially reliant on the certificate of approval holder or manufacturer for the continued supply of malt beverages; or

(E) the certificate of approval holder or manufacturer has granted the wholesale dealer a license to use a trade name, trademark, service mark, or related characteristic, and there is a community of interest in the marketing of goods or services at wholesale, retail, by lease, or otherwise.

(5) “Manufacturer” means a manufacturer licensed pursuant to section 271 of this title that produces a total annual volume of not more than 50,000 barrels of malt beverages and whose products comprise three percent or less of a wholesale dealer’s total annual sales of malt beverages by volume.

(6) “Total annual sales” means the total volume of all malt beverages sold by a wholesale dealer in the last four completed calendar quarters. A wholesale dealer’s total annual sales of malt beverages shall include the worldwide, aggregate amount of all brands of malt beverages that were sold, directly or indirectly, during the last four completed calendar quarters by the wholesale dealer and any entity that controlled, was controlled by, or was under common control with the wholesale dealer.

(7) “Total annual volume” means:

(A) the amount of malt beverages manufactured worldwide during the last four completed calendar quarters, directly or indirectly, by or on behalf of:

(i) the certificate of approval holder or manufacturer;

(ii) any employee, director, or officer of a certificate of approval holder or manufacturer; or

(iii) an affiliate of the certificate of approval holder or manufacturer, regardless of whether the affiliation is corporate, or is by management, direction, or control; or

(B) the amount of malt beverages distributed worldwide during the last four completed calendar quarters directly or indirectly, by or on behalf of:

(i) the certificate of approval holder;

(ii) any employee, director, or officer of a certificate of approval holder; or

(iii) an affiliate of the certificate of approval holder, regardless of whether the affiliation is corporate, or is by management, direction, or control.

§ 753. CANCELLATION OF FRANCHISE

(a) The terms of a written franchise between the certificate of approval holder or manufacturer and the wholesale dealer shall govern the right to cancel, terminate, refuse to continue, or to cause a wholesale dealer to relinquish a franchise.

(b) In the absence of a provision in a written franchise agreement to the contrary, or if the franchise between the parties is not in writing, the certificate of approval holder or manufacturer may cancel, terminate, refuse to continue, or cause the wholesale dealer to relinquish the franchise for good cause as provided pursuant to section 754 of this subchapter.

(c) In the absence of a provision in a written franchise agreement to the contrary, or if the franchise between the parties is not in writing, the certificate of approval holder or manufacturer may cancel, terminate, refuse to continue, or cause the wholesale dealer to relinquish the franchise for no cause as provided pursuant to section 755 of this subchapter.

§ 754. CANCELLATION FOR GOOD CAUSE; NOTICE;
RECTIFICATION

(a)(1) Except as otherwise provided pursuant to section 753 of this subchapter and subsection (d) of this section, a certificate of approval holder or manufacturer that wishes to terminate or cancel a franchise for good cause shall provide the franchisee with at least 120 days' written notice of the intent to terminate or cancel the franchise.

(2) The notice shall state the causes and reasons for the intended termination or cancellation.

(b) A franchisee shall have 120 days in which to rectify any claimed deficiency.

(c) The Superior Court, upon petition and after providing both parties with notice and opportunity for a hearing, shall determine whether good cause exists to allow termination or cancellation of the franchise.

(d) The notice provisions of subsection (a) of this section may be waived if the reason for termination or cancellation is insolvency, the occurrence of an assignment for the benefit of creditors, bankruptcy, or if the certificate of approval holder or manufacturer is able to prove to the court that providing the required notice would do irreparable harm to the marketing of its product.

§ 755. CANCELLATION FOR NO CAUSE; NOTICE; COMPENSATION

Except as otherwise provided pursuant to section 753 of this subchapter, a certificate of approval holder or manufacturer that wishes to terminate or cancel a franchise for no cause shall:

(1) Provide the franchisee with written notice of the intent to cancel or terminate the franchise at least 30 days before the date on which the franchise shall terminate.

(2) On or before the date the franchise shall be canceled or terminated, pay, or have paid on its behalf by a designated wholesale dealer, compensation,

as defined pursuant to section 752 of this subchapter, for the franchisee's interest in the franchise. The compensation shall be the wholesale dealer's sole and exclusive remedy for any termination or cancellation pursuant to this section.

§ 756. SALE OR TRANSFER BY WHOLESALE DEALER

(a)(1) In the absence of a provision of the franchise to the contrary, or if the franchise between the parties is not in writing, a wholesale dealer wishing to sell or otherwise transfer its interests in a franchise shall give at least 90 days' written notice of the proposed sale or transfer to the certificate of approval holder or manufacturer.

(2) The notice of intended sale or transfer shall give the full name and address of the proposed transferee, along with full details outlining the qualifications of the proposed transferee which, in the opinion of the wholesale dealer, make the proposed transferee competent to operate the franchise.

(b) If the certificate of approval holder or manufacturer opposes the proposed sale or transfer to the proposed transferee, the certificate of approval holder or manufacturer may either:

(1) prevent the proposed sale or transfer from occurring by paying compensation for the wholesale dealer's interest in the franchise in the same manner as if the franchise were being terminated for no cause pursuant to section 755 of this subchapter; or

(2) not less than 60 days before the date of the proposed sale or transfer, file a petition with the Superior Court that clearly states the certificate of approval holder's or manufacturer's reasons for resisting the proposed sale or transfer.

(c)(1) Upon receipt of a petition pursuant to subdivision (b)(2) of this section, the Superior Court shall hold a hearing on the proposed transfer or sale. The court shall make a full inquiry into the qualifications of the proposed transferee and shall determine whether or not the proposed transferee is in a position to continue substantially the operations of the franchise, to assume the obligations of the franchise holder, and to conduct the business in a manner that will protect the legitimate interests of the certificate of approval holder or manufacturer.

(2) If the Superior Court finds the proposed transferee is qualified to operate the franchise, it shall approve the transfer of the franchise to the proposed transferee.

(d) The provisions of subsections (b) and (c) of this section shall not apply to the sale or transfer of a franchise to the spouse, child, grandchild, sibling, parent, foster child, child-in-law, sibling-in-law, niece, or nephew of the owner

of the wholesale dealer.

§ 757. MERGER OF FRANCHISOR

In the absence of a provision of the franchise to the contrary, or if the franchise between the parties is not in writing, the merger of a certificate of approval holder or manufacturer with a third party shall not void the franchise unless good cause is shown pursuant to section 754 of this subchapter, or the franchise is terminated pursuant to section 755 of this subchapter.

§ 758. HEIRS, SUCCESSORS, AND ASSIGNS

In the absence of a provision of the franchise to the contrary, or if the franchise between the parties is not in writing, the provisions of this subchapter shall apply to the heirs, successors, and assigns of any party to a franchise that is subject to this subchapter.

Sec. 6. 7 V.S.A. § 759 is added to read:

§ 759. WRITTEN AGREEMENT

All franchises entered into pursuant to this subchapter shall be in writing.

Sec. 7. 7 V.S.A. § 752 is amended to read:

§ 752. DEFINITIONS

As used in this subchapter:

* * *

(4) "Franchise" means ~~an~~ a written agreement governing a relationship between a wholesale dealer and a certificate of approval holder or manufacturer that ~~was entered into after January 1, 2019~~ and has existed for at least one year and has one or more of the following characteristics:

* * *

Sec. 8. 7 V.S.A. § 753 is amended to read:

§ 753. CANCELLATION OF FRANCHISE

(a) The terms of a ~~written~~ franchise between the certificate of approval holder or manufacturer and the wholesale dealer shall govern the right to cancel, terminate, refuse to continue, or to cause a wholesale dealer to relinquish a franchise.

(b) In the absence of a provision in a written franchise agreement to the contrary, ~~or if the franchise between the parties is not in writing,~~ the certificate of approval holder or manufacturer may cancel, terminate, refuse to continue, or cause the wholesale dealer to relinquish the franchise for good cause as provided pursuant to section 754 of this subchapter.

(c) In the absence of a provision in a written franchise agreement to the contrary, ~~or if the franchise between the parties is not in writing,~~ the certificate of approval holder or manufacturer may cancel, terminate, refuse to continue, or cause the wholesale dealer to relinquish the franchise for no cause as provided pursuant to section 755 of this subchapter.

Sec. 9. 7 V.S.A. § 756 is amended to read:

§ 756. SALE OR TRANSFER BY WHOLESALE DEALER

(a)(1) In the absence of a provision of the franchise to the contrary, ~~or if the franchise between the parties is not in writing,~~ a wholesale dealer wishing to sell or otherwise transfer its interests in a franchise shall give at least 90 days' written notice of the proposed sale or transfer to the certificate of approval holder or manufacturer.

* * *

Sec. 10. 7 V.S.A. § 757 is amended to read:

§ 757. MERGER OF FRANCHISOR

In the absence of a provision of the franchise to the contrary, ~~or if the franchise between the parties is not in writing,~~ the merger of a certificate of approval holder or manufacturer with a third party shall not void the franchise unless good cause is shown pursuant to section 754 of this subchapter, or the franchise is terminated pursuant to section 755 of this subchapter.

Sec. 11. 7 V.S.A. § 758 is amended to read:

§ 758. HEIRS, SUCCESSORS, AND ASSIGNS

In the absence of a provision of the franchise to the contrary, ~~or if the franchise between the parties is not in writing,~~ the provisions of this subchapter shall apply to the heirs, successors, and assigns of any party to a franchise that is subject to this subchapter.

Sec. 12. TRANSITION TO WRITTEN CONTRACTS

(a) Franchise agreements that were entered into before January 1, 2019 and are not in writing shall transition to a written franchise agreement as provided pursuant to this subsection:

(1) A certificate of approval holder or manufacturer and a wholesale dealer who are parties to a franchise agreement that was entered into before January 1, 2019 and is not in writing shall negotiate a written franchise agreement to take effect on or before July 1, 2022.

(2) If the certificate of approval holder or manufacturer and the wholesale dealer are unable to reach agreement on the terms of a written

franchise agreement on or before July 1, 2022 or if the parties mutually agree that the franchise shall not continue beyond that date, the franchise shall be deemed to terminate on July 1, 2022 and the certificate of approval holder or manufacturer shall pay the wholesale dealer compensation for its interest in the franchise in the same manner as if the franchise were terminated for no cause pursuant to 7 V.S.A. § 755.

(b) As used in this section:

(1) “Certificate of approval holder” has the same meaning as in 7 V.S.A. § 752.

(2) “Manufacturer” has the same meaning as in 7 V.S.A. § 752.

(3) “Wholesale dealer” has the same meaning as in 7 V.S.A. § 701.

Sec. 13. APPLICATION OF ACT TO EXISTING AND PROSPECTIVE FRANCHISE AGREEMENTS

(a) Definitions. As used in this section:

(1) “Certificate of approval holder” has the same meaning as in 7 V.S.A. § 752.

(2) “Manufacturer” has the same meaning as in 7 V.S.A. § 752.

(3) “Wholesale dealer” has the same meaning as in 7 V.S.A. § 701.

(b) Existing Franchise Agreements.

(1) Until July 1, 2022, the provisions of 7 V.S.A. chapter 23, subchapter 1 (existing franchise law) shall apply to all franchise agreements that were entered into before January 1, 2019.

(2) Between January 1, 2019 and July 1, 2022, certificate of approval holders, manufacturers, and wholesale dealers who are parties to a franchise agreement that was entered into before January 1, 2019 and is not in writing shall negotiate a written franchise agreement to take effect on or before July 1, 2022 as provided pursuant to Sec. 12 of this act.

(3) Beginning on July 1, 2022, the provisions of 7 V.S.A. chapter 23, subchapter 2 shall apply to franchise agreements between a certificate of approval holder or manufacturer and a wholesale dealer.

(c) Prospective franchise agreements. The provisions of 7 V.S.A. chapter 23, subchapter 2 shall apply to franchise agreements between a certificate of approval holder or manufacturer and a wholesale dealer that are entered into on or after January 1, 2019.

Sec. 14. EFFECTIVE DATES

(a) This section and Secs. 1, 2, 3, 4, 5, 12, and 13 shall take effect on

January 1, 2019.

(b) The remaining sections shall take effect on July 1, 2022.

(For text see House Journal March 15, 16, 2018)

H. 718

An act relating to creation of the Restorative Justice Study Committee

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Restorative justice has proven to be very helpful in reducing offender recidivism, and, in many cases, has resulted in positive outcomes for victims.

(2) Victims thrive when they have options. Because the criminal justice system does not always meet victims' needs, restorative justice may provide options to improve victims' outcomes.

Sec. 2. RESTORATIVE JUSTICE STUDY COMMITTEE

(a) Creation. There is created the Restorative Justice Study Committee for the purpose of conducting a comprehensive examination of whether there is a role for victim-centered restorative justice principles and processes in domestic and sexual violence and stalking cases.

(b) Membership. The Committee shall be composed of the following members:

(1) the Executive Director of the Vermont Network Against Domestic and Sexual Violence or designee;

(2) an executive director of a dual domestic and sexual violence Network Member Program or designee, appointed by the Executive Director of the Vermont Network Against Domestic and Sexual Violence;

(3) an executive director of a sexual violence Network Member Program or designee, appointed by the Executive Director of the Vermont Network Against Domestic and Sexual Violence;

(4) the Executive Director of the Vermont Center for Crime Victim Services or designee;

(5) a representative of the Vermont Association of Court Diversion Programs;

(6) a representative of a Vermont community justice program;

(7) a prosecutor who handles, in whole or in part, domestic violence, sexual violence, and stalking cases, appointed by the Executive Director of the Department of State's Attorneys and Sheriffs;

(8) the Executive Director of Vermonters for Criminal Justice Reform or designee;

(9) a representative of the Vermont Abenaki community, appointed by the Governor;

(10) the Executive Director of the Discussing Intimate Partner Violence and Accessing Support (DIVAS) Program for incarcerated women;

(11) the Coordinator of the Vermont Domestic Violence Council;

(12) the Commissioner of Corrections or a designee familiar with community and restorative justice programs;

(13) a representative of the Office of the Defender General;

(14) the Court Diversion and Pretrial Services Director;

(15) three members, appointed by the Vermont Network Against Domestic and Sexual Violence;

(16) two victims of domestic and sexual violence or stalking appointed by the Vermont Network Against Domestic and Sexual Violence; and

(17) the Commissioner for Children and Families or designee.

(c) Powers and duties. The Committee shall study whether restorative justice can be an effective process for holding perpetrators of domestic and sexual violence and stalking accountable while preventing future crime and keeping victims and the greater community safe. In deciding whether restorative justice can be suitable both in the community and in an incarcerative setting for each subset of cases, the Committee shall study the following:

(1) the development of specialized processes to ensure the safety, confidentiality, and privacy of victims;

(2) the nature of different offenses such as domestic violence, sexual violence, and stalking, including the level of harm caused by or violence involved in the offenses;

(3) the appropriateness of restorative justice in relation to the offense;

(4) a review of the potential power imbalances between the people who are to take part in restorative justice for these offenses;

(5) ways to protect the physical and psychological safety of anyone who is to take part in restorative justice for these offenses;

(6) training opportunities related to intake-level staff in domestic and sexual violence and stalking;

(7) community collaboration opportunities in the implementation of statewide protocols among restorative justice programs and local domestic and sexual violence organizations, prosecutors, corrections, and organizations that represent marginalized Vermonters;

(8) the importance of victims' input in the development of any restorative justice process related to domestic and sexual violence and stalking cases;

(9) opportunities for a victim to participate in a restorative justice process, which may include alternatives to face-to-face meetings with an offender;

(10) risk-assessment tools that can assess perpetrators for risk prior to acceptance of referral;

(11) any necessary data collection to provide the opportunity for ongoing improvement of victim-centered response; and

(12) resources required to provide adequate trainings, ensure needed data gathering, support collaborative information sharing, and sustain relevant expertise at restorative justice programs.

(d) Assistance. The Vermont Network Against Domestic and Sexual Violence shall convene the first meeting of the Committee and provide support services.

(e) Reports. On or before December 1, 2018, the Vermont Network Against Domestic and Sexual Violence, on behalf of the Committee, shall submit an interim written report to the House Committee on Corrections and Institutions and to the House and Senate Committees on Judiciary. On or before July 1, 2019, the Vermont Network Against Domestic and Sexual Violence, on behalf of the Committee, shall submit a final report to the House Committee on Corrections and Institutions and to the House and Senate Committees on Judiciary.

(f) Meetings.

(1) The Vermont Network Against Domestic and Sexual Violence shall convene the meetings of the Committee, the first one to occur on or before August 1, 2018.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall meet not more than ten times and shall cease to exist on July 1, 2019.

(g) Compensation and reimbursement. Members of the Committee who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than ten meetings from funds appropriated to the Agency of Administration or as follows:

(1) Compensation and reimbursement for the two victims of domestic and sexual violence or stalking appointed by the Vermont Network Against Domestic and Sexual Violence shall be paid by the Vermont Network Against Domestic and Sexual Violence.

(2) Compensation and reimbursement for the representative of the Vermont Abenaki community appointed by the Governor as provided in subdivision (b)(9) of this section and the three members appointed by the Vermont Network Against Domestic and Sexual Violence as provided in subdivision (b)(15) of this section shall be paid by the Secretary of Administration from General Funds appropriated to Agency of Administration.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

(For text see House Journal February 27, 2018)

H. 719

An act relating to insurance companies and trust companies

The Senate proposes to the House to amend the bill as follows:

First: By striking out Sec. 5 in its entirety and following the existing reader assistance heading by inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. 8 V.S.A. § 3665(d) is amended to read:

(d)(1) If an insurer fails to pay timely a an uncontested claim, it shall pay interest on the amount of the claim beginning 30 days after a beneficiary files a properly executed proof of loss. The interest rate shall be the rate paid on proceeds left on deposit, or six percent, whichever is greater.

(2) In the event more than 60 days elapse from the date payment on an uncontested claim is due to a beneficiary, or in the event judgment is entered for a beneficiary or the Department or a settlement agreement between the insurer and the beneficiary or the Department is executed, interest shall accrue from 30 days after the beneficiary filed a proof of loss. ~~The interest rate imposed on the insurer shall be at the judgment rate allowed by law.~~

Second: By adding two new sections to be Secs. 9 and 10 and one accompanying reader assistance heading, as follows:

* * * Captive Insurance; Affiliated Reinsurance Companies * * *

Sec. 9. 8 V.S.A. § 6001(5) is amended to read:

(5) “Captive insurance company” means any pure captive insurance company, association captive insurance company, sponsored captive insurance company, industrial insured captive insurance company, agency captive insurance company, risk retention group, affiliated reinsurance company, or special purpose financial insurance company formed or licensed under the provisions of this chapter. For purposes of this chapter, a branch captive insurance company shall be a pure captive insurance company with respect to operations in this State, unless otherwise permitted by the Commissioner.

Sec. 10. 8 V.S.A. chapter 141, subchapter 5 is added to read:

Subchapter 5. Affiliated Reinsurance Companies

§ 6049a. APPLICABLE LAW

(a) An affiliated reinsurance company shall be subject to the provisions of this subchapter and to the provisions of subchapter 1 of this chapter. In the event of any conflict between the provisions of this subchapter and the provisions of subchapter 1 of this chapter, the provisions of this subchapter shall control.

(b) An affiliated reinsurance company shall be subject to all applicable rules adopted pursuant to section 6015 of this chapter that are in effect as of the effective date of this subchapter and those that are adopted after the effective date of this subchapter.

§ 6049b. DEFINITIONS

As used in this subchapter:

(1) “Affiliated reinsurance company” means a company licensed by the Commissioner pursuant to this subchapter to reinsure risks ceded by a ceding insurer that is its parent or affiliate.

(2) “Ceding insurer” means an insurance company approved by the Commissioner and licensed or otherwise authorized to transact the business of insurance or reinsurance in its state or country of domicile, which cedes risk to an affiliated reinsurance company pursuant to a reinsurance contract.

(3) “Organizational documents” means the affiliated reinsurance company’s articles of incorporation and bylaws and such other documents as shall be approved by the Commissioner.

(4) “Reinsurance contract” means a contract between an affiliated

reinsurance company and a ceding insurer pursuant to which the affiliated reinsurance company agrees to provide reinsurance to the ceding insurer.

§ 6049c. LICENSING; AUTHORITY

(a) An affiliated reinsurance company shall only reinsure the risks of a ceding insurer. An affiliated reinsurance company may cede the risks assumed under a reinsurance contract to another reinsurer, subject to the prior approval of the Commissioner.

(b) In conjunction with the issuance of a license to an affiliated reinsurance company, the Commissioner may issue an order that includes any provisions, terms, and conditions regarding the organization, licensing, and operation of the affiliated reinsurance company that are deemed appropriate by the Commissioner and that are not inconsistent with the provisions of this chapter.

(c) To qualify for a license, an affiliated reinsurance company shall be subject, in addition to the requirements of subsection 6002(c) of this chapter, to the following:

(1) The information submitted to the Commissioner pursuant to subsection 6002(c)(1)(B) of this chapter shall include:

(A) the source and form of the affiliated reinsurance company's capital and surplus;

(B) the investment policy of the affiliated reinsurance company, which shall provide for a diversified investment portfolio both as to type and issue and shall include a requirement for liquidity and for the reasonable preservation, administration, and management of such assets with respect to the risks associated with any reinsurance transactions.

(2) The application shall include copies of all agreements and documentation, including reinsurance agreements, described in subdivision (1) of this subsection (c) unless otherwise approved by the Commissioner and any other statements or documents required by the Commissioner to evaluate the affiliated reinsurance company's application for licensure.

(d) Subdivision 6002(c)(3) of this chapter shall apply to all information submitted pursuant to subsection (c) of this section and to any order issued to the affiliated reinsurance company pursuant to subsection (b) of this section.

§ 6049d. FORMATION

(a) An affiliated reinsurance company may be incorporated as a stock insurer with its capital divided into shares, or in such other organizational form as may be approved by the Commissioner.

(b) An affiliated reinsurance company's organizational documents shall

limit the affiliated reinsurance company's authority to the transaction of the business of insurance or reinsurance and to those activities that the affiliated reinsurance company conducts to accomplish its purposes as expressed in this subchapter.

§ 6049e. MINIMUM CAPITAL AND SURPLUS

An affiliated reinsurance company shall not be issued a license unless it possesses and thereafter maintains unimpaired paid-in capital and surplus of not less than \$5,000,000.00. The Commissioner may prescribe additional capital and surplus based upon the type, volume, and nature of reinsurance business transacted. Except as otherwise provided in this section, the provisions of chapter 159 of this title, Risk Based Capital for Insurers, shall apply in full to an affiliated reinsurance company.

§ 6049f. PERMITTED REINSURANCE

(a) An affiliated reinsurance company shall only reinsure the risks of a ceding insurer, pursuant to a reinsurance contract. An affiliated reinsurance company shall not issue a contract of insurance or a contract for assumption of risk or indemnification of loss other than such reinsurance contract.

(b) The reinsurance contract shall contain all provisions reasonably required or approved by the Commissioner, which requirements shall take into account the laws applicable to the ceding insurer regarding the ceding insurer's taking credit for the reinsurance provided under such reinsurance contract.

(c) An affiliated reinsurance company may cede risks assumed through a reinsurance contract to one or more reinsurers through the purchase of reinsurance, subject to the prior approval of the Commissioner. Except as otherwise provided in this section, the provisions of subchapter 10 of chapter 101 of this title, reinsurance of risks, shall apply in full to an affiliated reinsurance company.

(d) Unless otherwise approved in advance by the Commissioner, a reinsurance contract shall not contain any provision for payment by the affiliated reinsurance company in discharge of its obligations under the reinsurance contract to any person other than the ceding insurer or any receiver of the ceding insurer.

(e) An affiliated reinsurance company shall notify the Commissioner immediately of any action by a ceding insurer or any other person to foreclose on or otherwise take possession of collateral provided by the affiliated reinsurance company to secure any obligation of the affiliated reinsurance company.

§ 6049g. DISPOSITION OF ASSETS; INVESTMENTS

(a) The assets of an affiliated reinsurance company shall be preserved and administered by or on behalf of the affiliated reinsurance company to satisfy the liabilities and obligations of the affiliated reinsurance company incident to the reinsurance contract and other related agreements.

(b) The Commissioner may prohibit or limit any investment that threatens the solvency or liquidity of the affiliated reinsurance company unless the investment is otherwise approved in its plan of operation or in an order issued to the affiliated reinsurance company pursuant to subsection 6049c of this chapter.

§ 6049h. ANNUAL REPORT; BOOKS AND RECORDS

(a) For the purposes of subsection 6007(b) of this chapter:

(1) Each affiliated reinsurance company shall file its report in the form required by subsection 3561(a) of this title, and each affiliated reinsurance company shall comply with the requirements set forth in section 3569 of this title; and

(2) An affiliated reinsurance company shall report using statutory accounting principles, unless the Commissioner requires, approves, or accepts the use of generally accepted accounting principles or another comprehensive basis of accounting, in each case with any appropriate or necessary modifications or adaptations required or approved or accepted by the Commissioner and as supplemented by additional information required by the Commissioner.

(b) Unless otherwise approved in advance by the Commissioner, an affiliated reinsurance company shall maintain its books, records, documents, accounts, vouchers, and agreements in this State. An affiliated reinsurance company shall make its books, records, documents, accounts, vouchers, and agreements available for inspection by the Commissioner at any time. An affiliated reinsurance company shall keep its books and records in such manner that its financial condition, affairs, and operations can be readily ascertained and so that the Commissioner may readily verify its financial statements and determine its compliance with this chapter.

(c) Unless otherwise approved in advance by the Commissioner, all original books, records, documents, accounts, vouchers, and agreements shall be preserved and kept available in this State for the purpose of examination and inspection and until such time as the Commissioner approves the destruction or other disposition of such books, records, documents, accounts, vouchers, and agreements. If the Commissioner approves the keeping outside this State of the items listed in this subsection, the affiliated reinsurance company shall maintain in this State a complete and true copy of each such

original. Books, records, documents, accounts, vouchers, and agreements may be photographed, reproduced on film, or stored and reproduced electronically

(d) The provisions of sections 3578a (annual financial reporting) and 3579 (qualified accountants) of this title shall apply in full to an affiliated reinsurance company.

§ 6049i. INSURANCE HOLDING COMPANY SYSTEMS

Except as otherwise provided in this section, the provisions of subchapter 13 of chapter 101 of this title shall apply in full to an affiliated reinsurance company.

§ 6049j. CORPORATE GOVERNANCE; DISCLOSURE

Except as otherwise provided in this section, the provisions of section 3316 of this title shall apply in full to an affiliated reinsurance company.

§ 6049k. OWN RISK AND SOLVENCY ASSESSMENT

Except as otherwise provided in this section, the provisions of chapter 101, subchapter 7A (own risk and solvency assessment) of this title shall apply in full to an affiliated reinsurance company.

§ 6049l. REQUIREMENTS FOR ACTUARIAL OPINIONS

Except as otherwise provided in this section, the provisions of chapter 101, section 3577 (requirements for actuarial opinions) of this title shall apply in full to an affiliated reinsurance company.

§ 6049m. CONFIDENTIALITY

(a) All documents, materials, and other information, including confidential and privileged documents, examination reports, preliminary examination reports or results, working papers, recorded information, and copies of any of these produced by, obtained by, or disclosed to the Commissioner or any other person in the course of an examination made under this subchapter are confidential and shall not be:

(1) subject to subpoena;

(2) subject to public inspection and copying under the Public Records Act; or

(3) discoverable or admissible in evidence in any private civil action.

(b) In furtherance of his or her regulatory duties, the Commissioner may:

(1) share documents, materials, and other information, including those that are confidential and privileged, with other state, federal, or international regulatory agencies and law enforcement authorities, the National Association of Insurance Commissioners, the North American Securities Administrators

Association, self-regulatory organizations organized under 15 U.S.C. §§ 78f, 78o-3, and 78q-1, and other self-regulatory organizations and their affiliates or subsidiaries, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, and other information;

(2) receive documents, materials, and information, including those that are confidential and privileged, from other state, federal, and international regulatory agencies and law enforcement authorities, the National Association of Insurance Commissioners, the North American Securities Administrators Association, self-regulatory organizations organized under 15 U.S.C. §§ 78f, 78o-3, and 78q-1, and other self-regulatory organizations and their affiliates or subsidiaries and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) enter into written agreements with other state, federal, and international regulatory agencies and law enforcement authorities, the National Association of Insurance Commissioners, the North American Securities Administrators Association, self-regulatory organizations organized under 15 U.S.C. §§ 78f, 78o-3 and 78q-1, and other self-regulatory organizations and their affiliates or subsidiaries governing the sharing and use of information consistent with this section, including agreements providing for cooperation between the Commissioner and other agencies in relation to the activities of a supervisory college; and

(4) participate in a supervisory college for any affiliated reinsurance company that is part of an affiliated group with international operations in order to assess the insurer's compliance with Vermont laws and regulations, as well as to assess its business strategy, financial condition, risk exposure, risk management, governance processes, and legal and regulatory position.

(c) Prior to sharing information under subsection (b) of this section, the Commissioner shall determine that sharing the information will substantially further the performance of the regulatory or law enforcement duties of the recipient and that the information shall not be made public by the Commissioner or an employee or agent of the Commissioner without the written consent of the company, except to the extent provided in subsection (b) of this section.

And by renumbering the remaining section to be numerically correct.

(For text see House Journal February 6, 2018)

Senate Proposal of Amendment to House Proposal of Amendment

S. 101

An act relating to the conduct of forestry operations

The Senate concurs in the House proposal of amendment thereto as follows::

In Sec. 1, by striking out 12 V.S.A. § 5757 in its entirety and inserting in lieu thereof a new 12 V.S.A. § 5757 to read as follows:

§ 5757. FORESTRY OPERATIONS; PROTECTION FROM NUISANCE LAWSUITS

(a) Except as provided for under subsections (b) and (c) of this section, a person conducting a conventional forestry practice shall be entitled to a rebuttable presumption that the conventional forestry practice does not constitute a public or private nuisance if the person conducts the conventional forestry practice in compliance with the following:

(1) the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont as adopted by the Commissioner under 10 V.S.A. § 2622; and

(2) other applicable law.

(b) The presumption under subsection (a) of this section that a person conducting a conventional forestry practice does not constitute a nuisance may be rebutted by showing:

(1) a nuisance resulted from the negligent operation of the conventional forestry practice;

(2) a nuisance resulted from a violation of State, federal, or other applicable law during the conduct of the conventional forestry practice; or

(3) clear and convincing evidence that the conventional forestry practice has a substantial adverse effect on the health, safety, or welfare of the complaining party.

(c) Nothing in this section shall be construed to limit the authority of State or local boards of health to abate nuisances affecting the public health.

(For House Proposal of Amendment see House Journal April 12, 2018)

Action Postponed Until May 2, 2018

Senate Proposal of Amendment

H. 25

An act relating to sexual assault survivors' rights

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 4003 is amended to read:

§ 4003. CARRYING DANGEROUS WEAPONS

A person who carries or possesses a dangerous or deadly weapon, openly or concealed, or with the intent or avowed purpose of injuring a fellow man, who carries a dangerous or deadly weapon within any state institution or upon the grounds or lands owned or leased for the use of such institution, without the approval of the warden or superintendent of the institution, to injure another shall be imprisoned not more than two years or fined not more than \$200.00 \$2,000.00, or both. It shall be a felony punishable by not more than 10 years or a fine of \$25,000.00, or both, if the person intends to injure multiple persons.

Sec. 2. 13 V.S.A. § 1703 is added to read:

§ 1703. DOMESTIC TERRORISM

(a) As used in this section:

(1) “Domestic terrorism” shall mean engaging in, or taking substantial steps to commit a violation of the criminal laws of this State with the intent to:

(A) cause death or serious bodily injury to multiple people; or

(B) threaten any civilian population with mass destruction, mass killings, or kidnapping.

(2) “Substantial step” shall mean conduct that is strongly corroborative of the actor’s intent to complete the commission of the offense.

(b) A person who knowingly and willfully engages in an act of domestic terrorism shall be imprisoned for not more than 20 years or fined not more than \$50,000.00, or both.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

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

An act relating to domestic terrorism.

(For text see House Journal February 16, 17, 2018)

NOTICE CALENDAR
Favorable with Amendment
H. 716

An act relating to approval of the adoption of the charter of the Edward Farrar Utility District and the merger of the Village of Waterbury into the District

Rep. Lewis of Berlin, for the Committee on Government Operations, recommends the bill be amended as follows:

In Sec. 3, 24 App. V.S.A. chapter 705, by striking Sec. 3 in its entirety and inserting in lieu thereof a new Sec. 3 to read:

Sec. 3. 24 App. V.S.A. chapter 705 is added to read:

CHAPTER 705. EDWARD FARRAR UTILITY DISTRICT

§ 1. ESTABLISHMENT

There is hereby established a body politic and corporate known as the Edward Farrar Utility District (District) whose inhabitants shall be those of the Village of Waterbury.

§ 2. PURPOSE

The District is established for the purpose of providing water and sewer services as provided by 24 V.S.A. chapters 89 (waterworks), 97 (sewage system), and 101 (sewage disposal system); and holding, maintaining, and administering any property, assets, and liabilities that it shall acquire from the Village of Waterbury.

§ 3. BOUNDARIES

The boundaries of the District are coextensive with the current boundaries of the Village of Waterbury.

§ 4. VOTERS; GRAND LIST

(a) Voters. The checklist of legal voters of the Town of Waterbury residing within the District shall be the checklist of legal voters of the District.

(b) Grand list. The grand list of the District shall be the grand list of the Town of Waterbury property within the District.

§ 5. BOARD OF UTILITY COMMISSIONERS

(a) The legislative body of the District shall be the Board of Utility Commissioners consisting of five persons.

(b) Commissioners shall be elected by Australian ballot from among the

legal voters of the District.

(c) Commissioners' terms shall be staggered and commence upon election, and the length of Commissioners' terms shall be as follows:

(1) three Commissioners shall serve a term of three years; and

(2) two Commissioners shall serve a term of one year.

§ 6. POWERS

(a) The District shall have the power and authority to:

(1) own, operate, maintain, improve, and extend:

(A) public water supply systems as provided by 24 V.S.A. chapter 89; and

(B) sewerage collection, treatment, and disposal systems as provided by 24 V.S.A. chapters 97 and 101;

(2) establish rates, charges, and fees for water service pursuant to 24 V.S.A. chapter 89, and for sewer service pursuant to 24 V.S.A. chapters 97 and 101.

(3) levy taxes upon its grand list and impose such assessments as allowed by law for any purpose for which it is authorized under this charter;

(4) hold, manage, purchase, and sell real estate, deposits, accounts, contract rights, investments, reserve funds, loan funds, and loan programs as it shall acquire from the Village of Waterbury or may otherwise acquire; and

(5) incur debt in the manner provided by general law for the purposes authorized under this charter.

(b) Extraterritorial water and sewer service may be provided under such terms as the Board of Utility Commissioners deems advisable.

§ 7. DISTRICT OFFICERS

(a) At the discretion of the Board of Utility Commissioners, the District may engage and employ a manager and such additional personnel as it deems necessary.

(b) The Board of Utility Commissioners shall appoint a district clerk and district treasurer, who shall serve at the pleasure of the Board.

§ 8. ANNUAL MEETING

(a) Until changed in the manner provided by general law, the annual meeting of the District shall be held on the second Wednesday of May, commencing on May 8, 2019. The annual and special meetings shall be warned in the same manner as for annual and special town meetings.

(b) Unless provided for otherwise by vote of the District, the general laws of the State shall control in all matters relating to the call, notice, and conduct of annual and special District meetings.

(c) The Board of Civil Authority shall be the Board of Utility Commissioners, the District Clerk, and the Town of Waterbury justices of the peace residing within the District, all of whom shall constitute election officials for all District purposes.

(Committee Vote: 7-2-2)

S. 111

An act relating to privatization contracts

Rep. Gannon of Wilmington, for the Committee on Government Operations, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. § 343 is amended to read:

§ 343. PRIVATIZATION CONTRACTS; PROCEDURE

(a) ~~No~~ An agency may shall not enter into a privatization contract, unless all of the following are satisfied:

* * *

(b)(1) A privatization contract shall contain specific performance measures regarding quantity, quality, and results and guarantees regarding the services performed.

(2) The agency shall provide information in the State's Workforce Report on the contractor's compliance with the specific performance measures set out in the contract.

(3) The agency may not renew the contract if the contractor fails to comply with the specific performance measures set out in the contract as required by subdivision (1) of this subsection.

(c)(1) Before an agency may renew a privatization contract for the first time, the Auditor of Accounts shall review the privatization contract analyzing whether it is achieving:

(A) the 10 percent cost-savings requirement set forth in subdivision (a)(2) of this section;

(B) the performance measures incorporated into the contract as required under subdivision (b)(1) of this section.

(2) If the Auditor of Accounts finds that a privatization contract has not

achieved the cost savings required under subdivision (a)(2) of this section or complied with performance measures required under subdivision (b)(1) of this section, the Auditor of Accounts shall file a report with the agency and the House and Senate Committees on Government Operations, and the agency shall review whether to renew the privatization contract or perform the work with State employees.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 10-0-1)

(For text see Senate Journal March 15, 2018)

S. 180

An act relating to the Vermont Fair Repair Act

Rep. Myers of Essex, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds:

(1) The repair of modern electronic products, even for such minor repairs as replacing a battery or screen, often becomes difficult or impossible due to manufacturers' limitation of access to information or parts to effect those repairs.

(2) Manufacturers may limit access to only those customers who are under warranty; may refuse access for owners of older models; and may refuse to stock or sell parts at fair and reasonable prices. Consequently, consumers are often left with few options other than to buy new.

(3) Modern repairs involve electronics. Repairing those electronics requires information, parts, firmware access, and tooling specifications from the product designers.

(4) The knowledge and tools to repair and refurbish consumer electronic products should be distributed as widely and freely as the products themselves. In contrast to centralized manufacturing, reuse must be broadly distributed to achieve economies of scale.

(5) Many manufacturers have made commitments to sustainability, repair, and reuse, and the innovation economy of Vermont and the United States has had many positive economic and environmental impacts.

Legislation that further promotes extending the lifespan of consumer electronic products can create jobs and benefit the environment.

(6) As demonstrated by Massachusetts's experience with a right to repair initiative concerning automobiles in 2014, which resulted in a compromise between manufacturers and independent repair providers to adopt a voluntary nationwide approach for providing diagnostic codes and repair data available in a common format by the 2018 model year, legislative action to secure a right to repair can achieve positive benefits for manufacturers, independent businesses, and consumers.

Sec. 2. RIGHT TO REPAIR TASK FORCE; REPORT

(a) Creation. There is created the Right to Repair Task Force.

(b) Membership. The Task Force shall be composed of the following five members:

(1) one current member of the House of Representatives, appointed by the Speaker of the House;

(2) one current member of the Senate, appointed by the Committee on Committees;

(3) the Attorney General or designee;

(4) the Secretary of Commerce and Community Development or designee; and

(5) the Secretary of Digital Services or designee.

(c) Stakeholder engagement. The Task Force shall solicit testimony and participation in its work from representatives of relevant stakeholders, including authorized and independent repair providers, and business and consumer groups with an interest in consumer electronic products.

(d) Powers and duties. The Task Force shall review and consider the following issues relating to potential legislation designed to secure the right to repair consumer electronic products, including personal electronic devices such as cell phones, tablets, and computers:

(1) the scope of products to include;

(2) economic costs and benefits, including economic development and workforce opportunities;

(3) effects on the cost and availability to consumers of new and used consumer electronic products in the marketplace, including diminished availability of refurbished products for secondary users;

(4) environmental and economic costs of electronic waste;

(5) legal issues, including intellectual property and trade secrets, potential for alignment or conflict with federal law, and litigation risks;

(6) privacy and security features in electronic products; and

(7) any other issues the Task Force considers relevant and necessary to accomplish its work.

(e) Assistance. The Task Force shall have the administrative, legal, and fiscal assistance of the Office of Legislative Council and the Joint Fiscal Office. Relevant agencies and departments within State government shall provide their technical and other expertise upon request of the Task Force.

(f) Report. On or before January 15, 2019, the Task Force shall submit a written report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development with its findings and any recommendations for legislative action, including specific findings and recommendations concerning personal electronic devices such as cell phones, tablets, and computers.

(g) Meetings.

(1) The Office of Legislative Council shall call the first meeting of the Task Force to occur on or before August 15, 2018.

(2) The legislative members of the Task Force shall serve as co-chairs.

(3) A majority of the membership shall constitute a quorum.

(4) The Task Force shall cease to exist on January 15, 2019.

(h) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force serving in his or her capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than five meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

(Committee vote: 8-0-3)

(For text see Senate Journal March 14, 2018)

S. 206

An act relating to business consumer protection for point-of-sale equipment leases

Rep. Hill of Wolcott, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu

thereof the following:

Sec. 1. 9 V.S.A. chapter 63, subchapter 9 is added to read:

Subchapter 9. Credit Card Terminal Finance Leases

§ 2482h. SOLICITATION; MATERIAL MISREPRESENTATION

(a) As used in this subchapter, “credit card terminal” means physical equipment used at the point of sale to accept payment by a payment card, including a credit card, debit card, EBT card, prepaid card, or gift card.

(b) A person who solicits a finance lease for the use of a credit card terminal shall accurately disclose:

(1) the nature and scope of his or her relationship to the person or persons who own, lease, service, and finance the credit card terminal and, if known, provide related services, including whether he or she is an employee, independent contractor, or agent of one or more of those persons;

(2) the terms of a finance lease and whether oral statements or commitments he or she makes to the prospective lessee while soliciting a finance lease are included in the terms of the finance lease and enforceable against a party to a finance lease; and

(3) whether the consumer has an option to purchase the credit card terminal that is the subject of the finance lease.

§ 2482i. CREDIT CARD TERMINAL; FINANCE LEASE PROVISIONS

The following provisions apply to a finance lease for the use of a credit card terminal:

(1) Plain language. The party primarily responsible for drafting the finance lease shall use plain language designed to be understood by ordinary consumers, presented in a reasonable format, typeface, and font.

(2) Finance lease; costs; disclosure. The finance lease shall specify:

(A) the terms of the finance lease;

(B) the total price of the finance lease;

(C) the total monthly payment due, including any recurring monthly fees or charges; and

(D) any other penalties, charges, or fees and the conditions under which they may be incurred.

(3) Relationship to processing services and fees. If a lessee who enters into a finance lease for a credit card terminal also agrees to receive bundled services for the terminal, such as credit card processing services, from the

lessor or a business affiliated with the lessor, either the finance lease or a separate agreement for the bundled services shall include an itemized statement of the terms, costs, fees, and potential penalties for each service, as specified in subdivision (2) of this section.

(4) Contact information. The finance lease shall clearly and conspicuously identify the lessor of the credit card terminal and the name, mailing address, telephone number, email address or website, and relationship to the lessor of:

(A) the person to whom the lessee is required to make payments for the credit card terminal;

(B) the person whom the lessee should contact with questions or problems concerning the credit card terminal;

(C) the person to whom the lessee should deliver the credit card terminal for return or repair; and

(D) the sales representative or other person acting with actual or apparent authority on behalf of the lessor to solicit the finance lease.

(5) Prohibited provisions.

(A) A provision of a finance lease that permits or requires a dispute to be resolved in a judicial forum that would not otherwise have jurisdiction over the lessee is against public policy and unenforceable.

(B) A lessor shall not collect any charge or fee for business personal property tax on the credit card terminal unless the tax is actually imposed.

(6) Duty to retain and provide finance lease; right to cancel.

(A) A lessor shall provide a copy of the executed finance lease to the lessee and shall retain a written or electronic copy of the finance lease for not less than four years after the lease terminates.

(B) A lessee shall have the right to cancel a finance lease not later than 45 days after the lessor provides a copy of the executed finance lease to the lessee.

(C) If the lessee exercises his or her right to cancel:

(i) the lessor may retain any payments made by the lessee after the lessor delivered a copy of the executed finance lease;

(ii) the lessor may impose a reasonable cancellation fee, not to exceed the total monthly payment amount specified in subdivision (2)(C) of this section.

§ 2482j. VIOLATIONS

A person who violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

(Committee vote: 7-1-3)

(For text see Senate Journal March 13, 2018)

S. 260

An act relating to funding the cleanup of State waters

Rep. Deen of Westminster, for the Committee on Natural Resources; Fish; and Wildlife, recommends that the House propose to the Senate that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Clean Water Working Group * * *

Sec. 1. FINDINGS

The General Assembly finds that for the purposes of this section and Secs. 2–4 of this act:

(1) Within Vermont there are 7,100 miles of rivers and streams and 812 lakes and ponds of at least five acres in size.

(2) Currently, over 350 waters or water segments in the State do not meet water quality standards, are at risk of not meeting water quality standards, or are altered due to the presence of aquatic nuisances.

(3) In 2015, the General Assembly enacted 2015 Acts and Resolves No. 64, an act relating to improving the quality of State waters (Act 64), for the purpose, among others, of providing mechanisms, staffing, and financing necessary for the State to achieve and maintain compliance with the Vermont Water Quality Standards for all State waters.

(4) Act 64 directed the State Treasurer to recommend to the General Assembly a long-term mechanism for financing water quality improvement in the State, including proposed revenue sources for water quality improvement programs.

(5) The State Treasurer submitted a Clean Water Report in January 2017 that included:

(A) an estimate that over 20 years it would cost \$2.3 billion to achieve compliance with water quality requirements;

(B) a projection that revenue available for water quality over the 20-

year period would be approximately \$1.06 billion, leaving a 20-year total funding gap of \$1.3 billion;

(C) an estimate of annual compliance costs of \$115.6 million, which, after accounting for projected revenue, would leave a funding gap of \$48.5 million to pay for the costs of compliance with the first tier of federal and State water quality requirements; and

(D) a financing plan to provide more than \$25 million annually in additional State funds for water quality programs.

(6) After determining that a method to achieve equitable and effective long-term funding methods to support clean water efforts in Vermont was necessary, the General Assembly established in 2017 Acts and Resolves No. 73, Sec. 26 the Working Group on Water Quality Funding to develop draft legislation to accomplish this purpose.

(7) The Act 73 Working Group did not recommend a long-term funding method to support clean water efforts in Vermont and instead recommended that the General Assembly maintain a Capital Bill clean water investment of \$15 million a year through fiscal years 2020 and 2021.

(8) In the years beyond fiscal year 2021, the Act 73 Working Group acknowledged that capital funds would need to be reduced to \$10 to \$12 million a year and that additional revenues would need to be raised.

(9) The U.S. Environmental Protection Agency (EPA) in a letter to the General Assembly stated that it is important for the State of Vermont to establish a long-term revenue source to support water quality improvement in order to comply with the accountability framework of the Lake Champlain Total Maximum Daily Load plan.

(10) To ensure that the State has sufficient funds to clean and protect the State's waters so that they will continue to provide their integral and inherent environmental and economic benefits, the State should require a Clean Water Working Group to recommend to the General Assembly draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont.

(11) If the General Assembly does not enact a recommendation of the Clean Water Working Group, the State shall implement a water quality revenue occupancy surcharge to support water quality improvement.

Sec. 2. CLEAN WATER WORKING GROUP

(a) Creation. There is created the Clean Water Working Group to recommend to the General Assembly how to establish an equitable and effective long-term funding method to:

(1) fund the necessary water quality programs and projects that will remediate, improve, and protect the quality of the waters of the State;

(2) coordinate water quality funding in the State;

(3) plan for the water quality funding needs of the State; and

(4) ensure accountability of the State's efforts to clean up impaired waters, maintain or achieve the Vermont Water Quality Standards in all waters, and prevent the future degradation of waters.

(b) Membership. The Clean Water Working Group shall be composed of the following ten members:

(1) the Secretary of Natural Resources or designee;

(2) the Secretary of Agriculture, Food and Markets or designee;

(3) the Commissioner of Taxes or designee;

(4) one representative of a municipality in the State that has a stormwater utility or other water quality funding mechanism, to be appointed by the Speaker of the House;

(5) one representatives of a municipality in the State that does not have a stormwater utility or other water quality funding mechanism, to be appointed by the Committee on Committees;

(6) one representative of a business interest located in the State, to be appointed by the Governor;

(7) a representative of the hospitality or tourism industry in the State, to be appointed by the Speaker of the House;

(8) a representative of a regional planning commission, natural resource conservation district, or regional or statewide watershed organization, to be appointed by the Committee on Committees;

(9) a person with expertise in financial lending or investment, to be appointed by the Governor; and

(10) a farmer, to be appointed by the Speaker of the House.

(c) Powers and duties. The Clean Water Working Group shall recommend to the General Assembly:

(1) whether the State should establish an independent authority or implement other alternatives to coordinate and fund water quality programs and projects across State government;

(2) a description of the structure, powers, duties, and feasibility of the independent authority or alternative mechanism recommended under subdivision (1) of this subsection;

(3) a funding plan for water quality programs and projects in the State that includes priorities for funding water quality programs in the State and that will sufficiently fund the following State obligations:

(A) federally required or State-required cleanup plans for individual

waters or water segments, such as total maximum daily load plans;

(B) the requirements of 2015 Acts and Resolves No. 64; and

(C) the Agency of Natural Resources' Combined Sewer Overflow Rule;

(4) one or more funding alternatives that are sufficient to implement the financing plan for water quality recommended under subdivision (3) of this subsection, including how each recommended funding alternative revenue source shall be implemented, assessed, and collected; and

(5) whether the State Treasurer's estimate of State funding needs in the Clean Water Report in January 2017 should be revised or updated due to economic conditions or due to the need to reflect the most effective measures to improve water quality.

(d) Assistance. The Clean Water Working Group shall have the administrative, technical, and legal assistance of the Agency of Natural Resources and the Agency of Agriculture, Food and Markets and the fiscal assistance of the Department of Taxes. The Working Group shall also be entitled to seek financial, technical, and scientific input or services from the Office of the State Treasurer, the Agency of Transportation, the Vermont Center for Geographic Information Services, and the Agency of Commerce and Community Development. The Working Group may seek the input or assistance of regional planning commissions, natural resources conservation districts, and statewide and regional watershed organizations.

(e) Report. On or before January 15, 2019, the Clean Water Working Group shall submit to the General Assembly draft legislation that addresses the issues set forth under subsection (c) of this section.

(f) Meetings.

(1) The Secretary of Natural Resources shall call the first meeting of the Clean Water Working Group to occur on or before August 1, 2018.

(2) The Clean Water Working Group shall select a chair or co-chairs from among its members at its first meeting.

(3) A majority of the membership of the Clean Water Working Group shall constitute a quorum.

(4) The Clean Water Working Group shall cease to exist on June 1, 2019.

(g) Compensation. Members of the Clean Water Working Group who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation

and reimbursement of expenses pursuant to 32 V.S.A. § 1010, to be paid from the budget of the Agency of Administration.

* * * Water Quality Occupancy Surcharge * * *

Sec. 3. 32 V.S.A. § 9241a is added to read:

§ 9241a. WATER QUALITY OCCUPANCY SURCHARGE

(a) In addition to the tax on the rent of each occupancy imposed in section 9241 of this title, an operator shall collect a water quality occupancy surcharge of \$2.00 per room for each night of occupancy. The surcharge shall be in addition to any tax assessed under section 9241 of this title.

(b) The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388.

(c) The provisions of this chapter relating to the imposition, collection, remission, and enforcement of the meals and rooms tax imposed in section 9241 of this title shall apply to the water quality occupancy surcharge imposed in this section.

* * * Clean Water Fund * * *

Sec. 4. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the “Clean Water Fund” to be administered by the Secretary of Administration. The Fund shall consist of:

(1) ~~revenues dedicated for deposit into the Fund by the General Assembly, including from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a; and~~

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) revenues from the Water Quality Occupancy Surcharge established under 32 V.S.A. § 9241a; and

(4) other revenues dedicated for deposit into the Fund by the General Assembly.

(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund from year to year.

* * * Clean Water Fund Board * * *

Sec. 5. 10 V.S.A. § 1389 is amended to read:

§ 1389. CLEAN WATER FUND BOARD

(a) Creation.

(1) There is created the Clean Water Fund Board which that shall recommend to the Secretary of Administration expenditures;

(A) appropriations from the Clean Water Fund; and

(B) clean water projects to be funded by capital appropriations.

(2) The Clean Water Fund Board shall be attached to the Agency of Administration for administrative purposes.

(b) Organization of the Board. The Clean Water Fund Board shall be composed of:

(1) the Secretary of Administration or designee;

(2) the Secretary of Natural Resources or designee;

(3) the Secretary of Agriculture, Food and Markets or designee;

(4) the Secretary of Commerce and Community Development or designee;

(5) the Secretary of Transportation or designee; and

(6) two members of the public who are not legislators, one of whom shall represent a municipality subject to the municipal separate storm sewer system (MS4) permit and one of whom shall represent a municipality that is not subject to the MS4 permit, appointed as follows:

(A) the Speaker of the House shall appoint the member from an MS4 municipality; and

(B) the Committee on Committees shall appoint the member who is not from an MS4 municipality.

(c) Officers; committees; rules.

(1) The Clean Water Fund Board shall annually elect a chair from its members Secretary of Administration shall serve as the Chair of the Board. The Clean Water Fund Board may elect additional officers from its members, establish committees or subcommittees, and adopt procedural rules as necessary and appropriate to perform its work.

(2) Members of the Board who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 paid from the budget of the Agency of Administration for attendance of meetings of the Board.

(d) Powers and duties of the Clean Water Fund Board. The Clean Water Fund Board shall have the following powers and authority:

(1) The Clean Water Fund Board shall recommend to the Secretary of Administration the appropriate allocation of funds from the Clean Water Fund for the purposes of developing the State budget required to be submitted to the General Assembly under 32 V.S.A. § 306. All recommendations from the Board should be intended to achieve the greatest water quality gain for the investment. The recommendations of the Clean Water Fund Board shall be open to inspection and copying under the Public Records Act, and the Clean Water Fund Board shall submit to the Senate Committees on Appropriations, on Finance, on Agriculture, and on Natural Resources and Energy and the House Committees on Appropriations, on Ways and Means, on Agriculture and Forestry, and on Natural Resources, Fish, and Wildlife a copy of any recommendations provided to the Governor.

(2) The Clean Water Fund Board may pursue and accept grants, gifts, donations, or other funding from any public or private source and may administer such grants, gifts, donations, or funding consistent with the terms of the grant, gift, or donation.

(3) The Clean Water Fund Board shall:

(A) establish a process by which watershed organizations, State agencies, and other interested parties may propose water quality projects or programs for financing from the Clean Water Fund;

(B) develop an annual revenue estimate and proposed budget for the Clean Water Fund;

(C) establish measures for determining progress and effectiveness of expenditures for clean water restoration efforts;

(D) issue the annual Clean Water Investment Report required under section 1389a of this title; ~~and~~

(E) solicit, consult with, and accept public comment from organizations interested in improving water quality in Vermont regarding recommendations under this subsection (d) for the allocation of funds from the Clean Water Fund; and

(F) establish a process under which a watershed organization, State agency, or other interested party may propose that a water quality project or program identified in a watershed basin plan receive funding from the Clean Water Fund.

(e) Priorities.

(1) In making recommendations under subsection (d) of this section

regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall prioritize:

(A) funding to programs and projects that address sources of water pollution in waters listed as impaired on the list of waters established by 33 U.S.C. § 1313(d);

(B) funding to projects that address sources of water pollution identified as a significant contributor of water quality pollution, including financial assistance to grant recipients at the initiation of a funded project;

(C) funding to programs or projects that address or repair riparian conditions that increase the risk of flooding or pose a threat to life or property;

(D) assistance required for State and municipal compliance with stormwater requirements for highways and roads;

(E) funding for education and outreach regarding the implementation of water quality requirements, including funding for education, outreach, demonstration, and access to tools for the implementation of the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation;

(F) funding for innovative or alternative technologies or practices designed to improve water quality or reduce sources of pollution to surface waters, including funding for innovative nutrient removal technologies and community-based methane digesters that utilize manure, wastewater, and food residuals to produce energy;

(G) funding to purchase agricultural land in order to take that land out of practice when the State water quality requirements cannot be remediated through agricultural Best Management Practices; ~~and~~

(H) funding to municipalities for the establishment and operation of stormwater utilities; and

(I) investment in watershed basin planning, water quality project identification screening, water quality project evaluation, and conceptual plan development of water quality projects.

(2) In developing its recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Clean Water Fund Board shall, during the first three years of its existence and within the priorities established under subdivision (1) of this subsection (e), prioritize awards or assistance to municipalities for municipal compliance with water quality requirements, and to municipalities for the establishment and operation of stormwater utilities.

(3) In developing its recommendations under subsection (d) of this

section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall, after satisfaction of the priorities established under subdivision (1) of this subsection (e), attempt to provide for equitable apportionment of awards from the Fund to all regions of the State and for control of all sources of point and non-point sources of pollution in the State investment in all watersheds of the State based on the needs identified in watershed basin plans.

(f) Assistance. The Clean Water Fund Board shall have the administrative, technical, and legal assistance of the Agency of Administration, the Agency of Natural Resources, the Agency of Agriculture, Food and Markets, the Agency of Transportation, and the Agency of Commerce and Community Development for those issues or services within the jurisdiction of the respective agency. The cost of the services provided by agency staff shall be paid from the budget of the agency providing the staff services.

(g) Terms; appointed members. Members who are appointed to the Clean Water Fund Board shall be appointed for terms of four years, except initial appointments shall be made such that the member appointed by the Speaker shall be appointed for a term of two years. Vacancies on the Board shall be filled for the remaining period of the term in the same manner as initial appointments.

* * * Coordinated Water Quality Grants; Performance Grants * * *

Sec. 6. COORDINATED WATER QUALITY GRANTS

The Secretary of Natural Resources, the Secretary of Agriculture, Food and Markets, and the Secretary of Transportation shall coordinate prior to awarding water quality grants or funding in order to maximize the water quality benefit or impact of funded projects in a watershed planning basin. When grants are issued, the Secretary of Natural Resources, the Secretary of Agriculture, Food and Markets, and the Secretary of Transportation shall, when allowed by law, authorize funds or identify other funding opportunities that may be used to support capacity to implement projects in the watershed basin.

Sec. 7. 10 V.S.A. § 1253(d) is amended to read:

(d)(1) Through the process of basin planning, the Secretary shall determine what degree of water quality and classification should be obtained and maintained for those waters not classified by the Board before 1981 following the procedures in sections 1254 and 1258 of this title. Those waters shall be classified in the public interest. The Secretary shall prepare and maintain an overall surface water management plan to assure that the State water quality standards are met in all State waters. The surface water management plan

shall include a schedule for updating the basin plans. The Secretary, in consultation with regional planning commissions and the Natural Resources Conservation Council, shall revise all 15 basin plans and update the basin plans on a five-year rotating basis. On or before January 15 of each year, the Secretary shall report to the House Committees on Agriculture and Forestry, on Natural Resources ~~and Energy, and on Fish, Wildlife and Water Resources,~~ Fish, and Wildlife, and to the Senate Committees on Agriculture and on Natural Resources and Energy regarding the progress made and difficulties encountered in revising basin plans. The report shall include a summary of basin planning activities in the previous calendar year, a schedule for the production of basin plans in the subsequent calendar year, and a summary of actions to be taken over the subsequent three years. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(2) In developing a basin plan under this subsection, the Secretary shall:

(A) identify waters that should be reclassified outstanding resource waters or that should have one or more uses reclassified under section 1252 of this title;

(B) identify wetlands that should be reclassified as Class I wetlands;

(C) identify projects or activities within a basin that will result in the protection and enhancement of water quality;

(D) assure that municipal officials, citizens, watershed groups, and other interested groups and individuals are involved in the basin planning process;

(E) assure regional and local input in State water quality policy development and planning processes;

(F) provide education to municipal officials and citizens regarding the basin planning process;

(G) develop, in consultation with the regional planning commission, an analysis and formal recommendation on conformance with the goals and objectives of applicable regional plans;

(H) provide for public notice of a draft basin plan; and

(I) provide for the opportunity of public comment on a draft basin plan.

(3) The Secretary shall, contingent upon the availability of funding, ~~contract with a regional planning commission or~~ negotiate and issue performance grants to the Vermont Association of Planning and Development Agencies or its designee and the Natural Resources Conservation Council or

its designee to assist in or to produce a basin plan under the schedule set forth in subdivision (1) of this subsection in a manner consistent with the authority of regional planning commissions under 24 V.S.A. chapter 117 and the authority of the natural resources conservation districts under chapter 31 of this title. When ~~contracting~~ negotiating a scope of work with a regional planning commission or the Vermont Association of Planning and Development Agencies or its designee and the Natural Resources Conservation Council or its designee to assist in or produce a basin plan, the Secretary may require the regional planning commission Vermont Association of Planning and Development Agencies or the Natural Resources Conservation Council to:

(A) conduct any of the activities required under subdivision (2) of this subsection (d);

(B) provide technical assistance and data collection activities to inform municipal officials and the State in making water quality investment decisions;

(C) coordinate municipal planning and adoption or implementation of municipal development regulations to better to meet State water quality policies and investment priorities; or

(D) assist the Secretary in implementing a project evaluation process to prioritize water quality improvement projects within the region to assure cost effective cost-effective use of State and federal funds.

* * * Lakes in Crisis * * *

Sec. 8. 10 V.S.A. chapter 47, subchapter 2A is added to read:

Subchapter 2A. Lake in Crisis

§ 1310. DESIGNATION OF LAKE IN CRISIS

(a) The Secretary of Natural Resources (Secretary) shall review whether a lake in the State should be designated as a lake in crisis upon the Secretary's own motion or upon petition of 15 or more persons or a selectboard of a municipality in which the lake or a portion of the lake is located.

(b) The Secretary shall designate a lake as a lake in crisis if, after review under subsection (a) of this section, the Secretary determines that:

(1) the lake or segments of the lake have been listed as impaired;

(2) the condition of the lake will cause:

(A) a potential harm to the public health; and

(B) a risk of damage to the environment or natural resources; and

(3) a municipality in which the lake or a portion of the lake is located

has reduced the valuation of real property due to the condition of the lake.

§ 1311. STATE RESPONSE TO A LAKE IN CRISIS

(a) Adoption of crisis response plan. When a lake is declared in crisis, the Secretary shall within 90 days after the designation of the lake in crisis issue a comprehensive crisis response plan for the management of the lake in crisis in order to improve water quality in the lake or to mitigate or eliminate the potential harm to public health or the risk of damages to the environment or natural resources. The Secretary shall coordinate with the Secretary of Agriculture, Food and Markets and the Secretary of Transportation in the development of the crisis response plan. The crisis response plan may require implementation of one or both of the following in the watershed of the lake in crisis:

(1) water quality requirements necessary to address specific harms to public health or risks to the environment or natural resources; or

(2) implementation of or compliance with existing water quality requirements under one or more of the following:

(A) water quality requirements under chapter 47 of this title, including requiring a property owner to obtain a permit or implement best management practices for the discharge of stormwater runoff from any size of impervious surfaces if the Secretary determines that the treatment of the discharge of stormwater runoff is necessary to reduce the adverse impacts to water quality of the discharge or stormwater on the lake in crisis;

(B) agricultural water quality requirements under 6 V.S.A. chapter 215, including best management practices under 6 V.S.A. § 4810 to reduce runoff from the farm; or

(C) water quality requirements adopted under section 1264 of this section for stormwater runoff from municipal or State roads.

(b) Public hearing. The Secretary shall hold at least one public hearing in the watershed of the lake in crisis and shall provide an opportunity for public notice and comment for a proposed lake in crisis response plan.

(c) Term of designation. A lake shall remain designated as in crisis under this section until the Secretary determines that the lake no longer satisfies the criteria for designation under subsection (b) of this section.

(d) Agency cooperation and services. All other State agencies shall cooperate with the Secretary in responding to the lake in crisis, and the Secretary shall be entitled to seek technical and scientific input or services from the Agency of Agriculture, Food and Markets, the Agency of Transportation, or other necessary State agencies.

§ 1312. LAKE IN CRISIS ORDER

The Secretary, after consultation with the Secretary of Agriculture, Food and Markets, may issue a lake in crisis order as an administrative order under chapter 201 of this title to require a person to:

- (1) take an action identified in the lake in crisis response plan;
- (2) cease or remediate any acts, discharges, site conditions, or processes contributing to the impairment of the lake in crisis;
- (3) mitigate a significant contributor of a pollutant to the lake in crisis; or
- (4) conduct testing, sampling, monitoring, surveying, or other analytical operations required to determine the nature, extent, duration, or severity of the potential harm to the public health or a risk of damage to the environment or natural resources.

§ 1313. ASSISTANCE

(a) A person subject to a lake in crisis order shall be eligible for technical and financial assistance from the Secretary to be paid from the Lake in Crisis Response Program Fund. The Secretary shall adopt by procedure the process for application for assistance under this section.

(b) State financial assistance awarded under this section shall be in the form of a grant. An applicant for a State grant shall pay at least 35 percent of the total eligible project cost. The dollar amount of a State grant shall be equal to the total eligible project cost, less 35 percent of the total as paid by the applicant, and less the amount of any federal assistance awarded.

(c) A grant awarded under this section shall comply with all terms and conditions for the issuance of State grants.

§ 1314. FUNDING OF STATE RESPONSE TO A LAKE IN CRISIS

(a) Initial response. Upon designation of a lake in crisis, the Secretary may, for the purposes of the initial response to the lake in crisis, expend up to \$50,000.00 appropriated to the Agency of Natural Resources from the Clean Water Fund for authorized contingency spending.

(b) Long-term funding. In the subsequent budget submitted to the General Assembly under 32 V.S.A. § 701, the Secretary of Administration shall propose appropriations to the Lake in Crisis Response Program Fund to implement fully the crisis response plan for the lake in crisis, including recommended appropriations from one or more of the following:

- (1) the Clean Water Fund established under section 1389 of this title;

(2) the Vermont Housing and Conservation Trust Fund established under section 312 of this title;

(3) capital funds and other monies available from the Secretary of Agriculture, Food and Markets for water quality programs or projects;

(4) capital funds and other monies available from the Secretary of Natural Resources for water quality programs or projects; and

(5) General Fund appropriations.

§ 1315. LAKE IN CRISIS RESPONSE PROGRAM FUND

(a) There is created a special fund known as the Lake in Crisis Response Program Fund to be administered by the Secretary of Natural Resources. The Fund shall consist of:

(1) funds that may be appropriated by the General Assembly; and

(2) other gifts, donations, or funds received from any source, public or private, dedicated for deposit into the Fund.

(b) The Secretary shall use monies deposited in the Fund for the Secretary's implementation of a crisis response plan for a lake in crisis and for financial assistance under section 1313 of this title to persons subject to a lake in crisis order.

(c) Notwithstanding the requirements of 32 V.S.A. § 588(3) and (4), interest earned by the Fund and the balance of the Fund at the end of the fiscal year shall be carried forward in the Fund and shall not revert to the General Fund.

Sec. 9. LAKE CARMI; LAKE IN CRISIS

The General Assembly declares Lake Carmi as a lake in crisis under 10 V.S.A. chapter 47, subchapter 2A. The crisis response plan for Lake Carmi shall include implementation of runoff controls.

Sec. 10. 10 V.S.A. § 8003(a) is amended to read:

(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:

(1) 10 V.S.A. chapter 23, relating to air quality;

(2) 10 V.S.A. chapter 32, relating to flood hazard areas;

(3) 10 V.S.A. chapters 47 and 56, relating to water pollution control, water quality standards, and public water supply, and lakes in crisis;

* * *

Sec. 11. 10 V.S.A. § 8503(a) is amended to read:

(a) This chapter shall govern all appeals of an act or decision of the Secretary, excluding enforcement actions under chapters 201 and 211 of this title and rulemaking, under the following authorities and under the rules adopted under those authorities:

(1) The following provisions of this title:

(A) chapter 23 (air pollution control);

(B) chapter 50 (aquatic nuisance control);

(C) chapter 41 (regulation of stream flow);

(D) chapter 43 (dams);

(E) chapter 47 (water pollution control; lakes in crisis);

* * *

* * * ANR Report on Future Farming Practices * * *

Sec. 12. AGENCY OF AGRICULTURE, FOOD AND MARKETS

REPORT ON FARMING PRACTICES IN VERMONT

(a) The Nutrient Management Commission convened by the Secretary of Agriculture, Food and Markets as a requirement of the U.S. Environmental Protection Agency's approved implementation plan for the Lake Champlain total maximum daily load plan shall review whether and how to revise farming practices in Vermont in a manner that mitigates existing environmental impacts while maintaining economic viability. In conducting its review, the Commission shall consider whether and how to:

(1) revise farming practice to improve or build healthy soils;

(2) reduce agriculturally based pollution in areas of high pollution, stressed, or impaired waters;

(3) establish a carrying capacity or maximum number of livestock that the land used for nutrient application on a farm can support without contribution of nutrients to a water;

(4) provide financial and technical support to facilitate the transition by farms to less-polluting practices through one or more of the following:

(A) cover cropping;

(B) reduced tillage or no tillage;

(C) accelerated implementation of best management practices

(BMPs);

(D) evaluation of the effectiveness of using riparian buffers in excess of 25 feet;

(E) increased use of direct manure injection;

(F) crop rotations to build soil health, including limits on the planting of continuous corn;

(G) elimination or reduction of the use of herbicides in the termination of cover crops; and

(H) diversification of dairy farming.

(b) On or before January 15, 2019, the Secretary of Agriculture, Food and Markets shall submit to the Senate Committees on Natural Resources and Energy and on Agriculture and to the House Committees on Natural Resources, Fish, and Wildlife and on Agriculture and Forestry any recommendation of the Nutrient Management Commission regarding any of the farming practices or subject areas listed under subdivisions (a)(1)–(4) of this section.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES; IMPLEMENTATION

This act shall take effect on passage, except that Secs. 3–5 (water quality occupancy surcharge) shall take effect on January 1, 2020.

(Committee vote:7-1-1)

(For text see Senate Journal March 21, 22, 2018)

Rep. Ancel of Calais, for the Committee on Ways and Means, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources; Fish; and Wildlife and when further amended as follows:

First: By striking out Secs. 1-4 in their entirety and inserting in lieu thereof the following new Secs. 1-4b:

* * * Clean Water Funding * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Within Vermont there are 7,100 miles of rivers and streams and 812 lakes and ponds of at least five acres in size.

(2) Currently, over 350 waters or water segments in the State do not meet water quality standards, are at risk of not meeting water quality

standards, or are altered due to the presence of aquatic nuisances.

(3) In 2015, the General Assembly enacted 2015 Acts and Resolves No. 64, an act relating to improving the quality of State waters (Act 64), for the purpose, among others, of providing mechanisms, staffing, and financing necessary for the State to achieve and maintain compliance with the Vermont Water Quality Standards for all State waters.

(4) Act 64 directed the State Treasurer to recommend to the General Assembly a long-term mechanism for financing water quality improvement in the State, including proposed revenue sources for water quality improvement programs.

(5) The State Treasurer submitted a Clean Water Report in January 2017 that included:

(A) an estimate that over 20 years it would cost \$2.3 billion to achieve compliance with water quality requirements;

(B) a projection that revenue available for water quality over the 20-year period would be approximately \$1.06 billion, leaving a 20-year total funding gap of \$1.3 billion;

(C) an estimate of annual compliance costs of \$115.6 million, which, after accounting for projected revenue, would leave a funding gap of \$48.5 million to pay for the costs of compliance with the first tier of federal and State water quality requirements; and

(D) a financing plan to provide more than \$25 million annually in additional State funds for water quality programs.

(6) After determining that a method to achieve equitable and effective long-term funding methods to support clean water efforts in Vermont was necessary, the General Assembly established in 2017 Acts and Resolves No. 73, Sec. 26 the Working Group on Water Quality Funding to develop draft legislation to accomplish this purpose.

(7) The Act 73 Working Group did not recommend a long-term funding method to support clean water efforts in Vermont and instead recommended that the General Assembly maintain a Capital Bill clean water investment of \$15 million a year through fiscal years 2020 and 2021.

(8) In the years beyond fiscal year 2021, the Act 73 Working Group acknowledged that capital funds would need to be reduced to \$10 to \$12 million a year and that additional revenues would need to be raised.

(9) The U.S. Environmental Protection Agency (EPA) in a letter to the General Assembly stated that it is important for the State of Vermont to establish a long-term revenue source to support water quality improvement in

order to comply with the accountability framework of the Lake Champlain Total Maximum Daily Load plan.

(10) The General Assembly should in this act establish the necessary long-term revenue sources to support water quality improvement and should encourage the Executive Branch and other interested parties to propose additional or alternative revenue sources sufficient to achieve the State goals for water quality improvement.

* * * Rooms and Meals Tax * * *

Sec. 2. 32 V.S.A. § 9241 is amended to read:

§ 9241. IMPOSITION OF TAX

(a) An operator shall collect a tax of nine and one quarter percent of the rent of each occupancy.

(b) An operator shall collect a tax on the sale of each taxable meal at the rate of nine and one quarter percent of each full dollar of the total charge and on each sale for less than one dollar and on each part of a dollar in excess of a full dollar in accordance with the following formula:

\$0.01-0.11	\$0.01
0.12-0.22	0.02
0.23-0.33	0.03
0.34-0.44	0.04
0.45-0.55	0.05
0.56-0.66	0.06
0.67-0.77	0.07
0.78-0.88	0.08
0.89-1.00	0.09
<u>0.01-0.11</u>	<u>0.01</u>
<u>0.12-0.22</u>	<u>0.02</u>
<u>0.23-0.32</u>	<u>0.03</u>
<u>0.33-0.43</u>	<u>0.04</u>
<u>0.44-0.54</u>	<u>0.05</u>
<u>0.55-0.65</u>	<u>0.06</u>
<u>0.66-0.76</u>	<u>0.07</u>
<u>0.77-0.86</u>	<u>0.08</u>

0.87-1.00

0.09

* * *

Sec. 3. 32 V.S.A. § 9242(c) is amended to read:

(c) A tax of nine and one-quarter percent of the gross receipts from meals and occupancies and 10 percent of the gross receipts from alcoholic beverages, exclusive of taxes collected pursuant to section 9241 of this title, received from occupancy rentals, taxable meals, and alcoholic beverages by an operator, is hereby levied and imposed and shall be paid to the State by the operator as herein provided. Every person required to file a return under this chapter shall, at the time of filing the return, pay the Commissioner the taxes imposed by this chapter as well as all other monies collected by him or her under this chapter; provided, however, that every person who collects the taxes on taxable meals and alcoholic beverages according to the tax bracket schedules of section 9241 of this title shall be allowed to retain any amount lawfully collected by the person in excess of the tax imposed by this chapter as compensation for the keeping of prescribed records and the proper account and remitting of taxes.

* * * Unclaimed Beverage Container Deposits * * *

Sec. 4. 10 V.S.A. § 1530 is added to read:

§ 1530. ABANDONED BEVERAGE CONTAINER DEPOSITS; DEPOSIT TRANSACTION ACCOUNT; ESCHEATS

(a) As used in this section, “deposit initiator” means the first distributor or manufacturer to collect the deposit on a beverage container sold to any person within the State.

(b) A deposit initiator shall open a separate interest-bearing account in a Vermont branch of a financial institution to be known as the deposit transaction account. The deposit initiator shall keep the deposit transaction account separate from all other revenues and accounts.

(c) Beginning on October 1, 2019, each deposit initiator shall deposit in its deposit transaction account the refund value established by section 1522 of this title for all beverage containers sold by the deposit initiator. The deposit initiator shall deposit the refund value for each beverage container in the account not more than three business days after the date on which the beverage container is sold. All interest, dividends, and returns earned on the deposit transaction account shall be paid directly to the account. The deposit initiator shall pay all refunds on returned beverage containers from the deposit transaction account.

(d) Beginning on January 1, 2020, and quarterly thereafter, every deposit

initiator shall report to the Secretary of Natural Resources and the Commissioner of Taxes concerning transactions affecting the deposit initiator's deposit transaction account in the preceding quarter. The deposit initiator shall submit the report on a form provided by the Commissioner of Taxes. The report shall include:

- (1) the balance of the account at the beginning of the preceding quarter;
- (2) the number of beverage containers sold in the preceding quarter and the number of beverage containers returned in the preceding quarter;
- (3) the amount of beverage container deposits received by the deposit initiator and deposited into the deposit transaction account;
- (4) the amount of refund payments made from the deposit transaction account in the preceding quarter;
- (5) any income earned on the deposit transaction account in the preceding quarter;
- (6) any other transactions, withdrawals, or service charges on the deposit transaction account from the preceding quarter; and
- (7) any additional information required by the Commissioner of Taxes.

(e)(1) On or before January 1, 2020, and quarterly thereafter, each deposit initiator shall remit from its deposit transaction account to the Commissioner of Taxes any abandoned beverage container deposits from the preceding quarter. The amount of abandoned beverage container deposits for a quarter is the amount equal to the amount of deposits that should be in the deposit transaction account less the sum of:

(A) income earned on amounts on the account during that quarter; and

(B) the total amount of refund value paid out by the deposit initiator for beverage containers during that quarter.

(2) In any calendar quarter, the deposit initiator may submit to the Commissioner of Taxes a request for reimbursement of refunds paid under this chapter that exceed the funds that are or should be in the deposit initiator's deposit transaction account. The Commissioner of Taxes shall pay a request for reimbursement under this subdivision from the funds remitted to the Commissioner under subdivision (1) of this subsection, provided that:

(A) the Commissioner determines that the funds in the deposit initiator's deposit transaction action are insufficient to pay the refunds on returned beverage containers; and

(B) a reimbursement paid by the Commissioner to the deposit

initiator shall not exceed the amount paid by the deposit initiator under subdivision (1) of this subsection (e) in the preceding 12 months less amounts paid to the initiator pursuant to this subdivision (2) during that same 12-month period.

(f) The Secretary of Natural Resources may prohibit the sale of a beverage that is sold or distributed in the State by a deposit initiator who fails to comply with the requirements of this chapter. The Secretary may allow the sale of a beverage upon the deposit initiator's coming into compliance with the requirements of this chapter.

* * * Clean Water Fund; General Fund; * * *

Sec. 4a. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the "Clean Water Fund" to be administered by the Secretary of Administration. The Fund shall consist of:

(1) ~~revenues dedicated for deposit into the Fund by the General Assembly, including from~~ the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a; ~~and~~

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) the amount equal to the increase from nine percent to nine and one-quarter percent of the rooms tax imposed by 32 V.S.A. § 9241(a) and the revenue from the increase from nine percent to nine and one-quarter percent of the meals tax imposed by 32 V.S.A. § 9241(b);

(4) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title; and

(5) other revenues dedicated for deposit into the Fund by the General Assembly.

* * *

Sec. 4b. 32 V.S.A. § 435 is amended to read:

§ 435. GENERAL FUND

(a) There is established the General Fund which shall be the basic operating fund of the State. The General Fund shall be used to finance all expenditures for which no special revenues have otherwise been provided by law.

(b) The General Fund shall be composed of revenues from the following sources:

(1) Alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

* * *

(7) Meals and rooms taxes levied pursuant to chapter 225 of this title less the amount deposited in the Clean Water Fund under 10 V.S.A. § 1388;

* * *

Second: By striking out Sec. 13 in its entirety and inserting in lieu thereof a new Sec. 13 to read as follows:

Sec. 13. EFFECTIVE DATES

This act shall take effect on passage, except that Secs. 2–3 (rooms and meals tax), 4a (Clean Water Fund), and 4b (General Fund) shall take effect on January 1, 2020.

(**Committee Vote: 7-3-1**)

Senate Proposal of Amendment

H. 593

An act relating to miscellaneous consumer protection provisions

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 4, in 9 V.S.A. § 2480a, by striking out subdivision (12) in its entirety and inserting in lieu thereof a new subdivision (12) to read:

(12) “Protected consumer” means a natural person who, at the time a request for a security freeze is made, is:

(A) under 16 years of age;

(B) an incapacitated person; or

(C) a protected person.

Second: In Sec. 4, in 9 V.S.A. § 2480a, by striking out subdivision (18) in its entirety and inserting in lieu thereof a new subdivision (18) to read:

(18) “Sufficient proof of authority” means documentation that shows that a person has authority to act on behalf of a protected consumer, including:

(A) a birth certificate;

(B) a court order;

(C) a lawfully executed power of attorney; or

(D) a written, notarized statement signed by the person that expressly

describes the person's authority to act on behalf of the protected consumer.

Third: In Sec. 5, in 9 V.S.A. § 2483a, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read:

(a) A consumer reporting agency shall place a security freeze for a protected consumer if the protected consumer's representative submits a request, including proper authority, to the address and in the manner specified by the consumer reporting agency.

Fourth: In Sec. 5, in 9 V.S.A. § 2483a, by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read:

(d)(1) A credit reporting agency shall lift temporarily a protected consumer security freeze to allow access by a specific party or parties or for a specific period of time, upon a request from the protected consumer's representative.

(2) The protected consumer's representative shall submit the request to the address and in the manner specified by the consumer reporting agency.

(3) The request shall include:

(A) proper authority; and

(B) the unique personal identification number, password, or other method of authentication provided by the credit reporting agency pursuant to subsection (c) of this section.

Fifth: In Sec. 5, in 9 V.S.A. § 2483a, by striking out subsection (j) in its entirety and inserting in lieu thereof a new subsection (j) to read:

(j)(1) A protected consumer security freeze shall remain in place until the credit reporting agency receives a request to remove the freeze from:

(A) the protected consumer's representative; or

(B) the consumer who is subject to the protected consumer security freeze.

(2) A credit reporting agency shall remove a protected consumer security freeze within three business days after receiving a proper request for removal.

(3) The party requesting the removal of a protected consumer security freeze pursuant to subdivision (1) of this subsection shall submit the request to the address and in the manner specified by the consumer reporting agency.

(4) The request shall include:

(A) proper authority; and

(B) the unique personal identification number, password, or other

method of authentication provided by the credit reporting agency pursuant to subsection (c) of this section.

Sixth: By adding a Sec. 6a to read:

Sec. 6a. ONE-STOP FREEZE NOTIFICATION

(a) The Attorney General, in consultation with industry stakeholders, shall consider one or more methods to ease the burden on consumers when placing or lifting a credit security freeze, including the right to place a freeze with a single nationwide credit reporting agency and require that agency to initiate a freeze with other agencies.

(b) On or before January 15, 2019, the Attorney General shall report his or her findings and recommendations to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

Seventh: In Sec. 7, effective dates, in subsection (a), after the word “section”, by inserting and 6a

(For text see House Journal January 16, 17, 2018)

H. 676

An act relating to miscellaneous energy subjects

The Senate proposes to the House to amend the bill as follows:

By striking out Sec. 1 in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 30 V.S.A. § 248(s) is amended to read:

(s) This subsection sets minimum setback requirements that shall apply to in-state ground-mounted solar electric generation facilities approved under this section, unless the facility is installed on a canopy constructed on an area primarily used for parking vehicles that is in existence or permitted on the date the application for the facility is filed.

* * *

(3) On review of an application, the Commission may:

(A) require a larger setback than this subsection requires; ~~or~~

(B) approve an agreement to a smaller setback among the applicant, the municipal legislative body, and each owner of property adjoining the smaller setback; or

(C) require a setback for a facility constructed on an area primarily used for parking vehicles, if the application concerns such a facility.

* * *

(For text see House Journal March 16, 2018)

H. 711

An act relating to employment protections for crime victims

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Employment Protection for Crime Victims * * *

Sec. 1. 21 V.S.A. § 495 is amended to read:

§ 495. UNLAWFUL EMPLOYMENT PRACTICE

(a) It shall be unlawful employment practice, except where a bona fide occupational qualification requires persons of a particular race, color, religion, national origin, sex, sexual orientation, gender identity, ancestry, place of birth, age, crime victim status, or physical or mental condition:

(1) For any employer, employment agency, or labor organization to discriminate against any individual because of race, color, religion, ancestry, national origin, sex, sexual orientation, gender identity, place of birth, crime victim status, or age or against a qualified individual with a disability;

(2) For any person seeking employees or for any employment agency or labor organization to cause to be printed, published, or circulated any notice or advertisement relating to employment or membership indicating any preference, limitation, specification, or discrimination based upon race, color, religion, ancestry, national origin, sex, sexual orientation, gender identity, place of birth, crime victim status, age, or disability;

(3) For any employment agency to fail or refuse to classify properly or refer for employment or to otherwise discriminate against any individual because of race, color, religion, ancestry, national origin, sex, sexual orientation, gender identity, place of birth, crime victim status, or age or against a qualified individual with a disability;

(4) For any labor organization, because of race, color, religion, ancestry, national origin, sex, sexual orientation, gender identity, place of birth, crime victim status, or age to discriminate against any individual or against a qualified individual with a disability or to limit, segregate, or qualify its membership;

* * *

Sec. 2. 21 V.S.A. § 495d is amended to read:

§ 495d. DEFINITIONS

As used in this subchapter:

* * *

(14) “Pregnancy-related condition” means a limitation of an employee’s ability to perform the functions of a job caused by pregnancy, childbirth, or a medical condition related to pregnancy or childbirth.

(15) “Crime victim” means any of the following:

(A) a person who has obtained a relief from abuse order issued under 15 V.S.A. § 1103;

(B) a person who has obtained an order against stalking or sexual assault issued under 12 V.S.A. chapter 178;

(C) a person who has obtained an order against abuse of a vulnerable adult issued under 33 V.S.A. chapter 69; or

(D)(i) a victim as defined in 13 V.S.A. § 5301, provided that the victim is identified as a crime victim in an affidavit filed by a law enforcement official with a prosecuting attorney of competent state or federal jurisdiction; and

(ii) shall include the victim’s child, foster child, parent, spouse, stepchild or ward of the victim who lives with the victim, or a parent of the victim’s spouse, provided that the individual is not identified in the affidavit as the defendant.

Sec. 3. 21 V.S.A. § 472c is added to read:

§ 472c. LEAVE; CRIME VICTIMS

(a) As used in this section:

(1) “Employer” means an individual, organization, governmental body, partnership, association, corporation, legal representative, trustee, receiver, trustee in bankruptcy, and any common carrier by rail, motor, water, air, or express company doing business in or operating within this State.

(2) “Employee” means a person who is a crime victim as defined in section 495d of this chapter and, in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of six months for an average of at least 20 hours per week.

(b) In addition to the leave provided in section 472 of this title, an employee shall be entitled to take unpaid leave from employment for the purpose of attending a deposition or court proceeding related to:

(1) a criminal proceeding, when the employee is a victim as defined in 13 V.S.A. § 5301 and the employee has a right or obligation to appear at the

proceeding;

(2) a relief from abuse hearing pursuant to 15 V.S.A. § 1103, when the employee seeks the order as plaintiff;

(3) a hearing concerning an order against stalking or sexual assault pursuant to 12 V.S.A. § 5133, when the employee seeks the order as plaintiff; or

(4) a relief from abuse, neglect, or exploitation hearing pursuant to 33 V.S.A. chapter 69, when the employee is the plaintiff.

(c) During the leave, at the employee's option, the employee may use accrued sick leave, vacation leave, or any other accrued paid leave. Use of accrued paid leave shall not extend the leave provided pursuant to this section.

(d) The employer shall continue employment benefits for the duration of the leave at the level and under the conditions coverage would be provided if the employee continued in employment continuously for the duration of the leave. The employer may require that the employee contribute to the cost of benefits during the leave at the existing rate of employee contribution.

(e) The employer shall post and maintain in a conspicuous place in and about each of its places of business printed notices of the provisions of this section on forms provided by the Commissioner of Labor.

(f)(1) Upon return from leave taken under this section, an employee shall be offered the same or comparable job at the same level of compensation, employment benefits, seniority, or any other term or condition of the employment existing on the day leave began.

(2) This subsection shall not apply if, prior to requesting leave, the employee had been given notice or had given notice that the employment would terminate.

(3) This subsection shall not apply if the employer can demonstrate by clear and convincing evidence that during the period of leave the employee's job would have been terminated or the employee would have been laid off for reasons unrelated to the leave or the condition for which the leave was granted.

(g) An employer may adopt a leave policy more generous than the leave provided by this section. Nothing in this section shall be construed to diminish an employer's obligation to comply with any collective bargaining agreement or any employment benefit program or plan that provides greater leave rights than the rights provided by this section. A collective bargaining agreement or employment benefit program or plan shall not diminish rights provided by this section. Notwithstanding the provisions of this section, an employee may, at the time a need for leave arises, waive some or all of the rights under this

section, provided that the waiver is informed and voluntary and that any changes in conditions of employment related to the waiver shall be mutually agreed upon between the employer and the employee.

(h) Subsection (b) of this section shall not apply to an employer that provides goods or services to the general public if the employee's absence would require the employer to suspend all business operations at a location that is open to the general public.

* * * Employment Protection for Volunteer First Responders * * *

Sec. 4. 21 V.S.A. § 495o is added to read:

§ 495o. VOLUNTEER EMERGENCY RESPONDERS

(a) As used in this section:

(1) "Emergency medical personnel" shall include "emergency medical personnel," "ambulance service," "emergency medical services," and "first responder service" as defined in 24 V.S.A. § 2651.

(2) "Firefighter" shall have the same meaning as in 20 V.S.A. § 3151(3).

(3) "Volunteer emergency responder" means a volunteer firefighter or volunteer emergency medical personnel.

(b) An employer shall not discharge, discriminate, or retaliate against an employee because the employee was absent from work to perform duty as a volunteer emergency responder.

(c) This section shall not apply to:

(1) a public safety agency or provider of emergency medical services if, as determined by the employer, the employee's absence would hinder the availability of public safety or emergency medical services; or

(2) an employer that provides goods or services to the general public if the employee's absence would require the employer to suspend all business operations at a location that is open to the general public.

(d) An employee who is a volunteer emergency responder shall notify his or her employer at the time of hire or at the time that the employee becomes a volunteer emergency responder and shall provide the employer with a written statement signed by the chief of the volunteer fire department or the designated director or chief of the ambulance service or emergency medical services stating that the employee is a volunteer emergency responder.

(e) Nothing in this section shall prohibit an employer from requiring an employee to provide reasonable notice that the employee is leaving work to respond to an emergency.

(f)(1) An employer shall not be required to compensate an employee for time that an employee is absent from employment while performing his or her duty as a volunteer emergency responder.

(2)(A) An employer may require an employee to use any accrued time off for time that the employee is absent from work while performing his or her duty as a volunteer emergency responder, provided that the employer shall compensate the employee for any accrued time off used at his or her normal hourly wage rate.

(B) Notwithstanding subdivision (A) of this subdivision (2), an employer shall not prevent an employee from performing his or her duty as a volunteer emergency responder due to a lack of accrued time off or paid leave.

* * * Effective Date * * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

(For text see House Journal March 2, 2018)

H. 806

An act relating to the Southeast State Correctional Facility

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. SOUTHEAST STATE CORRECTIONAL FACILITY; REPORT

(a) The Commissioner of Buildings and General Services shall investigate and analyze options for the future use of the Southeast State Correctional Facility and the surrounding 118.57 acres of land owned by the Department of Buildings and General Services. As part of the investigation, the Commissioner shall consult with the Secretary of Administration and any other State entities that would have a potential use for the facility or land.

(b) On or before December 15, 2018, the Commissioner of Buildings and General Services shall submit a report, which shall include an analysis and recommendations, if any, on the highest and best State use resulting from the investigation described in subsection (a) of this section to the House Committee on Corrections and Institutions, the Senate Committee on Institutions, and the Chair of the Town of Windsor Selectboard.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(For text see House Journal March 2, 2018)

H. 856

An act relating to miscellaneous amendments to municipal law

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Municipal Elections and Appointments * * *

Sec. 1. 17 V.S.A. § 2651a is amended to read:

§ 2651a. CONSTABLES; APPOINTMENT; REMOVAL

(a)(1) A town may vote by Australian ballot at an annual meeting to authorize the ~~selectmen~~ selectboard to appoint a first constable, and if needed a second constable, in which case at least a first constable shall be appointed.

(2) A constable so appointed may be removed by the ~~selectmen~~ selectboard for just cause after notice and hearing.

(3) When a town votes to authorize the ~~selectmen~~ selectboard to appoint constables, the ~~selectmen's~~ selectboard's authority to make such appointments shall remain in effect until the town rescinds that authority by the majority vote of the ~~legal~~ registered voters present and voting at an annual meeting, duly warned for that purpose.

(b) Notwithstanding the provisions of subsection (a) to the contrary, a vote to authorize the ~~selectmen~~ selectboard to appoint constables shall become effective only upon a two-thirds vote of those present and voting, if a written protest against the authorization is filed with the ~~legislative body~~ selectboard at least 15 days before the vote by at least five percent of the voters of the municipality town.

(c) The authority to authorize the selectboard to appoint the constable as provided in this section shall extend to all towns except those that have a charter that specifically provides for the election or appointment of the office of constable.

Sec. 2. 17 V.S.A. § 2651b is amended to read:

§ 2651b. ELIMINATION OF OFFICE OF AUDITOR; APPOINTMENT OF PUBLIC ACCOUNTANT

(a)(1) A town may vote by ballot at an annual meeting to eliminate the office of town auditor.

(2)(A) If a town votes to eliminate the office of town auditor, the selectboard shall contract with a public accountant, licensed in this State, to perform an annual financial audit of all funds of the town except the funds audited pursuant to 16 V.S.A. § 323.

(B) Unless otherwise provided by law, the selectboard shall provide for all other ~~auditor~~ auditor's duties to be performed.

(3) A vote to eliminate the office of town auditor shall remain in effect until rescinded by majority vote of the ~~legal~~ registered voters present and voting, by ballot, at an annual meeting duly warned for that purpose.

(b) The term of office of any auditor in office on the date a town votes to eliminate that office shall expire on the 45th day after such vote or on the date upon which the selectboard enters into a contract with a public accountant under this section, whichever occurs first.

(c) The authority to vote to eliminate the office of town auditor as provided in this section shall extend to all towns except those towns that have a charter that specifically provides for the election or appointment of the office of town auditor.

Sec. 3. 17 V.S.A. § 2651c is amended to read:

§ 2651c. LACK OF ELECTED LISTER; APPOINTMENT OF LISTER;
ELIMINATION OF OFFICE

(a)(1) Notwithstanding any other provisions of law to the contrary and except as provided in subsection (b) of this section, in the event the board of listers of a ~~municipality~~ town falls below a majority and the selectboard is unable to find a person or persons to appoint as a lister or listers under the provisions of 24 V.S.A. § 963, the selectboard may appoint an assessor to perform the duties of a lister as set forth in Title 32 V.S.A. chapter 121, ~~subchapter 2~~ until the next annual meeting.

(2) The appointed person need not be a resident of the ~~municipality~~ town and shall have the same powers and be subject to the same duties and penalties as a duly elected lister for the ~~municipality~~ town.

(b)(1) A town may vote by ballot at an annual meeting to eliminate the office of lister.

(2)(A) If a town votes to eliminate the office of lister, the selectboard shall contract with or employ a professionally qualified assessor, who need not be a resident of the town.

(B) The assessor shall have the same powers, discharge the same duties, proceed in the discharge thereof in the same manner, and be subject to the same liabilities as are prescribed for listers or the board of listers under the provisions of Title 32.

(2)(3) A vote to eliminate the office of lister shall remain in effect until rescinded by majority vote of the ~~legal~~ registered voters present and voting at an annual meeting warned for that purpose.

~~(3)~~(c) The term of office of any lister in office on the date a town votes to eliminate that office shall expire on the 45th day after the vote or on the date upon which the selectboard appoints an assessor under this subsection, whichever occurs first.

~~(4)~~(d) The authority to vote to eliminate the office of lister as provided in this ~~subsection~~ section shall extend to all towns except those towns that have a charter that specifically provides for the election or appointment of the office of lister.

Sec. 4. 17 V.S.A. § 2651d is amended to read:

§ 2651d. COLLECTOR OF DELINQUENT TAXES; APPOINTMENT;
REMOVAL

(a)(1) A municipality may vote at an annual or special municipal meeting to authorize the legislative body to appoint a collector of delinquent taxes, who may be the municipal treasurer.

(2) A collector of delinquent taxes so appointed may be removed by the legislative body for just cause after notice and hearing.

(b) When a municipality votes to authorize the legislative body to appoint a collector of delinquent taxes, the legislative body's authority to make such appointment shall remain in effect until the municipality rescinds that authority by the majority vote of the ~~legal~~ registered voters present and voting at an annual or special meeting, duly warned for that purpose.

Sec. 5. 17 V.S.A. § 2651e is amended to read:

§ 2651e. MUNICIPAL CLERK; APPOINTMENT; REMOVAL

(a)(1) A municipality may vote at an annual meeting to authorize the legislative body to appoint the municipal clerk.

(2) A municipal clerk so appointed may be removed by the legislative body for just cause after notice and hearing.

(b) A vote to authorize the legislative body to appoint the municipal clerk shall remain in effect until rescinded by the majority vote of the ~~legal~~ registered voters present and voting at an annual or special meeting, duly warned for that purpose.

(c) The term of office of a municipal clerk in office on the date a municipality votes to allow the legislative body to appoint a municipal clerk shall expire 45 calendar days after the vote or on the date upon which the legislative body appoints a municipal clerk under this section, whichever occurs first, unless a petition for reconsideration or rescission is filed in accordance with section 2661 of this title.

(d) The authority to authorize the legislative body to appoint the municipal clerk as provided in this section shall extend to all municipalities except those that have a charter that specifically provides for the election or appointment of the office of municipal clerk.

Sec. 6. 17 V.S.A. § 2651f is amended to read:

§ 2651f. MUNICIPAL TREASURER; APPOINTMENT; REMOVAL

(a)(1) A municipality may vote at an annual meeting to authorize the legislative body to appoint the municipal treasurer.

(2) A treasurer so appointed may be removed by the legislative body for just cause after notice and hearing.

(b) A vote to authorize the legislative body to appoint the treasurer shall remain in effect until rescinded by the majority vote of the ~~legal~~ registered voters present and voting at an annual or special meeting, duly warned for that purpose.

(c) The term of office of a treasurer in office on the date a municipality votes to allow the legislative body to appoint a treasurer shall expire 45 calendar days after the vote or on the date upon which the legislative body appoints a treasurer under this section, whichever occurs first, unless a petition for reconsideration or rescission is filed in accordance with section 2661 of this title.

(d) The authority to authorize the legislative body to appoint the treasurer as provided in this section shall extend to all municipalities except those that have a charter that specifically provides for the election or appointment of the office of municipal treasurer.

* * * Local Incompatible Offices * * *

Sec. 7. 17 V.S.A. § 2647 is amended to read:

§ 2647. INCOMPATIBLE OFFICES

(a)(1) An auditor shall not be town clerk, town treasurer, selectboard member, first constable, collector of current or delinquent taxes, trustee of public funds, town manager, road commissioner, water commissioner, sewage system commissioner, sewage disposal commissioner, cemetery commissioner, or town district school director; nor shall a spouse of or any person assisting any of these officers in the discharge of official duties be eligible to hold office as auditor.

(2) A selectboard member or school director shall not be first constable, collector of taxes, town treasurer, assistant town treasurer, auditor, or town agent. A selectboard member shall not be lister or assessor.

(3) A cemetery commissioner or library trustee shall not be town treasurer, assistant town treasurer, or auditor.

(4) A town manager shall not hold any elective office in ~~the~~ that town or town school district.

(5) Election officers at local elections shall be disqualified as provided in section 2456 of this title.

* * *

* * * Smoking on Municipal Grounds * * *

Sec. 8. 18 V.S.A. § 1742 is amended to read:

§ 1742. RESTRICTIONS ON SMOKING IN PUBLIC PLACES

(a) The possession of lighted tobacco products or use of tobacco substitutes in any form is prohibited in:

(1) the common areas of all enclosed indoor places of public access and publicly owned buildings and offices;

(2) all enclosed indoor places in lodging establishments used for transient traveling or public vacationing, such as resorts, hotels, and motels, including sleeping quarters and adjoining rooms rented to guests;

(3) designated smoke-free areas of property or grounds owned by or leased to the State or a municipality; and

(4) any other area within 25 feet of State-owned buildings and offices, except that to the extent that any portion of the 25-foot zone is not on State property, smoking is prohibited only in that portion of the zone that is on State property unless the owner of the adjoining property chooses to designate his or her property smoke-free.

* * *

* * * Animal Pounds * * *

Sec. 9. 20 V.S.A. chapter 191, subchapter 2 is amended to read:

Subchapter 2. Pounds and Impounding

Article 1. General Provisions

§ 3381. MAINTENANCE OF POUNDS

(a)(1) Each organized town shall maintain as many good and sufficient pounds as it may need for the impounding of ~~beasts~~ animals liable to be impounded.

(2) The pound may be kept in an adjacent town if the adjacent town

consents and the poundkeeper may be a resident of an adjacent town.

(b) Each town may regulate the operation of its pounds except as to matters regulated by statute law.

§ 3382. ~~PENALTY FOR FAILURE TO MAINTAIN POUND~~

~~If a town, for the term of six months at one time, is without such pound, it shall be fined \$30.00. [Repealed.]~~

* * *

Sec. 10. LEGISLATIVE COUNCIL; CONFORMING REVISIONS;
20 V.S.A. CHAPTER 191, SUBCHAPTER 2; REPLACE “BEAST”
WITH “ANIMAL”

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Council shall replace “beast” with “animal” and “beasts” with “animals” throughout 20 V.S.A. chapter 191, subchapter 2 (pounds and impounding), provided the revisions have no other effect on the meaning of the affected statutes.

* * * Assistant Town Clerks * * *

Sec. 11. 24 V.S.A. § 1171 is amended to read:

§ 1171. DUTIES OF ASSISTANT CLERK

(a) ~~Such~~ The assistant clerk shall be sworn and is authorized to perform the recording and filing duties of the town clerk, to issue licenses and certified copies of records, and, in the absence, death, or disability of the town clerk, is further authorized to perform all other duties of ~~such~~ the clerk.

(b) ~~If the~~ there is a vacancy in the office of town clerk dies, the authority of the assistant town clerk to perform the duties of the town clerk shall continue until a successor is appointed by the selectboard under section 963 of this title.

* * * Municipal Managers * * *

Sec. 12. 24 V.S.A. § 1236 is amended to read:

§ 1236. POWERS AND DUTIES IN PARTICULAR

The manager shall have authority and it shall be his or her duty:

* * *

(4) To have charge and supervision of all public town buildings, and repairs thereon, ~~and repairs of buildings of the town school district upon requisition of the school directors;~~ and all building done undertaken by the town ~~or town school district~~, unless otherwise specially voted provided for by the selectboard, shall be done under his or her charge and supervision.

* * *

(8) To supervise and expend all special appropriations of the town, as if the same were a separate department of the town, unless otherwise ~~voted~~ provided for by the town selectboard.

* * *

* * * Municipal Finances * * *

Sec. 13. 24 V.S.A. chapter 51 is amended to read:

CHAPTER 51. FINANCES; ACCOUNTS AND AUDITS

Subchapter 1. Taxes

* * *

§ 1533. TOWN BOARD FOR THE ABATEMENT OF TAXES

(a) The board of civil authority, with the listers and the town treasurer, shall constitute a board for the abatement of town, ~~town school district,~~ and current use property taxes and water and sewer charges.

(b) The act of a majority of a quorum at a meeting shall be treated as the act of the board. This quorum requirement need not be met if the town treasurer, a majority of the listers, and a majority of the selectboard are present at the meeting.

* * *

§ 1535. ABATEMENT

(a) The board may abate in whole or part taxes, water charges, sewer charges, interest, or collection fees, or any combination of those, other than those arising out of a corrected classification of homestead or nonresidential property, accruing to the town in the following cases:

- (1) taxes or charges of persons who have died insolvent;
- (2) taxes or charges of persons who have ~~removed~~ moved from the State;
- (3) taxes or charges of persons who are unable to pay their taxes or charges, interest, and collection fees;
- (4) taxes in which there is manifest error or a mistake of the listers;
- (5) taxes or charges upon real or personal property lost or destroyed during the tax year;
- (6) the exemption amount available under 32 V.S.A. § 3802(11) to persons otherwise eligible for exemption who file a claim on or after May 1

but before October 1 due to the claimant's sickness or disability or other good cause as determined by the board of abatement; but that exemption amount shall be reduced by 20 percent of the total exemption for each month or portion of a month the claim is late filed;

(7), (8) [Repealed.]

(9) taxes or charges upon a mobile home moved from the town during the tax year as a result of a change in use of the mobile home park land or parts thereof, or closure of the mobile home park in which the mobile home was sited, pursuant to 10 V.S.A. § 6237.

(b) The board's abatement of an amount of tax or charge shall automatically abate any uncollected interest and fees relating to that amount.

(c) The board shall, in any case in which it abates taxes or charges, interest, or collection fees accruing to the town, or denies an application for abatement, state in detail in writing the reasons for its decision.

(d)(1) The board may order that any abatement as to an amount or amounts already paid be in the form of a refund or in the form of a credit against the tax or charge for the next ensuing tax year, or charge billing cycle and for succeeding tax years or billing cycles if required to use up the amount of the credit.

(2) Whenever a municipality votes to collect interest on overdue taxes pursuant to 32 V.S.A. § 5136, interest in a like amount shall be paid by the municipality to any person for whom an abatement has been ordered.

(3) Interest on taxes or charges paid and subsequently abated shall accrue from the date payment was due or made, whichever is later. However, abatements issued pursuant to subdivision (a)(5) of this section need not include the payment of interest.

(4) When a refund has been ordered, the board shall draw an order on the town treasurer for ~~such~~ payment of the refund.

* * *

Subchapter 3. Orders Drawn by ~~Selectboard~~ Municipal Bodies

* * *

§ 1622. TOWN ORDERS; RECORD

(a)(1) The chair of the selectboard shall keep or cause to be kept a single record of all orders drawn by the board showing the number, date, to whom payable, for what purpose, and the amount of each ~~such~~ order.

(2) All other officers authorized by law to draw orders upon the town

treasurer shall keep or cause to be kept a like record.

(b) Such records shall be submitted to the town auditors annually on or before February 1.

(c) If the records of orders named in this section are made by an assistant clerk, the assistant clerk shall not be the town treasurer, ~~or the wife or husband spouse of such~~ the town treasurer, or any person acting in the capacity of clerk for the town treasurer.

§ 1623. SIGNING ORDERS

(a) The selectboard may do either of the following:

(1) Authorize one or more members of the board to examine and allow claims against the town for town expenses and draw orders for such claims to the party entitled to payment.

(A) Orders shall state definitely the purpose for which ~~they are~~ each is drawn and shall serve as full authority to the treasurer to make the payments.

(B) The selectboard shall be provided with a record of orders drawn under this subdivision (1) whenever orders are signed by less than a majority of the board; ~~or.~~

(2) Submit to the town treasurer a certified copy of those portions of the selectboard minutes, properly signed by the clerk and chair or by a majority of the board, showing to whom and for what purpose each payment is to be made by the treasurer. The certified copy of the minutes shall serve as full authority to the treasurer to make the approved payments.

(b) This section shall apply to all municipal public bodies authorized by law to draw orders on the municipal treasurer.

* * *

Subchapter. 5. Auditors and Audits

* * *

§ 1684. TRUST ASSETS; INDEBTEDNESS

The auditors shall make a detailed statement showing:

(1) ~~The~~ the condition of all trust funds in which the town is interested ~~with and~~ a list of the assets of such funds, including the account of receipts and disbursements for the preceding year;

(2) ~~What~~ what bonds of the town ~~or town school district~~ are outstanding ~~with and~~ the rate of interest and the amount thereof; and

(3) ~~What interest-bearing~~ what interest-bearing notes or orders of the

town or town school district are outstanding with and the serial number, date, amount, payee, and rate of interest of each, and the total amount thereof.

* * * Penalties for Municipal Violations * * *

Sec. 14. 24 V.S.A. § 1974 is amended to read:

§ 1974. ENFORCEMENT OF CRIMINAL ORDINANCES

(a)(1) The violation of a criminal ordinance or rule adopted by a municipality under this chapter shall be a misdemeanor.

(2) The criminal ordinance or rule may provide for a fine or imprisonment, but no fine ~~may~~ shall exceed ~~\$500.00~~ \$800.00, nor may any term of imprisonment exceed one year.

(3) Each day the violation continues shall constitute a separate offense.

* * *

Sec. 15. 24 V.S.A. § 2201 is amended to read:

§ 2201. THROWING, DEPOSITING, BURNING, AND DUMPING
REFUSE; PENALTY; SUMMONS AND COMPLAINT

(a)(1) Prohibition. Every person shall be responsible for proper disposal of his or her own solid waste. A person shall not throw, dump, deposit, or cause, or permit to be thrown, dumped, or deposited any solid waste as defined in 10 V.S.A. § 6602, refuse of whatever nature, or any noxious thing in or on lands or waters of the State outside a solid waste management facility certified by the Agency of Natural Resources.

* * *

(b) Prosecution of violations. A person who violates a provision of this section commits a civil violation and shall be subject to a civil penalty of not more than ~~\$500.00~~ \$800.00.

(1) This violation shall be enforceable in the Judicial Bureau pursuant to the provisions of 4 V.S.A. chapter 29 in an action that may be brought by a municipal attorney, a solid waste management district attorney, an environmental enforcement officer employed by the Agency of Natural Resources, a grand juror, ~~or a~~ a designee of the legislative body of the municipality, or by any duly authorized law enforcement officer.

(2) If the throwing, placing, or depositing was done from a snowmobile, vessel, or motor vehicle, except a motor bus, there shall be a rebuttable presumption that the throwing, placing, or depositing was done by the operator of ~~such~~ the snowmobile, vessel, or motor vehicle.

(3) Nothing in this section shall be construed as affecting the operation

of an automobile graveyard or salvage yard as defined in section 2241 of this title, nor shall anything in this section be construed as prohibiting the installation and use of appropriate receptacles for solid waste provided by the State or towns.

* * *

Sec. 16. 24 V.S.A. § 2297a is amended to read:

§ 2297a. ENFORCEMENT OF SOLID WASTE ORDINANCE BY TOWN, CITY, OR INCORPORATED VILLAGE

(a) Solid waste order. A legislative body may issue and enforce a solid waste order in accordance with this section. A solid waste order may include a directive that the respondent take actions necessary to achieve compliance with the ordinance, to abate hazards created as a result of noncompliance, or to restore the environment to the condition existing before the violation and may include a civil penalty of not more than ~~\$500.00~~ \$800.00 for each violation and in the case of a continuing violation, not more than \$100.00 for each succeeding day. In determining the amount of civil penalty to be ordered, the legislative body shall consider the following:

- (1) the degree of actual or potential impact on public health, safety, welfare, and the environment resulting from the violation;
- (2) whether the respondent has cured the violation;
- (3) the presence of mitigating circumstances;
- (4) whether the respondent knew or had reason to know the violation existed;
- (5) the respondent's record of compliance;
- (6) the economic benefit gained from the violation;
- (7) the deterrent effect of the penalty;
- (8) the costs of enforcement;
- (9) the length of time the violation has existed.

* * *

(e) Contents of proposed order. A proposed order shall include:

* * *

(5) if applicable, a civil penalty of not more than ~~\$500.00~~ \$800.00 for each violation and in the case of a continuing violation, not more than \$100.00 for each succeeding day.

* * * Municipal Planning and Development Bylaws * * *

Sec. 17. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

* * *

(G) A residential care home or group home to be operated under state State licensing or registration, serving not more than eight persons who have a disability as defined in 9 V.S.A. § 4501, shall be considered by right to constitute a permitted single-family residential use of property, ~~except that no such home shall be so considered if it is located within 1,000 feet of another existing or permitted such home.~~ This subdivision (G) does not require a municipality to allow a greater number of residential care homes or group homes on a lot than the number of single-family dwellings allowed on the lot.

* * *

* * * Road Commissioner Compensation * * *

Sec. 18. 32 V.S.A. § 1225 is amended to read:

§ 1225. TOWN ROAD COMMISSIONER

The compensation of a town road commissioner shall be fixed by the selectboard, ~~shall not be less than \$2.00 per day for time actually spent, and shall be paid out of the Transportation Fund.~~

Sec. 19. [Deleted.]

* * * State Holidays * * *

Sec. 20. 1 V.S.A. § 371 is amended to read:

§ 371. LEGAL HOLIDAYS

(a) The following shall be legal holidays:

New Year's Day, January 1;

Martin Luther King, Jr.'s Birthday, the third Monday in January;

~~Lincoln's Birthday, February 12;~~

~~Washington's Birthday~~ Presidents' Day, the third Monday in February;

Town Meeting Day, the first Tuesday in March;

Memorial Day, the last Monday in May;

Independence Day, July 4;
Bennington Battle Day, August 16;
Labor Day, the first Monday in September;
Columbus Day, the second Monday in October;
Veterans' Day, November 11;
Thanksgiving Day, the fourth Thursday in November;
Christmas Day, December 25.

* * *

* * * Effective Date * * *

Sec. 21. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

(For text see House Journal March 14, 2018)

H. 892

An act relating to regulation of short-term, limited-duration health insurance coverage and association health plans

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 8 V.S.A. § 4062(h)(1) is amended to read:

(h)(1) The authority of the Board under this section shall apply only to the rate review process for policies for major medical insurance coverage and shall not apply to the policy forms for major medical insurance coverage or to the rate and policy form review process for policies for specific disease, accident, injury, hospital indemnity, dental care, vision care, disability income, long-term care, student health insurance coverage, Medicare supplemental coverage, or other limited benefit coverage; to short-term, limited-duration health insurance coverage; or to benefit plans that are paid directly to an individual insured or to his or her assigns and for which the amount of the benefit is not based on potential medical costs or actual costs incurred. Premium rates and rules for the classification of risk for Medicare supplemental insurance policies shall be governed by sections 4062b and 4080e of this title.

Sec. 2. 8 V.S.A. § 4079a is added to read:

§ 4079a. ASSOCIATION HEALTH PLANS

(a) As used in this section, "association health plan" means a policy issued

to an association; to a trust; or to one or more trustees of a fund established, created, or maintained for the benefit of the members of one or more associations or a contract or plan issued by an association or trust or by a multiple employer welfare arrangement as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.

(b) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 regulating association health plans in order to protect Vermont consumers and promote the stability of Vermont's health insurance markets, to the extent permitted under federal law, including rules regarding licensure, solvency and reserve requirements, and rating requirements.

(c) The provisions of section 3661 of this title shall apply to association health plans.

Sec. 3. 8 V.S.A. § 4084a is added to read:

§ 4084a. SHORT-TERM, LIMITED-DURATION HEALTH INSURANCE

(a) As used in this section, "short-term, limited-duration health insurance" means health insurance that provides medical, hospital, or major medical expense benefits coverage pursuant to a policy or contract with an insurer and that has an expiration date specified in the policy or contract that is three months or less after the original effective date of the policy or contract.

(b) An insurer shall not provide short-term, limited-duration health insurance coverage unless the insurer has a certificate of authority from the Commissioner to offer health insurance as defined in subdivision 3301(a)(2) of this title or is licensed or registered with the Commissioner as a nonprofit hospital or medical service corporation, health maintenance organization, or managed care organization, unless the insurer is exempted by subdivision 3368(a)(4) of this title.

(c) A short-term, limited-duration health insurance policy or contract shall be nonrenewable, and an insurer shall not issue a short-term, limited-duration health insurance policy or contract to any person if the issuance would result in the person being covered by short-term, limited-duration health insurance coverage for more than three months in any 12-month period.

(d) A policy or contract for short-term, limited-duration health insurance coverage shall display prominently in the policy or contract and in any application materials provided in connection with enrollment in that coverage, in at least 14-point type, certain disclosures regarding the scope of short-term, limited-duration health insurance coverage, including the types of benefits and consumer protections that are and are not included. The Commissioner shall determine the specific disclosure language that shall be used in all short-term, limited-duration health insurance policies, contracts, and application materials

and shall provide the language to the insurers offering that coverage.

(e) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25:

(1) establishing the minimum financial, marketing, service, and other requirements for registration of an insurer to provide short-term, limited-duration health insurance coverage to individuals in this State;

(2) requiring an insurer seeking to provide short-term, limited-duration health insurance coverage to individuals in this State to file its rates and forms with the Commissioner for his or her approval;

(3) requiring an insurer seeking to provide short-term, limited-duration health insurance coverage to individuals in this State to file its advertising materials with the Commissioner for his or her approval; and

(4) establishing such other requirements as the Commissioner deems necessary to protect Vermont consumers and promote the stability of Vermont's health insurance markets.

(f) The provisions of section 4089f of this title, and any rules adopted under that section, shall apply to short-term, limited-duration health insurance coverage.

Sec. 4. 32 V.S.A. § 10401 is amended to read:

§ 10401. DEFINITIONS

As used in this section:

(1) "Health insurance" means any group or individual health care benefit policy, contract, or other health benefit plan offered, issued, renewed, or administered by any health insurer, including any health care benefit plan offered, issued, renewed, or administered by any health insurance company, any nonprofit hospital and medical service corporation, any dental service corporation, or any managed care organization as defined in 18 V.S.A. § 9402. The term includes comprehensive major medical policies, contracts, or plans; short-term, limited-duration health insurance policies and contracts as defined in 8 V.S.A. § 4084a; student health insurance policies; and Medicare supplemental policies, contracts, or plans, but does not include Medicaid or any other State health care assistance program in which claims are financed in whole or in part through a federal program unless authorized by federal law and approved by the General Assembly. The term does not include policies issued for specified disease, accident, injury, hospital indemnity, long-term care, disability income, or other limited benefit health insurance policies, except that any policy providing coverage for dental services shall be included.

* * *

Sec. 5. 33 V.S.A. § 1802 is amended to read:

§ 1802. DEFINITIONS

As used in this subchapter:

* * *

(3) “Health benefit plan” means a policy, contract, certificate, or agreement offered or issued by a health insurer to provide, deliver, arrange for, pay for, or reimburse any of the costs of health services. This term does not include coverage only for accident or disability income insurance, liability insurance, coverage issued as a supplement to liability insurance, workers’ compensation or similar insurance, automobile medical payment insurance, credit-only insurance, coverage for on-site medical clinics, or other similar insurance coverage where benefits for health services are secondary or incidental to other insurance benefits as provided under the Affordable Care Act. The term also does not include stand-alone dental or vision benefits; long-term care insurance; short-term, limited-duration health insurance; specific disease or other limited benefit coverage, Medicare supplemental health benefits, Medicare Advantage plans, and other similar benefits excluded under the Affordable Care Act.

* * *

Sec. 6. 33 V.S.A. § 1811 is amended to read:

§ 1811. HEALTH BENEFIT PLANS FOR INDIVIDUALS AND SMALL EMPLOYERS

(a) As used in this section:

(1) “Health benefit plan” means a health insurance policy, a nonprofit hospital or medical service corporation service contract, or a health maintenance organization health benefit plan offered through the Vermont Health Benefit Exchange or a reflective silver plan offered in accordance with section 1813 of this title that is issued to an individual or to an employee of a small employer. The term does not include coverage only for accident or disability income insurance, liability insurance, coverage issued as a supplement to liability insurance, workers’ compensation or similar insurance, automobile medical payment insurance, credit-only insurance, coverage for on-site medical clinics, or other similar insurance coverage in which benefits for health services are secondary or incidental to other insurance benefits as provided under the Affordable Care Act. The term also does not include stand-alone dental or vision benefits; long-term care insurance; short-term, limited-duration health insurance; specific disease or other limited benefit coverage, Medicare supplemental health benefits, Medicare Advantage plans, and other similar benefits excluded under the Affordable Care Act.

* * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

(For text see House Journal February 20, 2018)

H. 915

An act relating to the protection of pollinators

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 6 V.S.A. § 641 is amended to read:

§ 641. DEFINITIONS

As used in this chapter:

(1) "Agricultural seed" includes grass, forage, cereal, oil, fiber, and other kinds of crop seeds commonly recognized as agricultural seeds, lawn seeds, and combinations of such seeds, and may include noxious weed seeds used as agricultural seed.

(2) "Secretary" means the Secretary of Agriculture, Food and Markets or his or her designee.

(3) "Agency" means the Agency of Agriculture, Food and Markets.

(4) "Flower seed" includes seed of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts, and commonly known and sold under the name of flower seed.

* * *

(7) "Vegetable seeds" include the seeds of those crops ~~which~~ that are grown in gardens and on truck farms and are generally known and sold under the name of vegetable or herb seeds in this State.

* * *

(11) "Economic poison" shall have the same meaning as in section 911 of this title.

(12) "Neonicotinoid pesticide" means any economic poison containing a chemical belonging to the neonicotinoid class of chemicals, including:

(A) imidacloprid;

(B) nithiazine;

(C) acetamiprid;

- (D) clothianidin;
- (E) dinotefuran;
- (F) thiacloprid;
- (G) thiamethoxam; and
- (H) any other chemical designated by the Secretary by rule.

(13) “Treated corn or soybean seed” means a corn or soybean seed that is treated or covered with a neonicotinoid pesticide.

(14) “Untreated corn or soybean seed” means corn or soybean seed that is not treated with a neonicotinoid pesticide.

Sec. 2. 6 V.S.A. chapter 35, subchapter 3 is added to read:

Subchapter 3. Seed Supply; Untreated Corn or Soybean Seed

§ 650. SEED SUPPLY; UNTREATED CORN OR SOYBEAN SEED

A person who sells treated corn or soybean seed in the State shall offer for sale untreated corn or soybean seed. As used in this section, “offer for sale” includes arranging for or taking orders for the delivery of untreated corn or soybean seed.

Sec. 3. IMPLEMENTATION OF REQUIREMENT TO OFFER
UNTREATED CORN OR SOYBEAN SEED

A person shall be required to offer untreated corn or soybean seed for sale under 6 V.S.A. § 650 beginning on July 1, 2018 for the purpose of use during the planting season in 2019.

Sec. 4. AGENCY OF AGRICULTURE, FOOD AND MARKETS REPORT
ON IMPACT OF NEONICOTINOID-TREATED SEEDS ON
POLLINATORS

(a) The Secretary of Agriculture, Food and Markets (Secretary) shall assess the effect of neonicotinoid-treated seeds on the loss of pollinator populations in Vermont by independently reviewing claims of pollinator losses by beekeepers. As part of the assessment, the Secretary shall review the recommendations of the Pollinator Protection Committee for reducing pollinator losses that were submitted to the General Assembly in February of 2017 in the report required under 2016 Acts and Resolves No. 83. On or before January 15, 2019, the Secretary shall submit to the House Committee on Agriculture and Forestry and the Senate Committee on Agriculture the results of the assessment of pollinator losses. The report shall include:

(1) data collected by the Secretary regarding pollinator losses in the State, provided that the data shall be provided in an aggregated form that does

not disclose the identity of individual persons, households, or businesses from whom the data were obtained;

(2) the causes of pollinator losses;

(3) an assessment of whether neonicotinoid-treated seeds caused or contributed to any pollinator losses in Vermont;

(4) a State pollinator protection plan as required by 2016 Acts and Resolves No. 83; and

(5) recommendations for preventing pollinator losses in Vermont.

(b) As used in this section:

(1) “Economic poison” shall have the same meaning as in 6 V.S.A. § 911.

(2) “Neonicotinoid pesticide” means any economic poison containing a chemical belonging to the neonicotinoid class of chemicals.

(3) “Neonicotinoid-treated seed” means agricultural seed treated with a neonicotinoid pesticide.

Sec. 5. EDUCATIONAL CAMPAIGN; PESTICIDES AND POLLINATORS

The Secretary of Agriculture, Food and Markets shall develop and implement an educational program to inform users of pesticides in the State of the effects of pesticides on pollinators and methods or techniques for mitigating the effects of pesticides on pollinators. The Secretary of Agriculture, Food and Markets shall conduct the educational program at least until July 1, 2020.

Sec. 6. 6 V.S.A. § 1101 is amended to read:

§ 1101. DEFINITIONS

As used in this chapter unless the context clearly requires otherwise:

* * *

(4) “Economic poison” shall have the meaning stated in subdivision 911(5) of this title.

* * *

(6) “Pesticide” for the purposes of this chapter shall be used interchangeably with “economic poison.”

* * *

(8) “Neonicotinoid pesticide” means any economic poison containing a chemical belonging to the neonicotinoid class of chemicals, including:

- (A) imidacloprid;
- (B) nithiazine;
- (C) acetamiprid;
- (D) clothianidin;
- (E) dinotefuran;
- (F) thiacloprid;
- (G) thiamethoxam; and
- (H) any other chemical designated by the Secretary by rule.

(9) “Ornamental plants” means any shrub, bush, tree, or other plant used or intended for a use other than farming as that term is defined in 10 V.S.A. § 6001.

Sec. 7. 6 V.S.A. § 1105b is added to read:

§ 1105b. APPLICATION OF NEONICOTINOID PESTICIDES

A person shall not apply neonicotinoid pesticides to ornamental plants in the State, except:

(1) as authorized by the Secretary of Agriculture, Food and Markets under a right-of-way permit for the application of pesticides; or

(2) as authorized for application on a golf course regulated by the Secretary of Agriculture, Food and Markets.

Sec. 8. EFFECTIVE DATES

This act shall take effect passage, except that Secs. 6 and 7 (neonicotinoid pesticide application to ornamental plants) shall take effect January 1, 2021.

(For text see House Journal March 13, 2018)

Ordered to Lie

H. 219

An act relating to the Vermont spaying and neutering program.

Pending Question: Shall the House concur in the Senate proposal of amendment?

Action Postponed Indefinitely

H. 167

An act relating to alternative approaches to addressing low-level illicit drug use.

Pending Question: Concur in Senate Proposal of Amendment??