

Senate Calendar

THURSDAY, MAY 11, 2017

SENATE CONVENES AT: 10:00 A.M.

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ACTION CALENDAR
UNFINISHED BUSINESS OF MONDAY, MAY 8, 2017
House Proposal of Amendment to Senate Proposal of Amendment
H. 509

An act relating to calculating statewide education tax rates

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

First: By inserting two sections to be Secs. 2a and 2b to read as follows:

* * *Education Fund allocation; sales and use tax* * *

Sec. 2a. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(6) ~~Thirty-five~~ Thirty-seven percent of the revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233.

* * *

Sec. 2b. 32 V.S.A. § 435 is amended to read:

* * *

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(11) ~~65~~ 63 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

* * *

Second: By striking Secs. 3–5 in their entirety, and inserting a reader assistance and inserting in lieu thereof three new sections to be Secs. 3–5 to read as follows:

* * * Unfunded Mandates* * *

Sec. 3. 32 V.S.A. § 305b is added to read:

§ 305b. UNFUNDED EDUCATION MANDATE AMOUNT TRANSFER

Not more than 30 days after the end of each annual legislative session of the General Assembly, the Joint Fiscal Office and the Secretary of Administration, in consultation with the Secretary of Education and with the Secretary of Human Services as appropriate, shall estimate the “unfunded education mandate amount.” This estimate shall equal the total dollar amount necessary for supervisory unions and school districts to perform any action that is required pursuant to legislation enacted during that annual legislative session that has a related direct cost but does not have a specifically identified appropriation for fulfilling that obligation. The estimate shall be for the fiscal year commencing on July 1 of the following year. The Joint Fiscal Office and the Secretary of Administration shall present to the Emergency Board at its July meeting an estimate of the unfunded education mandate amount and the Emergency Board shall determine the unfunded education mandate amount. The Governor’s budget report required under section 306 of this title shall include a transfer of this amount from the General Fund pursuant to 16 V.S.A. § 4025(a)(2) for the fiscal year commencing on July 1 of the following year.

Sec. 4. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(2) For each fiscal year, the amount of the general funds appropriated or transferred to the Education Fund shall be \$305,900,000.00, to be:

(A) the total of \$305,900,000.00 plus the unfunded education mandate amount, as defined in subsection (e) of this section;

(B) increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined;

(C) plus an additional one-tenth of one percent.

* * *

(e) As used in this section, “unfunded education mandate amount” shall mean the amount appropriated by the General Assembly in any fiscal year for the purpose of providing funding for supervisory unions and school districts to perform any action that is required pursuant to legislation and that has a related direct cost but does not otherwise have a specifically identified appropriation

for fulfilling that obligation. The “unfunded education mandate amount” shall include the cumulative amount of these appropriations for all fiscal years in which they are made.

Sec. 5. 16 V.S.A. § 4028(d) is amended to read:

(d) Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall prepare a fiscal note for any legislation that requires a supervisory union or school district to perform any action ~~with an associated~~ that has a related direct cost, but does not provide money or a funding mechanism have a specifically identified appropriation for fulfilling that obligation. Any fiscal note prepared under this subsection shall identify whether or not the estimated costs would be considered part of the “unfunded education mandate amount” under 32 V.S.A. § 305b for the next fiscal year. Any fiscal note prepared under this subsection shall be completed no later than the date that the legislation is considered for a vote in the first committee to which it is referred.

Third: In Sec. 1, subdivision (1), by striking out “\$10,015.00” and inserting in lieu thereof \$10,077.00, and in subdivision (2), by striking out “\$11,820.00” and inserting in lieu thereof \$11,851.00

Fourth: In Sec. 2, by striking out “\$1.563” and inserting in lieu thereof \$1.555

Fifth: By striking out Sec. 7, working group, and its reader assistance, and Sec. 8, effective date, and its reader assistance, in their entireties and inserting in lieu thereof reader assistance headings and Secs. 7–8 to read:

* * * Health Care Transition * * *

Sec. 7. SAVINGS FROM HEALTH CARE TRANSITION

(a) As of January 1, 2018, all school employees will be on new health care plans. The new health plans cover the same health care services and networks, but they have lower premium costs. The new plans also create higher out-of-pocket exposure through deductibles and co-payment requirements. However, because the premiums for these plans are markedly lower, there are opportunities to keep employees’ out-of-pocket costs at current levels while also realizing up to \$26 million in annual savings. Based on the data from finalized contracts to date, these savings may result in substantially fewer health care costs than districts have budgeted for fiscal year 2018.

(b) On or before June 30, 2017 or 30 days after the adoption of its annual budget, whichever is later, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management a report documenting its actual health care costs for calendar years 2016 and 2017 and its budgeted health care costs for 2018. This report shall be on a form prescribed by the Commissioner

of Finance and Management and shall specify the employee contribution and employer contribution totals for each calendar year.

(c) Not later than 60 days after the adoption of all collective bargaining agreements covering health care benefits for school employees for plan year 2018, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management, a report documenting its anticipated health care costs for fiscal year 2018, based on the new collective bargaining agreements covering plan year 2018. This report shall be on a form prescribed by the Commissioner of Finance and Management and shall specify the actual employee contribution and employer contribution totals for plan year 2018.

(d) Notwithstanding any other provision of law, for fiscal year 2018 only, the State shall offset the amount of savings between budgeted and actual costs for health care benefits and coverage against the fiscal year 2018 payment to each supervisory district, supervisory union, or school district; provided, however, the State shall withhold any payment due to a supervisory district, supervisory union, or school district after January 1, 2018, until it has received the report required pursuant to subsections (b) and (c) of this section. The savings offset under this subsection shall remain in the Education Fund in an effort to lower property tax rates in fiscal year 2019.

(e) The Agency of Education shall develop a system for tracking the amount of savings offset for each school district under subsection (d) in fiscal year 2018. Notwithstanding any other provision of law, for each school district for which savings were offset under subsection (d), the Agency of Education shall pay a grant to that district in fiscal year 2019, in an amount equal to the offset savings. The grant shall be paid after the school district budget for fiscal year 2019 is approved by voters and reported to the Agency of Education, and the grant shall be reflected in the homestead property tax rate and income percentage used for that school district in fiscal year 2019.

* * * Effective Dates * * *

Sec. 8. EFFECTIVE DATES

(a) Sec. 2a and 2b (Education Fund allocation) shall take effect July 1, 2018 and apply to fiscal year 2019 and after.

(b) This section, Sec. 6a (calculation of rates in certain districts), and Sec. 7 (healthcare transition) shall take effect on passage.

(c) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

UNFINISHED BUSINESS OF WEDNESDAY, MAY 10, 2017

House Proposal of Amendment

S. 100

An act relating to promoting affordable and sustainable housing.

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

* * * Vermont Housing and Conservation Board;

Housing Bond Proceeds for Affordable Housing * * *

Sec. 1. FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

(1) The General Assembly finds that investments are needed to help house the most vulnerable as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for, over the next five years, 368 new units for permanent supportive housing and 1,251 new homes affordable to families with income that is not more than 30 percent of the median; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households with income below 30 percent of median and households with income between 85 percent and 120 percent of median, and found a lack of housing availability across the income spectrum.

(b) Purpose. The purpose of this act is to promote the development and improvement of housing for Vermonters.

Sec. 2. 10 V.S.A. § 314 is added to read:

§ 314. AFFORDABLE HOUSING BOND; INVESTMENT

The Vermont Housing and Conservation Board shall use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency pursuant to subdivision 621(22) of this title and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of owner-occupied and rental housing for Vermonters with very

low to middle income, in areas targeted for growth and reinvestment, as follows:

(1) not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households with income below 50 percent of area median income;

(2) not less than 25 percent of the housing shall be targeted to Vermonters with moderate income, meaning households with income between 80 and 120 percent of area median income; and

(3) the remaining housing shall be targeted to Vermonters with income that is less than or equal to 120 percent of area median income, consistent with the provisions of this chapter.

Sec. 3. 10 V.S.A. § 323 is amended to read:

§ 323. ANNUAL REPORT

Prior to January 31 of each year, the ~~board~~ Board shall submit a report concerning its activities to the ~~governor~~ Governor and ~~legislative committees on agriculture, natural resources and energy, appropriations, ways and means, finance, and institutions to the House Committees on Agriculture and Forestry, on Appropriations, on Corrections and Institutions, on Natural Resources, Fish and Wildlife, and on Ways and Means and the Senate Committees on Agriculture, on Appropriations, on Finance, on Institutions, and on Natural Resources and Energy.~~ The report shall include, but not be limited to, the following:

(1) a list and description of activities funded by the ~~board~~ Board during the preceding year, including commitments made to fund projects through housing bond proceeds pursuant to section 314 of this title, and project descriptions, levels of affordability, and geographic location;

* * *

* * * Allocation of Property Transfer Tax Revenues * * *

Sec. 4. 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the ~~department~~ Department.

(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and ~~32 V.S.A. § subdivision~~ 435(b)(10) of this title, ~~one~~ two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.

* * * Vermont Housing Finance Agency; Authority to Issue Bonds for Affordable Housing * * *

Sec. 5. 10 V.S.A. § 621 is amended to read:

§ 621. GENERAL POWERS AND DUTIES

The Agency shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided a business corporation by 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation by 11B V.S.A. § 3.02 and including, without limiting the generality of the foregoing, the power to:

* * *

(21) use funds received from real estate trust and escrow accounts established under 26 V.S.A. § 2214(c), IORTA funds, for down payment and closing cost assistance with priority given to persons and families at or below 90 percent of median income and to persons and families purchasing perpetually affordable housing;

(22) issue bonds, notes, and other obligations secured by the property transfer tax revenues transferred to the Agency pursuant to 32 V.S.A. § 9610(d).

Sec. 6. 10 V.S.A. § 631(1) is added to read:

(1)(1) The bonds, notes, and other obligations authorized to be issued pursuant to subdivision 621(22) of this title shall be secured by a pledge of the property transfer tax revenues to be transferred to the Agency pursuant to 32 V.S.A. § 9610(d) and shall mature on or before June 30, 2039.

(2) The Agency may issue the bonds, notes, and other obligations in one or more series at one time or from time to time, provided that the aggregate annual debt service on the bonds, notes, and other obligations shall not exceed \$2,500,000.00 at any time.

(3) The Agency shall transfer the proceeds of the bonds, notes, and other obligations, less issuance fees and costs and required reserves, to the Vermont Housing and Conservation Trust Fund established pursuant to section 312 of this title for use by the Vermont Housing and Conservation Board as provided in section 314 of this title.

(4) The Agency, the Vermont Housing and Conservation Board, and the State Treasurer may execute one or more agreements governing the terms and conditions under which the property transfer tax revenues that secure the bonds, notes, and obligations shall be transferred to the Agency, and any other issues they determine appropriate.

* * * Funding for Affordable Housing Bond Program;
Allocation of Revenues; Intent * * *

Sec. 7. INTENT; FUNDING FOR AFFORDABLE HOUSING BOND
PROGRAM; ALLOCATION OF PROPERTY TRANSFER TAX
REVENUES

(a) Revenues from the property transfer tax, before the passage of this act, were allocated pursuant to statute as follows:

(1) The first two percent was deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs pursuant to 32 V.S.A. § 9610(c).

(2) Of the remaining 98 percent of the revenues:

(A) 17 percent was deposited in the Municipal and Regional Planning Fund created in 24 V.S.A. § 4306.

(B) 50 percent was deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

(C) 33 percent was deposited in the General Fund created in 32 V.S.A. § 435.

(b) Pursuant to Sec. 4 of this act, in 32 V.S.A. § 9610(d), the first

\$2,500,000.00 of revenue generated from the property transfer tax is transferred to the Vermont Housing Finance Agency to service the bonds, notes, and other obligations incurred by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(c) Transferring the first \$2,500,000.00 of property transfer tax revenues to the Vermont Housing Finance Agency for debt service reduces the amount of revenues available for allocation to the respective statutory recipients identified in subsection (a) of this section.

(d) To compensate for this reduction of available property transfer tax revenue, it is the intent of the General Assembly through this act to provide for the transfer of \$2,500,000.00 to the Vermont Housing and Conservation Trust Fund, as follows:

(1) Sec. D.100(a)(2) of H.518 (2017) appropriates \$11,304,840.00 in fiscal year 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Upon the effective date of this act, the Board shall transfer the amount of \$1,500,000.00 back to the Vermont Housing and Conservation Trust Fund, resulting in a fiscal year 2018 total appropriation to the Board of \$9,804,840.00. In fiscal year 2018 only, the Commissioner of Taxes shall transfer the amount of \$1,500,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

(2) As provided in Sec. 9 of this act, from July 1, 2017 until July 1, 2039, pursuant to 32 V.S.A. § 9602a, the first \$1,000,000.00 in revenue generated by the clean water surcharge of 0.2 percent shall be transferred to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018 only, the Commissioner of Taxes shall transfer the amount of \$1,000,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

* * * Clean Water Surcharge; Repeal of 2018 Sunset * * *

Sec. 8. REPEAL; SUNSET OF CLEAN WATER SURCHARGE

2015 Acts and Resolves No. 64, Sec. 39 (sunset of clean water surcharge in 2018) is repealed.

* * * Clean Water Surcharge; Allocation of

First \$1 Million in Revenue until 2039 * * *

Sec. 9. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall

be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee or the first \$200,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Clean Water Surcharge; Allocation of
Revenue after 2039 * * *

Sec. 10. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$100,000.00 in value of property to be used for the principal residence of the transferee or the first \$200,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, ~~except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.~~

* * * Repeal of Affordable Housing Bond Provisions After Life of Bond * * *

Sec. 11. REPEAL

The following shall be repealed on July 1, 2039:

(1) 10 V.S.A. § 314 (Vermont Housing and Conservation Board; affordable housing bond and investments).

(2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA) authority to issue debt obligations secured by property transfer tax).

(3) 10 V.S.A. § 631(l) (debt obligations issued by VHFA).

(4) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable housing debt repayment).

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

This act shall take effect on July 1, 2017, except for Sec. 10 (allocating total clean water surcharge revenue to Clean Water Fund), which shall take effect on July 1, 2039.

Report of Committee of Conference

H. 515.

An act relating to Executive Branch and Judiciary fees.

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

H. 515. An act relating to executive branch and judiciary fees and food and lodging establishments.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate Proposal of Amendment and that the bill be further amended as follows:

First: In Sec. 5, 18 V.S.A. § 4354, by striking out “~~shall be renewable~~ may be renewed” and inserting in lieu thereof shall be ~~renewable~~ renewed

Second: By striking out Sec. 6, short-term rental working group; report, in its entirety and inserting in lieu thereof the following:

Sec. 6. SHORT-TERM RENTAL WORKING GROUP; REPORT

(a) Creation. There is created the Short-Term Rental Working Group within the Department of Health for the purpose of making recommendations regarding the short-term rental industry in Vermont, including an evaluation of:

(1) the impact of short-term rentals on revenues of the State;

(2) necessary precautions to protect the health and safety of the transient, traveling, or vacationing public;

(3) policies implemented in other states and municipalities regarding short-term rentals; and

(4) alternative definitions of “short-term rental” to that enacted in 18 V.S.A. § 4301.

(b)(1) Membership. The Working Group shall be composed of the following members:

(A) the Commissioner of Health or designee; and

(B) the Executive Director of the Department of Public Safety’s Fire Safety Division or designee.

(2) The Commissioner of Health shall invite at least the following representatives to participate in the Working Group:

(A) the Commissioner of Taxes or designee;

(B) a representative of the Vermont Chamber of Commerce;

(C) three representatives of Vermont’s short-term rental industry;

(D) a representative of local government; and

(E) a representative of the Vermont Lodging Association.

(c) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Department of Health.

(d) Report. On or before October 1, 2017, the Working Group shall submit a written report to the House Committee on Human Services and the Senate Committee on Health and Welfare with its findings and any recommendations for legislative action.

(e) Meetings.

(1) The Commissioner of Health or designee shall call the first meeting of the Working Group to occur on or before August 1, 2017.

(2) The Commissioner of Health or designee shall be the Chair.

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

(4) The Working Group shall cease to exist on October 31, 2017.

(f) Definitions. As used in this section:

(1) “Lodging establishment” means the same as in 18 V.S.A. § 4301(9).

(2) “Short-term rental” means the same as in 18 V.S.A. § 4301(14).

VIRGINIA V. LYONS

ANN E. CUMMINGS

BRIAN A. CAMPION

*Committee on the part of the
Senate*

SAMUEL R. YOUNG
THERESA A. WOOD
FRED K. BASER

Committee on the part of the House

NEW BUSINESS

House Proposal of Amendment

S. 103

An act relating to the regulation of toxic substances and hazardous materials.

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

* * * Toxics Use Reduction and Reporting * * *

Sec. 1. 10 V.S.A. § 6633 is added to read:

§ 6633. INTERGOVERNMENTAL COMMITTEE ON CHEMICAL
MANAGEMENT

(a) Creation. There is created the Intergovernmental Committee on Chemical Management in the State to:

- (1) evaluate chemical inventories in the State on an annual basis;
- (2) identify potential risks to human health and the environment from chemical inventories in the State; and
- (3) propose measures or mechanisms to address the identified risks from chemical inventories in the State.

(b) Membership. The Intergovernmental Committee on Chemical Management shall be composed of the following nine members:

- (1) one member of the House of Representatives, appointed by the Speaker of the House;
- (2) one member of the Senate, appointed by the Committee on Committees;
- (3) the Secretary of Agriculture, Food and Markets or designee;
- (4) the Secretary of Natural Resources or designee;
- (5) the Commissioner of Health or designee;
- (6) the Commissioner of Labor or designee;
- (7) the Commissioner of Public Safety or designee;

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

(9) the Commissioner of Information and Innovation, or the Commissioner of the successor department, or designee.

(c) Powers and duties. The Intergovernmental Committee on Chemical Management shall:

(1) Convene a citizen advisory panel to provide input and expertise to the Committee. The citizen advisory panel shall consist of persons with expertise in;

(A) toxicology;

(B) environmental law;

(C) manufacturing products;

(D) environmental health;

(E) public health;

(F) risk analysis;

(G) maternal and child health care;

(H) occupational health;

(I) industrial hygiene;

(J) public policy;

(K) chemical management by academic institutions;

(L) retail sales; and

(M) development and administration of information reporting technology or databases.

(2) Monitor actions taken by the U.S. Environmental Protection Agency (EPA) to regulate chemicals under the Toxic Substances Control Act, 15 U.S.C. chapter 53, and notify relevant State agencies of any EPA action relevant to the jurisdiction of the agency.

(3) Annually review chemical inventories in the State in relation to emerging scientific evidence in order to identify chemicals of high concern not regulated by the State.

(d) Assistance. The Intergovernmental Committee on Chemical Management shall have the administrative, technical, and legal assistance of the Agency of Natural Resources; the Agency of Agriculture, Food and Markets; the Department of Health; the Department of Public Safety; the

Department of Labor; the Agency of Commerce and Community Development; and the Department of Information and Innovation. The Intergovernmental Committee on Chemical Management shall have the assistance of the Office of Legislative Council for legislative drafting and the assistance of the Joint Fiscal Office for the fiscal and economic analyses.

(e) Report. On or before January 15, and annually thereafter, the Intergovernmental Committee on Chemical Management shall report to the Senate Committees on Natural Resources and Energy; on Health and Welfare; and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife; on Human Services; and on Commerce and Economic Development regarding the actions of the Committee. The provisions of 2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the report to be made under this section. The report shall include:

(1) an estimate or summary of the known chemical inventories in the State, as determined by metrics or measures established by the Committee;

(2) a summary of any change under federal statute or rule affecting the regulation of chemicals in the State;

(3) recommended legislative or regulatory action to address the risks posed by new or emerging chemicals of high concern; and

(4) recommended legislative or regulatory action to reduce health risks from exposure to chemicals of high concern and reduce risks of harm to the natural environment.

(f) Meetings.

(1) The Secretary of Natural Resources shall be the chair of the Intergovernmental Committee on Chemical Management.

(2) The Secretary of Natural Resources shall call the first meeting of the Intergovernmental Committee on Chemical Management to occur on or before July 1, 2017.

(3) A majority of the membership of the Intergovernmental Committee on Chemical Management shall constitute a quorum.

(4) The Intergovernmental Committee on Chemical Management shall meet no more than four times in a calendar year.

(g) Authority of agencies. The establishment of the Intergovernmental Committee on Chemical Management shall not limit the independent authority of a State agency to regulate chemical use or management under existing State or applicable federal law.

Sec. 2. INTERGOVERNMENTAL COMMITTEE ON CHEMICAL
MANAGEMENT; REPORT ON TOXIC USE REDUCTION AND
REPORTING

On or before February 15, 2018, after consultation with the citizen advisory panel and as part of the first report required under 10 V.S.A. § 6633(e), the Intergovernmental Committee on Chemical Management shall:

(1) Recommend how the State shall establish a centralized or unified electronic reporting system to facilitate compliance by businesses and other entities with chemical reporting and other regulatory requirements in the State. The recommendation shall:

(A) identify a State agency or department to establish and administer the reporting system;

(B) estimate the staff and funding necessary to administer the reporting system;

(C) propose how businesses and the public can access information submitted to or maintained as part of the reporting systems, including whether access to certain information or categories of information should be limited due to statutory requirements, regulatory requirements, trade secret protection, or other considerations;

(D) propose how information maintained as part of the reporting system can be accessed, including whether the information should be searchable by: chemical name, common name, brand name, product model, Global Product Classification (GPC) product brick description, standard industrial classification, chemical facility, geographic area, zip code, or address;

(E) propose how manufacturers of consumer products or subsets of consumer products shall report or notify the State of the presence of designated chemicals of concern in a consumer product and how information reported by manufacturers is made available to the public;

(F) propose a method for displaying information or filtering or refining search results so that information maintained on the reporting system can be accessed or identified in a serviceable or functional manner for all users of the system, including governmental agencies or departments, commercial and industrial businesses reporting to the system, nonprofit associations, and citizens; and

(G) estimate a timeline for establishment of the reporting system.

(2) Recommend statutory amendments and regulatory revisions to existing State recordkeeping and reporting requirements for chemicals,

hazardous materials, and hazardous wastes in order to facilitate assessment of risks to human health and the environment posed by the use of chemicals in the State. The recommendations shall include:

(A) the thresholds or amounts of chemicals used, manufactured, or distributed, and hazardous materials and hazardous wastes generated or managed in the State that require recordkeeping and reporting;

(B) the persons or entities using, manufacturing, or distributing chemicals and generating or managing hazardous materials and hazardous wastes that are subject to recordkeeping and reporting requirements; and

(C) any changes required to streamline and modernize existing recordkeeping and reporting requirements to facilitate compliance by businesses and other entities.

(3) Recommend amendments to the requirements for Toxic Use Reduction and Hazardous Waste Reduction under 10 V.S.A. chapter 159, subchapter 2 that shall include:

(A) The list of chemicals or materials subject to the reporting and planning requirements. The list of chemicals or materials shall include and be in addition to the chemicals or substances listed under Title III, Section 313 of the Superfund Amendments and Reauthorization Act of 1986 and 18 V.S.A. § 1773 (chemicals of high concern to children).

(B) The thresholds or amounts of chemicals used or hazardous waste generated by a person that require reporting and planning.

(C) The information to be reported, including:

(i) the quantity of hazardous waste generated and the quantity of hazardous waste managed during a year;

(ii) the quantity of toxic substances, or raw material resulting in hazardous waste, used during a year;

(iii) an assessment of the effect of each hazardous waste reduction measure and toxics use reduction measure implemented; and

(iv) a description of factors during a year that have affected toxics use, hazardous waste generation, releases into the environment, and on-site and off-site hazardous waste management.

(D) The persons or entities using chemicals or generating hazardous waste that are subject to reporting and planning;

(E) Proposed revisions to the toxic chemical or hazardous waste reduction planning requirements, including conditions or criteria that qualify a person to complete a plan.

(F) Any changes to streamline and modernize the program to improve its effectiveness.

(4) Draft legislation to implement the Committee's recommendations under subdivisions (1), (2), and (3) of this section.

* * * Testing Groundwater * * *

Sec. 3. 10 V.S.A. § 1982 is added to read:

§ 1982. TESTING OF GROUNDWATER SOURCES

(a) Definition. As used in this section, "groundwater source" means that portion of a potable water supply that draws water from the ground, including a drilled well, shallow well, driven well point, or spring.

(b) Testing prior to new use. Prior to use of a new groundwater source as a potable water supply, the person who owns or controls the groundwater source shall test the groundwater source for the parameters set forth in subsection (c) of this section.

(c) Parameters of testing. A water sample collected under this section shall be analyzed for, at a minimum: arsenic, lead, uranium, gross alpha radiation, total coliform bacteria, total nitrate and nitrite, fluoride, manganese, and any other parameters required by the Agency by rule. The Agency by rule may require testing for a parameter by region or specific geographic area of concern.

(d) Submission of test results. Results of the testing required under subsection (b) shall be submitted, on a form provided by the Department of Health, to the Department of Health and, when required by the Secretary pursuant to a permit, to the Secretary.

(e) Rulemaking. The Secretary, after consultation with the Department of Health, the Wastewater and Potable Water Supply Technical Advisory Committee, private laboratories, and other interested parties, shall adopt by rule requirements regarding:

(1) when, prior to use of a new groundwater source, the test required under subsection (b) of this section shall be conducted;

(2) who shall be authorized to sample the source for the test required under subsections (b) and (c) of this section, provided that the rule shall include the person who owns or controls the groundwater source and licensed well drillers among those authorized to sample the source;

(3) how a water sample shall be collected in order to comply with the requirements of the analyses to be performed; and

(4) any other requirements necessary to implement this section.

(f) Marketability of title. Noncompliance with the requirements of this section shall not affect the marketability of title or create a defect in title of a property, provided water test results required under this section are forwarded, prior to the conveyance of the property, to the Department of Health and, when required by the Secretary pursuant to a permit, to the Agency.

Sec. 4. AGENCY OF NATURAL RESOURCES; GROUNDWATER
SOURCE TESTING; RULEMAKING

The Secretary of Natural Resources shall commence rulemaking under 10 V.S.A. § 1982 on or before July 1, 2017. The Secretary shall adopt rules under 10 V.S.A. § 1982 on or before January 1, 2018.

Sec. 5. 18 V.S.A. § 501b is amended to read:

§ 501b. CERTIFICATION OF LABORATORIES

(a) The ~~commissioner~~ Commissioner may certify a laboratory that meets the standards currently in effect of the National Environmental Laboratory Accreditation Conference and is accredited by an approved National Environmental Laboratory Accreditation Program accrediting authority or its equivalent to perform the testing and monitoring:

(1) required under 10 V.S.A. chapter 56 and the federal Safe Drinking Water Act; and

(2) of water from a potable water supply, as that term is defined in 10 V.S.A. § 1972(6).

(b)(1) The ~~commissioner~~ Commissioner may by order suspend or revoke a certificate granted under this section, after notice and opportunity to be heard, if the ~~commissioner~~ Commissioner finds that the certificate holder has:

(A) submitted materially false or materially inaccurate information; or

(B) violated any material requirement, restriction, or condition of the certificate; or

(C) violated any statute, rule, or order relating to this title.

(2) The order shall set forth what steps, if any, may be taken by the certificate holder to relieve the holder of the suspension or enable the certificate holder to reapply for certification if a previous certificate has been revoked.

(c) A person may appeal the suspension or revocation of the certificate to the ~~board~~ Board under section 128 of this title.

* * *

(f) A laboratory certified to conduct testing of groundwater sources or water supplies from for use by a potable water supply, as that term is defined in 10 V.S.A. § 1972(6), including under the requirements of 10 V.S.A. § 1982, shall submit the results of groundwater analyses to the ~~department of health and the agency of natural resources~~ Department of Health in a format required by the ~~department of health~~ Department of Health.

Sec. 6. 10 V.S.A. § 1974 is amended to read:

§ 1974. EXEMPTIONS

Notwithstanding any other requirements of this chapter, the following projects and actions are exempt:

* * *

(8) From the permit required for operation of failed supply under subdivision 1973(a)(4) of this title for the use or operation of a failed supply that consists of only one groundwater source that provides water to only one single family residence.

* * * Chemicals of High Concern to Children * * *

Sec. 7. 18 V.S.A. § 1775(b) is amended to read:

(b) Format for notice. The Commissioner shall specify the format for submission of the notice required by subsection (a) of this section, provided that the required format shall be generally consistent with the format for submission of notice in other states with requirements substantially similar to the requirements of this section. Any notice submitted under subsection (a) shall contain the following information:

(1) the name of the chemical used or produced and its chemical abstracts service registry number;

(2) a description of the product or product component containing the chemical, including: the brand name, the product model, and the universal product code if the product has such a code;

(3) the amount of the chemical contained in each unit of the product or product component, reported by weight or parts per million as authorized by the Commissioner;

(4) the name and address of the manufacturer of the children's product and the name, address, and telephone number of a contact person for the manufacturer;

(5) any other information the manufacturer deems relevant to the appropriate use of the product; and

(6) any other information required by the Commissioner under rules adopted pursuant to 3 V.S.A. chapter 25.

Sec. 8. 18 V.S.A. § 1776 is amended to read:

§ 1776. RULEMAKING; ADDITIONAL CHEMICALS OF CONCERN TO CHILDREN; PROHIBITION OF SALE

* * *

(b) Additional chemicals of concern to children. The Commissioner may by rule add additional chemicals to the list of chemicals of high concern to children, provided that the Commissioner of Health, on the basis of ~~the weight of credible independent, peer-reviewed, scientific evidence~~ has research, determined ~~has~~ determines that a chemical proposed for addition to the list meets both of the following criteria in subdivisions (1) and (2) of this subsection:

(1) The Commissioner of Health has determined that an authoritative governmental entity or accredited research university has demonstrated that the chemical:

(A) harms the normal development of a fetus or child or causes other developmental toxicity;

(B) causes cancer, genetic damage, or reproductive harm;

(C) disrupts the endocrine system;

(D) damages the nervous system, immune system, or organs or causes other systemic toxicity; or

(E) is a persistent bioaccumulative toxic.

(2) The chemical has been found through:

(A) biomonitoring to be present in human blood, umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

(B) sampling and analysis to be present in household dust, indoor air, drinking water, or elsewhere in the home environment; or

(C) monitoring to be present in fish, wildlife, or the natural environment.

* * *

(d) Rule to regulate sale or distribution.

(1) The Commissioner, ~~upon the recommendation of~~ after consultation with the Chemicals of High Concern to Children Working Group, may adopt a rule to regulate the sale or distribution of a children's product containing a chemical of high concern to children upon a determination that:

~~(A) children will~~ may be exposed to a chemical of high concern to children in the children's product; ~~and~~

~~(B) there is a probability that, due to the degree of exposure or frequency of exposure of a child to a chemical of high concern to children in a children's product, exposure could cause or contribute to one or more of the adverse health impacts listed under subdivision (b)(1) of this section.~~

(2) In determining whether children ~~will~~ may be exposed to a chemical of high concern in a children's product, the Commissioner shall review available, credible information regarding:

(A) the market presence of the children's product in the State;

(B) the type or occurrence of exposures to the relevant chemical of high concern to children in the children's product;

(C) the household and workplace presence of the children's product; or

(D) the potential ~~and frequency~~ of exposure of children to the chemical of high concern to children in the children's product.

(3) A rule adopted under this section may:

(A) prohibit the children's product containing the chemical of high concern to children from sale, offer for sale, or distribution in the State; or

(B) require that the children's product containing the chemical of high concern to children be labeled prior to sale, offer for sale, or distribution in the State.

(4) In any rule adopted under this subsection, the Commissioner shall adopt reasonable time frames for manufacturers, distributors, and retailers to comply with the requirements of the rules. No prohibition on sale or manufacture of a children's product in the State shall take effect sooner than two years after the adoption of a rule adopted under this section unless the Commissioner determines that an earlier effective date is required to protect human health and the new effective date is established by rule.

(5) The Chemicals of High Concern to Children Working Group may, at its discretion, submit to the House Committees on Natural Resources, Fish and Wildlife and on Human Services and the Senate Committees on Natural Resources and Energy and on Health and Welfare the recommendations or information from a consultation provided to the Commissioner under subdivision (1) of this subsection.

* * *

* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

(a) This section and Secs. 1 (Intergovernmental Committee on Chemical Management), 2 (report on toxic use reduction and reporting), and 4 (groundwater testing rulemaking) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2018, except that 10 V.S.A. § 1982(e) in Sec. 3 shall take effect on passage.

NOTICE CALENDAR

Report of Committee of Conference

S. 112.

An act relating to creating the Spousal Support and Maintenance Task Force.

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

S. 112. An act relating to creating the spousal support and maintenance task force.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. SPOUSAL SUPPORT AND MAINTENANCE TASK FORCE

(a) Creation. There is created the Spousal Support and Maintenance Task Force for the purpose of reviewing and making legislative recommendations to Vermont's laws concerning spousal support and maintenance.

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

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

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

(3) a Superior Court judge who has significant experience in the Family Division of Superior Court appointed by the Chief Justice;

(4) the Chief Superior Judge;

(5) two experienced family law attorneys appointed by the Family Law Section of the Vermont Bar Association;

(6) a representative of Vermont Alimony Reform who is domiciled in Vermont; and

(7) the Executive Director of the Vermont Commission on Women or a designee who is domiciled in Vermont.

(c) Powers and duties. The Task Force shall make legislative recommendations to Vermont's spousal support and maintenance laws aimed to improve clarity, fairness, predictability, and consistency across the State in recognition of changes to the family structure in recent decades. The Task Force may hold public hearings and shall consider:

(1) perspectives from stakeholders and interested parties; and

(2) spousal support and maintenance laws in other states and any relevant reports or analysis on alimony.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Office of Legislative Council.

(e) Recommendation. On or before December 1, 2017, the Task Force shall submit its recommendations for any legislative action to the Senate and House Committees on Judiciary.

(f) Meetings.

(1) The Superior Court judge appointed in accordance with subdivision (b)(3) of this section shall serve as chair.

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

(3) The Task Force shall cease to exist on March 1, 2018.

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, legislative members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than six regular meetings and two public hearings. No meeting shall be held on the same day as a public hearing, and the Task Force shall endeavor to hold the public hearings in geographically diverse parts of the State.

(2) Other members of the Task Force who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for no more than six regular meetings and two public hearings.

Sec. 2. 15 V.S.A. § 752 is amended to read:

§ 752. MAINTENANCE

(a) In an action under this chapter, the court may order either spouse to make maintenance payments, either rehabilitative or permanent in nature, to the other spouse if it finds that the spouse seeking maintenance:

(1) lacks sufficient income, or property, or both, including property apportioned in accordance with section 751 of this title, to provide for his or her reasonable needs; and

(2) is unable to support himself or herself through appropriate employment at the standard of living established during the civil marriage or is the custodian of a child of the parties.

(b) The maintenance order shall be in such amounts and for such periods of time as the court deems just, after considering all relevant factors, including, but not limited to:

(1) the financial resources of the party seeking maintenance, the property apportioned to the party, the party's ability to meet his or her needs independently, and the extent to which a provision for support of a child living with the party contains a sum for that party as custodian;

(2) the time and expense necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment;

(3) the standard of living established during the civil marriage;

(4) the duration of the civil marriage;

(5) the age and the physical and emotional condition of each spouse;

(6) the ability of the spouse from whom maintenance is sought to meet his or her reasonable needs while meeting those of the spouse seeking maintenance; ~~and~~

(7) inflation with relation to the cost of living; and

(8) the following guidelines:

<u>Length of marriage</u>	<u>% of the difference</u>	<u>Duration of alimony award</u>
	<u>between parties'</u>	<u>as % length of marriage</u>
	<u>gross incomes</u>	

<u>0 to <5 years</u>	<u>0–20%</u>	<u>No alimony or short-term alimony up to one year</u>
<u>5 to <10 years</u>	<u>15–35%</u>	<u>20–50% (1–5 yrs)</u>
<u>10 to <15 years</u>	<u>20–40%</u>	<u>40–60% (3–9 yrs)</u>
<u>15 to <20 years</u>	<u>24–45%</u>	<u>40–70% (6–14 yrs)</u>
<u>20+ years</u>	<u>30–50%</u>	<u>45% (9–20+ yrs)</u>

Sec. 3. REPEAL

On July 1, 2019, 15 V.S.A. § 752(b)(8) (spousal support and maintenance guidelines) is repealed.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

*JEANETTE K. WHITE
RICHARD W. SEARS
MARGARET K FLORY*

*Committee on the part of the
Senate*

*MARTIN J. LALONDE
GARY G. VIENS
KIMBERLY JESSUP*

Committee on the part of the House

H. 238.

An act relating to modernizing and reorganizing Title 7.

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

H. 238. An act relating to modernizing and reorganizing Title 7.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment, and that the bill be further amended as follows:

First: Before Sec. 1, 7 V.S.A. § 1, construction, by inserting reader assistance to read:

* * * Modernization and Reorganization of Title 7 * * *

Second: In Sec. 2, 7 V.S.A. § 2, definitions, in subdivision (20), by striking out the word “three” and inserting in lieu thereof the words two-and-one-half

Third: By striking out Sec. 4, 7 V.S.A. § 4, wine and beer auctions, in its entirety and inserting in lieu thereof a new Sec. 4 to read:

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

§ 4. NONPROFIT ORGANIZATIONS; ~~WINE AND BEER~~ ALCOHOLIC BEVERAGE AUCTIONS; FUNDRAISING

(a) A nonprofit organization qualified for tax exempt status pursuant to Section 501(c) of the federal Internal Revenue Code, as amended, in the discretion of the ~~commissioner~~ Commissioner, may auction ~~vinous or malt beverages, or both,~~ alcoholic beverages to the public without a license, provided that:

(1) Prior to the auction, the organization provides written notification of the auction accompanied by documentation of its nonprofit status satisfactory to the ~~commissioner~~ Commissioner.

(2) The ~~commissioner~~ Commissioner approves the organization’s nonprofit qualifications and the organization’s right proposal to auction ~~vinous or malt~~ alcoholic beverages.

(3) The profits from the ~~auction sale of~~ auctioned beverages are used solely for the expenses of the nonprofit organization related to ~~conduct~~ conducting the sale auction or for the nonprofit purposes of the organization.

(b) A person who donates ~~vinous or malt~~ alcoholic beverages to a nonprofit organization for an auction under this section is not required to be licensed under this ~~chapter~~ title.

(c) A licensee under this title may donate alcoholic beverages to a nonprofit organization pursuant to this section, provided the licensee pays to the ~~state~~ State all the taxes that would be due as if the alcoholic beverages had been sold in the course of the licensee’s business.

* * *

Fourth: By striking out Sec. 9, 7 V.S.A. § 64, sale of malt beverages in kegs, in its entirety and inserting in lieu thereof a new Sec. 9 to read:

Sec. 9. 7 V.S.A. § 64 is amended to read:

§ 64. SALE OF MALT BEVERAGES AND VINOUS BEVERAGES IN KEGS

(a) ~~As used in this section, “keg” means a reusable container capable of holding at least five gallons of malt beverage.~~

(b) A keg shall be sold by a ~~second-class~~ second-class or fourth-class licensee only under the following conditions:

(1) The keg shall be tagged in a manner and with a label approved by the ~~board~~ Liquor Control Board. The label shall be supplied and securely affixed to the keg by the wholesale dealer, or in the case of a second-class license issued for the premises of a licensed manufacturer or a fourth-class licensee, by the manufacturer.

(2) A ~~person~~ purchaser shall exhibit ~~proper proof~~ a valid authorized form of identification upon demand of a licensee or an agent of a licensee. If the ~~person~~ purchaser fails to provide ~~such proof~~ a valid authorized form of identification, the licensee shall be entitled to refuse to sell the keg to the ~~person~~ individual. As used in this subsection, "~~proper proof~~ a valid authorized form of identification" ~~means a photographic motor vehicle operator's license, a liquor control photographic identification card, a valid passport, a United States military identification card or a photographic nondriver motor vehicle identification card obtained from the department of motor vehicles~~ has the same meaning as in section 589 of this title.

(3) The purchaser shall complete a form, provided by the ~~board~~ Board, ~~which that~~ which includes at least the name, address, and date of birth of the purchaser as they appear on the purchaser's ~~proper proof~~ valid authorized form of identification and the identification number of the keg. The form shall also include the provisions of this section and the penalties for ~~a violation of these provisions~~ this section. The licensee shall retain the form for 90 days after return of the keg.

(4) The licensee shall collect a deposit of at least \$25.00 which shall be returned to the purchaser upon return of the keg with the label intact.

~~(e)~~(b) A licensee shall not:

(1) sell a keg without a legible label attached; or

(2) return a deposit on a keg ~~which that~~ which is returned without the label intact.

~~(d)~~(c) Any person, other than ~~the wholesaler~~ a wholesale dealer or manufacturer, who intentionally removes or defaces the label attached to a keg shall be imprisoned not more than two years or fined not more than \$1,000.00, or both.

Fifth: In Sec. 23, 7 V.S.A. § 204 (as redesignated), fees for licenses and permits, in the section catchline before the words "FEES FOR LICENSES" by inserting the words APPLICATION AND RENEWAL and in subsection (a), after the words "The following fees shall be paid" by inserting the words when applying for a new license or permit or to renew a license or permit

Sixth: In Sec. 37, 7 V.S.A. § 241, fourth-class licenses, after subdivision (b)(2), by inserting a subdivision (b)(3) to read:

(3) At each licensed location, a fourth-class licensee may, pursuant to section 64 of this title, sell malt beverages or vinous beverages, or both, by the keg.

Seventh: In Sec. 52, 7 V.S.A. § 255, retail alcoholic beverage tasting permits, in subdivision (b)(1)(A), after the words “The permit authorizes the employees of the second-class licensee” by inserting the words or of a designated manufacturer or rectifier

Eighth: In Sec. 90, 7 V.S.A. § 572 (as redesignated), proceeds of sale of condemned vehicle, in subdivision (a)(1), by striking out the word “judgement” and inserting in lieu thereof the word judgment

Ninth: In Sec. 117, 7 V.S.A. § 660 (as redesignated), advertising, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read:

(b) Advertising Notwithstanding subsection (a) of this section, advertising of malt or vinous alcoholic beverages on vehicles a motor vehicle lawfully transporting alcoholic beverages or on a vehicle drawn by horses shall be permitted.

Tenth: In Sec. 118, 7 V.S.A. § 661 (as redesignated), violations of title, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read:

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

Eleventh: In Sec. 120, 7 V.S.A. § 65 (as redesignated), purchase of kegs, after the words “second-class” by inserting the words or fourth-class

Twelfth: In Sec. 137, 7 V.S.A. § 1007, furnishing tobacco to persons under 18 years of age, in subdivision (b)(1), before the words “17 years of age” by inserting: who are 16 or

Thirteenth: By striking out Sec. 163, effective date, in its entirety and inserting in lieu thereof reader assistance and six new sections to be

Secs. 163–168 to read:

Sec. 163. 7 V.S.A. § 5 is added to read:

§ 5. DEPARTMENT OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO PURCHASE RARE AND UNUSUAL PRODUCTS

(a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary, the Department of Liquor Control may conduct raffles for the right to purchase certain rare and unusual spirits and fortified wines that are acquired by the Liquor Control Board. A raffle conducted pursuant to this section shall meet the following requirements:

(1) Tickets to enter the raffle shall only be available for purchase to a member of the general public who is 21 years of age or older.

(2) Tickets for the raffle shall be sold at a price fixed by the Commissioner.

(3) All notices or advertisements relating to the raffle shall clearly state:

(A) the price of a raffle ticket;

(B) the date of the drawing;

(C) the sales price of each rare and unusual spirit or fortified wine; and

(D) that the winning prize will be the right to purchase the rare and unusual spirit or fortified wine for the specified sales price.

(4) No Board member or employee of the Department and no immediate family member of a Board member or employee of the Department shall be permitted to enter the raffle.

(b) The proceeds from the sale of tickets for each raffle shall be deposited in the Liquor Control Enterprise Fund established pursuant to section 112 of this title.

(c) As used in this section, "rare and unusual spirits and fortified wines" means spirits and fortified wines that are distributed or allocated to the Board in an amount that is insufficient for general distribution to local agency stores and for which the Commissioner determines that an extraordinary level of public demand exists.

Sec. 164. PROCEEDS FROM SALE OF RAFFLE TICKETS FOR
PURCHASE OF RARE AND UNUSUAL PRODUCTS;
REPORT

On or before January 15, 2018, the Commissioner of Liquor and Lottery shall submit a written report regarding raffles conducted by the Department pursuant to 7 V.S.A. § 5, including the number of products for which a raffle was conducted, the total number of tickets sold, and the proceeds from the sales of raffle tickets to the House Committees on Appropriations and on General, Housing and Military Affairs and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs.

* * * Casino Events Hosted by Nonprofit Organizations * * *

Sec. 165. 13 V.S.A. § 2143 is amended to read:

§ 2143. NONPROFIT ORGANIZATIONS

(a) Notwithstanding the provisions of this chapter, a nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute, and an individual may participate in lotteries, raffles, or other games of chance for the purpose of raising funds to be used in charitable, religious, educational, and civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated. Except as provided in subsection (d) of this section, gambling machines and other mechanical devices described in section 2135 of this title shall not be utilized under authority of this section.

* * *

(d) Casino events shall be limited as follows:

(1) A location may be the site of no more than:

(A) one casino event in any calendar quarter; or

(B) three casino events in any calendar year, as long as there are at least 15 days between each event.

(2) A location that is owned by a nonprofit, as defined in 32 V.S.A. § 10201(5), may be the site of no more than ~~three casino events in any calendar quarter and no more than 12 casino events in any calendar year~~ two casino events in any calendar month as long as there are at least ~~15~~ 10 days between each event.

(3) A nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute no more than:

(A) ~~one casino event in any calendar quarter; or~~

(B) ~~three casino events in any calendar year, as long as there are at least 15 days between each event~~ month.

(4) ~~For the purposes of~~ As used in this subsection, “casino event” means an event held during any 24-hour period at which any game of ~~change~~ chance is conducted except those prohibited by ~~13 V.S.A. § subdivision~~ subdivision 2135(a)(1) or (2) of this title. A “casino event” shall not include a fair, bazaar, field days, agricultural exposition, or similar event ~~which that~~ that utilizes a wheel of fortune, chuck-a-luck, or other such games commonly conducted at such events, or break-open tickets, bingo, a lottery, or a raffle.

(e) Games of chance shall be limited as follows:

(1) All proceeds raised by a game of chance shall be used exclusively for charitable, religious, educational, and civic undertakings after deducting:

(A) reasonable expenses, as determined by fair market value, of purchasing or renting materials and equipment used for the game of chance and of printing advertisements, and of the direct purchase of advertising through established media, such as newspapers, radio, and television; and

(B) reasonable expenses, as determined by fair market value, for rent for the premises on which the game of chance is executed, ~~except that rent paid prior to August 1, 1994, pursuant to a written lease in effect on June 1, 1994, and not subject to cancellation, may be deducted, whether or not such rent is reasonable,~~ and repairs and upkeep to the premises for nonprofit organizations having ownership in premises; and

(C) prizes awarded to players as limited in subdivision (4) of this subsection (e); and

(D) payments to persons as limited in subdivision (2) of this subsection (e).

* * *

(6) A nonprofit organization shall not organize and execute games of chance on more than two days in any calendar week, nor shall games of chance be organized and executed at any location on more than two days in any calendar week, except that:

(A) Casino events may be conducted only as permitted under subsection (d) of this section.

* * *

(D) ~~Agricultural fairs qualified to receive a State stipend pursuant to 31 V.S.A. § 617 that are registered with the Agency of Agriculture, Food and Markets~~ may organize and execute games of chance for not more than 12 consecutive days during the fair once each calendar year.

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* * * Task Force to Create the Department of Liquor and Lottery * * *

Sec. 166. FINDINGS AND PURPOSE

(a) The General Assembly finds:

(1) The Department of Liquor Control and the State Lottery serve similar roles in Vermont's government by generating significant revenue for the State through the sales of a controlled product.

(2) The Department of Liquor Control is responsible for enforcing Vermont's laws related to alcoholic beverages and tobacco.

(3) The Department is overseen by the Liquor Control Board, which also grants alcohol and tobacco licenses, serves as a quasi-judicial body to adjudicate violations by licensees, and adopts rules necessary to implement the alcoholic beverage and tobacco laws. The Liquor Control Board is composed of five members that are appointed by the Governor for staggered five-year terms. Each member receives per diem compensation for attendance at meetings.

(4) The Lottery Commission oversees and manages the Vermont Lottery and adopts rules necessary to operate it. It is composed of five members that are appointed by the Governor for three-year terms. Each member receives per diem compensation for attendance at meetings.

(5) The respective responsibilities and duties of the Liquor Control Board and Lottery Commission place significant demands on their part-time, volunteer members.

(6) The similarities between the roles and functions of the Department of Liquor Control and the Liquor Control Board, and the State Lottery and the Lottery Commission create the opportunity for the two entities to merge and collaborate in carrying out their respective functions and missions.

(b) Accordingly, it is the intent of the General Assembly to:

(1) create a combined Department of Liquor and Lottery that will be a successor to and continuation of the Department of Liquor Control and the State Lottery; and

(2) create a Board of Liquor and Lottery that shall be the successor to and a continuation of the Liquor Control Board and the Lottery Commission.

Sec. 167. DEPARTMENT OF LIQUOR AND LOTTERY; TASK
FORCE; REPORT

(a) Creation. There is created the Department of Liquor and Lottery Task Force to develop a plan and draft legislation necessary to merge the Department of Liquor Control and the State Lottery into the Department of Liquor and Lottery.

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

(1) one current member of the House of Representatives who shall be appointed by the Speaker of the House;

(2) one current member of the Senate who shall be appointed by the Committee on Committees;

(3) the Chair of the Liquor Control Board or designee;

(4) the Chair of the Lottery Commission or designee; and

(5) two members appointed by the Governor.

(c) Powers and duties. The Task Force shall develop a plan and legislation necessary to merge the Department of Liquor Control and the State Lottery and create a new Department of Liquor and Lottery on or before July 1, 2018. In particular, the Task Force shall carry out the following duties:

(1) identify and examine efficiencies that can be realized through the combination of the Department of Liquor Control's and the State Lottery's administrative, licensing, regulatory, and educational functions, as well as in the marketing, warehousing, distribution, sales, and control of alcoholic beverages and lottery products;

(2) identify and examine long-term efficiencies that can be realized by merging the Department of Liquor Control with the State Lottery;

(3) examine the current role, functions, and composition of the Liquor Control Board and the Lottery Commission, and determine:

(A) how each body's role, functions, or composition will be affected by their combination; and

(B) the limitations or barriers to combining the two bodies and how those limitations or barriers can be addressed;

(4) examine whether the Board of Liquor and Lottery should be a full-time, professional board;

(5) identify and examine the positive and negative impacts of creating the Department of Liquor and Lottery with respect to the State's ability to control the distribution of alcoholic beverages, tobacco products, and lottery products without diminishing the Department of Liquor Control's and State Lottery's respective contributions to the General Fund and the Education Fund; and

(6) develop a plan and draft legislation necessary to accomplish on or before July 1, 2018 the merger of the Department of Liquor Control and the Liquor Control Board with the State Lottery and the Lottery Commission in order to create the Department of Liquor and Lottery and the Board of Liquor and Lottery. The draft legislation shall include provisions that would:

(A) On July 1, 2018:

(i) Combine the Department of Liquor Control and the State Lottery to create a Department of Liquor and Lottery, which shall include a Division of Liquor Control to administer and carry out the laws relating to alcohol and tobacco set forth in Title 7 and a Division of Lottery to administer

and carry out the laws relating to the State Lottery set forth in 31 V.S.A. chapter 14.

(ii) Combine the Liquor Control Board and the Lottery Commission to create a Board of Liquor and Lottery.

(B) Provide that:

(i) The Board of Liquor and Lottery shall be the successor to and a continuation of the Liquor Control Board and the Lottery Commission.

(ii) The rules of the Liquor Control Board and the Lottery Commission in effect on July 1, 2018 shall become the rules of either the Board of Liquor and Lottery or the Department of Liquor and Lottery until they are amended or repealed.

(iii)(I) The Department of Liquor and Lottery shall be a successor to and a continuation of the Department of Liquor Control and the State Lottery.

(II) All positions and appropriations of the Department of Liquor Control and the State Lottery shall be transferred to the Department of Liquor and Lottery.

(iv)(I) The Commissioner of Liquor Control shall become the Commissioner of Liquor and Lottery, and shall direct and supervise the Department of Liquor and Lottery subject to the direction of the Board of Liquor and Lottery.

(II) The Commissioner of Liquor and Lottery shall assume the powers, duties, rights, and responsibilities of the Commissioner of Liquor Control and the Director of the State Lottery.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before January 15, 2018, the Task Force shall submit a written report to the Governor, the House Committees on General, Housing and Military Affairs and on Government Operations, and the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations with its findings and a plan and draft legislation necessary to create on or before July 1, 2018 the Department of Liquor and Lottery and the Board of Liquor and Lottery. The Task Force's report may take the form of draft legislation.

(f) Meetings.

(1) The members from the House and the Senate shall call the first meeting of the Task Force to occur on or before September 1, 2017.

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

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

(4) The Task Force shall cease to exist on January 15, 2018.

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, legislative members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than six meetings.

(2) Other members of the Task Force who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for no more than six meetings.

* * * Effective Date * * *

Sec. 168. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

*ALISON CLARKSON
PHILIP E. BARUTH
RICHARD J. MCCORMACK*

*Committee on the part of the
Senate*

*HELEN J. HEAD
THOMAS S. STEVENS
DIANA E. GONZALEZ*

Committee on the part of the House

CONFIRMATIONS

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

Al Gobeille of Shelburne - Secretary, Agency of Human Services (term 1/5/17 – 2/28/17) – By Sen. Ayer for the Committee on Health and Welfare. (3/30/17)

Al Gobeille of Shelburne - Secretary, Agency of Human Services (term 3/1/17 – 2/28/19) – By Sen. Ayer for the Committee on Health and Welfare. (3/30/17)

David Fenster of Middlebury – Superior Court Judge – By Sen. Sears for the Committee on Judiciary. (4/18/17)

Elizabeth Mann of Norwich – Superior Court Judge – By Sen. Nitka for the Committee on Judiciary. (4/18/17)

Matthew Valerio of Proctor – Defender General – By Sen. Sears for the Committee on Judiciary. (4/18/17)

Sabina Haskell of Burlington – Chair, Vermont State Lottery Commission – By Sen. Baruth for the Committee on Economic Development, Housing and General Affairs. (4/19/17)

Wendy Knight of Panton – Commissioner, Department of Tourism and Marketing – By Sen. Mullin for the Committee on Economic Development, Housing and General Affairs. (4/19/17)

Diane Snelling of Hinesburg – Chair, Natural Resources Board (term 1/5/17 – 2/28/17) – By Sen. Pearson for the Committee on Natural Resources and Energy. (4/19/17)

Diane Snelling of Hinesburg – Chair, Natural Resources Board (term 3/1/17 – 2/28/19) – By Sen. Pearson for the Committee on Natural Resources and Energy. (4/19/17)

Michael Snyder of Stowe - Commissioner, Department of Forest, Parks and Recreation – By Sen. Rodgers for the Committee on Natural Resources and Energy. (4/19/17)

Lisa Menard of Waterbury – Commissioner, Department of Corrections – By Sen. Branagan for the Committee on Institutions. (4/21/17)

Joan Goldstein of Royalton – Commissioner, Department of Economic Development – By Sen. Balint for the Committee on Economic Development, Housing and General Affairs. (4/25/17)

John Quinn of Northfield – Secretary, Agency of Digital Services – By Sen. Pearson for the Committee on Government Operations. (4/28/17)

Emily Boedecker of Montpelier – Commissioner, Department of Environmental Conservation – By Sen. Pearson for the Committee on Natural Resources and Energy. (5/2/17)

Beth Fastiggi of Burlington – Commissioner, Department of Human Resources – By Sen. Clarkson for the Committee on Government Operations. (5/2/17)

Joe Flynn of South Hero – Secretary, Agency of Transportation (term 1/5/17 – 2/28/17) – By Sen. Mazza for the Committee on Transportation. (5/4/17)

Joe Flynn of South Hero – Secretary, Agency of Transportation (term 3/1/17- 2/28/19) – By Sen. Mazza for the Committee on Transportation. (5/4/17)

Rob Ide of Peacham – Commissioner, Department of Motor Vehicles (term 1/5/17 – 2/28/17) – By Sen. Kitchel for the Committee on Transportation. (5/4/17)

Rob Ide of Peacham – Commissioner, Department of Motor Vehicles (term 3/1/17 – 2/28/19) – By Sen. Kitchel for the Committee on Transportation. (5/4/17)

Rebecca Holcombe of Norwich – Secretary, Agency of Education – By Sen. Baruth for the Committee on Education. (5/5/17)

Michael Pieciak of Winooski – Commissioner, Department of Financial Regulation (term 1/5/17 – 2/28/17) – By Sen. Cummings for the Committee on Finance. (5/5/17)

Michael Pieciak of Winooski – Commissioner, Department of Financial Regulation (term 3/1/17 – 2/28/19) – By Sen. Cummings for the Committee on Finance. (5/5/17)

Kaj Samson of Montpelier – Commissioner, Department of Taxes (term 1/5/17 – 2/28/17) – By Sen. Cummings for the Committee on Finance. (5/5/17)

Kaj Samson of Montpelier – Commissioner, Department of Taxes (term 3/1/17 – 2/28/19) – By Sen. Cummings for the Committee on Finance. (5/5/17)

Thomas Anderson of Stowe - Commissioner, Department of Public Safety (term 1/5/17 - 2/28/17) - By Sen. Westman for the Committee on Transportation. (5/6/17)

Thomas Anderson of Stowe - Commissioner, Department of Public Safety (term 3/1/17 - 2/28/19) - By Sen. Westman for the Committee on Transportation. (5/6/17)