

Journal of the House

Wednesday, May 9, 2018

At ten o'clock in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Vera Escaja-Heiss, 2018 VT Poetry Out Loud Contest winner, South Burlington, VT.

Message from the Senate No. 72

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

Madam Speaker:

I am directed to inform the House that:

The Senate has considered bills originating in the House of the following titles:

H. 571. An act relating to creating the Department of Liquor and Lottery and the Board of Liquor and Lottery.

H. 663. An act relating to municipal land use regulation of accessory on-farm businesses.

H. 707. An act relating to the prevention of sexual harassment.

H. 728. An act relating to bail reform.

H. 731. An act relating to miscellaneous workers' compensation and occupational safety amendments.

H. 764. An act relating to data brokers and consumer protection.

H. 777. An act relating to the Clean Water State Revolving Loan Fund.

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

The Senate has on its part adopted joint resolution of the following title:

J.R.S. 59. Joint resolution supporting the Gettysburg Battlefield Preservation Association's effort to preserve the Camp Letterman hospital site.

In the adoption of which the concurrence of the House is requested.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 562. An act relating to parentage proceedings.

And has accepted and adopted the same on its part.

The Senate has considered House proposals of amendment to Senate bills of the following titles:

S. 150. An act relating to automated license plate recognition systems.

S. 262. An act relating to miscellaneous changes to the Medicaid program and the Department of Vermont Health Access.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

The Senate has considered House proposals of amendment to the following Senate bills and has refused to concur therein and asks for Committees of Conference upon the disagreeing votes of the two Houses to which the President announced the appointment as members of such Committees on the part of the Senate:

S. 179. An act relating to community justice centers.

Senator Nitka

Senator Sears

Senator Flory

S. 273. An act relating to miscellaneous law enforcement amendments.

Senator White

Senator Collamore

Senator Clarkson.

Pursuant to the request of the House for Committees of Conference on the disagreeing votes of the two Houses on the following Senate bill the President announced the appointment as members of such Committee on the part of the Senate:

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.

Senator Pearson

Senator Collamore

Senator White.

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

H. 911. An act relating to changes in Vermont's personal income tax and education financing system.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Cummings
Senator MacDonald
Senator Brock

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

H. 916. An act relating to increasing the moral obligation authority of the Vermont Economic Development Authority.

And has passed the same in concurrence.

The Senate has considered House proposal of amendment to Senate bill of the following title:

S. 111. An act relating to privatization contracts.

And has concurred therein.

Joint Resolution Placed on Calendar

J.R.S. 59

Joint resolution, entitled

By All Members of the Senate,

J.R.S. 59. Joint resolution supporting the Gettysburg Battlefield Preservation Association's effort to preserve the Camp Letterman hospital site.

Whereas, Vermonters honor the memory of Dr. Henry Janes, the Waterbury village physician and U.S. Army surgeon sent to Gettysburg immediately after the battle to take charge of all the wounded, and

Whereas, Doctor Janes established the main hospital, called Camp Letterman, east of the village of Gettysburg, and

Whereas, much of the site of Camp Letterman is part of a 191-acre parcel that the land developer S&A Homes owns and plans to develop for townhouses, and

Whereas, an extensive list of Civil War-related associations, historians, and historical societies have asked that the 17 key acres of Camp Letterman be preserved, and

Whereas, those precious acres include the area where the tents containing the wounded were located, and

Whereas, Vermont wounded were treated there, including members of the

Second Vermont Brigade that broke the right flank of Pickett's Charge, and

Whereas, the wounded Vermonters were among the 4,000 Union and Confederate soldiers who were patients at Camp Letterman, and not all of these patients survived, and

Whereas, if the 17 acres that were a part of Camp Letterman are not preserved, a major Civil War site, important to the Civil War history of Vermont, will be lost, and

Whereas, Vermonters have long rallied to the preservation of sites that are dear to our State's and our nation's history, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly supports the Gettysburg Battlefield Preservation Association's effort to preserve the Camp Letterman hospital site and requests that S&A Homes preserve these 17 acres of historic ground, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Gettysburg Battlefield Preservation Association and to S&A Homes in State College, Pennsylvania.

Which was read and, in the Speaker's discretion, placed on the Calendar for action tomorrow under Rule 52.

Committee of Conference Appointed

S. 179

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to community justice centers

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Emmons of Springfield

Rep. Shaw of Pittsford

Rep. Taylor of Colchester

Committee of Conference Appointed

S. 273

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to miscellaneous law enforcement amendments

The Speaker appointed as members of the Committee of Conference on the

part of the House:

Rep. Brumsted of Shelburne
Rep. Harrison of Chittenden
Rep. LaClair of Barre Town

Rules Suspended; Action Postponed

H. 663

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to municipal land use regulation of accessory on-farm businesses

Was taken up for immediate consideration.

Pending consideration on motion of **Rep. Savage of Swanton**, action on the bill was postponed until the end of the orders of the day.

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

H. 764

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to data brokers and consumer protection

Was taken up for immediate consideration.

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

Sec. 1. FINDINGS AND INTENT

(a) The General Assembly finds the following:

(1) Providing consumers with more information about data brokers, their data collection practices, and the right to opt out.

(A) While many different types of business collect data about consumers, a “data broker” is in the business of aggregating and selling data about consumers with whom the business does not have a direct relationship.

(B) A data broker collects many hundreds or thousands of data points about consumers from multiple sources, including: Internet browsing history; online purchases; public records; location data; loyalty programs; and subscription information. The data broker then scrubs the data to ensure accuracy; analyzes the data to assess content; and packages the data for sale to

a third party.

(C) Data brokers provide information that is critical to services offered in the modern economy, including: targeted marketing and sales; credit reporting; background checks; government information; risk mitigation and fraud detection; people search; decisions by banks, insurers, or others whether to provide services; ancestry research; and voter targeting and strategy by political campaigns.

(D) While data brokers offer many benefits, there are also risks associated with the widespread aggregation and sale of data about consumers, including risks related to consumers' ability to know and control information held and sold about them and risks arising from the unauthorized or harmful acquisition and use of consumer information.

(E) There are important differences between "data brokers" and businesses with whom consumers have a direct relationship.

(i) Consumers who have a direct relationship with traditional and e-commerce businesses may have some level of knowledge about and control over the collection of data by those business, including: the choice to use the business's products or services; the ability to review and consider data collection policies; the ability to opt out of certain data collection practices; the ability to identify and contact customer representatives; the ability to pursue contractual remedies through litigation; and the knowledge necessary to complain to law enforcement.

(ii) By contrast, consumers may not be aware that data brokers exist, who the companies are, or what information they collect, and may not be aware of available recourse.

(F) The State of Vermont has the legal authority and duty to exercise its traditional "Police Powers" to ensure the public health, safety, and welfare, which includes both the right to regulate businesses that operate in the State and engage in activities that affect Vermont consumers as well as the right to require disclosure of information to protect consumers from harm.

(G) To provide consumers with necessary information about data brokers, Vermont should adopt a narrowly tailored definition of "data broker" and require data brokers to register annually with the Secretary of State and provide information about their data collection activities, opt out policies, purchaser credentialing practices, and security breaches.

(2) Ensuring that data brokers have adequate security standards.

(A) News headlines in the past several years demonstrate that large and sophisticated businesses, governments, and other public and private

institutions are constantly subject to cyberattacks, which have compromised sensitive personal information of literally billions of consumers worldwide.

(B) While neither government nor industry can prevent every security breach, the State of Vermont has the authority and the duty to enact legislation to protect its consumers where possible.

(C) One approach to protecting consumer data has been to require government agencies and certain regulated businesses to adopt an “information security program” that has “appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records” and “to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm.” Federal Privacy Act; 5 U.S.C. § 552a.

(D) The requirement to adopt such an information security program currently applies to “financial institutions” subject to the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq; to certain entities regulated by the Vermont Department of Financial Regulation pursuant to rules adopted by the Department; to persons who maintain or transmit health information regulated by the Health Insurance Portability and Accountability Act; and to various types of businesses under laws in at least 13 other states.

(E) Vermont can better protect its consumers from data broker security breaches and related harm by requiring data brokers to adopt an information security program with appropriate administrative, technical, and physical safeguards to protect sensitive personal information.

(3) Prohibiting the acquisition of personal information through fraudulent means or with the intent to commit wrongful acts.

(A) One of the dangers of the broad availability of sensitive personal information is that it can be used with malicious intent to commit wrongful acts, such as stalking, harassment, fraud, discrimination, and identity theft.

(B) While various criminal and civil statutes prohibit these wrongful acts, there is currently no prohibition on acquiring data for the purpose of committing such acts.

(C) Vermont should create new causes of action to prohibit the acquisition of personal information through fraudulent means, or for the purpose of committing a wrongful act, to enable authorities and consumers to take action.

(4) Removing financial barriers to protect consumer credit information.

(A) In one of several major security breaches that have occurred in recent years, the names, Social Security numbers, birth dates, addresses, driver’s license numbers, and credit card numbers of over 145 million

Americans were exposed, including over 247,000 Vermonters.

(B) In response to concerns about data security, identity theft, and consumer protection, the Vermont Attorney General and the Department of Financial Regulation have outlined steps a consumer should take to protect his or her identity and credit information. One important step a consumer can take is to place a security freeze on his or her credit file with each of the national credit reporting agencies.

(C) Under State law, when a consumer places a security freeze, a credit reporting agency issues a unique personal identification number or password to the consumer. The consumer must provide the PIN or password, and his or her express consent, to allow a potential creditor to access his or her credit information.

(D) Except in cases of identity theft, current Vermont law allows a credit reporting agency to charge a fee of up to \$10.00 to place a security freeze, and up to \$5.00 to lift temporarily or remove a security freeze.

(E) Vermont should exercise its authority to prohibit these fees to eliminate any financial barrier to placing or removing a security freeze.

(b) Intent.

(1) Providing consumers with more information about data brokers, their data collection practices, and the right to opt out. It is the intent of the General Assembly to provide Vermonters with access to more information about the data brokers that collect consumer data and their collection practices by:

(A) adopting a narrowly tailored definition of “data broker” that:

(i) includes only those businesses that aggregate and sell the personal information of consumers with whom they do not have a direct relationship; and

(ii) excludes businesses that collect information from their own customers, employees, users, or donors, including: banks and other financial institutions; utilities; insurers; retailers and grocers; restaurants and hospitality businesses; social media websites and mobile “apps”; search websites; and businesses that provide services for consumer-facing businesses and maintain a direct relationship with those consumers, such as website, “app,” and e-commerce platforms; and

(B) requiring a data broker to register annually with the Secretary of State and make certain disclosures in order to provide consumers, policy makers, and regulators with relevant information.

(2) Ensuring that data brokers have adequate security standards. It is the intent of the General Assembly to protect against potential cyber threats by requiring data brokers to adopt an information security program with appropriate technical, physical, and administrative safeguards.

(3) Prohibiting the acquisition of personal information with the intent to commit wrongful acts. It is the intent of the General Assembly to protect Vermonters from potential harm by creating new causes of action that prohibit the acquisition or use of personal information for the purpose of stalking, harassment, fraud, identity theft, or discrimination.

(4) Removing financial barriers to protect consumer credit information. It is the intent of the General Assembly to remove any financial barrier for Vermonters who wish to place a security freeze on their credit report by prohibiting credit reporting agencies from charging a fee to place or remove a freeze.

Sec. 2. 9 V.S.A. chapter 62 is amended to read:

CHAPTER 62. PROTECTION OF PERSONAL INFORMATION

Subchapter 1. General Provisions

§ 2430. DEFINITIONS

~~The following definitions shall apply throughout this chapter unless otherwise required~~ As used in this chapter:

(1) “Biometric record” means an individual’s psychological, biological, or behavioral characteristics that can be used, singly or in combination with each other or with other identifying data, to establish individual identity, including:

(A) imagery of the iris, retina, fingerprint, face, hand, palm, or vein patterns, and voice recordings, from which an identifier template, such as a face print or a minutiae template or voiceprint, can be extracted;

(B) keystroke patterns or rhythms;

(C) gait patterns or rhythms; and

(D) sleep health or exercise data that contain identifying information.

(2)(A) “Brokered personal information” means:

(i) one or more of the following computerized data elements about a consumer:

(I) name;

(II) address;

(III) a personal identifier, including a Social Security number, other government-issued identification number, or biometric record;

(IV) an indirect identifier, including date of birth, place of birth, or mother's maiden name; or

(V) other information that, alone or in combination, is linked or linkable to the consumer that would allow a reasonable person to identify the consumer with reasonable certainty; and

(ii) the computerized data element or elements are:

(I) categorized by characteristic for dissemination to third parties; or

(II) combined with nonpublic information.

(B) "Brokered personal information" does not include publicly available information that is solely related to a consumer's business or profession.

(3) "Business" means a commercial entity, including a sole proprietorship, partnership, corporation, association, limited liability company, or other group, however organized and whether or not organized to operate at a profit, including a financial institution organized, chartered, or holding a license or authorization certificate under the laws of this State, any other state, the United States, or any other country, or the parent, affiliate, or subsidiary of a financial institution, but in no case shall it does not include the State, a State agency, or any political subdivision of the State, or a vendor acting solely on behalf of, and at the direction of, the State.

(2)(4) "Consumer" means an individual residing in this State.

(5)(A) "Data broker" means:

(i) A business that:

(I) provides people search services; or

(II) collects and sells or licenses to one or more third parties the brokered personal information of a consumer with whom the business does not have a direct relationship.

(ii) "Data broker" includes each affiliated business that is under common ownership or control if one business collects brokered personal information and provides it to another to sell or license.

(B) "Data broker" does not include:

(i) a business that solely develops or maintains third-party e-commerce or application platforms; or

(ii) a business that solely provides publicly available information via real-time or near-real-time alert services for health or safety purposes.

(C) For purposes of subdivision (5)(A)(i)(II) of this subsection, examples of a direct relationship with a business include if the consumer is a past or present:

(i) customer, client, subscriber, or user of the business's goods or services;

(ii) employee, contractor, or agent of the business;

(iii) investor in the business; or

(iv) donor to the business.

(D) For purposes of subdivision (5)(A)(i)(II) of this subsection, a business does not sell or license brokered personal information within the meaning of the definition of "data broker" if the sale or license is merely incidental to one of its lines of business.

(6)(A) "Data broker security breach" means an unauthorized acquisition or a reasonable belief of an unauthorized acquisition of more than one element of brokered personal information maintained by a data broker when the brokered personal information is not encrypted, redacted, or protected by another method that renders the information unreadable or unusable by an unauthorized person.

(B) "Data broker security breach" does not include good faith but unauthorized acquisition of brokered personal information by an employee or agent of the data broker for a legitimate purpose of the data broker, provided that the brokered personal information is not used for a purpose unrelated to the data broker's business or subject to further unauthorized disclosure.

(C) In determining whether brokered personal information has been acquired or is reasonably believed to have been acquired by a person without valid authorization, a data broker may consider the following factors, among others:

(i) indications that the brokered personal information is in the physical possession and control of a person without valid authorization, such as a lost or stolen computer or other device containing brokered personal information;

(ii) indications that the brokered personal information has been downloaded or copied;

(iii) indications that the brokered personal information was used by an unauthorized person, such as fraudulent accounts opened or instances of

identity theft reported; or

(iv) that the brokered personal information has been made public.

~~(3)(7)~~ “Data collector” may include the State, State agencies, political subdivisions of the State, public and private universities, privately and publicly held corporations, limited liability companies, financial institutions, retail operators, and any other entity that, means a person who, for any purpose, whether by automated collection or otherwise, handles, collects, disseminates, or otherwise deals with nonpublic personal information personally identifiable information, and includes the State, State agencies, political subdivisions of the State, public and private universities, privately and publicly held corporations, limited liability companies, financial institutions, and retail operators.

~~(4)(8)~~ “Encryption” means use of an algorithmic process to transform data into a form in which the data is rendered unreadable or unusable without use of a confidential process or key.

~~(9)~~ “License” means a grant of access to, or distribution of, data by one person to another in exchange for consideration. A use of data for the sole benefit of the data provider, where the data provider maintains control over the use of the data, is not a license.

~~(10)(A)~~ “People search services” means an Internet-based service in which an individual can pay a fee to search for a specific consumer, and which provides information about the consumer such as the consumer’s address, age, maiden name, alias, name or addresses of relatives, financial records, criminal records, background reports, or property details, where the consumer whose data is provided does not have a direct relationship with the business.

~~(B)~~ “People search services” does not include a service that solely provides publicly available information related to a consumer’s business or profession.

~~(5)(11)(A)~~ “Personally identifiable information” means an individual’s a consumer’s first name or first initial and last name in combination with any one or more of the following digital data elements, when either the name or the data elements are not encrypted or redacted or protected by another method that renders them unreadable or unusable by unauthorized persons:

(i) Social Security number;

(ii) motor vehicle operator’s license number or nondriver identification card number;

(iii) financial account number or credit or debit card number, if circumstances exist in which the number could be used without additional

identifying information, access codes, or passwords;

(iv) account passwords or personal identification numbers or other access codes for a financial account.

(B) “Personally identifiable information” does not mean publicly available information that is lawfully made available to the general public from federal, State, or local government records.

(6)(12) ~~“Records~~ Record” means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved, regardless of physical form or characteristics.

(7)(13) “Redaction” means the rendering of data so that ~~it is~~ the data are unreadable or ~~is~~ are truncated so that no more than the last four digits of the identification number are accessible as part of the data.

(8)(14)(A) “Security breach” means unauthorized acquisition of ~~electronic data~~ or a reasonable belief of an unauthorized acquisition of ~~electronic data that compromises the security, confidentiality, or integrity of a consumer’s~~ personally identifiable information maintained by the a data collector.

(B) “Security breach” does not include good faith but unauthorized acquisition of personally identifiable information by an employee or agent of the data collector for a legitimate purpose of the data collector, provided that the personally identifiable information is not used for a purpose unrelated to the data collector’s business or subject to further unauthorized disclosure.

(C) In determining whether personally identifiable information has been acquired or is reasonably believed to have been acquired by a person without valid authorization, a data collector may consider the following factors, among others:

(i) indications that the information is in the physical possession and control of a person without valid authorization, such as a lost or stolen computer or other device containing information;

(ii) indications that the information has been downloaded or copied;

(iii) indications that the information was used by an unauthorized person, such as fraudulent accounts opened or instances of identity theft reported; or

(iv) that the information has been made public.

§ 2433. ACQUISITION OF BROKERED PERSONAL INFORMATION;
PROHIBITIONS

(a) Prohibited acquisition and use.

(1) A person shall not acquire brokered personal information through fraudulent means.

(2) A person shall not acquire or use brokered personal information for the purpose of:

(A) stalking or harassing another person;

(B) committing a fraud, including identity theft, financial fraud, or e-mail fraud; or

(C) engaging in unlawful discrimination, including employment discrimination and housing discrimination.

(b) For purposes of this section, brokered personal information includes information acquired from people search services.

(c) Enforcement.

(1) A person who violates a provision of this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(2) The Attorney General has the same authority to adopt rules to implement the provisions of this section and to conduct civil investigations, enter into assurances of discontinuance, bring civil actions, and take other enforcement actions as provided under chapter 63, subchapter 1 of this title.

* * *

Subchapter 5. Data Brokers

§ 2446. ANNUAL REGISTRATION

(a) Annually, on or before January 31 following a year in which a person meets the definition of data broker as provided in section 2430 of this title, a data broker shall:

(1) register with the Secretary of State;

(2) pay a registration fee of \$100.00; and

(3) provide the following information:

(A) the name and primary physical, e-mail, and Internet addresses of the data broker;

(B) the nature and type of sources used to compile data;

(C) if the data broker permits a consumer to opt out of the data broker's collection of brokered personal information, opt out of its databases, or opt out of certain sales of data.

- (i) the method for requesting an opt out;
 - (ii) if the opt out applies to only certain activities or sales, which ones; and
 - (iii) whether the data broker permits a consumer to authorize a third party to perform the opt out on the consumer's behalf;
- (D) a statement specifying the data collection, databases, or sales activities from which a consumer may not opt out;
- (E) a statement whether the data broker implements a purchaser credentialing process;
- (F) the number of data broker security breaches that the data broker has experienced during the prior year, and if known, the total number of consumers affected by the breaches;
- (G) where the data broker has actual knowledge that it possesses the brokered personal information of minors, a separate statement detailing the data collection practices, databases, sales activities, and opt out policies that are applicable to the brokered personal information of minors; and
- (H) any additional information or explanation the data broker chooses to provide concerning its data collection practices.
- (b) A data broker that fails to register pursuant to subsection (a) of this section is liable to the State for:
 - (1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it fails to register pursuant to this section;
 - (2) an amount equal to the fees due under this section during the period it failed to register pursuant to this section; and
 - (3) other penalties imposed by law.
- (c) The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in this section and to seek appropriate injunctive relief.

§ 2447. DATA BROKER DUTY TO PROTECT INFORMATION;
STANDARDS; TECHNICAL REQUIREMENTS

- (a) Duty to protect personally identifiable information.
 - (1) A data broker shall develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are appropriate to:

(A) the size, scope, and type of business of the data broker obligated to safeguard the personally identifiable information under such comprehensive information security program;

(B) the amount of resources available to the data broker;

(C) the amount of stored data; and

(D) the need for security and confidentiality of personally identifiable information.

(2) A data broker subject to this subsection shall adopt safeguards in the comprehensive security program that are consistent with the safeguards for protection of personally identifiable information and information of a similar character set forth in other State rules or federal regulations applicable to the data broker.

(b) Information security program; minimum features. A comprehensive information security program shall at minimum have the following features:

(1) designation of one or more employees to maintain the program;

(2) identification and assessment of reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of any electronic, paper, or other records containing personally identifiable information, and a process for evaluating and improving, where necessary, the effectiveness of the current safeguards for limiting such risks, including:

(A) ongoing employee training, including training for temporary and contract employees;

(B) employee compliance with policies and procedures; and

(C) means for detecting and preventing security system failures;

(3) security policies for employees relating to the storage, access, and transportation of records containing personally identifiable information outside business premises;

(4) disciplinary measures for violations of the comprehensive information security program rules;

(5) measures that prevent terminated employees from accessing records containing personally identifiable information;

(6) supervision of service providers, by:

(A) taking reasonable steps to select and retain third-party service providers that are capable of maintaining appropriate security measures to protect personally identifiable information consistent with applicable law; and

(B) requiring third-party service providers by contract to implement and maintain appropriate security measures for personally identifiable information;

(7) reasonable restrictions upon physical access to records containing personally identifiable information and storage of the records and data in locked facilities, storage areas, or containers;

(8)(A) regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personally identifiable information; and

(B) upgrading information safeguards as necessary to limit risks;

(9) regular review of the scope of the security measures:

(A) at least annually; or

(B) whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personally identifiable information; and

(10)(A) documentation of responsive actions taken in connection with any incident involving a breach of security; and

(B) mandatory post-incident review of events and actions taken, if any, to make changes in business practices relating to protection of personally identifiable information.

(c) Information security program; computer system security requirements. A comprehensive information security program required by this section shall at minimum, and to the extent technically feasible, have the following elements:

(1) secure user authentication protocols, as follows:

(A) an authentication protocol that has the following features:

(i) control of user IDs and other identifiers;

(ii) a reasonably secure method of assigning and selecting passwords or use of unique identifier technologies, such as biometrics or token devices;

(iii) control of data security passwords to ensure that such passwords are kept in a location and format that do not compromise the security of the data they protect;

(iv) restricting access to only active users and active user accounts; and

(v) blocking access to user identification after multiple unsuccessful attempts to gain access; or

(B) an authentication protocol that provides a higher level of security than the features specified in subdivision (A) of this subdivision (c)(1).

(2) secure access control measures that:

(A) restrict access to records and files containing personally identifiable information to those who need such information to perform their job duties; and

(B) assign to each person with computer access unique identifications plus passwords, which are not vendor-supplied default passwords, that are reasonably designed to maintain the integrity of the security of the access controls or a protocol that provides a higher degree of security;

(3) encryption of all transmitted records and files containing personally identifiable information that will travel across public networks and encryption of all data containing personally identifiable information to be transmitted wirelessly or a protocol that provides a higher degree of security;

(4) reasonable monitoring of systems for unauthorized use of or access to personally identifiable information;

(5) encryption of all personally identifiable information stored on laptops or other portable devices or a protocol that provides a higher degree of security;

(6) for files containing personally identifiable information on a system that is connected to the Internet, reasonably up-to-date firewall protection and operating system security patches that are reasonably designed to maintain the integrity of the personally identifiable information or a protocol that provides a higher degree of security;

(7) reasonably up-to-date versions of system security agent software that must include malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions and is set to receive the most current security updates on a regular basis or a protocol that provides a higher degree of security; and

(8) education and training of employees on the proper use of the computer security system and the importance of personally identifiable information security.

(d) Enforcement.

(1) A person who violates a provision of this section commits an unfair

and deceptive act in commerce in violation of section 2453 of this title.

(2) The Attorney General has the same authority to adopt rules to implement the provisions of this chapter and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

Sec. 3. 9 V.S.A. § 2480b is amended to read:

§ 2480b. DISCLOSURES TO CONSUMERS

(a) A credit reporting agency shall, upon request and proper identification of any consumer, clearly and accurately disclose to the consumer all information available to users at the time of the request pertaining to the consumer, including:

(1) any credit score or predictor relating to the consumer, in a form and manner that complies with such comments or guidelines as may be issued by the Federal Trade Commission;

(2) the names of users requesting information pertaining to the consumer during the prior 12-month period and the date of each request; and

(3) a clear and concise explanation of the information.

(b) As frequently as new telephone directories are published, the credit reporting agency shall cause to be listed its name and number in each telephone directory published to serve communities of this State. In accordance with rules adopted by the Attorney General, the credit reporting agency shall make provision for consumers to request by telephone the information required to be disclosed pursuant to subsection (a) of this section at no cost to the consumer.

(c) Any time a credit reporting agency is required to make a written disclosure to consumers pursuant to 15 U.S.C. § 1681g, it shall disclose, in at least 12 point type, and in bold type as indicated, the following notice:

“NOTICE TO VERMONT CONSUMERS

(1) Under Vermont law, you are allowed to receive one free copy of your credit report every 12 months from each credit reporting agency. If you would like to obtain your free credit report from [INSERT NAME OF COMPANY], you should contact us by [[writing to the following address: [INSERT ADDRESS FOR OBTAINING FREE CREDIT REPORT]] or [calling the following number: [INSERT TELEPHONE NUMBER FOR OBTAINING FREE CREDIT REPORT]], or both].

(2) Under Vermont law, no one may access your credit report without your permission except under the following limited circumstances:

- (A) in response to a court order;
- (B) for direct mail offers of credit;
- (C) if you have given ongoing permission and you have an existing relationship with the person requesting a copy of your credit report;
- (D) where the request for a credit report is related to an education loan made, guaranteed, or serviced by the Vermont Student Assistance Corporation;
- (E) where the request for a credit report is by the Office of Child Support Services when investigating a child support case;
- (F) where the request for a credit report is related to a credit transaction entered into prior to January 1, 1993; ~~and~~ or
- (G) where the request for a credit report is by the Vermont State Tax Department of Taxes and is used for the purpose of collecting or investigating delinquent taxes.

(3) If you believe a law regulating consumer credit reporting has been violated, you may file a complaint with the Vermont Attorney General's Consumer Assistance Program, 104 Morrill Hall, University of Vermont, Burlington, Vermont 05405.

Vermont Consumers Have the Right to Obtain a Security Freeze

You have a right to place a "security freeze" on your credit report pursuant to 9 V.S.A. § 2480h at no charge ~~if you are a victim of identity theft. All other Vermont consumers will pay a fee to the credit reporting agency of up to \$10.00 to place the freeze on their credit report.~~ The security freeze will prohibit a credit reporting agency from releasing any information in your credit report without your express authorization. A security freeze must be requested in writing by certified mail.

The security freeze is designed to help prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gains access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding new loans, credit, mortgage, insurance, government services or payments, rental housing, employment, investment, license, cellular phone, utilities, digital signature, ~~internet~~ Internet credit card transaction, or other services, including an extension of credit at point of sale.

When you place a security freeze on your credit report, within ten business days you will be provided a personal identification number ~~or~~, password, or

other equally or more secure method of authentication to use if you choose to remove the freeze on your credit report or authorize the release of your credit report for a specific party, parties, or period of time after the freeze is in place. To provide that authorization, you must contact the credit reporting agency and provide all of the following:

(1) The unique personal identification number ~~or~~, password, or other method of authentication provided by the credit reporting agency.

(2) Proper identification to verify your identity.

(3) The proper information regarding the third party or parties who are to receive the credit report or the period of time for which the report shall be available to users of the credit report.

A credit reporting agency may not charge a fee of up to \$5.00 to a consumer who is not a victim of identity theft to remove the freeze on your credit report or authorize the release of your credit report for a specific party, parties, or period of time after the freeze is in place. ~~For a victim of identity theft, there is no charge when the victim submits a copy of a police report, investigative report, or complaint filed with a law enforcement agency about unlawful use of the victim's personal information by another person.~~

A credit reporting agency that receives a request from a consumer to lift temporarily a freeze on a credit report shall comply with the request no later than three business days after receiving the request.

A security freeze will not apply to "preauthorized approvals of credit." If you want to stop receiving preauthorized approvals of credit, you should call [INSERT PHONE NUMBERS] [ALSO INSERT ALL OTHER CONTACT INFORMATION FOR PRESCREENED OFFER ~~OPT-OUT~~ OPT-OUT.]

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account, provided you have previously given your consent to this use of your credit reports. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

You have a right to bring a civil action against someone who violates your rights under the credit reporting laws. The action can be brought against a credit reporting agency or a user of your credit report."

(d) The information required to be disclosed by this section shall be disclosed in writing. The information required to be disclosed pursuant to subsection (c) of this section shall be disclosed on one side of a separate

document, with text no smaller than that prescribed by the Federal Trade Commission for the notice required under 15 U.S.C. ~~§ 1681q~~ § 1681g. The information required to be disclosed pursuant to subsection (c) of this section may accurately reflect changes in numerical items that change over time (such as the ~~phone~~ telephone number or address of Vermont State agencies), and remain in compliance.

(e) The Attorney General may revise this required notice by rule as appropriate from time to time so long as no new substantive rights are created therein.

Sec. 4. 9 V.S.A. § 2480h is amended to read:

§ 2480h. SECURITY FREEZE BY CREDIT REPORTING AGENCY; TIME IN EFFECT

(a)(1) Any A Vermont consumer may place a security freeze on his or her credit report. A credit reporting agency shall not charge a fee to ~~victims of identity theft but may charge a fee of up to \$10.00 to all other~~ Vermont consumers for placing ~~and \$5.00 for~~ or removing, removing for a specific party or parties, or removing for a specific period of time after the freeze is in place, a security freeze on a credit report.

(2) A consumer ~~who has been the victim of identity theft~~ may place a security freeze on his or her credit report by making a request in writing by certified mail to a credit reporting agency ~~with a valid copy of a police report, investigative report, or complaint the consumer has filed with a law enforcement agency about unlawful use of his or her personal information by another person. All other Vermont consumers may place a security freeze on his or her credit report by making a request in writing by certified mail to a credit reporting agency.~~

(3) A security freeze shall prohibit, subject to the exceptions in subsection (1) of this section, the credit reporting agency from releasing the consumer's credit report or any information from it without the express authorization of the consumer. ~~When a security freeze is in place, information from a consumer's credit report shall not be released to a third party without prior express authorization from the consumer.~~

(4) This subsection does not prevent a credit reporting agency from advising a third party that a security freeze is in effect with respect to the consumer's credit report.

(b) A credit reporting agency shall place a security freeze on a consumer's credit report ~~no~~ not later than five business days after receiving a written request from the consumer.

(c) The credit reporting agency shall send a written confirmation of the security freeze to the consumer within 10 business days and shall provide the consumer with a unique personal identification number or password, other than the customer's Social Security number, or another method of authentication that is equally or more secure than a PIN or password, to be used by the consumer when providing authorization for the release of his or her credit for a specific party, parties, or period of time.

(d) If the consumer wishes to allow his or her credit report to be accessed for a specific party, parties, or period of time while a freeze is in place, he or she shall contact the credit reporting agency, request that the freeze be temporarily lifted, and provide the following:

(1) ~~Proper~~ proper identification;

(2) ~~The~~ the unique personal identification number ~~or~~ password, or other method of authentication provided by the credit reporting agency pursuant to subsection (c) of this section; and

(3) ~~The~~ the proper information regarding the third party, parties, or time period for which the report shall be available to users of the credit report.

(e) A credit reporting agency may develop procedures involving the use of telephone, fax, the Internet, or other electronic media to receive and process a request from a consumer to lift temporarily ~~lift~~ a freeze on a credit report pursuant to subsection (d) of this section in an expedited manner.

(f) A credit reporting agency that receives a request from a consumer to lift temporarily a freeze on a credit report pursuant to subsection (d) of this section shall comply with the request ~~no~~ not later than three business days after receiving the request.

(g) A credit reporting agency shall remove or lift temporarily ~~lift~~ a freeze placed on a consumer's credit report only in the following cases:

(1) Upon consumer request, pursuant to subsection (d) or (j) of this section.

(2) If the consumer's credit report was frozen due to a material misrepresentation of fact by the consumer. If a credit reporting agency intends to remove a freeze upon a consumer's credit report pursuant to this subdivision, the credit reporting agency shall notify the consumer in writing prior to removing the freeze on the consumer's credit report.

(h) If a third party requests access to a credit report on which a security freeze is in effect and this request is in connection with an application for credit or any other use and the consumer does not allow his or her credit report to be accessed for that specific party or period of time, the third party may

treat the application as incomplete.

(i) If a consumer requests a security freeze pursuant to this section, the credit reporting agency shall disclose to the consumer the process of placing and lifting temporarily ~~lifting~~ a security freeze and the process for allowing access to information from the consumer's credit report for a specific party, parties, or period of time while the security freeze is in place.

(j) A security freeze shall remain in place until the consumer requests that the security freeze be removed. A credit reporting agency shall remove a security freeze within three business days of receiving a request for removal from the consumer who provides both of the following:

(1) ~~Proper~~ proper identification; and

(2) ~~The~~ the unique personal identification number, ~~or~~ password, or other method of authentication provided by the credit reporting agency pursuant to subsection (c) of this section.

(k) A credit reporting agency shall require proper identification of the person making a request to place or remove a security freeze.

(l) The provisions of this section, including the security freeze, do not apply to the use of a consumer report by the following:

(1) A person, or the person's subsidiary, affiliate, agent, or assignee with which the consumer has or, prior to assignment, had an account, contract, or debtor-creditor relationship for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or debt, or extending credit to a consumer with a prior or existing account, contract, or debtor-creditor relationship, subject to the requirements of section 2480e of this title. For purposes of this subdivision, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

(2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under subsection (d) of this section for purposes of facilitating the extension of credit or other permissible use.

(3) Any person acting pursuant to a court order, warrant, or subpoena.

(4) The Office of Child Support when investigating a child support case pursuant to Title IV-D of the Social Security Act (42 U.S.C. et seq.) and 33 V.S.A. § 4102.

(5) The Economic Services Division of the Department for Children and Families or the Department of Vermont Health Access or its agents or assignee acting to investigate welfare or Medicaid fraud.

(6) The Department of Taxes, municipal taxing authorities, or the Department of Motor Vehicles, or any of their agents or assignees, acting to investigate or collect delinquent taxes or assessments, including interest and penalties, unpaid court orders, or acting to fulfill any of their other statutory or charter responsibilities.

(7) A person's use of credit information for the purposes of prescreening as provided by the federal Fair Credit Reporting Act.

(8) Any person for the sole purpose of providing a credit file monitoring subscription service to which the consumer has subscribed.

(9) A credit reporting agency for the sole purpose of providing a consumer with a copy of his or her credit report upon the consumer's request.

(10) Any property and casualty insurance company for use in setting or adjusting a rate or underwriting for property and casualty insurance purposes.

Sec. 5. REPORTS

(a) On or before March 1, 2019, the Attorney General and Secretary of State shall submit a preliminary report concerning the implementation of this act to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

(b) On or before January 15, 2020, the Attorney General and Secretary of State shall update its preliminary report and provide additional information concerning the implementation of this act to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

(c) On or before January 15, 2019, the Attorney General shall:

(1) review and consider additional legislative and regulatory approaches to protecting the data security and privacy of Vermont consumers, including:

(A) whether to create or designate a Chief Privacy Officer and if so, the appropriate duties for, and the resources necessary to support, that position; and

(B) whether to expand the scope of regulation to businesses with direct relationships to consumers; and

(2) report its findings and recommendations to the House Committees on Commerce and Economic Development and on Energy and Technology and to the Senate Committee on Economic Development, Housing and General Affairs.

Sec. 6. 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.

Sec. 7. EFFECTIVE DATES

(a) This section, Secs. 1 (findings and intent), 3–4 (eliminating fees for placing or removing a credit freeze), and 5–6 (reports) shall take effect on passage.

(b) Sec. 2 (data brokers) shall take effect on January 1, 2019.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Botzow of Pownal** moved that the House refuse to concur and ask for a Committee of Conference which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Botzow of Pownal

Rep. Marcotte of Coventry

Rep. O'Sullivan of Burlington

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

S. 281

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to the mitigation of systemic racism

Was taken up for immediate consideration.

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

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

By striking out 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 shall 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.

(c) The Director shall be housed within and have the administrative, legal, and technical support of the Agency of Administration.

§ 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 the 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, so that the term of one regular member expires in each ensuing year of the members first appointed, one 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. 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) oversee and advise the Executive 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) Only the Panel may remove the Executive Director of Racial Equity. The Panel shall adopt rules pursuant to chapter 25 of this title to define the

basis and process for removal.

(e) 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 (Director) 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) overseeing 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) managing and overseeing the statewide collection of race-based data to determine the nature and scope of racial discrimination within all systems of State government; and

(3) developing 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, the Director shall 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.

(1) Any records transmitted to or obtained by the Executive Director of Racial Equity and the Racial Equity Advisory Panel that are exempt from public inspection and copying under the Public Records Act shall remain exempt and shall be kept confidential to the extent required by law.

(2) Draft reports, working papers, and internal correspondence between the Director and the Panel shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential. The completed reports shall be public records.

(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.

(2) Absent a court order for good cause shown or the prior written consent of an individual providing information or lawfully-obtained records to the Director or the Panel, the Director and Panel Members may decline to disclose:

(A) the identity of the individual if good cause exists to protect his or her confidentiality; and

(B) materials pertaining to the individual, including written communications among the individual, the Director and the Panel, and recordings, notes, or summaries reflecting interviews or discussions among the individual, the Director and the Panel.

§ 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 candidates deemed 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. EXECUTIVE DIRECTOR OF RACIAL EQUITY; RACIAL EQUITY
ADVISORY PANEL; FUNDING SOURCE; SURCHARGE;
REPEAL

(a) Surcharge.

(1) Notwithstanding the provisions of 3 V.S.A. § 2283(c) setting forth the purpose and rate of charges collected in the Human Resource Services Internal Service Fund, in fiscal year 2019, a surcharge of up to 1.65 percent, and in fiscal year 2020 and thereafter, a surcharge of up to 3.3 percent, but not greater than the cost of both the Racial Equity Advisory Panel and the position of Executive Director of Racial Equity set forth in Sec. 3 of this act, on the per-position portion of the charges authorized in 3 V.S.A. § 2283(c)(2) shall be assessed to all Executive Branch agencies, departments, and offices and shall be paid by all assessed entities solely with State funds.

(2) The amount collected shall be accounted for within the Human Resource Services Internal Service Fund and used solely for the purposes of funding the Racial Equity Advisory Panel and the position of the Executive Director of Racial Equity set forth in Sec. 3 of this act.

(b) Repeal. This section shall be repealed on June 30, 2024.

Sec. 6. FISCAL YEAR 2019 APPROPRIATION

There is appropriated to the Agency of Administration from the Human Resource Services Internal Service 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. 7. 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 with the

assistance and advice of 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 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. 8. REPEAL

On June 30, 2024:

(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 Executive Director 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. 9. EFFECTIVE DATE

This act shall take effect on passage.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Gannon of Wilmington** moved that the House refuse to concur and ask for a Committee of Conference which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Gannon of Wilmington
Rep. Harrison of Chittenden
Rep. Weed of Enosburgh

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bills were ordered messaged to the Senate forthwith.

H. 764

House bill, entitled

An act relating to data brokers and consumer protection

S. 281

Senate bill, entitled

An act relating to the mitigation of systemic racism

**Third Reading; Bill Passed in Concurrence
With Proposal of Amendment**

S. 40

Senate bill, entitled

An act relating to increasing the minimum wage

Was taken up, read the third time and passed in concurrence with proposal of amendment.

**Third Reading; Bill Passed in Concurrence
With Proposal of Amendment**

S. 204

Senate bill, entitled

An act relating to the registration of short-term rentals

Was taken up, read the third time and passed in concurrence with proposal of amendment.

Rules Suspended; Action on Bill Postponed

H. 731

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to miscellaneous workers' compensation and occupational safety amendments

Was taken up for immediate consideration.

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

* * * Workers' Compensation; Protection Against Retaliation * * *

Sec. 1. 21 V.S.A. § 710 is amended to read:

§ 710. UNLAWFUL DISCRIMINATION

(a) No person, firm, or corporation shall refuse to employ any applicant for employment because ~~such~~ the applicant asserted a claim for workers' compensation benefits under this chapter or under the law of any state or of the United States. Nothing in this section shall require a person to employ an

applicant who does not meet the qualifications of the position sought.

(b) No person shall discharge or discriminate against an employee from employment because ~~such~~ the employee asserted or attempted to assert a claim for benefits under this chapter or under the law of any state or of the United States.

(c) The Department shall not include in any publication or public report the name or contact information of any individual who has alleged that an employer has made a false statement or misclassified any employees, unless it is required by law or necessary to enable enforcement of this chapter.

(d) An employer shall not retaliate or take any other negative action against an individual because the employer knows or suspects that the individual has filed a complaint ~~with the Department or other authority~~, or reported a violation of this chapter, or has testified, assisted, or cooperated in any manner with the Department or other appropriate governmental agency or department in an investigation of misclassification, discrimination, or other violation of this chapter.

(e) The Attorney General or a State's Attorney may enforce the provisions of this section by restraining prohibited acts, seeking civil penalties, obtaining assurances of discontinuance, and conducting civil investigations in accordance with the procedures established in 9 V.S.A. §§ 2458-2461 as though ~~discrimination under~~ a violation of this section were an unfair act in commerce.

(f) The provisions against retaliation in subdivision 495(a)(8) of this title and the penalty and enforcement provisions of section 495b of this title shall apply to this ~~subchapter~~ section.

* * * Workers' Compensation Administration Fund * * *

Sec. 2. WORKERS' COMPENSATION RATE OF CONTRIBUTION

For fiscal year 2019, after consideration of the formula in 21 V.S.A. § 711(b) and historical rate trends, the General Assembly has established that the rate of contribution for the direct calendar year premium for workers' compensation insurance shall remain at the rate of 1.4 percent. The contribution rate for self-insured workers' compensation losses and workers' compensation losses of corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

Sec. 3. POTENTIAL DELEGATION OF RATE SETTING AUTHORITY; REPORT

On or before January 15, 2019, the Commissioner of Labor shall submit a written report to the House Committees on Commerce and Economic

Development and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance regarding the potential for delegating the authority to set the Workers' Compensation Administration Fund rate of contribution for the direct calendar year premium for workers' compensation insurance to the Commissioner of Labor. In particular, the report shall:

(1) describe how the Department calculates the rate of contribution that it annually proposes to the General Assembly pursuant to 21 V.S.A. § 711(b);

(2) identify any advantages and disadvantages of the General Assembly's delegating to the Commissioner of Labor authority to establish annually the rate of contribution for the direct calendar year premium for workers' compensation insurance; and

(3) identify any legislative, regulatory, and administrative changes that would need to be made in order to delegate to the Commissioner the authority to establish annually the rate of contribution for the direct calendar year premium for workers' compensation insurance.

* * * Discontinuance of Workers' Compensation Benefits * * *

Sec. 4. 2014 Acts and Resolves No. 199, Sec. 54a is amended to read:

Sec. 54a. REPEAL

21 V.S.A. § 643a shall be repealed on July 1, ~~2018~~ 2023.

Sec. 5. 2014 Acts and Resolves No. 199, Sec. 69 is amended to read:

Sec. 69. EFFECTIVE DATES

* * *

(b) Sec. 54b (reinstatement of current law governing discontinuance of workers' compensation insurance benefits) shall take effect on July 1, ~~2018~~ 2023.

* * *

* * * Vermont Occupational Safety and Health Act * * *

Sec. 6. 21 V.S.A. § 225 is amended to read:

§ 225. CITATIONS

(a)(1) If, upon inspection or investigation, the Commissioner or the Director, or the agent of either of them, finds that an employer has violated a requirement of the VOSHA Code, the Commissioner shall with reasonable promptness issue a citation to the employer and serve it on the employer by certified mail or in the same manner as a summons to the Superior Court.

Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provisions of the statute, standard, rule, or order alleged to have been violated, as well as the penalty, if any, proposed to be assessed pursuant to section 210 of this title. In addition, the citation shall fix a reasonable time for the abatement of the violation.

(2) By rule, the Commissioner shall ~~prescribe~~ adopt procedures for issuance of a notice in lieu of a citation with respect to ~~de minimus~~ minimis violations ~~which that~~ have no direct or immediate relationship to safety or health, and for hearing interested parties before a civil penalty is assessed.

(b) Each citation issued under this section, or a copy or copies thereof of the citation, shall be prominently posted, as prescribed in rules ~~promulgated~~ adopted by the Commissioner, at or near each place a violation referred to in the citation occurred or existed.

* * *

Sec. 7. 21 V.S.A. § 226 is amended to read:

§ 226. ENFORCEMENT

(a)(1) ~~After issuing a citation under section 225 of this title, the Commissioner shall notify the employer by certified mail or by service by an agent, of the penalty, if any, proposed to be assessed under section 210 of this title. The An employer shall have, within 20 days after personal service or receipt of the notice within which to~~ a citation issued under section 225 of this title, notify the Commissioner that he or she wishes to appeal the citation or proposed assessment of penalty, and if no notice is filed by.

(2) If an employer does not notify the Commissioner as provided in this subsection and an employee does not file a notice under subsection (c) of this section, the citation and assessment penalty, as proposed, shall be deemed a final order of the Review Board and not subject to review by any court or agency.

(b)(1)(A) If the Commissioner on inspection or investigation finds that an employer has failed to correct a violation for which a citation has been issued within the period permitted for its correction ~~(which period shall not begin to run until the entry of a final order by the Review Board in the case of any review proceedings under this section initiated by the employer in good faith and not solely for delay or avoidance of penalties, or on the day the citation and assessment becomes final under subsection (a) of this section), the Commissioner shall notify the employer by certified mail of such the failure and of the penalty proposed to be assessed under section 210 of this title by reason of such the failure.~~

(B) The period to correct a violation shall begin to run:

(i) when a final order is entered by the Review Board in relation to review proceedings under this section that are initiated by an employer in good faith and not solely for delay or avoidance of penalties; or

(ii) on the day the citation and penalty become final under subsection (a) of this section.

(2) The employer shall have 20 days after the receipt of the notice within which to notify the Commissioner that he or she wishes to appeal the Commissioner's notification citation or the proposed assessment of penalty. If within 20 days from the receipt of the notification issued by the Commissioner, the employer fails to notify the Commissioner that he or she intends to appeal the notification or proposed assessment of penalty, the notification citation and assessment, as proposed, shall be deemed a final order of the Review Board and not subject to review by any court or agency.

(c) If an employer notifies the Commissioner that he or she intends to contest a citation issued under section 225 of this title or notification issued under subsection (a) or (b) of this section, or if, within 20 days of after the issuance of a citation issued under section 225 of this title, any employee or representative of employees files a notice with the Commissioner alleging that the period of time fixed in the citation for the abatement of the violation is unreasonable, the Commissioner shall immediately advise the Review Board of such the notification and the Review Board shall afford an opportunity for a hearing. Unless the a notice is timely filed, the proposed penalty and, in appropriate cases, the notification of the Commissioner citation shall be deemed a final order of the Review Board not subject to review by any court or agency.

(d) After hearing an appeal, the Review Board shall thereafter issue an order based on findings of fact affirming, modifying, or vacating that affirms, modifies, or vacates the Commissioner's citation or proposed penalty, or both, or directing provides other appropriate relief, and the. The order shall become final 30 days after its issuance unless judicial review is timely taken under section 227 of this title. The rules of procedure prescribed adopted by the Review Board shall provide affected employees or their representatives with an opportunity to participate as parties in hearings a hearing under this subsection.

* * * Report on Debarment * * *

Sec. 8. DEBARMENT; OFFICE OF LEGISLATIVE COUNCIL; REPORT

(a) On or before January 15, 2019, the Office of Legislative Council shall submit to the Senate Committee on Economic Development, Housing and

General Affairs and the House Committee on Commerce and Economic Development a written report on the use of debarment in relation to the laws against employee misclassification. In particular, the report shall:

(1) summarize Vermont's laws, rules, and procedures related to debarment, including the violations that can trigger a debarment proceeding;

(2) describe the use of Vermont's debarment procedures and why they have not been used more frequently to date;

(3) identify any obstacles that prevent or hinder the use of Vermont's debarment procedures;

(4) summarize the actions taken by the Agencies of Administration and of Transportation and the Departments of Labor, of Financial Regulation, and of Buildings and General Services to utilize debarment to ensure that the State is not contracting with employers that misclassify employees in violation of Vermont law;

(5) identify other states that utilize debarment as a means of enforcing the laws against employee misclassification and summarize the manner and frequency of debarment proceedings in those states;

(6) summarize specific characteristics of other states' laws, rules, and procedures related to debarment that have been identified as either enhancing or limiting their effectiveness in enforcing those states' laws against employee misclassification; and

(7) summarize any legislative, regulatory, or administrative changes that are identified by the Agency of Administration, Agency of Transportation, Department of Labor, Department of Financial Regulation, or Department of Buildings and General Services as necessary to make debarment a more effective tool for reducing the occurrence of and enforcing the laws against employee misclassification.

(b) In preparing the report, the Office of Legislative Council shall consult with the Agencies of Administration and of Transportation and the Departments of Labor, of Financial Regulation, and of Buildings and General Services.

(c) The Secretaries of Administration and of Transportation and the Commissioners of Labor, of Financial Regulation, and of Buildings and General Services shall, upon request, promptly provide the Office of Legislative Council with any pertinent information related to debarment procedures and the use of debarment as a means of enforcing Vermont's laws against employee misclassification.

* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

(a) This section and Secs. 4, 5, 6, and 7 shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2018.

Which proposal of amendment was considered and concurred in.

Pending the question Shall the House concur in the Senate proposal of amendment, on motion of **Rep. Botzow of Pownal**, action on the bill was postponed until the end of the orders of the day.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 777

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to the Clean Water State Revolving Loan Fund

Was taken up for immediate consideration.

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

First: In Sec. 1, Declaration of Policy, in the last sentence, after “promote” by striking out “public-private partnerships and expenditures by private entities for”

Second: In Sec.5, 24 V.S.A. § 4755(a), by striking out subdivision (C) and inserting in lieu thereof the following:

(C) without voter approval for a natural resources project under the sponsorship program, as defined in 24 V.S.A. § 4752, provided that:

(i) the amount of the debt incurred does not exceed an amount to be forgiven or cancelled upon the completion of the project; and

(ii) the municipality obtains voter approval for the paired water pollution abatement and control facilities project under the sponsorship program, pursuant to the requirements set forth in 24 V.S.A. chapter 53.

Which proposal of amendment was considered and concurred in.

**Rules Suspended; Second Reading; Proposal of Amendment Agreed to;
Third Reading Ordered**

S. 244

On motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to repealing the guidelines for spousal maintenance awards

Appearing on the Calendar for notice, was taken up for immediate consideration.

Rep. Jessup of Middlesex, for the committee on Judiciary, to which had been referred the Senate bill reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 2017 Acts and Resolves No. 60, Sec. 3 is amended to read:

Sec. 3. REPEAL

On July 1, ~~2019~~ 2021, 15 V.S.A. § 752(b)(8) (spousal support and maintenance guidelines) is repealed.

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 extending the repeal date for the guidelines for spousal maintenance awards”

Thereupon, the bill was read the second time, the report of the committee on Judiciary was agreed to and third reading was ordered.

**Rules Suspended; Senate Proposal of Amendment to House Proposal of
Amendment Concurred in**

S. 262

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to miscellaneous changes to the Medicaid program and the Department of Vermont Health Access

Was taken up for immediate consideration.

The Senate concurs in the House proposal of amendment with the following proposal of amendments thereto:

First: In Sec. 12, 33 V.S.A. § 1814, by striking out subdivision (a)(1) and inserting a new subdivision (a)(1) to read as follows:

(a)(1) Notwithstanding any provision of 8 V.S.A. § 4089i to the contrary, the Green Mountain Care Board may approve modifications to the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i for one or more bronze-level plans, as long as the Board finds that the offering of such plans will not adversely impact the plan options available to consumers with high prescription drug needs who benefit from the out-of-pocket prescription drug

limit established in 8 V.S.A. § 4089i.

Second: By adding a reader assistance heading and a new section to be Sec. 14a to read as follows:

* * * Membership of Health Reform Oversight Committee * * *

Sec. 14a. 2 V.S.A. § 691 is amended to read:

§ 691. COMMITTEE CREATION

There is created the legislative Health Reform Oversight Committee. The Committee shall be composed of the following eight members:

* * *

(8) ~~the Chair of the Senate Committee on Economic Development, Housing and General Affairs~~ one member of the Senate appointed by the Committee on Committees.

Which proposal of amendment was considered and concurred in.

**Senate Proposal of Amendment Concurred in
With a Further Amendment Thereto**

H. 897

The Senate proposed to the House to amend House bill, entitled
An act relating to enhancing the effectiveness, availability, and equity of
services provided to students who require additional support

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

* * * Findings * * *

Sec. 1. FINDINGS

(a) In 2016 Acts and Resolves No. 148, the General Assembly directed the Agency of Education to contract with a consulting firm to review current practices and recommend best practices for the delivery of special education services in school districts. The Agency of Education contracted with the District Management Group, which issued in November 2017 its report entitled “Expanding and Strengthening Best-Practice Supports for Students who Struggle” (Delivery of Services Report).

(b) In Act 148, the General Assembly also directed the Agency of Education to contract for a study of special education funding and practice and to recommend a funding model for Vermont designed to provide incentives for desirable practices and stimulate innovation in the delivery of services. The General Assembly required that the study consider a census-based model of

funding. The Agency of Education contracted with the University of Vermont and State Agricultural College, and the report of its Department of Education and Social Services entitled “Study of Vermont State Funding for Special Education” was issued in December 2017 (Funding Report).

(c) The Delivery of Services Report made the following five recommendations on best practices for the delivery of special education services:

(1) ensure core instruction meets most needs of most students;

(2) provide additional instructional time outside core subjects to students who struggle, rather than providing interventions instead of core instruction;

(3) ensure students who struggle receive all instruction from highly skilled teachers;

(4) create or strengthen a systems-wide approach to supporting positive student behaviors based on expert support; and

(5) provide specialized instruction from skilled and trained experts to students with more intensive needs.

(d) The Funding Report noted, based on feedback from various stakeholders, including educators, school leaders, State officials, parents, and others, that Vermont’s existing reimbursement model of funding special education has a number of limitations in that it:

(1) is administratively costly for the State and localities;

(2) is misaligned with policy priorities, particularly with regard to the delivery of a multitiered system of supports and positive behavioral interventions and supports;

(3) creates misplaced incentives for student identification, categorization, and placement;

(4) discourages cost containment; and

(5) is unpredictable and lacks transparency.

(e) The Funding Report assessed various funding models that support students who require additional support, including a census-based funding model. A census-based model would award funding to supervisory unions based on the number of students within the supervisory union and could be used by the supervisory union to support the delivery of services to all students. The Funding Report noted that the advantages of a census-based model are that it is simple and transparent, allows flexibility in how the

funding is used by supervisory unions, is aligned with the policy priorities of serving students who require additional support across the general and special education service-delivery systems, and is predictable.

* * * Goals * * *

Sec. 2. GOALS

(a) By enacting this legislation, the General Assembly intends to enhance the effectiveness, availability, and equity of services provided to all students who require additional support in Vermont's school districts.

(b)(1) To support the enhanced delivery of these services, the State funding model for special education shall change for all supervisory unions in fiscal year 2021, for school year 2020-2021, from a reimbursement model to a census-based model, which will provide more flexibility in how the funding can be used, is aligned with the State's policy priorities of serving students who require additional support across the general and special education service-delivery systems, and will simplify administration.

(2) The General Assembly recognizes that a student on an individualized education program, is entitled, under federal law, to a free and appropriate public education in the least restrictive environment in accordance with that program. The changes to State funding for special education and the delivery of special education services as envisioned under this act are intended to facilitate the exercise of this entitlement.

(c) The General Assembly recognizes that it might be appropriate and equitable to provide a higher amount of census-based funding to supervisory unions that have relatively higher costs in supporting students who require additional support, but the General Assembly does not have sufficient information on which to base this determination. Therefore, this act directs the Agency of Education to make a recommendation to the General Assembly on whether the amount of the census grant should be increased for supervisory unions that have relatively higher costs in supporting students who require additional support, and if so, the criteria for qualification for the adjustment and the manner in which the adjustment should be applied. The General Assembly intends to reconsider this matter after receiving this recommendation and before the census-based model is implemented.

Sec. 3. 16 V.S.A. § 2901 is amended to read:

§ 2901. SUCCESS FOR ALL STUDENTS IN THE GENERAL EDUCATION ENVIRONMENT

(a) It is the policy of the State that each Each local school district shall develop and maintain, in consultation with parents, a comprehensive system of

education that ~~will~~ is designed to result, to the extent appropriate, in all students succeeding in the general education environment. A comprehensive system of education includes a full range of services and accommodations that are needed by students in the district. These services could include a separate alternative program if the district finds that some of its students could be better served in an environment outside the classroom, or if the district finds that separate placement is the best way to provide services to a student who is ~~disrupting the class or~~ having difficulty learning in a traditional school setting for educational, emotional, or personal reasons and thereby impairing the ability of the classroom teacher to provide ~~quality~~ high-quality services to that student or to other students. This chapter does not replace or expand entitlements created by federal law, nor is it the intent of this chapter to create a higher standard for maintaining a student in the general classroom than the standard created in the following federal laws: 20 U.S.C. ~~§ 1401 et seq. chapter 33~~, Individuals with Disabilities Education Act; 29 U.S.C. § 794, Section 504 of the Rehabilitation Act of 1973; and 42 U.S.C. ~~§ 12101 et seq. chapter 126~~, Americans with Disabilities Act.

(b) [Repealed.]

(c) No individual entitlement or private right of action is created by this section.

Sec. 4. 16 V.S.A. § 2902 is amended to read:

§ 2902. TIERED SYSTEM OF SUPPORTS AND EDUCATIONAL
SUPPORT TEAM

(a) Within each school district's comprehensive system of educational services, each public school shall develop and maintain a tiered system of academic and behavioral supports for the purpose of providing all students with the opportunity to succeed or to be challenged in the general education environment. For each school it maintains, a school district board shall assign responsibility for developing and maintaining the tiered system of supports either to the superintendent pursuant to a contract entered into under section 267 of this title or to the school principal. The school shall provide all students a full and fair opportunity to access the system of supports and achieve educational success. The tiered system of supports shall, at a minimum, include an educational support team, instructional and behavioral interventions, and accommodations that are available as needed for any student who requires support beyond what can be provided in the general education classroom, and may include intensive, individualized interventions for any student requiring a higher level of support.

(b) The tiered system of supports shall:

-
- (1) be aligned as appropriate with the general education curriculum;
 - (2) be designed to enhance the ability of the general education system to meet the needs of all students;
 - (3) be designed to provide necessary supports promptly, regardless of an individual student's eligibility for categorical programs;
 - (4) seek to identify and respond to students in need of support for ~~at-risk behaviors~~ emotional or behavioral challenges and to students in need of specialized, individualized behavior supports; ~~and~~
 - (5) provide all students with a continuum of evidence-based ~~and research-based behavior~~ positive behavioral practices that ~~teach and encourage prosocial skills and behaviors~~ schoolwide promote social and emotional learning, including trauma-sensitive programming, that are both school-wide and focused on specific students or groups of students;
 - (6) promote collaboration with families, community supports, and the system of health and human services; and
 - (7) provide professional development, as needed, to support all staff in full implementation of the multi-tiered system of support.

(c) The educational support team for each public school in the district shall be composed of staff from a variety of teaching and support positions and shall:

- (1) Determine which enrolled students require additional assistance to be successful in school or to complete secondary school based on indicators set forth in guidelines developed by the Secretary, such as academic progress, attendance, behavior, or poverty. The educational support team shall pay particular attention to students during times of academic or personal transition.
- (2) Identify the classroom accommodations, remedial services, and other supports ~~that have been~~ to be provided to the identified student.
- (3) Assist teachers to plan for and provide services and accommodations to students in need of classroom supports or enrichment activities.
- (4) Develop an individualized strategy, in collaboration with the student's parents or legal guardian whenever possible, to assist the identified student to succeed in school and to complete his or her secondary education.
- (5) Maintain a written record of its actions.
- (6) ~~Report no less than annually to the Secretary, in a form the Secretary prescribes, on the ways in which the educational support system has addressed the needs of students who require additional assistance in order to succeed in~~

~~school or to complete secondary school and on the additional financial costs of complying with this subsection (c).~~

(d) No individual entitlement or private right of action is created by this section.

(e) The Secretary shall establish guidelines for teachers and administrators in following federal laws relating to provision of services for children with disabilities and the implementation of this section. The Secretary shall develop and provide to supervisory unions information to share with parents of children suspected of having a disability that describes the differences between the tiered system of academic and behavioral supports required under this section, Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with Disabilities Education Act, 20 U.S.C. chapter 33, including how and when school staff and parents of children having a suspected disability may request interventions and services under those entitlements.

(f) It is the intent of the General Assembly that a gifted and talented student shall be able to take advantage of services that an educational support team can provide. It is not the intent of the General Assembly that funding under chapter 101 of this title shall be available for a gifted and talented student unless the student has been otherwise determined to be a student for whom funding under that chapter is available.

(g) The tiered system of academic and behavioral supports required under this section shall not be used by a school district to deny a timely initial comprehensive special education evaluation for children suspected of having a disability. The Agency of Education shall adopt policies and procedures to ensure that a school district's evaluation of a child suspected of having a disability is not denied because of implementation of the tiered system of academic and behavioral supports. The policies and procedures shall include:

(1) the definition of what level of progress is sufficient for a child to stop receiving instructional services and supports through the tiered system of academic and behavioral supports;

(2) guidance on how long children are to be served in each tier; and

(3) guidance on how a child's progress is to be measured.

* * * Census-based Funding Model; Amendment of Special
Education Laws * * *

Sec. 5. 16 V.S.A. chapter 101 is amended to read:

CHAPTER 101. SPECIAL EDUCATION

Subchapter 1. General Provisions

§ 2941. POLICY AND PURPOSE

It is the policy of the State to ensure equal educational opportunities for all children in Vermont. This means that children with disabilities are entitled to receive a free appropriate public education. ~~It is further the policy of the State to pay 60 percent of the statewide costs expended by public education for children with disabilities.~~ The purpose of this chapter is to enable the Agency to ensure the provision of the special educational facilities and instruction education services and supports in accordance with individualized education programs necessary to meet the needs of children with disabilities.

§ 2942. DEFINITIONS

As used in this chapter

* * *

(8) A “student who requires additional support” means a student who:

(A) is on an individualized education program;

(B) is on a section 504 plan under the Rehabilitation Act of 1973, 29 U.S.C. § 794;

(C) is not on an individualized education program or section 504 plan but whose ability to learn is negatively impacted by a disability or by social, emotional, or behavioral needs, or whose ability to learn is negatively impacted because the student is otherwise at risk;

(D) is an English language learner; or

(E) reads below grade level.

* * *

Subchapter 2. Aid for Special Education and Support Services

§ 2961. ~~STANDARD MAINSTREAM BLOCK GRANTS~~ CENSUS GRANT

~~(a) Each supervisory union shall be eligible to receive a standard mainstream block grant each school year. The mainstream block grant shall be equal to the supervisory union’s mainstream salary standard multiplied by 60 percent.~~

~~(b) The supervisory union shall expend all such assistance for special education services or for remedial or compensatory services in accordance with its service plan as required under section 2964 of this title. It shall likewise expend, from local funds, an amount not less than 40 percent of its mainstream salary standard for special education.~~

~~(c) As used in this section:~~

~~(1) "Mainstream salary standard" means:~~

~~(A) the supervisory union's full-time equivalent staffing for special education for the preceding year multiplied by the average special education teacher salary in the State for the preceding year; plus~~

~~(B) an amount equal to the average special education administrator salary in the State for the preceding year, plus, for any supervisory union with member districts which have in the aggregate more than 1,500 average daily membership, a fraction of an additional full-time equivalent salary for a special education administrator, the numerator of which is the aggregate average daily membership of the supervisory union's member districts minus 1,500, and the denominator of which is the aggregate average daily membership of member districts in the largest supervisory union in the State minus 1,500.~~

~~(2) "Full-time equivalent staffing" means 9.75 special education teaching positions per 1,000 average daily membership.~~

~~(d) If in any fiscal year, a supervisory union in which a school is maintained does not expend an amount equal to its mainstream salary standard on special education expenditures, the supervisory union may expend the balance, including the matching funds, to provide support and remedial services pursuant to section 2902 or 2903 of this title. A supervisory union choosing to expend funds in this way shall submit a report describing the services provided and their costs with the final financial report submitted under section 2968 of this title.~~

As used in this section:

(1) "Average daily membership" shall have the same meaning as in subdivision 4001(1) of this title, except it shall exclude State-placed students.

(2) "Average daily membership of a supervisory union" means the aggregate average daily membership of the school districts that are members of the supervisory union or, for a supervisory district, the average daily membership of the supervisory district.

(3) "Long-term membership" of a supervisory union in any school year means the average of the supervisory union's average daily membership over three school years.

(4) "Uniform base amount" means an amount determined by:

(A) dividing an amount:

(i) equal to the average State appropriation for fiscal years 2018,

2019, and 2020 for special education under 16 V.S.A. §§ 2961 (standard mainstream block grants), 2963 (special education expenditures reimbursement), and 2963a (exceptional circumstances); and

(ii) increased by the annual change in 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; by

(B) the statewide average daily membership for prekindergarten through grade 12 for the 2019–2020 school year.

(b) The State commits to satisfying its special education maintenance of fiscal support requirement under 34 C.F.R. § 300.163(a).

(c) Each supervisory union shall receive a census grant each fiscal year to support the provision of special education services to students on an individualized education program. Supervisory unions shall use this funding and other available sources of funding to provide special education services to students in accordance with their individualized education programs as mandated under federal law. A supervisory union may use census grant funds to support the delivery of the supervisory union's comprehensive system of educational services under sections 2901 and 2902 of this title, but shall not use census grant funds in a manner that abrogates its responsibility to provide special education services to students in accordance with their individualized education programs as mandated under federal law.

(d)(1)(A) For fiscal year 2021, the amount of the census grant for a supervisory union shall be:

(i) the average amount it received for fiscal years 2017, 2018, and 2019 from the State for special education under sections 2961 (standard mainstream block grants), 2963 (special education expenditures reimbursement), and 2963a (exceptional circumstances) of this title; increased by

(ii) the annual change in 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.

(B) The amount determined under subdivision (A) of this subdivision (1) shall be divided by the supervisory union's long-term membership, to determine the base amount of the census grant, which is the amount of the census grant calculated on a per student basis.

(2) For fiscal year 2025 and subsequent fiscal years, the amount of the

census grant for a supervisory union shall be the uniform base amount multiplied by the supervisory union's long-term membership.

(3) For fiscal years 2022, 2023, and 2024, the amount of the census grant for a supervisory union shall be determined by multiplying the supervisory union's long-term membership by a base amount established under this subdivision. The base amounts for each supervisory union for fiscal years 2022, 2023, and 2024 shall move gradually the supervisory union's fiscal year 2021 base amount to the fiscal year 2025 uniform base amount by pro rating the change between the supervisory union's fiscal year 2021 base amount and the fiscal year 2025 uniform base amount over this three-fiscal-year period.

§ 2962. EXTRAORDINARY SERVICES SPECIAL EDUCATION
REIMBURSEMENT

~~(a) Except as otherwise provided in this subchapter, extraordinary services reimbursement shall be payable, based on where the related cost is incurred, to a town school district, city school district, union school district, unified union school district, incorporated school district, the member school districts of an interstate school district, and unorganized town or gore or to a supervisory union.~~

~~(b) The amount of extraordinary services reimbursement provided to each district or supervisory union shall be equal to 95 percent of its extraordinary special education expenditures.~~

~~(c) As used in this subchapter, "extraordinary special education expenditures" means a school district's or supervisory union's allowable expenditures that for any one child exceed \$60,000.00 for a fiscal year. In this subsection, child means a student with disabilities who is three years of age or older in the current school year. The State Board shall define allowable expenditures that shall include any expenditures required under federal law, and any costs of mediation conducted by a mediator who is approved by the Secretary.~~

(1) As used in this section, "child" means a student with disabilities who is three years of age or older in the current school year.

(2) As used in this subchapter, "extraordinary expenditures" means a supervisory union's allowable special education expenditures that for any one child in a fiscal year exceed \$60,000.00, increased annually by the annual change in 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.

(3) The State Board of Education shall define allowable special

education expenditures that shall include any expenditures required under federal law in order to implement fully individual education programs under the Individuals with Disabilities Education Act, 20 U.S.C. chapter 33, and any costs of mediation conducted by a mediator who is approved by the Secretary.

(b) If a supervisory union has extraordinary expenditures, it shall be eligible for extraordinary special education reimbursement (extraordinary reimbursement) as provided in this section.

(c) A supervisory union that has extraordinary expenditures in a fiscal year for any one child shall be eligible for extraordinary reimbursement equal to:

(1) an amount equal to its special education expenditures in that fiscal year for that child that exceed the extraordinary expenditures threshold amount under subdivision (a)(2) of this section (excess expenditures) multiplied by 95 percent; plus

(2) an amount equal to the lesser of:

(A) the amount of its excess expenditures; or

(B)(i) the extraordinary expenditures threshold amount under subdivision (a)(2) of this section; minus

(ii) the base amount of the census grant received by the supervisory union under subsection 2961(d) of this title for that fiscal year; multiplied by

(iii) 60 percent.

(d) The State Board of Education shall establish by rule the administrative process for supervisory unions to submit claims for extraordinary reimbursement under this section and for the review and payment of those claims.

(e) Under section 2973 of this title, a supervisory union, in its role as the local education agency, may place a student with an individualized education plan under the Individuals with Disabilities Education Act, 20 U.S.C. chapter 33, with certain approved independent schools that accept public tuition. If the approved independent school is entitled to special education cost reimbursement under that section, it may bill the supervisory union for excess special education costs incurred by the independent school in providing special education services to that student beyond those covered by general tuition. If those costs for that student exceed the extraordinary expenditures' threshold as defined in subdivision (a)(2) of this section, the supervisory union shall be entitled to extraordinary reimbursement under this section for that student as if it incurred those costs directly.

§ 2963. ~~SPECIAL EDUCATION EXPENDITURES REIMBURSEMENT~~

~~(a) Based on where the related cost is incurred, each town school district, city school district, union school district, unified union school district, incorporated school district, the member school districts of an interstate school district, and unorganized town or gore or supervisory union shall receive a special education expenditures reimbursement grant each school year.~~

~~(b) The amount of a school district's or supervisory union's special education expenditures reimbursement shall be equal to the total of its special education expenditures multiplied by the reimbursement rate for that year.~~

~~(c) As used in this subchapter:~~

~~(1) Special education expenditures are allowable expenditures for special education, as defined by rule of the State Board, less the following:~~

~~(A) revenue from federal aid for special education;~~

~~(B) mainstream service costs, as defined in subdivision 2961(c)(1) of this title;~~

~~(C) extraordinary special education expenditures, as defined in section 2962 of this title;~~

~~(D) any transportation expenses already reimbursed;~~

~~(E) special education costs for a student eligible for aid under section 2963a of this title; and~~

~~(F) other State funds used for special education costs as defined by the State Board by rule.~~

~~(2) The State Board shall define allowable expenditures under this subsection. Allowable expenditures shall include any expenditures required under federal law.~~

~~(3) "Special education expenditures reimbursement rate" means a percentage of special education expenditures that is calculated to achieve the 60 percent share required by subsection 2967(b) of this title. [Repealed.]~~

§ 2963a. ~~EXCEPTIONAL CIRCUMSTANCES~~

~~(a) In lieu of reimbursement under section 2963 of this title, the Secretary shall reimburse a school district or supervisory union for 80 percent of the costs not eligible for reimbursement under section 2962 of this title for each student causing the school district or supervisory union to be eligible for extraordinary services reimbursement pursuant to that section. However, in order for a school district or supervisory union to be eligible for reimbursement under this section, the total costs of the school district or~~

~~supervisory union eligible for extraordinary services reimbursement must equal or exceed 15 percent of the total costs eligible for State assistance under sections 2961, 2962, and 2963 of this title.~~

~~(b) An eligible school district or supervisory union may apply to the Secretary to receive reimbursement under this section. The Secretary shall award reimbursement to a school district or supervisory union under this section if the Secretary makes a determination that the school district or supervisory union considered all the cost-effective and appropriate available alternatives for placement and programs for students before incurring these costs. A decision of the Secretary shall be final. [Repealed.]~~

§ 2964. SERVICE PLAN

~~(a) As a condition of receiving assistance under this subchapter, a supervisory union shall file a service plan with the Secretary annually on or before October 15. The service plan shall contain the anticipated special education expenditures for the following school year for the supervisory union and its member districts. The plan shall be in a form prescribed by the Secretary and shall include information on services planned and anticipated expenditures.~~

~~(b) If a supervisory union fails to file a service plan by October 15, the Secretary may withhold any funds due the supervisory union and its member districts under this title until a service plan is filed and accepted by the Secretary as properly completed. [Repealed.]~~

* * *

§ 2967. AID PROJECTION; STATE SHARE

~~(a) On or before December 15, the Secretary shall publish an estimate, by supervisory union and its member districts to the extent they anticipate reimbursable, of its anticipated special education expenditures under this chapter, of the amount of State assistance necessary to fully fund sections 2961 through 2963 of this title in for the ensuing school year.~~

~~(b) The total expenditures made by the State in any fiscal year pursuant to this chapter shall be 60 percent of the statewide total special education expenditures of funds that are not derived from federal sources. Special As used in this section, special education expenditures shall include:~~

~~(1) costs eligible for grants and reimbursements under sections 2961 through 2963a and 2962 of this title;~~

~~(2) costs for services for persons who are visually impaired; and~~

~~(3) costs for persons who are deaf and or hard of hearing;~~

~~(3)~~(4) costs for the interdisciplinary team program;

~~(4) costs for regional specialists in multiple disabilities;~~

(5) funds expended for training and programs to meet the needs of students with emotional or behavioral problems challenges under subsection 2969(c) of this title; and

(6) funds expended for training under subsection 2969(d) of this title.

§ 2968. REPORTS

~~(a) On or before November 15, March 15, and August 1 of each school year, each supervisory union and its member districts to the extent they incur reimbursable expenditures under this chapter shall file a financial report with the Secretary in a form prescribed by the Secretary. The report shall describe total expenditures for special education actually incurred during the preceding period, and shall describe revenues derived from different funding sources, including federal assistance, State assistance under this chapter, and local effort.~~

~~(b) If a supervisory union or its member districts that have incurred reimbursable expenditures under this chapter fail to file a complete report by August 1, until the properly completed August 1 report is filed and accepted by the Secretary, the Secretary may withhold any funds due the supervisory union or school district under this title and shall subtract \$100.00 per business day from funds due to the supervisory union or school district under this title for that fiscal year. The Secretary may waive the \$100.00 penalty required under this subsection upon appeal by the supervisory union or school district. The Secretary shall establish procedures for administration of this subsection.~~

~~(c) The Secretary shall review and monitor the reports received pursuant to subsection (a) of this section as well as the service plans received pursuant to section 2964 of this title, and shall assist supervisory unions and school districts to complete and submit these documents in a timely and accurate fashion.~~

~~(d) Special education receipts and expenditures shall be included within the audits required of a supervisory union and its member districts that have incurred reimbursable expenditures under this chapter pursuant to section 323 of this title. [Repealed.]~~

§ 2969. PAYMENTS

(a)(1) On or before August 15, December 15, and April 15 of each fiscal year, the State Treasurer shall withdraw from the Education Fund, based on a warrant issued by the Commissioner of Finance and Management, and shall forward to each supervisory union and its member districts to the extent they

~~anticipate reimbursable expenditures under this chapter, the amount of State assistance estimated in accordance with State Board rules to be necessary to fund sections 2961 through 2963a of this title in the current fiscal period. The State Board shall by rule ensure that the amount of such assistance shall be adjusted to compensate for any overpayments or underpayments determined, after review and acceptance of the reports submitted under section 2968 of this title, to have been made in previous periods. Notwithstanding this subsection, failure to submit the reports within the timelines established by subsection 2968(a) of this title shall result in the withholding of any payments until the report is filed one-third of the census grant due to the supervisory union under section 2961 of this title for that fiscal year.~~

(2) On or before November 15, January 15, April 15, and August 1 of each school year, each supervisory union, to the extent it incurs extraordinary expenditures under section 2962 of this title, shall file a financial report with the Secretary in a form prescribed by the Secretary. The report shall describe total extraordinary expenditures actually incurred during the reporting period.

(3) On or before December 15, February 15, May 15, and September 15 of each school year, based on a warrant issued by the Commissioner of Finance and Management, the State Treasurer shall withdraw from the Education Fund and shall forward to each supervisory union the amount of extraordinary reimbursement incurred by the supervisory union under section 2962 of this title that is unreimbursed and determined by the Agency of Education to be payable to the supervisory union.

(b) [Repealed.]

(c) For the purpose of meeting the needs of students with emotional or behavioral problems challenges, each fiscal year the Secretary shall use for training, program development, and building school and regional capacity; up to one percent of the State funds appropriated under this subchapter.

(d) For the training of teachers, administrators, and other personnel in the identification and evaluation of; and provision of ~~education~~ educational services to children who require educational supports, each fiscal year the Secretary shall use up to 0.75 percent of the State funds appropriated under this subchapter. In order to set priorities for the use of these funds, the Secretary shall identify effective practices and areas of critical need. The Secretary may expend up to five percent of these funds for statewide training and shall distribute the remaining funds to school districts or supervisory unions.

(e) School districts and supervisory unions that apply for funds under this section must submit a plan for training that will result in lasting changes in

their school systems and give assurances that at least 50 percent of the costs of training, including in-kind costs, will be assumed by the applicant. The Secretary shall establish written procedures and criteria for the award of such funds. In addition, the Secretary may identify schools most in need of training assistance and may pay for 100 percent of the assistance to the supervisory union or school district for these schools to fund the provision of training assistance for these schools.

* * *

§ 2974. SPECIAL EDUCATION PROGRAM; FISCAL REVIEW

(a) Annually, the Secretary shall report to the State Board regarding:

(1) ~~special education expenditures by supervisory unions the total amount of census grants made to supervisory unions under section 2961 of this title;~~

(2) ~~the rate of growth or decrease in special education costs, including the identity of high- and low-spending supervisory unions the total amount of extraordinary special education reimbursement made to supervisory unions under section 2962 of this title;~~

(3) results for special education students;

(4) the availability of special education staff;

(5) the consistency of special education program implementation statewide;

(6) the status of ~~the education support systems~~ tiered systems of supports in supervisory unions; and

(7) a statewide summary of the special education student count, including:

(A) the percentage of the total average daily membership represented by special education students statewide and by supervisory union;

(B) the percentage of special education students by disability category; and

(C) the percentage of special education students served by public schools within the supervisory union, by day placement, and by residential placement.

~~(b) The Secretary's report shall include the following data for both high- and low-spending supervisory unions:~~

~~(1) each supervisory union's special education staff-to-child count ratios as compared to the State average, including a breakdown of ratios by staffing~~

categories;

~~(2) each supervisory union's percentage of students in day programs and residential placements as compared to the State average of students in those placements and information about the categories of disabilities for the students in such placements;~~

~~(3) whether the supervisory union was in compliance with section 2901 of this title;~~

~~(4) any unusual community characteristics in each supervisory union relevant to special education placements;~~

~~(5) a review of high- and low-spending supervisory unions' special education student count patterns over time;~~

~~(6) a review of the supervisory union's compliance with federal and State requirements to provide a free, appropriate public education to eligible students; and~~

~~(7) any other factors affecting its spending.~~

~~(c) The Secretary shall review low-spending supervisory unions to determine the reasons for their spending patterns and whether those supervisory unions used cost-effective strategies appropriate to replicate in other supervisory unions.~~

~~(d) For the purposes of this section, a "high-spending supervisory union" is a supervisory union that, in the previous school year, spent at least 20 percent more than the statewide average of special education eligible costs per average daily membership. Also for the purposes of this section, a "low-spending supervisory union" is a supervisory union that, in the previous school year, spent no more than 80 percent of the statewide average of special education eligible costs per average daily membership.~~

~~(e) The Secretary and Agency staff shall assist the high-spending supervisory unions, that have been identified in subsection (a) of this section and have not presented an explanation for their spending that is satisfactory to the Secretary, to identify reasonable alternatives and to develop a remediation plan. Development of the remediation plan shall include an on-site review. The supervisory union shall have two years to make progress on the remediation plan. At the conclusion of the two years or earlier, the supervisory union shall report its progress on the remediation plan.~~

~~(f) Within 30 days of receipt of the supervisory union's report of progress, the Secretary shall notify the supervisory union that its progress is either satisfactory or not satisfactory.~~

~~(1) If the supervisory union fails to make satisfactory progress, the Secretary shall notify the supervisory union that, in the ensuing school year, the Secretary shall withhold 10 percent of the supervisory union's special education expenditures reimbursement pending satisfactory compliance with the plan.~~

~~(2) If the supervisory union fails to make satisfactory progress after the first year of withholding, 10 percent shall be withheld in each subsequent year pending satisfactory compliance with the plan; provided, however, before funds are withheld in any year under this subdivision (f)(2), the supervisory union shall explain to the State Board either the reasons the supervisory union believes it made satisfactory progress on the remediation plan or the reasons it failed to do so. The State Board's decision whether to withhold funds under this subdivision shall be final.~~

~~(3) If the supervisory union makes satisfactory progress under any subdivision of this subsection, the Secretary shall release to the supervisory union any special education expenditures reimbursement withheld for the prior fiscal year only.~~

~~(g) Within 10 days after receiving the Secretary's notice under subdivision (f)(1) of this section, the supervisory union may challenge the Secretary's decision by filing a written objection to the State Board outlining the reasons the supervisory union believes it made satisfactory progress on the remediation plan. The Secretary may file a written response within 10 days after the supervisory union's objection is filed. The State Board may give the supervisory union and the Secretary an opportunity to be heard. The State Board's decision shall be final. The State shall withhold no portion of the supervisory union's reimbursement before the State Board issues its decision under this subsection.~~

~~(h) Nothing in this section shall prevent a supervisory union from seeking and receiving the technical assistance of Agency staff to reduce its special education spending.~~

§ 2975. UNUSUAL SPECIAL EDUCATION COSTS; FINANCIAL ASSISTANCE

The Secretary may use up to two percent of the funds appropriated for allowable special education expenditures, as that term is defined in subsection 2967(b) of this title State Board of Education rules, to directly assist supervisory unions with special education expenditures of an unusual or unexpected nature. These funds shall not be used for exceptional circumstances that are funded under section 2963a of this title. The Secretary's decision regarding a supervisory union's eligibility for and amount

of assistance shall be final.

* * * Technical and Conforming Changes * * *

Sec. 6. 16 V.S.A. § 826 is amended to read:

§ 826. NOTICE OF TUITION RATES; SPECIAL EDUCATION CHARGES

* * *

(c) Excess special education costs incurred by a ~~district~~ supervisory union in providing special education services to a student beyond those covered by tuition may be charged to the student's supervisory union for the district of residence. However, only actual costs or actual proportionate costs attributable to the student may be charged.

* * *

Sec. 7. 16 V.S.A. § 2958 is amended to read:

§ 2958. RESIDENTIAL PLACEMENT REVIEW TEAM; RESIDENTIAL PLACEMENTS

(a) A ~~school-district~~ supervisory union shall notify the parents and the Secretary when it believes residential placement is a possible option for inclusion in a child's individualized education program.

* * *

Sec. 8. 16 V.S.A. § 4002 is amended to read:

§ 4002. PAYMENT; ALLOCATION

(a) State and federal funds appropriated for services delivered by the supervisory union and payable through the Agency shall be paid to the order of the supervisory union and administered in accordance with the plan adopted under subdivision 261a(4) of this title. Funding for special education services under section 2969 of this title shall be paid to the ~~districts and~~ supervisory unions in accordance with that section.

(b) The Secretary shall notify the superintendent or chief executive officer of each supervisory union in writing of federal or State funds disbursed to member school districts.

* * * Census-based Funding Advisory Group * * *

Sec. 9. CENSUS-BASED FUNDING ADVISORY GROUP

(a) Creation. There is created the Census-based Funding Advisory Group to consider and make recommendations on the implementation of a census-based model of funding for students who require additional support.

(b) Membership. The Advisory Group shall be composed of the following 12 members:

(1) the Executive Director of the Vermont Superintendents Association or designee;

(2) the Executive Director of the Vermont School Boards Association or designee;

(3) the Executive Director of the Vermont Council of Special Education Administrators or designee;

(4) the Executive Director of the Vermont Principals' Association or designee;

(5) the Executive Director of the Vermont Independent Schools Association or designee;

(6) the Executive Director of the Vermont-National Education Association or designee;

(7) the Secretary of Education or designee;

(8) one member selected by the Vermont-National Education Association who is a special education teacher;

(9) one member selected by the Vermont Association of School Business Officials;

(10) one member selected by the Vermont Legal Aid Disability Law Project;

(11) one member who is either a family member, guardian, or education surrogate of a student requiring special education services or a person who has received special education services directly, selected by the Vermont Coalition for Disability Rights; and

(12) the Commissioner of the Vermont Department of Mental Health or designee.

(c) Powers and duties. The Advisory Group shall:

(1) advise the State Board of Education on the development of proposed rules to implement this act prior to the submission of the proposed rules to the Interagency Committee on Administrative Rules;

(2) advise the Agency of Education and supervisory unions on the implementation of this act; and

(3) recommend to the General Assembly any statutory changes it determines are necessary or advisable to meet the goals of this act, including

any statutory changes necessary to align special education funding for approved independent schools with the census grant funding model for public schools as envisioned in the amendments to 16 V.S.A. chapter 101 in Sec. 5 of this act.

(d) Assistance. The Advisory Group shall have the administrative, technical, and legal assistance of the Agency of Education.

(e) Meetings.

(1) The Secretary of Education shall call the first meeting of the Advisory Group to occur on or before September 30, 2018.

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

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

(4) The Advisory Group shall cease to exist on June 30, 2022.

(f) Reports. On or before January 15, 2019, the Advisory Group shall submit a written report to the House and Senate Committees on Education and the State Board of Education with its findings and recommendations on the development of proposed rules to implement this act and any recommendations for legislation. On or before January 15 of 2020, 2021, and 2022, the Advisory Group shall submit a supplemental written report to the House and Senate Committees on Education and the State Board of Education with a status of implementation under this act and any recommendations for legislation.

(g) Reimbursement. Members of the Advisory 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 for not more than eight meetings per year.

(h) Appropriation. The sum of \$3,900.00 is appropriated for fiscal year 2018 from the General Fund to the Agency of Education to provide funding for per diem compensation and reimbursement under subsection (g) of this section. The Agency shall include in its budget request to the General Assembly for each of fiscal years 2020, 2021, and 2022 the amount of \$3,900.00 to provide funding for per diem compensation and reimbursement under subsection (g) of this section.

* * * Census Grant Supplemental Adjustment;
Pupil Weighting Factors; Report * * *

Sec. 10. REPEAL

2017 Acts and Resolves No. 49, Sec. 35 (education weighting report) is repealed.

Sec. 11. CENSUS GRANT SUPPLEMENTAL ADJUSTMENT; PUPIL
WEIGHTING FACTORS; REPORT

(a) The Agency of Education, in consultation with the Secretary of Human Services, the Vermont Superintendents Association, the Vermont School Boards Association, and the Vermont-National Education Association, shall consider and make recommendations on the following:

(1) Whether the census grant, as defined in the amendment to 16 V.S.A. § 2961 in Sec. 5 of this act, should be increased for supervisory unions that have, in any year, relatively higher costs in supporting students who require additional support, and if so, the criteria for qualification for the adjustment and the manner in which the adjustment should be applied. In making this recommendation, the Agency of Education shall consider the report entitled "Study of Vermont State Funding for Special Education" issued in December 2017 by the University of Vermont Department of Education and Social Services.

(2) Methods, other than the use of per pupil weighting factors, that would further the quality and equity of educational outcomes for students.

(3) The criteria used for determining weighted long-term membership of a school district under 16 V.S.A. § 4010, including each of the following:

(A) The current weighting factors and any supporting evidence or basis in the historical record for these factors.

(B) The relationship between each of the current weighting factors and the quality and equity of educational outcomes for students.

(C) Whether any of the weighting factors, including the weighting factors for students from economically deprived backgrounds and for students for whom English is not the primary language, should be modified, and if so, how the weighting factors should be modified and whether the modification would further the quality and equity of educational outcomes for students.

(D) Whether to add any weighting factors, including a school district population density factor and a factor for students who attend regional career technical education centers, and if so, why the weighting factor should be added and whether the weighting factor would further the quality and equity of educational outcomes for students. In considering whether to recommend the addition of a school district population density factor, the Agency of Education shall consider the practices of other states, information from the National Conference of State Legislatures, and research conducted by higher education

institutions working on identifying rural or urban education financing factors.

(b) On or before November 1, 2019, the Agency of Education shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with its findings and any recommendations.

(c) The Agency of Education shall have the technical assistance of the Joint Fiscal Office and the Office of Legislative Council.

(d) Notwithstanding any provision to the contrary in 16 V.S.A. § 4025, the sum of \$250,000.00 is appropriated for fiscal year 2018 from the Education Fund to the Agency of Education to provide funding for the purposes set forth in this section. The Agency of Education shall contract with a contractor with expertise in Vermont's education funding system to assist the Agency in producing the study required by this section. Any application of funds for the purpose of administrative overhead shall be capped at ten percent of the total sum allocated pursuant to this subsection.

* * * Training and Technical Assistance on the Delivery of Special
Education Services * * *

Sec. 12. TRAINING AND TECHNICAL ASSISTANCE ON THE DELIVERY OF SPECIAL EDUCATION SERVICES

(a) The Agency of Education shall, for the 2018–2019, 2019–2020, and 2020–2021 school years, assist supervisory unions to expand and improve their delivery of services to students who require additional supports in accordance with the report entitled “Expanding and Strengthening Best-Practice Supports for Students who Struggle” delivered to the Agency of Education in November 2017 from the District Management Group. This assistance shall include the training of teachers and staff and technical assistance with the goal of embedding the following best practices for the delivery of special education services:

(1) ensuring core instruction meets most needs of most students;

(2) providing additional instructional time outside core subjects to students who require additional support, rather than providing interventions instead of core instruction;

(3) ensuring students who require additional support receive all instruction from highly skilled teachers;

(4) creating or strengthening a systems-wide approach to supporting positive student behaviors based on expert support; and

(5) providing specialized instruction from skilled and trained experts to

students with more intensive needs.

(b) The sum of \$200,000.00 is appropriated from federal funds that are available under the Individuals with Disabilities Education Act for fiscal year 2019 to the Agency of Education, which the Agency shall administer in accordance with this section. The Agency shall include in its budget request to the General Assembly for each of fiscal years 2020 and 2021 the amount of \$200,000.00 from federal funds that are available under the Individuals with Disabilities Education Act for administration in accordance with this section.

(c) The Agency of Education shall present to the General Assembly on or before December 15 in 2019, 2020, and 2021 a report describing what changes supervisory unions have made to expand and improve their delivery of services to students who require additional supports and describing the associated delivery challenges. The Agency shall share each report with all supervisory unions.

* * * Agency of Education; Staffing * * *

Sec. 13. AGENCY OF EDUCATION; STAFFING

The following positions are created in the Agency of Education: one full-time, exempt legal counsel specializing in special education law and two full-time, classified positions specializing in effective instruction for students who require additional support. There is appropriated to the Agency of Education from the General Fund for fiscal year 2019 the amount of \$325,000.00 for salaries, benefits, and operating expenses.

* * * Extraordinary Services Reimbursement * * *

Sec. 14. 16 V.S.A. § 2962 is amended to read:

§ 2962. EXTRAORDINARY SERVICES REIMBURSEMENT

(a) Except as otherwise provided in this subchapter, extraordinary services reimbursement shall be payable, based on where the related cost is incurred, to a town school district, city school district, union school district, unified union school district, incorporated school district, the member school districts of an interstate school district, ~~and~~ an unorganized town or gore or to a supervisory union.

(b) The amount of extraordinary services reimbursement provided to each district or supervisory union shall be equal to ~~90~~ 95 percent of its extraordinary special education expenditures.

(c) As used in this subchapter, “extraordinary special education expenditures” means a school district’s or supervisory union’s allowable expenditures that for any one child exceed ~~\$50,000.00~~ \$60,000.00 for a fiscal

year. In this subsection, child means a student with disabilities who is three years of age or older in the current school year. The State Board shall define allowable expenditures that shall include any expenditures required under federal law, and any costs of mediation conducted by a mediator who is approved by the Secretary.

Sec. 15. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(6) “Education spending” means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental ~~fund-raising~~ fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12), “education spending” shall not include:

* * *

(v) Spending attributable to the district’s share of special education spending ~~in excess of \$50,000.00 that is not reimbursed as an extraordinary reimbursement under section 2962 of this title for any one~~ student in the fiscal year occurring two years prior.

* * *

* * * Rulemaking * * *

Sec. 16. RULEMAKING

The Agency of Education shall recommend to the State Board proposed rules that are necessary to implement this act and, on or before November 1, 2019, the State Board of Education shall adopt rules that are necessary to implement this act. The State Board and the Agency of Education shall consult with the Census-based Funding Advisory Group established under Sec. 9 of this act in developing the State Board rules. The State Board rules shall include rules that establish processes for reporting, monitoring, and evaluation designed to ensure:

(1) the achievement of the goal under this act of enhancing the effectiveness, availability, and equity of services provided to all students who require additional support in Vermont's school districts; and

(2) that supervisory unions are complying with the Individuals with Disabilities Education Act, 20 U.S.C. chapter 33.

* * * Transition * * *

Sec. 17. TRANSITION

(a) Notwithstanding the requirement under 16 V.S.A. § 2964 for a supervisory union to submit a service plan to the Secretary of Education, a supervisory union shall not be required to submit a service plan for fiscal year 2021.

(b) On or before November 1, 2019, a supervisory union shall submit to the Secretary such information as required by the Secretary to estimate the supervisory union's projected fiscal year 2021 extraordinary special education reimbursement under Sec. 5 of this act.

(c) The Agency of Education shall assist supervisory unions as they transition to the census-based funding model in satisfying their maintenance of effort requirements under federal law.

Sec. 18. TRANSITION FOR ALLOWABLE SPECIAL EDUCATION COSTS

(a) Allowable special education costs shall include salaries and benefits of licensed special education teachers, including vocational special needs teachers and instructional aides for the time they carry out special education responsibilities.

(1) The allowable cost that a local education agency may claim includes a school period or service block during which the staff member identified in this subsection is providing special education services to a group of eight or fewer students, and not less than 25 percent of the students are receiving the special education services, in accordance with their individualized education programs.

(2) In addition to the time for carrying out special education responsibilities, a local education agency may claim up to 20 percent of special education staff members' time, if that staff spends the additional time performing consultation to assist with the development of and providing instructional services required by:

(A) a plan pursuant to Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; or

(B) a plan for students who require additional assistance in order to succeed in the general education environment.

(b) This section is repealed on July 1, 2020.

* * * Approved Independent Schools * * *

Sec. 19. FINDINGS AND GOALS

(a) The General Assembly created the Approved Independent Schools Study Committee in 2017 Acts and Resolves No. 49 to consider and make recommendations on the criteria to be used by the State Board of Education for designation of an “approved” independent school. The Committee was specifically charged to consider and make recommendations on:

(1) the school’s enrollment policy and any limitation on a student’s ability to enroll;

(2) how the school should be required to deliver special education services and which categories of these services; and

(3) the scope and nature of financial information and special education information that should be required to be reported by the school to the State Board or Agency of Education.

(b) The General Assembly in Act 49 directed the State Board of Education to suspend further development of the amendments to its rules for approval of independent schools pending receipt of the report of the Committee.

(c) The Committee issued its report in December 2017, noting that, while it was unable to reach consensus on specific legislative language, it did agree unanimously that Vermont students with disabilities should be free to attend the schools that they, their parents, and their local education agency deem appropriate to them.

(d) This act completes that work and provides the direction necessary for the State Board of Education to develop further the amendments to its rules for approval of independent schools.

Sec. 20. 16 V.S.A. § 166 is amended to read:

§ 166. APPROVED AND RECOGNIZED INDEPENDENT SCHOOLS

* * *

(b) Approved independent schools.

(1) On application, the State Board shall approve an independent school that offers elementary or secondary education if it finds, after opportunity for hearing, that the school provides a minimum course of study pursuant to section 906 of this title and that it substantially complies with all statutory

requirements for approved independent schools and the Board's rules for approved independent schools. An independent school that intends to accept public tuition shall be approved by the State Board only on the condition that the school agrees, notwithstanding any provision of law to the contrary, to enroll any student who requires special education services and who is placed in or referred to the approved independent school as an appropriate placement and least restrictive environment for the student by the student's individualized education plan team or by the local education agency; provided, however, that this requirement shall not apply to an independent school that limits enrollment to students who are on an individualized education plan or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the local education agency and the school.

(2) Except as provided in subdivision (6) of this subsection, the Board's rules must at minimum require that the school ~~has~~ have the resources required to meet its stated objectives, including financial capacity, faculty who are qualified by training and experience in the areas in which they are assigned, and physical facilities and special services that are in accordance with any State or federal law or regulation.

(3) Approval may be granted without State Board evaluation in the case of any school accredited by a private, State, or regional agency recognized by the State Board for accrediting purposes, provided that the State Board shall determine that the school complies with all student enrollment provisions required by law.

* * *

(5) The State Board may revoke ~~or~~, suspend, or impose conditions upon the approval of an approved independent school, after having provided an opportunity for a hearing, for substantial failure to comply with the minimum course of study, for failure to demonstrate that the school has the resources required to meet its stated objectives, for failure to comply with statutory requirements or the Board's rules for approved independent schools, or for failure to report under subdivision (4) of this subsection (b). Upon that revocation or suspension, students required to attend school who are enrolled in that school shall become truant unless they enroll in a public school, an approved or recognized independent school, or a home study program.

* * *

(8)(A) If an approved independent school experiences any of the following financial reporting events during the period of its approved status, the school shall notify the Secretary of Education within five days after its

knowledge of the event unless the failure is de minimis:

(i) the school's failure to file its federal or State tax returns when due, after permissible extension periods have been taken into account;

(ii) the school's failure to meet its payroll obligations as they are due or to pay federal or State payroll tax obligations as they are due;

(iii) the school's failure to maintain required retirement contributions;

(iv) the school's use of designated funds for nondesignated purposes;

(v) the school's inability to fully comply with the financial terms of its secured installment debt obligations over a period of two consecutive months, including the school's failure to make interest or principal payments as they are due or to maintain any required financial ratios;

(vi) the withdrawal or conditioning of the school's accreditation on financial grounds by a private, State, or regional agency recognized by the State Board for accrediting purposes; or

(vii) the school's insolvency, as defined in 9 V.S.A. § 2286(a).

(B)(i) If the State Board reasonably believes that an approved independent school lacks financial capacity to meet its stated objectives during the period of its approved status, then the State Board shall notify the school in writing of the reasons for this belief and permit the school a reasonable opportunity to respond.

(ii) If the State Board, after having provided the school a reasonable opportunity to respond, does not find that the school has satisfactorily responded or demonstrated its financial capacity, the State Board may establish a review team, that, with the consent of the school, includes a member of the Council of Independent Schools, to:

(I) conduct a school visit to assess the school's financial capacity;

(II) obtain from the school such financial documentation as the review team requires to perform its assessment; and

(III) submit a report of its findings and recommendations to the State Board.

(iii) If the State Board concludes that an approved independent school lacks financial capacity to meet its stated objectives during the period of its approved status, the State Board may take any action that is authorized

by this section.

(iv) In considering whether an independent school lacks financial capacity to meet its stated objectives during the period of its approved status and what actions the State Board should take if it makes this finding, the State Board may consult with, and draw on the analytical resources of, the Vermont Department of Financial Regulation.

(C) Information provided by an independent school under this subsection that is not already in the public domain is exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

* * *

Sec. 21. 16 V.S.A. § 2973 is amended to read:

§ 2973. INDEPENDENT SCHOOL TUITION RATES SCHOOLS

(a)(1) Notwithstanding any provision of law to the contrary, an approved independent school that accepts public tuition shall enroll any student with an individualized education plan who requires special education services and who is placed in the approved independent school as an appropriate placement and least restrictive environment for the student by the student's individualized education plan team or by the local education agency (LEA); provided, however, that this requirement shall not apply to an independent school that limits enrollment to students who are on an individualized education plan or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the LEA and the school.

(2) In placing a student with an independent school under subdivision (1) of this subsection, the student's individualized education plan team and the LEA shall comply with all applicable federal and State requirements.

(3) An approved independent school is not required to demonstrate that it has the resources to serve every category of special education as defined under State Board of Education rules in order to be approved or retain its approval to receive public funding for general tuition.

(4) The terms "special education services," "LEA," and "individualized education plan" or "IEP" as used in this section shall have the same meanings as defined by State Board rules.

(b)(1) The Secretary of Education shall establish minimum standards of services for students receiving special education services in independent schools in Vermont; shall set, after consultation with independent schools in Vermont, the maximum rates to be paid by the Agency and school districts for

~~tuition, room, and board based on the level of services; and may advise independent schools as to the need for certain special education services in Vermont.~~

(2)(A) The Secretary of Education shall set, after consultation with independent schools in Vermont, and based on the level of services provided by the schools, the maximum rates to be paid by the Agency and supervisory unions or school districts for tuition, room, and board for residential placement of students who require special education services. The amount charged by an independent school for tuition shall reflect the school's actual or anticipated costs of providing special education services to the student and shall not exceed the maximum rates set by the Secretary, provided that the Secretary may permit charges in excess of these maximum rates where the Secretary deems warranted.

(B)(i) An approved independent school that enrolls a student under subdivision (a)(1) of this section on a nonresidential basis may bill the responsible LEA for excess special education costs incurred by the independent school in providing special education services beyond those covered by general tuition. Reimbursement of these excess special education costs shall be based on the direct-costs rates approved by the Secretary for services actually provided to the student consistent with the Agency of Education Technical Manual for special education cost accounting. The Agency of Education shall publish specific elements that must be included as part of an independent school's invoice for excess special education costs, and these elements shall be included in the written agreement required under subdivision (c)(2) of this section.

(ii) In establishing the direct cost rates for reimbursement under this subdivision (B), the Secretary shall apply the principle of treating an approved independent school and a public school with parity in the amount of federal, State, and local contributions to cover the costs of providing special education services.

(C)(i) The Secretary shall set, after consultation with independent schools in Vermont, the maximum tuition rates to be paid by the Agency and supervisory unions or school districts to independent schools that limit enrollment to students who are on an IEP or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the LEA and the school. The maximum tuition rates shall be based on the level of services provided by the school.

(ii) The tuition rates established by the Secretary under this subdivision (C) shall be no more than the costs that are reasonably related to the level of services provided by the school and shall be set forth on a form

prescribed for that purpose by the Secretary of Education. The Secretary shall determine the relationship between costs and the level of services by using generally accepted accounting principles, such as those set forth in the Handbook (II) for Financial Accounting of Vermont School Systems.

(iii) After the Secretary approves a tuition rate for an independent school under this subdivision (C), the school shall not exceed that tuition rate until such time as a new tuition rate is approved by the Secretary.

(3) An approved independent school shall provide such documentation to the Secretary as the Secretary deems necessary in order to ensure that amounts payable under this subsection to the school are reasonable in relation to the special education services provided by the school. The Secretary may withhold, or direct an LEA to withhold, payment under this subsection pending the Secretary's receipt of required documentation under this subsection, or may withhold, or direct an LEA to withhold, an amount determined by the Secretary as not reasonable in relation to the special education services provided by the school.

(c)(1) In order to be approved as an independent school eligible to receive State funding under subdivision (a)(1) of this section, the school shall demonstrate the ability to serve students with disabilities by:

(A) demonstrating an understanding of special education requirements, including the:

(i) provision of a free and appropriate public education in accordance with federal and State law;

(ii) provision of education in the least restrictive environment in accordance with federal and State law;

(iii) characteristics and educational needs associated with any of the categories of disability or suspected disability under federal and State law; and

(iv) procedural safeguards and parental rights, including discipline procedures, specified in federal and State law;

(B) committing to implementing the IEP of an enrolled student with special education needs, providing the required services, and appropriately documenting the services and the student's progress;

(C) subject to subsection (d) of this section, employing or contracting with staff who have the required licensure to provide special education services;

(D) agreeing to communicate with the responsible LEA concerning:

- (i) the development of, and any changes to, the IEP;
- (ii) services provided under the IEP and recommendations for a change in the services provided;
- (iii) the student's progress;
- (iv) the maintenance of the student's enrollment in the independent school; and
- (v) the identification of students with suspected disabilities; and

(E) committing to participate in dispute resolution as provided under federal and State law.

(2) An approved independent school that enrolls a student requiring special education services who is placed under subdivision (a)(1) of this section:

(A) shall enter into a written agreement with the LEA:

(i) committing to the requirements under subdivision (1) of this subsection (c); and

(ii) if the LEA provides staff or resources to the approved independent school on an interim basis under subsection (d) of this section, setting forth the terms of that arrangement with assistance from the Agency of Education on the development of those terms and on the implementation of the arrangement; and

(B) subject to subsection (d) of this section, shall ensure that qualified school personnel attend evaluation and planning meetings and IEP meetings for the student.

(d) If an approved independent school enrolls a student under subdivision (a)(1) of this section but does not have the staff or State Board certification to provide special education services in the specific disability category that the student requires, then:

(1) The LEA, in consultation with the approved independent school and the Agency of Education, shall determine what special education services and supports the school is able to provide to the student.

(2) The LEA shall, on an interim basis and at its cost, provide such additional staff and other resources to the approved independent school as are necessary to support the student until such time as the approved independent school is able to directly provide these services and has the appropriate State Board certification; provided, however, that the school shall have all required staff and resources and the appropriate State Board certification within nine

academic months after the date of the student's initial enrollment.

(3) If the school does not have all required staff and resources and the appropriate State Board certification within nine academic months after the date of the student's initial enrollment as required under subdivision (2) of this subsection (d), then, in the event that the State Board determines that the school has failed to make good faith and reasonable efforts to secure the required staff, resources, and certification, the State Board may take any action that is authorized by section 166 of this title.

(b)(e) Neither a school districts district nor any State agency shall pay rates for tuition, room, and board, for students receiving special education in independent schools outside Vermont that are in excess of allowable costs approved by the authorized body in the state in which the independent school is located, except in exceptional circumstances or for a child who needs exceptional services, as approved by the Secretary.

(e)(f) The State Board is authorized to enter into interstate compacts with other states to regulate rates for tuition, room, and board for students receiving special education in independent schools.

* * * Effective Dates * * *

Sec. 22. EFFECTIVE DATES

(a) The following sections shall take effect on July 1, 2020:

(1) Sec. 5 (amendment to 16 V.S.A. chapter 101); and

(2) Sec. 17 (transition).

(b) The following sections shall take effect on July 1, 2019:

(1) Sec. 14 (extraordinary services reimbursement);

(2) Sec. 15 (amendment to 16 V.S.A. § 4001); and

(3) Secs. 19-21 (approved independent schools).

(c) This section and the remaining sections shall take effect on passage.

Pending the question Will the House concur in the Senate proposal of amendment? **Reps. Sharpe of Bristol, Beck of St. Johnsbury, Conlon of Cornwall, Cupoli of Rutland City, Giambatista of Essex, Joseph of North Hero, Long of Newfane, Miller of Shaftsbury, Mattos of Milton and Webb of Shelburne**, moved to concur in the Senate proposal of amendment with a further amendment thereto as follows:

First: In Sec. 1, Findings, by adding a new subsection, to be subsection (f), to read:

(f) The General Assembly agrees with the findings in the Delivery of Services Report and with the advantages of moving to a census-based special education funding model as described in the Funding Report. The General Assembly recognizes that changing the models for delivery of services and funding for students who require additional support is a significant change for school systems and their constituencies, and that they will require time and assistance in making necessary adjustments.

Second: In Sec. 2, Goals, by adding a new subsection, to be subsection (d), to read:

(d) To provide additional staff and resources to the Agency of Education to support its work with supervisory unions and schools that are transitioning to the best practices recommended in the report entitled “Expanding and Strengthening Best-Practice Supports for Students who Struggle” issued by the District Management Group in November 2017.

Third: In Sec. 5, amending 16 V.S.A. chapter 101, in § 2942, by striking out subdivision (8)(D) in its entirety and inserting in lieu thereof the following:

(D) for whom English is not the primary language; or

Fourth: In Sec. 5, amending 16 V.S.A. chapter 101, in § 2962 in subsection (e), in the first sentence, by striking out the phrase “individualized education plan” and inserting in lieu thereof the phrase “individualized education program”.

Fifth: In Sec. 5, amending 16 V.S.A. chapter 101, in § 2967, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) On or before December 15, the Secretary shall publish an estimate, by each supervisory union and its member districts to the extent they anticipate reimbursable, of its anticipated special education expenditures under this chapter, of the amount of State assistance necessary to fully fund sections 2961 through 2963 of this title in for the ensuing school year.

Sixth: In Sec. 9, Census-based Funding Advisory Group, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) Membership. The Advisory Group shall be composed of the following 14 members:

(1) the Executive Director of the Vermont Superintendents Association or designee;

(2) the Executive Director of the Vermont School Boards Association or designee;

(3) the Executive Director of the Vermont Council of Special Education Administrators or designee;

(4) the Executive Director of the Vermont Principals' Association or designee;

(5) the Executive Director of the Vermont Independent Schools Association or designee;

(6) the Executive Director of the Vermont-National Education Association or designee;

(7) the Secretary of Education or designee;

(8) one member selected by the Vermont-National Education Association who is a special education teacher;

(9) one member selected by the Vermont Association of School Business Officials;

(10) one member selected by the Vermont Legal Aid Disability Law Project;

(11) one member who is either a family member, guardian, or education surrogate of a student requiring special education services or a person who has received special education services directly, selected by the Vermont Coalition for Disability Rights;

(12) the Commissioner of the Vermont Department of Mental Health or designee;

(13) one member who represents an approved independent school selected by the Council of Independent Schools; and

(14) one member selected by the Vermont Council of Special Education Administrators who is a special education teacher and who teaches in a school that is located in a different county than the special education teacher selected by the Vermont-National Education Association under subdivision (8) of this subsection.

Seventh: In Sec. 9, Census-based Funding Advisory Group, by striking out subsection (h) in its entirety and inserting in lieu thereof the following:

(h) Appropriation. The sum of \$5,376.00 is appropriated for fiscal year 2018 from the General Fund to the Agency of Education to provide funding for per diem compensation and reimbursement under subsection (g) of this section. The Agency shall include in its budget request to the General Assembly for each of fiscal years 2020, 2021, and 2022 the amount of \$5,376.00 to provide funding for per diem compensation and reimbursement

under subsection (g) of this section.

Eighth: By striking out Sec. 20 in its entirety and by inserting in lieu thereof a new Sec. 20 to read as follows:

Sec. 20. 16 V.S.A. § 166 is amended to read:

§ 166. APPROVED AND RECOGNIZED INDEPENDENT SCHOOLS

* * *

(b) Approved independent schools. On application, the State Board shall approve an independent school that offers elementary or secondary education if it finds, after opportunity for hearing, that the school provides a minimum course of study pursuant to section 906 of this title and that it substantially complies with the Board's rules for approved independent schools. Except as provided in subdivision (6) of this subsection, the Board's rules must at minimum require that the school ~~has~~ have the resources required to meet its stated objectives, including financial capacity, faculty who are qualified by training and experience in the areas in which they are assigned, and physical facilities and special services that are in accordance with any State or federal law or regulation. Approval may be granted without State Board evaluation in the case of any school accredited by a private, State, or regional agency recognized by the State Board for accrediting purposes.

* * *

(5) The State Board may revoke ~~or~~, suspend, or impose conditions upon the approval of an approved independent school, after having provided an opportunity for a hearing, for substantial failure to comply with the minimum course of study, for failure to demonstrate that the school has the resources required to meet its stated objectives, for failure to comply with statutory requirements or the Board's rules for approved independent schools, or for failure to report under subdivision (4) of this subsection (b). Upon that revocation or suspension, students required to attend school who are enrolled in that school shall become truant unless they enroll in a public school, an approved or recognized independent school, or a home study program.

* * *

(8)(A) If an approved independent school experiences any of the following financial reporting events during the period of its approved status, the school shall notify the Secretary of Education within five days after its knowledge of the event unless the failure is de minimis:

(i) the school's failure to file its federal or State tax returns when due, after permissible extension periods have been taken into account;

(ii) the school's failure to meet its payroll obligations as they are due or to pay federal or State payroll tax obligations as they are due;

(iii) the school's failure to maintain required retirement contributions;

(iv) the school's use of designated funds for nondesignated purposes;

(v) the school's inability to fully comply with the financial terms of its secured installment debt obligations over a period of two consecutive months, including the school's failure to make interest or principal payments as they are due or to maintain any required financial ratios;

(vi) the withdrawal or conditioning of the school's accreditation on financial grounds by a private, State, or regional agency recognized by the State Board for accrediting purposes; or

(vii) the school's insolvency, as defined in 9 V.S.A. § 2286(a).

(B)(i) If the State Board reasonably believes that an approved independent school lacks financial capacity to meet its stated objectives during the period of its approved status, then the State Board shall notify the school in writing of the reasons for this belief and permit the school a reasonable opportunity to respond.

(ii) If the State Board, after having provided the school a reasonable opportunity to respond, does not find that the school has satisfactorily responded or demonstrated its financial capacity, the State Board may establish a review team, that, with the consent of the school, includes a member of the Council of Independent Schools, to:

(I) conduct a school visit to assess the school's financial capacity;

(II) obtain from the school such financial documentation as the review team requires to perform its assessment; and

(III) submit a report of its findings and recommendations to the State Board.

(iii) If the State Board concludes that an approved independent school lacks financial capacity to meet its stated objectives during the period of its approved status, the State Board may take any action that is authorized by this section.

(iv) In considering whether an independent school lacks financial capacity to meet its stated objectives during the period of its approved status and what actions the State Board should take if it makes this finding, the State

Board may consult with, and draw on the analytical resources of, the Vermont Department of Financial Regulation.

(C) Information provided by an independent school under this subsection that is not already in the public domain is exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

* * *

Ninth: By adding a new section, to be Sec. 20a, to read:

Sec. 20a. 16 V.S.A. § 166 is amended to read:

§ 166. APPROVED AND RECOGNIZED INDEPENDENT SCHOOLS

* * *

(b) Approved independent schools. On application, the State Board shall approve an independent school that offers elementary or secondary education if it finds, after opportunity for hearing, that the school provides a minimum course of study pursuant to section 906 of this title and that it substantially complies with all statutory requirements for approved independent schools and the Board's rules for approved independent schools. An independent school that intends to accept public tuition shall be approved by the State Board only on the condition that the school agrees, notwithstanding any provision of law to the contrary, to enroll any student who requires special education services and who is placed in or referred to the approved independent school as an appropriate placement and least restrictive environment for the student by the student's individualized education program team or by the local education agency; provided, however, that this requirement shall not apply to an independent school that limits enrollment to students who are on an individualized education program or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the local education agency and the school. Except as provided in subdivision (6) of this subsection, the Board's rules must at minimum require that the school ~~has~~ have the resources required to meet its stated objectives, including financial capacity, faculty who are qualified by training and experience in the areas in which they are assigned, and physical facilities and special services that are in accordance with any State or federal law or regulation. Approval may be granted without State Board evaluation in the case of any school accredited by a private, State, or regional agency recognized by the State Board for accrediting purposes, provided that the State Board shall determine that the school complies with all student enrollment provisions required by law.

* * *

Tenth: In Sec. 21, amending 16 V.S.A. § 2973, by striking out subsections (a) and (b) in their entirety and inserting in lieu thereof the following:

(a)(1) Notwithstanding any provision of law to the contrary, an approved independent school that accepts public tuition shall enroll any student with an individualized education program who requires special education services and who is placed in the approved independent school as an appropriate placement and least restrictive environment for the student by the student's individualized education program team or by the local education agency (LEA); provided, however, that this requirement shall not apply to an independent school that limits enrollment to students who are on an individualized education program or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the LEA and the school.

(2) In placing a student with an independent school under subdivision (1) of this subsection, the student's individualized education program team and the LEA shall comply with all applicable federal and State requirements.

(3) An approved independent school is not required to demonstrate that it has the resources to serve every category of special education as defined under State Board of Education rules in order to be approved or retain its approval to receive public funding for general tuition.

(4) The terms "special education services," "LEA," and "individualized education program" or "IEP" as used in this section shall have the same meanings as defined by State Board rules.

(b)(1) The Secretary of Education shall establish minimum standards of services for students receiving special education services in independent schools in Vermont; shall set, after consultation with independent schools in Vermont, the maximum rates to be paid by the Agency and school districts for tuition, room, and board based on the level of services; and may advise independent schools as to the need for certain special education services in Vermont.

(2)(A) The Secretary of Education shall set, after consultation with independent schools in Vermont, and based on the level of services provided by the schools, the maximum rates to be paid by the Agency and supervisory unions or school districts for tuition, room, and board for residential placement of students who require special education services. The amount charged by an independent school for tuition shall reflect the school's actual or anticipated costs of providing special education services to the student and shall not exceed the maximum rates set by the Secretary, provided that the Secretary may permit charges in excess of these maximum rates where the Secretary

deems warranted.

(B)(i) An approved independent school that enrolls a student under subdivision (a)(1) of this section may bill the responsible LEA for excess special education costs incurred by the independent school in providing special education services beyond those covered by general tuition. Reimbursement of these excess special education costs shall be based on the direct-costs rates approved by the Secretary for services actually provided to the student consistent with the Agency of Education Technical Manual for special education cost accounting. The Agency of Education shall publish specific elements that must be included as part of an independent school's invoice for excess special education costs, and these elements shall be included in the written agreement required under subdivision (c)(2) of this section.

(ii) In establishing the direct cost rates for reimbursement under this subdivision (B), the Secretary shall apply the principle of treating an approved independent school and a public school with parity in the amount of federal, State, and local contributions to cover the costs of providing special education services.

(iii) An approved independent school that enrolls a student under subdivision (a)(1) of this section shall provide such documentation to the Secretary as the Secretary deems necessary in order to ensure that amounts payable under this subdivision (B) to the school are reasonable in relation to the special education services provided by the school. The Secretary may withhold, or direct an LEA to withhold, payment under this subdivision pending the Secretary's receipt of required documentation under this subdivision, or may withhold, or direct an LEA to withhold, an amount determined by the Secretary as not reasonable in relation to the special education services provided by the school.

(C)(i) The Secretary shall set, after consultation with independent schools in Vermont, the maximum tuition rates to be paid by the Agency and supervisory unions or school districts to independent schools that limit enrollment to students who are on an IEP or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the LEA and the school. The maximum tuition rates shall be based on the level of services provided by the school.

(ii) The tuition rates established by the Secretary under this subdivision (C) shall be no more than the costs that are reasonably related to the level of services provided by the school and shall be set forth on a form prescribed for that purpose by the Secretary of Education. The Secretary shall determine the relationship between costs and the level of services by using generally accepted accounting principles, such as those set forth in the

Handbook (II) for Financial Accounting of Vermont School Systems.

(iii) After the Secretary approves a tuition rate for an independent school under this subdivision (C), the school shall not exceed that tuition rate until such time as a new tuition rate is approved by the Secretary.

Eleventh: In Sec. 21, amending 16 V.S.A. § 2973, in subdivision (c)(1), by striking out subdivision (C) in its entirety and inserting in lieu thereof the following:

(C) employing or contracting with staff who have the required licensure to provide special education services;

Twelfth: In Sec. 21, amending 16 V.S.A. § 2973, in subsection (c), by striking out subdivision (2) in its entirety and inserting in lieu thereof the following:

(2) An approved independent school that enrolls a student requiring special education services who is placed with the school under subdivision (a)(1) of this section:

(A) shall enter into a written agreement with the LEA committing to the requirements under subdivision (1) of this subsection (c); and

(B) shall ensure that qualified school personnel attend planning meetings and IEP meetings for the student.

Thirteenth: In Sec. 21, amending 16 V.S.A. § 2973, by striking out subsection (d) in its entirety and inserting in lieu thereof the following:

(d)(1) If a student is placed with an approved independent school under subsection (a) of this section and either the LEA and the school each certifies, or the hearing officer under subdivision (3) of this subsection certifies, to the Secretary of Education that the school is unable to provide required IEP services due to its inability to retain qualified staff, then the LEA shall make another placement that satisfies the federal requirements to provide the student with a free and appropriate public education in the least restrictive environment.

(2) If the conditions in subdivision (1) of this subsection are satisfied:

(A) the approved independent school shall not be subject to any disciplinary action or the revocation of its approved status by the State Board of Education due to its failure to enroll the student; and

(B) no private right of action shall be created on the part of the student or his or her family members, or any other private party, to:

(i) require the LEA to place the student with the approved

independent school or the school to enroll the student; or

(ii) hold the LEA or the approved independent school responsible for monetary damages due to the failure of the school to enroll the student or the necessity for the LEA to make an alternative placement.

(3) If the LEA and approved independent school do not agree on whether the school is unable to retain qualified staff under subdivision (1) of this subsection, then the LEA and the school shall jointly contract with a hearing officer to conduct a hearing with the parties and make a determination, which shall be final. The cost for the hearing officer shall be split evenly between the two parties.

Fourteenth: By striking out the remaining section, effective dates, and its reader assistance heading in their entireties and by inserting in lieu thereof the following:

Sec. 22. SPECIAL EDUCATION ENDORSEMENT; APPROVAL FOR
SPECIAL EDUCATION CATEGORIES

(a) On or before November 1, 2019, the Vermont Standards Board for Professional Educators shall review its special educator endorsement requirements and initiate rulemaking to update its rules to ensure that these requirements do not serve as a barrier to satisfying statewide demands for licensed special educators.

(b) On or before November 1, 2020, the State Board of Education shall review its rules for approving independent schools in specific special education categories and initiate rulemaking to update its rules to simplify and expedite the approval process.

* * * Effective Dates * * *

Sec. 23. EFFECTIVE DATES

(a) The following sections shall take effect on July 1, 2019:

(1) Sec. 14 (extraordinary services reimbursement);

(2) Sec. 15 (16 V.S.A. § 4001); and

(3) Sec. 17 (transition).

(b) Sec. 5 (16 V.S.A. chapter 101) shall take effect on July 1, 2020.

(c) Secs. 20a-21 (approved independent schools) shall take effect on July 1, 2022.

(d) This section and the remaining sections shall take effect on passage.

Which was agreed to.

Rules Suspended; Senate Proposal of Amendment Concurred in**S. 150**

Appearing on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to automated license plate recognition systems

Was taken up for immediate consideration.

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

In Sec. 1, by striking out “2019” and inserting in lieu thereof 2020

Which proposal of amendment was considered and concurred in.

Recess

At eleven o'clock and twenty-three minutes in the forenoon, the Speaker declared a recess until two o'clock and thirty minutes in the afternoon.

At two o'clock and fifty-eight minutes in the afternoon, the Speaker called the House to order.

Consideration Resumed; Senate Proposal of Amendment Concurred in**H. 663**

Consideration resumed on House bill, entitled

An act relating to municipal land use regulation of accessory on-farm businesses

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

First: In Sec. 1 (purpose), after “General Assembly adopts” by inserting Sec. 2 of

Second: In Sec. 2, 24 V.S.A. § 4412, subdivision (11)(A)(i) (definition of accessory on-farm business), by striking out subdivision (II) and inserting in lieu thereof a new subdivision (II) to read:

(II) Educational, recreational, or social events that feature agricultural practices or qualifying products, or both. Such events may include tours of the farm, farm stays, tastings and meals featuring qualifying products, and classes or exhibits in the preparation, processing, or harvesting of qualifying products. As used in this subdivision (II), “farm stay” means a paid, overnight guest accommodation on a farm for the purpose of participating in educational, recreational, or social activities on the farm that feature agricultural practices or qualifying products, or both. A farm stay

includes the option for guests to participate in such activities.

Third: By striking out Sec. 3 in its entirety and inserting seven new sections to be numbered Secs. 3 - 9 to read as follows:

Sec. 3. 6 V.S.A. § 1113 is added to read:

§ 1113. ACCESSORY ON-FARM BUSINESSES; PESTICIDES; POSTING

When an agricultural pesticide is applied on a farm in an area in which an accessory on-farm business operates or conducts activity, the accessory on-farm business shall post the same warning signs that would be posted for agricultural workers under the rules of the U.S. Environmental Protection Agency adopted pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. chapter 6, subchapter II (environmental pest control). The manner and duration of posting shall be the same as under those rules. As used in this section:

(1) “Accessory on-farm business” and “farm” shall have the same meaning as in 24 V.S.A. § 4412(11).

(2) “Agricultural pesticide” means any pesticide labeled for use in or on a farm, forest, nursery, or greenhouse.

Sec. 4. PURPOSE

The purpose of this section and Secs. 5–6 of this act is to amend the laws of Vermont regarding the cultivation of industrial hemp to conform with federal requirements for industrial hemp research set forth in section 7606 of the federal Agricultural Act of 2014, Pub. L. No. 113-79, codified at 7 U.S.C. § 5940.

Sec. 5. 6 V.S.A. chapter 34 is amended to read:

CHAPTER 34. HEMP

§ 561. FINDINGS; INTENT

(a) Findings.

(1) Hemp has been continuously cultivated for millennia, is accepted and available in the global marketplace, and has numerous beneficial, practical, and economic uses, including: high-strength fiber, textiles, clothing, ~~bio-fuel~~ biofuel, paper products, protein-rich food containing essential fatty acids and amino acids, biodegradable plastics, resins, nontoxic medicinal and cosmetic products, construction materials, rope, and value-added crafts.

(2) The many agricultural and environmental beneficial uses of hemp include: livestock feed and bedding, stream buffering, erosion control, water and soil purification, and weed control.

(3) The hemp plant, an annual herbaceous plant with a long slender stem ranging in height from four to 15 feet and a stem diameter of one-quarter to three-quarters of an inch is morphologically distinctive and readily identifiable as an agricultural crop grown for the cultivation and harvesting of its fiber and seed.

(4) Hemp cultivation will enable the State of Vermont to accelerate economic growth and job creation, promote environmental stewardship, and expand export market opportunities.

(5) The federal Agricultural Act of 2014, Pub. L. No. 113-79 authorized the growing, cultivation, and marketing of industrial hemp, notwithstanding restrictions under the federal Controlled Substances Act, if certain criteria are satisfied.

(b) Purpose. The intent of this chapter is to establish policy and procedures for growing hemp in Vermont that comply with federal law so that farmers and other businesses in the Vermont agricultural industry can take advantage of this market opportunity.

§ 562. DEFINITIONS

As used in this chapter:

(1) [Repealed.]

(2) “Hemp products” or “hemp-infused products” means all products made from hemp, including cloth, cordage, fiber, food, fuel, paint, paper, construction materials, plastics, seed, seed meal, seed oil, and certified seed for cultivation.

(3) “Hemp” or “industrial hemp” means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

(4) “Secretary” means the Secretary of Agriculture, Food and Markets.

§ 563. HEMP; AN AGRICULTURAL PRODUCT

~~Hemp~~ Industrial hemp is an agricultural product ~~which~~ that may be grown as a crop, produced, possessed, marketed, and commercially traded in Vermont pursuant to the provisions of this chapter. The cultivation of industrial hemp shall be subject to and comply with ~~the requirements of~~ the required agricultural practices adopted under section 4810 of this title.

§ 564. REGISTRATION; ADMINISTRATION; PILOT PROJECT

(a) The Secretary shall establish a pilot program to research the growth,

cultivation, and marketing of industrial hemp. Under the pilot program, the Secretary shall register persons who will participate in the pilot program through growing or cultivating industrial hemp. The Secretary shall certify the site where industrial hemp will be cultivated by each person registered under this chapter. A person who intends to participate in the pilot program and grow industrial hemp shall register with the Secretary and submit on a form provided by the Secretary the following:

(1) the name and address of the person;

(2) a statement that the seeds obtained for planting are of a type and variety that do not exceed the maximum concentration of tetrahydrocannabinol set forth in subdivision 562(3) of this title; and

(3) the location and acreage of all parcels sown and other field reference information as may be required by the Secretary.

(b) The form provided by the Secretary pursuant to subsection (a) of this section shall include a notice statement that, ~~until current federal law is amended to provide otherwise:~~

(1) cultivation and possession of industrial hemp in Vermont is a violation of the federal Controlled Substances Act unless the industrial hemp is grown, cultivated, or marketed under a pilot program authorized by section 7606 of the federal Agricultural Act of 2014, Pub. L. No. 113-79; and

(2) federal prosecution for growing hemp in violation of federal law may include criminal penalties, forfeiture of property, and loss of access to federal agricultural benefits, including agricultural loans, conservation programs, and insurance programs; and

(3) registrants may purchase or import hemp genetics from any state that complies with federal requirements for the cultivation of industrial hemp.

(c) A person registered with the Secretary pursuant to this section shall allow industrial hemp crops, throughout sowing, growing season, harvest, storage, and processing, to be inspected and tested by and at the discretion of the Secretary or his or her designee. The Secretary shall retain tests and inspection information collected under this section for the purposes of research of the growth and cultivation of industrial hemp.

(d) The Secretary may assess an annual registration fee of \$25.00 for the performance of his or her duties under this chapter.

§ 566. RULEMAKING AUTHORITY

(a) The Secretary may adopt rules to provide for the implementation of this chapter and the pilot project authorized under this chapter, which may include

rules to require hemp to be tested during growth for tetrahydrocannabinol levels and to require inspection and supervision of hemp during sowing, growing season, harvest, storage, and processing. The Secretary shall not adopt under this or any other section a rule that would prohibit a person to grow hemp based on the legal status of hemp under federal law.

(b) The Secretary shall adopt rules establishing how the Agency of Agriculture, Food and Markets will conduct research within the pilot program for industrial hemp.

(c) The Secretary shall adopt rules establishing requirements for the registration of processors of hemp and hemp-infused products.

Sec. 6. TRANSITION; IMPLEMENTATION

All persons registered prior to July 1, 2018 with the Secretary of Agriculture, Food and Markets under 6 V.S.A. chapter 34 to grow or cultivate hemp shall be deemed to be registered with the Secretary of Agriculture, Food and Markets as participants in the industrial hemp pilot project established by this act under 6 V.S.A. § 564, and those previously registered persons shall not be required to reregister with the Secretary of Agriculture, Food and Markets.

Sec. 7. 6 V.S.A. §§ 567 and 568 are added to read:

§ 567. AGENCY OF AGRICULTURE, FOOD AND MARKETS; TESTING

The Agency of Agriculture, Food and Markets shall establish a cannabis quality control program for the following purposes:

(1) to develop potency and contaminant testing protocols for hemp and hemp-infused products;

(2) to verify cannabinoid label guarantees of hemp and hemp-infused products;

(3) to test for pesticides, solvents, heavy metals, mycotoxins, and bacterial and fungal contaminants in hemp and hemp-infused products; and

(4) to certify testing laboratories that can offer the services in subdivisions (2) and (3) of this section.

§ 568. TEST RESULTS; ENFORCEMENT

(a) If the Secretary or a dispensary registered under 18 V.S.A. chapter 86 tests a hemp crop and the hemp has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis, the person registered with the Secretary as growing the hemp crop shall:

(1) enter into an agreement with a dispensary registered under 18 V.S.A. chapter 86 for the separation of the delta-9 tetrahydrocannabinol from the

hemp crop, return of the hemp crop to the person registered with the Secretary, and retention of the separated delta-9 tetrahydrocannabinol by the dispensary;

(2) sell the hemp crop to a dispensary registered under 18 V.S.A. chapter 86; or

(3) arrange for the Secretary to destroy or order the destruction of the hemp crop.

(b) A person registered with the Secretary as growing the hemp crop shall not be subject to civil, criminal, or administrative liability or penalty under 18 V.S.A. chapter 84 if the tested industrial hemp has a delta-9 tetrahydrocannabinol concentration of one percent or less on a dry weight basis.

(c) A crop or product confirmed by the Secretary to meet the definition of hemp under State or federal law may be sold or transferred in interstate commerce to the extent authorized by federal law.

Sec. 8. 18 V.S.A. § 4474e is amended to read:

§ 4474e. DISPENSARIES; CONDITIONS OF OPERATION

(a) A dispensary registered under this section may:

(1) Acquire, possess, cultivate, manufacture, process, transfer, transport, supply, sell, and dispense marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her dispensary and to his or her registered caregiver for the registered patient's use for symptom relief.

* * *

(5) Acquire, possess, manufacture, process, transfer, transport, market, and test hemp provided by persons registered with the Secretary of Agriculture, Food and Markets under 6 V.S.A. chapter 34 to grow or cultivate hemp.

* * *

Sec. 9. 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 municipal regulation of accessory on-farm businesses and to hemp cultivation.

Which proposal of amendment was considered and concurred in.

Consideration Resumed; Senate Proposal of Amendment Concurred in**H. 731**

Consideration resumed on House bill, entitled

An act relating to miscellaneous workers' compensation and occupational safety amendments

Thereupon, the Senate proposal of amendment was concurred in.

Message from the Senate No. 73

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

Madam Speaker:

I am directed to inform the House that:

The Senate has considered bills originating in the House of the following titles:

H. 410. An act relating to adding products to Vermont's energy efficiency standards for appliances and equipment.

H. 554. An act relating to the regulation of dams.

H. 636. An act relating to miscellaneous fish and wildlife subjects.

H. 639. An act relating to banning cost-sharing for all breast imaging services.

H. 675. An act relating to conditions of release prior to trial.

H. 684. An act relating to professions and occupations regulated by the Office of Professional Regulation.

H. 727. An act relating to the admissibility of a child's hearsay statements in a proceeding before the Human Services Board.

H. 901. An act relating to health information technology and health information exchange.

H. 907. An act relating to improving rental housing safety.

H. 919. An act relating to workforce development.

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

The Senate has considered House proposal of amendment to Senate proposal of amendment to House bill of the following title:

H. 908. An act relating to the Administrative Procedure Act.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

The Senate has considered House proposal of amendment to Senate bill of the following title:

S. 197. An act relating to liability for toxic substance exposures or releases.

And has concurred therein.

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill entitled:

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.

The President pro tempore announced the appointment as members of such Committee on the part of the Senate:

Senator Pearson
Senator Collamore
Senator Ayer

Message from the Senate No. 74

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

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate bills of the following titles:

S. 180. An act relating to the Vermont Fair Repair Act.

S. 222. An act relating to miscellaneous judiciary procedures.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

The Senate has considered House proposal of amendment to Senate bill entitled:

S. 206. An act relating to business consumer protection for point-of-sale equipment leases.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee

on the part of the Senate:

Senator Soucy
Senator Pearson
Senator Baruth

The Senate has considered House proposals of amendment to Senate proposals of amendment to the following House bill and has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses to which the President announced the appointment as members of such Committee on the part of the Senate:

H. 917. An act relating to the Transportation Program and miscellaneous changes to transportation-related law.

Senator Mazza
Senator Westman
Senator Flory

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

H. 196. An act relating to paid family leave.

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

The Senate has considered House proposals of amendment to Senate proposals of amendment to House bills of the following titles:

H. 912. An act relating to the health care regulatory duties of the Green Mountain Care Board.

H. 923. An act relating to capital construction and State bonding budget adjustment.

And has concurred therein.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following title:

S. 29. An act relating to decedents' estates.

And has accepted and adopted the same on its part.

Pursuant to the request of the House for Committees of Conference on the disagreeing votes of the two Houses on the following Senate bills the President announced the appointment as members of such Committees on the part of the Senate:

S. 281. An act relating to the mitigation of systemic racism.

Senator Pearson
Senator Collamore
Senator White.

Committee of Conference Appointed

H. 917

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on House bill, entitled

An act relating to the Transportation Program and miscellaneous changes to transportation-related law

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Brennan of Colchester
Rep. Potter of Clarendon
Rep. Corcoran of Bennington

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 728

Appearing on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to bail reform

Was taken up for immediate consideration.

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

Sec. 1. 13 V.S.A. § 7551 is amended to read:

§ 7551. IMPOSITION OF BAIL, SECURED APPEARANCE BONDS, AND APPEARANCE BONDS; GENERALLY

(a) Bonds; generally. A bond given by a person charged with a criminal offense or by a witness in a criminal prosecution under section 6605 of this title, conditioned for the appearance of the person or witness before the court in cases where the offense is punishable by fine or imprisonment, and in appealed cases, shall be taken to the Criminal Division of the Superior Court where the prosecution is pending, and shall remain binding upon parties until discharged by the court or until sentencing. The person or witness shall appear at all required court proceedings.

(b) Limitation on imposition of bail, secured appearance bonds, and appearance bonds.

(1) No bond may be imposed Except as provided in subdivision (2) of this subsection, no bail, secured appearance bond, or appearance bond may be imposed:

(A) at the initial appearance of a person charged with a misdemeanor if the person was cited for the offense in accordance with Rule 3 of the Vermont Rules of Criminal Procedure; or

(B) at the initial appearance or upon the temporary release pursuant to Rule 5(b) of the Vermont Rules of Criminal Procedure of a person charged with a violation of a misdemeanor offense that is eligible for expungement pursuant to subdivision 7601(4)(A) of this title.

(2) In the event the court finds that imposing bail is necessary to mitigate the risk of flight from prosecution for a person charged with a violation of a misdemeanor offense that is eligible for expungement pursuant to subdivision 7601(4)(A) of this title, the court may impose bail in a maximum amount of \$200.00.

(3) This subsection shall not be construed to restrict the court's ability to impose conditions on such persons to reasonably ensure his or her appearance at future proceedings mitigate the risk of flight from prosecution or to reasonably protect the public in accordance with section 7554 of this title.

Sec. 2. Rule 3(k) of the Vermont Rules of Criminal Procedure is amended to read:

(k) Temporary Release. A Either a law enforcement officer arresting a person or the prosecuting attorney shall contact a judicial officer for determination of temporary release pursuant to Rule 5(b) of these rules without unnecessary delay. The law enforcement officer or prosecuting attorney shall provide the judicial officer with the information and affidavit or sworn statement required by Rule 4(a) of these rules.

Sec. 3. 13 V.S.A. § 7554 is amended to read:

§ 7554. RELEASE PRIOR TO TRIAL

(a) Release; conditions of release. Any person charged with an offense, other than a person held without bail under section 7553 or 7553a of this title, shall at his or her appearance before a judicial officer be ordered released pending trial in accordance with this section.

(1) The defendant shall be ordered released on personal recognizance or upon the execution of an unsecured appearance bond in an amount specified by the judicial officer unless the judicial officer determines that such a release will not reasonably ensure the appearance of the person mitigate the risk of flight from prosecution as required. In determining whether the defendant

presents a risk of ~~nonappearance~~ flight from prosecution, the judicial officer shall consider, in addition to any other factors, the seriousness of the offense charged and the number of offenses with which the person is charged. If the officer determines that ~~such a release will not reasonably ensure the appearance of the defendant as required~~ the defendant presents a risk of flight from prosecution, the officer shall, either in lieu of or in addition to the methods of release in this section, impose the least restrictive of the following conditions or the least restrictive combination of the following conditions that will reasonably ~~ensure the appearance~~ mitigate the risk of flight of the defendant as required:

(A) Place the defendant in the custody of a designated person or organization agreeing to supervise him or her if the defendant is charged with an offense that is not a nonviolent misdemeanor or nonviolent felony as defined in 28 V.S.A. § 301.

(B) Place restrictions on the travel, or association, ~~or place of abode~~ of the defendant during the period of release.

(C) Require the defendant to participate in an alcohol or drug treatment program. The judicial officer shall take into consideration the defendant's ability to comply with an order of treatment and the availability of treatment resources.

(D) ~~Require~~ Upon consideration of the defendant's financial means, require the execution of a secured appearance bond in a specified amount and the deposit with the clerk of the ~~Court~~ court, in cash or other security as directed, of a sum not to exceed 10 percent of the amount of the bond, such deposit to be returned upon the appearance of the defendant as required.

(E) ~~Require~~ Upon consideration of the defendant's financial means, require the execution of a surety bond with sufficient solvent sureties, or the deposit of cash in lieu thereof.

(F) Impose any other condition found reasonably necessary to ~~ensure appearance~~ mitigate the risk of flight as required, including a condition requiring that the defendant return to custody after specified hours.

(G) Place the defendant in a program of community-based electronic monitoring in accordance with section 7554d of this title.

(2) If the judicial officer determines that conditions of release imposed to ~~ensure appearance~~ mitigate the risk of flight will not reasonably protect the public, the judicial officer may impose in addition the least restrictive of the following conditions or the least restrictive combination of the following conditions that will reasonably ensure protection of the public:

(A) Place the defendant in the custody of a designated person or organization agreeing to supervise him or her if the defendant is charged with an offense that is not a nonviolent misdemeanor or nonviolent felony as defined in 28 V.S.A. § 301.

(B) Place restrictions on the travel, association, or place of abode of the defendant during the period of release.

(C) Require the defendant to participate in an alcohol or drug treatment program. The judicial officer shall take into consideration the defendant's ability to comply with an order of treatment and the availability of treatment resources.

(D) Impose any other condition found reasonably necessary to protect the public, except that a physically restrictive condition may only be imposed in extraordinary circumstances.

(E) ~~If the defendant is a State, county, or municipal officer charged with violating section 2537 of this title, the court may suspend~~ Suspend the officer's duties in whole or in part, if the defendant is a State, county, or municipal officer charged with violating section 2537 of this title and the court finds that it is necessary to protect the public.

(F) Place the defendant in a program of community-based electronic monitoring in accordance with section 7554d of this title.

(3) A judicial officer may order that a defendant not harass or contact or cause to be harassed or contacted a victim or potential witness. This order shall take effect immediately, regardless of whether the defendant is incarcerated or released.

(b) Judicial considerations in imposing conditions of release. In determining which conditions of release to impose ~~under subsection:~~

(1) In subdivision (a)(1) of this section, the judicial officer, on the basis of available information, shall take into account the nature and circumstances of the offense charged; the weight of the evidence against the accused; the accused's employment; financial resources, including the accused's ability to post bail; the accused's character and mental condition; the accused's length of residence in the community; and the accused's record of appearance at court proceedings or of flight to avoid prosecution or failure to appear at court proceedings.

(2) In subdivision (a)(2) of this section, the judicial officer shall, on the basis of available information, shall take into account the nature and circumstances of the offense charged, the weight of the evidence against the accused, the accused's family ties, employment, financial resources, character

and mental condition, the length of residence in the community, record of convictions, and record of appearance at court proceedings or of flight to avoid prosecution or failure to appear at court proceedings. Recent history of actual violence or threats of violence may be considered by the judicial officer as bearing on the character and mental condition of the accused.

(c) Order. A judicial officer authorizing the release of a person under this section shall issue an appropriate order containing a statement of the conditions imposed, if any;² shall inform such person of the penalties applicable to violations of the conditions of release; and shall advise him or her that a warrant for his or her arrest will be issued immediately upon any such violation.

(d) Review of conditions.

(1) A person for whom conditions of release are imposed and who is detained as a result of his or her inability to meet the conditions of release or who is ordered released on a condition that he or she return to custody after specified hours, or the State, following a material change in circumstances, shall, within 48 hours ~~of following~~ application, be entitled to have the conditions reviewed by a judge in the court having original jurisdiction over the offense charged. A ~~person~~ party applying for review shall be given the opportunity for a hearing. Unless the conditions of release are amended as requested, the judge shall set forth in writing or orally on the record a reasonable basis for continuing the conditions imposed. In the event that a judge in the court having original jurisdiction over the offense charged is not available, any Superior judge may review such conditions.

(2) A person for whom conditions of release are imposed shall, within five working days ~~of following~~ application, be entitled to have the conditions reviewed by a judge in the court having original jurisdiction over the offense charged. A person applying for review shall be given the opportunity for a hearing. Unless the conditions of release are amended as requested, the judge shall set forth in writing or orally on the record a reasonable basis for continuing the conditions imposed. In the event that a judge in the court having original jurisdiction over the offense charged is not available, any Superior judge may review such conditions.

(e) Amendment of order. A judicial officer ordering the release of a person on any condition specified in this section may at any time amend the order to impose additional or different conditions of release;² provided that the provisions of subsection (d) of this section shall apply.

(f) Definition. The term “judicial officer” as used in this section and section 7556 of this title shall mean a clerk of a Superior Court or a Superior

Court judge.

(g) Admissibility of evidence. Information stated in, or offered in connection with, any order entered pursuant to this section need not conform to the rules pertaining to the admissibility of evidence in a court of law.

(h) Forfeiture. Nothing contained in this section shall be construed to prevent the disposition of any case or class of cases by forfeiture of collateral security ~~where~~ if such disposition is authorized by the court.

(i) Forms. The Court Administrator shall establish forms for appearance bonds, secured appearance bonds, surety bonds, and for use in the posting of bail. Each form shall include the following information:

(1) The bond or bail may be forfeited in the event that the defendant or witness fails to appear at any required court proceeding.

(2) The surety or person posting bond or bail has the right to be released from the obligations under the bond or bail agreement upon written application to the judicial officer and detention of the defendant or witness.

(3) The bond will continue through sentencing in the event that bail is continued after final adjudication.

(j) Juveniles. Any juvenile between 14 and 16 years of age who is charged with a listed crime as defined in subdivision 5301(7) of this title shall appear before a judicial officer and be ordered released pending trial in accordance with this section within 24 hours of following the juvenile's arrest.

Sec. 4. 13 V.S.A. § 7575 is amended to read:

§ 7575. REVOCATION OF THE RIGHT TO BAIL

The right to bail may be revoked entirely if the judicial officer finds that the accused has:

(1) intimidated or harassed a victim, potential witness, juror₂ or judicial officer in violation of a condition of release; or

(2) repeatedly violated conditions of release in a manner that impedes the prosecution of the accused; or

(3) violated a condition or conditions of release ~~which~~ that constitute a threat to the integrity of the judicial system; or

(4) without just cause₂ failed to appear at a specified time and place ordered by a judicial officer; or

(5) in violation of a condition of release, been charged with a felony or a crime against a person or an offense like similar to the underlying charge, for which, after hearing, probable cause is found.

Sec. 5. 13 V.S.A. § 7576 is amended to read:

§ 7576. DEFINITIONS

As used in this chapter:

* * *

(9) “Flight from prosecution” means any action or behavior undertaken by a person charged with a criminal offense to avoid court proceedings.

Sec. 6. INCARCERATION RATES OF PEOPLE OF COLOR; STUDY COMMITTEE; REPORT

(a) Study Committee. The Commissioner of the Department of Corrections, the Commissioner of the Department of Public Safety, the Attorney General, the Executive Director of the Department of State’s Attorneys and Sheriffs, and the Director of the Vermont State Police shall meet during the 2018 legislative interim to examine data regarding people of color who are incarcerated in Vermont. To the extent possible, the Committee shall also review data regarding people of color incarcerated in Maine and New Hampshire.

(b) On or before October 15, 2018, the committee shall report to the Joint Legislative Justice Oversight Committee on:

(1) data regarding all nonwhite offenders in the custody of the Department of Corrections, including:

(A) demographic information about the offender, including race and ethnicity and all known places of residence;

(B) the crime or crimes for which the offender is serving a sentence or being detained; and

(C) the length of the sentence being served by the offender or the length of his or her detainment;

(2) sentence length comparison data between white and nonwhite offenders who committed the same offense; and

(3) comparison data among Vermont, Maine, and New Hampshire regarding sentence lengths and incarceration rates of people of color.

Sec. 7. 13 V.S.A. § 7554b is amended to read:

§ 7554b. HOME DETENTION PROGRAM

(a) Definition. As used in this section, “home detention” means a program of confinement and supervision that restricts a defendant to a preapproved residence continuously, except for authorized absences, and is enforced by

appropriate means of surveillance and electronic monitoring by the Department of Corrections. The court may authorize scheduled absences such as for work, school, or treatment. Any changes in the schedule shall be solely at the discretion of the Department of Corrections. A defendant who is on home detention shall remain in the custody of the Commissioner of Corrections with conditions set by the court.

(b) Procedure. At the request of the court, the Department of Corrections, or the defendant, the status of a defendant who is detained pretrial in a correctional facility for ~~lack of inability to pay bail~~ after bail has been set by the court may be reviewed by the court to determine whether the defendant is appropriate for home detention. The review shall be scheduled upon the court's receipt of a report from the Department determining that the proposed residence is suitable for the use of electronic monitoring. A defendant held without bail pursuant to section 7553 or 7553a of this title shall not be eligible for release to the Home Detention Program on or after June 1, 2018. At arraignment or after a hearing, the court may order that the defendant be released to the Home Detention Program, ~~providing~~ provided that the court finds placing the defendant on home detention will reasonably assure his or her appearance in court when required and the proposed residence is appropriate for home detention. In making such a determination, the court shall consider:

- (1) the nature of the offense with which the defendant is charged;
- (2) the defendant's prior convictions, history of violence, medical and mental health needs, history of supervision, and risk of flight; and
- (3) any risk or undue burden to other persons who reside at the proposed residence or risk to third parties or to public safety that may result from such placement.

* * *

Sec. 8. JOINT LEGISLATIVE JUSTICE OVERSIGHT COMMITTEE; HOME DETENTION PROGRAM REVIEW

During the 2018 legislative interim, the Joint Legislative Justice Oversight Committee shall evaluate the Home Detention Program established under 13 V.S.A. § 7554b and recommend how to improve and expand the Program and what entity should manage the Program. Any resulting legislative recommendations shall be introduced as a bill in the 2019 legislative session.

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Report of Committee of Conference Adopted**H. 562**

Appearing on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to parentage proceedings

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses respectfully reported that it met and considered the same and recommended

Report of Committee of Conference**H. 562**

An act relating to parentage proceedings.

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.562. An act relating to parentage proceedings.

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 amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. Title 15C is added to read:

TITLE 15C. PARENTAGE PROCEEDINGS

CHAPTER 1. SHORT TITLE; DEFINITIONS; SCOPE; GENERAL PROVISIONS

§ 101. SHORT TITLE

This title may be cited as the Vermont Parentage Act.

§ 102. DEFINITIONS

As used in this title:

(1) "Acknowledged parent" means a person who has established a parent-child relationship under chapter 3 of this title.

(2) “Adjudicated parent” means a person who has been adjudicated by a court of competent jurisdiction to be a parent of a child.

(3) “Alleged genetic parent” means a person who is alleged to be, or alleges that the person is, a genetic parent or possible genetic parent of a child whose parentage has not been adjudicated. The term includes an alleged genetic father and alleged genetic mother. The term does not include:

(A) a presumed parent;

(B) a person whose parental rights have been terminated or declared not to exist; or

(C) a donor.

(4) “Assisted reproduction” means a method of causing pregnancy other than sexual intercourse and includes:

(A) intrauterine, intracervical, or vaginal insemination;

(B) donation of gametes;

(C) donation of embryos;

(D) in vitro fertilization and transfer of embryos; and

(E) intracytoplasmic sperm injection.

(5) “Birth” includes stillbirth.

(6) “Child” means a person of any age whose parentage may be determined under this title.

(7) “Domestic assault” shall include any offense as set forth in 13 V.S.A. chapter 19, subchapter 6 (domestic assault).

(8) “Donor” means a person who contributes a gamete or gametes or an embryo or embryos to another person for assisted reproduction or gestation, whether or not for consideration. This term does not include:

(A) a person who gives birth to a child conceived by assisted reproduction except as otherwise provided in chapter 8 of this title; or

(B) a parent under chapter 7 of this title or an intended parent under chapter 8 of this title.

(9) “Embryo” means a cell or group of cells containing a diploid complement of chromosomes or a group of such cells, not including a gamete, that has the potential to develop into a live born human being if transferred into the body of a person under conditions in which gestation may be reasonably expected to occur.

(10) "Gamete" means a sperm, egg, or any part of a sperm or egg.

(11) "Genetic population group" means, for purposes of genetic testing, a recognized group that a person identifies as all or part of the person's ancestry or that is so identified by other information.

(12) "Gestational carrier" means an adult person who is not an intended parent and who enters into a gestational carrier agreement to bear a child conceived using the gametes of other persons and not the gestational carrier's own, except that a person who carries a child for a family member using the gestational carrier's own gametes and who fulfills the requirements of chapter 8 of this title is a gestational carrier.

(13) "Gestational carrier agreement" means a contract between an intended parent or parents and a gestational carrier intended to result in a live birth.

(14) "Intended parent" means a person, whether married or unmarried, who manifests the intent to be legally bound as a parent of a child resulting from assisted reproduction or a gestational carrier agreement.

(15) "Marriage" includes civil union and any legal relationship that provides substantially the same rights, benefits, and responsibilities as marriage and is recognized as valid in the state or jurisdiction in which it was entered.

(16) "Parent" means a person who has established parentage that meets the requirements of this title.

(17) "Parentage" means the legal relationship between a child and a parent as established under this title.

(18) "Presumed parent" means a person who is recognized as the parent of a child under section 401 of this title.

(19) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(20) "Sexual assault" shall include sexual assault as provided in 13 V.S.A. § 3252(a), (b), (d), and (e); aggravated sexual assault as provided in 13 V.S.A. § 3253; aggravated sexual assault of a child as provided in 13 V.S.A. § 3253a; lewd and lascivious conduct with a child as provided in 13 V.S.A. § 2602; and similar offenses in other jurisdictions.

(21) "Sexual exploitation" shall include sexual exploitation of an inmate as provided in 13 V.S.A. § 3257, sexual exploitation of a minor as provided in 13 V.S.A. § 3258, sexual abuse of a vulnerable adult as provided in 13 V.S.A.

§ 1379, and similar offenses in other jurisdictions.

(22) “Sign” means, with the intent to authenticate or adopt a record, to:

(A) execute or adopt a tangible symbol; or

(B) attach to or logically associate with the record an electronic symbol, sound, or process.

(23) “Signatory” means a person who signs a record and is bound by its terms.

(24) “Spouse” includes a partner in a civil union or a partner in a legal relationship that provides substantially the same rights, benefits, and responsibilities as marriage and is recognized as valid in the state or jurisdiction in which it was entered.

§ 103. SCOPE AND APPLICATION

(a) Scope. This title applies to determination of parentage in this State.

(b) Choice of law. The court shall apply the law of this State to adjudicate parentage.

(c) Effect on parental rights. This title does not create, enlarge, or diminish parental rights and responsibilities under other laws of this State or the equitable powers of the courts, except as provided in this title.

§ 104. PARENTAGE PROCEEDING

(a) Proceeding authorized. A proceeding to adjudicate the parentage of a child shall be maintained in accordance with this title and with the Vermont Rules for Family Proceedings, except that proceedings for birth orders under sections 708 and 804 of this title shall be maintained in accordance with the Vermont Rules of Probate Procedure.

(b) Actions brought by the Office of Child Support. If the complaint is brought by the Office of Child Support, the complaint shall be accompanied by an affidavit of the parent whose rights have been assigned. In cases where the assignor is not a genetic parent or is a genetic parent who refuses to provide an affidavit, the affidavit may be submitted by the Office of Child Support, but the affidavit alone shall not support a default judgment on the issue of parentage.

(c) Original actions. Original actions to adjudicate parentage may be commenced in the Family Division of the Superior Court, except that proceedings for birth orders under sections 708 and 804 of this title shall be commenced in the Probate Division of the Superior Court.

(d) No right to jury. There shall be no right to a jury trial in an action to

determine parentage.

(e) Disclosure of Social Security numbers. A person who is a party to a parentage action shall disclose that person's Social Security number to the court. The Social Security number of a person subject to a parentage adjudication shall be placed in the court records relating to the adjudication. The court shall disclose a person's Social Security number to the Office of Child Support.

§ 105. STANDING TO MAINTAIN PROCEEDING

Subject to other provisions of this chapter, a proceeding to adjudicate parentage may be maintained by:

(1) the child;

(2) the person who gave birth to the child unless a court has adjudicated that the person is not a parent or the person is a gestational carrier who is not a parent under subdivision 803(1)(A) of this title;

(3) a person whose parentage is to be adjudicated;

(4) a person who is a parent under this title;

(5) the Department for Children and Families, including the Office of Child Support; or

(6) a representative authorized by law to act for a person who would otherwise be entitled to maintain a proceeding but who is deceased, incapacitated, or a minor.

§ 106. NOTICE OF PROCEEDING

(a) A petitioner under this chapter shall give notice of the proceeding to adjudicate parentage to the following:

(1) the person who gave birth to the child unless a court has adjudicated that the person is not a parent;

(2) a person who is a parent of the child under this chapter;

(3) a presumed, acknowledged, or adjudicated parent of the child;

(4) a person whose parentage of the child is to be adjudicated; and

(5) the Office of Child Support, in cases in which either party is a recipient of public assistance benefits from the Economic Services Division and has assigned the right to child support, or in cases in which either party has requested the services of the Office of Child Support.

(b) A person entitled to notice under subsection (a) of this section and the Office of Child Support, where the Office is involved pursuant to subdivision

(a)(5), has a right to intervene in the proceeding.

(c) Lack of notice required by subsection (a) of this section shall not render a judgment void. Lack of notice does not preclude a person entitled to notice under subsection (a) from bringing a proceeding under this title.

(d) This section shall not apply to petitions for birth orders under chapters 7 and 8 of this title.

§ 107. FORM OF NOTICE

Notice shall be by first-class mail to the person's last known address.

§ 108. PERSONAL JURISDICTION

(a) Personal jurisdiction. A person shall not be adjudicated a parent unless the court has personal jurisdiction over the person.

(b) Personal jurisdiction over nonresident. A court of this State having jurisdiction to adjudicate parentage may exercise personal jurisdiction over a nonresident person, or the guardian or conservator of the person, if the conditions prescribed in Title 15B are fulfilled.

(c) Adjudication. Lack of jurisdiction over one person does not preclude the court from making an adjudication of parentage binding on another person over whom the court has personal jurisdiction.

§ 109. VENUE

Venue for a proceeding to adjudicate parentage shall be in the county in which:

(1) the child resides or is present or, for purposes of chapter 7 or 8 of this title, is or will be born;

(2) any parent or intended parent resides;

(3) the respondent resides or is present if the child does not reside in this State;

(4) a proceeding for probate or administration of the parent or alleged parent's estate has been commenced; or

(5) a child protection proceeding with respect to the child has been commenced.

§ 110. JOINDER OF PROCEEDINGS

(a) Joinder permitted. Except as otherwise provided in subsection (b) of this section, a proceeding to adjudicate parentage may be joined with a proceeding for parental rights and responsibilities, parent-child contact, child support, child protection, termination of parental rights, divorce, annulment,

legal separation, guardianship, probate or administration of an estate or other appropriate proceeding, or a challenge or rescission of acknowledgment of parentage. Such proceedings shall be in the Family Division of the Superior Court.

(b) Joinder not permitted. A respondent may not join a proceeding described in subsection (a) of this section with a proceeding to adjudicate parentage brought as part of an interstate child support enforcement action under Title 15B.

§ 111. ORDERS

(a) Interim order for support. In a proceeding under this title, the court may issue an interim order for support of a child in accordance with the child support guidelines under 15 V.S.A. § 654 with respect to a person who is:

- (1) a presumed, acknowledged, or adjudicated parent of the child;
- (2) petitioning to have parentage adjudicated;
- (3) identified as the genetic parent through genetic testing under chapter 6 of this title;
- (4) an alleged genetic parent who has declined to submit to genetic testing;
- (5) shown by a preponderance of evidence to be a parent of the child;
- (6) the person who gave birth to the child, other than a gestational carrier; or
- (7) a parent under this chapter.

(b) Interim order for parental rights and responsibilities. In a proceeding under this title, the court may make an interim order regarding parental rights and responsibilities on a temporary basis.

(c) Final orders. Final orders concerning child support or parental rights and responsibilities shall be governed by Title 15.

§ 112. ADMISSION OF PARENTAGE AUTHORIZED

(a) Admission of parentage. A respondent in a proceeding to adjudicate parentage may admit parentage of a child when making an appearance or during a hearing in a proceeding involving the child or by filing a pleading to such effect. An admission of parentage pursuant to this section is different from an acknowledgment of parentage as provided in chapter 3 of this title.

(b) Order adjudicating parentage. If the court finds an admission to be consistent with the provisions of this chapter and rejects any objection filed by another party, the court may issue an order adjudicating the child to be the

child of the person admitting parentage.

§ 113. ORDER ON DEFAULT

The court may issue an order adjudicating the parentage of a person who is in default, providing:

- (1) the person was served with notice of the proceeding; and
- (2) the person is found by the court to be the parent of the child.

§ 114. ORDER ADJUDICATING PARENTAGE

(a) Issuance of order. In a proceeding under this chapter, the court shall issue a final order adjudicating whether a person alleged or claiming to be a parent is the parent of a child.

(b) Identify child. A final order under subsection (a) of this section shall identify the child by name and date of birth.

(c) Change of name. On request of a party and for good cause shown, the court may order that the name of the child be changed.

(d) Amended birth record. If the final order under subsection (a) of this section is at variance with the child's birth certificate, the Department of Health shall issue an amended birth certificate.

§ 115. BINDING EFFECT OF DETERMINATION OF PARENTAGE

(a) Determination binding. Except as otherwise provided in subsection (b) of this section, a determination of parentage shall be binding on:

- (1) all signatories to an acknowledgment of parentage or denial of parentage as provided in chapter 3 of this title; and
- (2) all parties to an adjudication by a court acting under circumstances that satisfy the jurisdictional requirements of section 108 of this title.

(b) Adjudication in proceeding to dissolve marriage. In a proceeding to dissolve a marriage, the court is deemed to have made an adjudication of the parentage of a child if:

- (1) the court acts under circumstances that satisfy the jurisdictional requirements of section 108 of this title; and
- (2) the final order:
 - (A) expressly identifies a child as a "child of the marriage" or "issue of the marriage" or by similar words indicates that the parties are the parents of the child; or
 - (B) provides for support of the child by the parent or parents.

(c) Determination a defense. Except as otherwise provided in this chapter, a determination of parentage shall be a defense in a subsequent proceeding seeking to adjudicate parentage by a person who was not a party to the earlier proceeding.

(d) Challenge to adjudication.

(1) Challenge by a person who was a party to an adjudication. A party to an adjudication of parentage may challenge the adjudication only by appeal or in a manner otherwise consistent with the Vermont Rules for Family Proceedings.

(2) Challenge by a person who was not a party to an adjudication. A person who has standing under section 105 of this title, but who did not receive notice of the adjudication of parentage under section 106 of this title and was not a party to the adjudication, may challenge the adjudication within two years after the effective date of the adjudication. The court, in its discretion, shall permit the proceeding only if it finds that it is in the best interests of the child. If the court permits the proceeding, the court shall adjudicate parentage under section 206 of this title.

(e) Child not bound. A child is not bound by a determination of parentage under this chapter unless:

(1) the determination was based on an unrescinded acknowledgment of parentage and the acknowledgment is consistent with the results of genetic testing;

(2) the determination was based on a finding consistent with the results of genetic testing;

(3) the determination of parentage was made under chapter 7 or 8 of this title; or

(4) the child was a party or was represented by an attorney, guardian ad litem, or similar person in the proceeding in which the child's parentage was adjudicated.

§ 116. FULL FAITH AND CREDIT

A court of this State shall give full faith and credit to a determination of parentage and to an acknowledgment of parentage from another state if the determination is valid and effective in accordance with the law of the other state.

CHAPTER 2. ESTABLISHMENT OF PARENTAGE

§ 201. RECOGNIZED PARENTS

A person may establish parentage by any of the following:

- (1) Birth. Giving birth to the child, except as otherwise provided in chapter 8 of this title.
- (2) Adoption. Adoption of the child pursuant to Title 15A.
- (3) Acknowledgment. An effective voluntary acknowledgment of parentage under chapter 3 of this title.
- (4) Adjudication. An adjudication based on an admission of parentage under section 112 of this title.
- (5) Presumption. An un rebutted presumption of parentage under chapter 4 of this title.
- (6) De facto parentage. An adjudication of de facto parentage, under chapter 5 of this title.
- (7) Genetic parentage. An adjudication of genetic parentage under chapter 6 of this title.
- (8) Assisted reproduction. Consent to assisted reproduction under chapter 7 of this title.
- (9) Gestational carrier agreement. Consent to a gestational carrier agreement by the intended parent or parents under chapter 8 of this title.

§ 202. NONDISCRIMINATION

Every child has the same rights under law as any other child without regard to the marital status or gender of the parents or the circumstances of the birth of the child.

§ 203. CONSEQUENCES OF ESTABLISHMENT OF PARENTAGE

Unless parentage has been terminated by a court order or an exception has been stated explicitly in this title, parentage established under this title applies for all purposes, including the rights and duties of parentage under the law.

§ 204. DETERMINATION OF MATERNITY AND PATERNITY

Provisions of this title relating to determination of paternity may apply to determination of maternity as needed to determine parentage consistent with this title.

§ 205. NO LIMITATION ON CHILD

Nothing in this chapter limits the right of a child to bring an action to adjudicate parentage.

§ 206. ADJUDICATING COMPETING CLAIMS OF PARENTAGE

(a) Competing claims of parentage. Except as otherwise provided in section 616 of this title, in a proceeding to adjudicate competing claims of parentage or challenges to a child's parentage by two or more persons, the court shall adjudicate parentage in the best interests of the child, based on the following factors:

- (1) the age of the child;
- (2) the length of time during which each person assumed the role of parent of the child;
- (3) the nature of the relationship between the child and each person;
- (4) the harm to the child if the relationship between the child and each person is not recognized;
- (5) the basis for each person's claim to parentage of the child; and
- (6) other equitable factors arising from the disruption of the relationship between the child and each person or the likelihood of other harm to the child.

(b) Preservation of parent-child relationship. Consistent with the establishment of parentage under this chapter, a court may determine that a child has more than two parents if the court finds that it is in the best interests of the child to do so. A finding of best interests of the child under this subsection does not require a finding of unfitness of any parent or person seeking an adjudication of parentage.

CHAPTER 3. VOLUNTARY ACKNOWLEDGMENT OF PARENTAGE

§ 301. ACKNOWLEDGMENT OF PARENTAGE

(a) The following persons may sign an acknowledgment of parentage to establish parentage of a child:

- (1) a person who gave birth to the child;
- (2) a person who is the alleged genetic parent of the child;
- (3) a person who is an intended parent to the child pursuant to chapter 7 or 8 of this title; and
- (4) a presumed parent pursuant to chapter 4 of this title.

(b) The acknowledgment shall be signed by both the person who gave birth to the child and by the person seeking to establish a parent-child relationship and shall be witnessed and signed by at least one other person.

§ 302. ACKNOWLEDGMENT OF PARENTAGE VOID

An acknowledgment of parentage shall be void if, at the time of signing:

(1) a person other than the person seeking to establish parentage is a presumed parent, unless a denial of parentage in a signed record has been filed with the Department of Health; or

(2) a person, other than the person who gave birth, is an acknowledged, admitted, or adjudicated parent, or an intended parent under chapter 7 or 8 of this title.

§ 303. DENIAL OF PARENTAGE

A person presumed to be a parent or an alleged genetic parent may sign a denial of parentage only in the limited circumstances set forth in this section. A denial of parentage shall be valid only if:

(1) an acknowledgment of parentage by another person has been filed pursuant to this chapter;

(2) the denial is in a record and is witnessed and signed by at least one other person; and

(3) the person executing the denial has not previously:

(A) acknowledged parentage, unless the previous acknowledgment has been rescinded pursuant to section 307 of this title or successfully challenged the acknowledgment pursuant to section 308 of this title; or

(B) been adjudicated to be the parent of the child.

§ 304. CONDITIONS FOR ACKNOWLEDGMENT OR DENIAL OF PARENTAGE

(a) Completed forms for acknowledgment of parentage and denial of parentage shall be filed with the Department of Health.

(b) An acknowledgment of parentage or denial of parentage may be signed before or after the birth of a child.

(c) An acknowledgment of parentage or denial of parentage takes effect on the date of the birth of the child or the filing of the document with the Department of Health, whichever occurs later.

(d) An acknowledgment of parentage or denial of parentage signed by a minor shall be valid provided it is otherwise in compliance with this title.

§ 305. EQUIVALENT TO ADJUDICATION; NO RATIFICATION REQUIRED

(a) Acknowledgment. Except as otherwise provided in sections 307 and 308 of this title, a valid acknowledgment of parentage under section 301 of this title filed with the Department of Health is equivalent to an adjudication of parentage of a child and confers upon the acknowledged parent all of the rights

and duties of a parent.

(b) Ratification. Judicial or administrative ratification is neither permitted nor required for an unrescinded or unchallenged acknowledgment of parentage.

(c) Denial. Except as otherwise provided in sections 307 and 308 of this title, a valid denial of parentage under section 303 of this title filed with the Department of Health in conjunction with a valid acknowledgment of parentage under section 301 of this title is equivalent to an adjudication of the nonparentage of the presumed parent or alleged genetic parent and discharges the presumed parent or alleged genetic parent from all rights and duties of a parent.

(d) Rescission or challenge. A signatory of an acknowledgment of parentage may rescind or challenge the acknowledgment in accordance with sections 307-309 of this title.

§ 306. NO FILING FEE

The Department of Health shall not charge a fee for filing an acknowledgment of parentage or denial of parentage.

§ 307. TIMING OF RESCISSION

(a) A person may rescind an acknowledgment of parentage or denial of parentage under this chapter by any of the following methods:

(1) Filing a rescission with the Department of Health within 60 days after the effective date of the acknowledgment or denial. The signing of the rescission shall be witnessed and signed by at least one other person.

(2) Commencing a court proceeding within 60 days after:

(A) the effective date of the acknowledgment or denial, as provided in section 304 of this title; or

(B) the date of the first court hearing in a proceeding in which the signatory is a party to adjudicate an issue relating to the child, including a proceeding seeking child support.

(b) If an acknowledgment of parentage is rescinded under this section, any associated denial of parentage becomes invalid, and the Department of Health shall notify the person who gave birth to the child and any person who signed a denial of parentage of the child that the acknowledgment of parentage has been rescinded. Failure to give notice required by this section does not affect the validity of the rescission.

§ 308. CHALLENGE TO ACKNOWLEDGMENT AFTER EXPIRATION

OF PERIOD FOR RESCISSION

(a) Challenge by signatory. After the period for rescission under section 307 of this title has expired, a signatory of an acknowledgment of parentage or denial of parentage may commence a proceeding to challenge the acknowledgment or denial only:

(1) on the basis of fraud, duress, coercion, threat of harm, or material mistake of fact; and

(2) within two years after the acknowledgment or denial is effective in accordance with section 304 of this title.

(b) Challenge by person not a signatory. If an acknowledgment of parentage has been made in accordance with this chapter, a person who is neither the child nor a signatory to the acknowledgment who seeks to challenge the validity of the acknowledgment and adjudicate parentage shall commence a proceeding within two years after the effective date of the acknowledgment unless the person did not know and could not reasonably have known of the person's potential parentage due to a material misrepresentation or concealment, in which case the proceeding shall be commenced within two years after the discovery of the person's potential parentage.

(c) Burden of proof. A person challenging an acknowledgment of parentage or denial of parentage pursuant to this section has the burden of proof by clear and convincing evidence.

(d) Consolidation. A court proceeding in which the validity of an acknowledgment of parentage is challenged shall be consolidated with any other pending court actions regarding the child.

§ 309. PROCEDURE FOR RESCISSION OR CHALLENGE

(a) Every signatory party. Every signatory to an acknowledgment of parentage and any related denial of parentage shall be made a party to a proceeding under section 307 or 308 of this title to rescind or challenge the acknowledgment or denial.

(b) Submission to personal jurisdiction. For the purpose of rescission of or challenge to an acknowledgment of parentage or denial of parentage, a signatory submits to personal jurisdiction of this State by signing the acknowledgment or denial, effective upon the filing of the document with the Department of Health pursuant to section 304 of this title.

(c) Suspension of legal responsibilities. Except for good cause shown, during the pendency of a proceeding to rescind or challenge an acknowledgment of parentage or denial of parentage, the court shall not

suspend the legal responsibilities of a signatory arising from the acknowledgment, including the duty to pay child support.

(d) Proceeding to rescind or challenge. A proceeding to rescind or challenge an acknowledgment of parentage or denial of parentage shall be conducted as a proceeding to adjudicate parentage pursuant to chapter 1 of this title.

(e) Amendment to birth record. At the conclusion of a proceeding to rescind or challenge an acknowledgment of parentage or denial of parentage, the court shall order the Department of Health to amend the birth record of the child, if appropriate.

§ 310. FORMS FOR ACKNOWLEDGMENT AND DENIAL OF PARENTAGE

(a) The Department of Health shall develop an acknowledgment of parentage form and denial of parentage form for execution of parentage under this chapter.

(b) The acknowledgment of parentage form shall provide notice of the alternatives to, the legal consequences of, and the rights and responsibilities that arise from signing the acknowledgment and shall state that:

(1) there is no other presumed parent of the child or, if there is another presumed parent, shall state that parent's full name;

(2) there is no other acknowledged parent, adjudicated parent, or person who is an intended parent under chapter 7 or 8 of this title other than the person who gave birth to the child; and

(3) the signatories understand that the acknowledgment is the equivalent of a court determination of parentage of the child and that a challenge to the acknowledgment is permitted only under limited circumstances.

(c) A valid acknowledgment of parentage or denial of parentage is not affected by a later modification of the prescribed form.

§ 311. RELEASE OF INFORMATION

The Department of Health may release information relating to an acknowledgment of parentage under section 301 of this title as provided in 18 V.S.A. § 5002.

§ 312. ADOPTION OF RULES

The Department of Health may adopt rules to implement this chapter.

CHAPTER 4. PRESUMED PARENTAGE

§ 401. PRESUMPTION OF PARENTAGE

(a) Except as otherwise provided in this title, a person is presumed to be a parent of a child if:

(1) the person and the person who gave birth to the child are married to each other and the child is born during the marriage; or

(2) the person and the person who gave birth to the child were married to each other and the child is born not later than 300 days after the marriage is terminated by death, annulment, declaration of invalidity, divorce, or dissolution; or

(3) the person and the person who gave birth to the child married each other after the birth of the child and the person at any time asserted parentage of the child and the person agreed to be and is named as a parent of the child on the birth certificate of the child; or

(4) the person resided in the same household with the child for the first two years of the life of the child, including periods of temporary absence, and the person and another parent of the child openly held out the child as the person's child.

(b) A presumption of parentage shall be rebuttable and may be overcome and competing claims to parentage resolved only by court order or a valid denial of parentage pursuant to chapter 3 of this title.

§ 402. CHALLENGE TO PRESUMED PARENT

(a) Except as provided in subsection (b) of this section, a proceeding to challenge the parentage of a person whose parentage is presumed under section 401 of this title shall be commenced within two years after the birth of the child.

(b) A proceeding to challenge the parentage of a person whose parentage is presumed under section 401 of this title may be commenced two years or more after the birth of the child in the following circumstances:

(1) A presumed parent who is not the genetic parent of a child and who could not reasonably have known about the birth of the child may commence a proceeding under this section within two years after learning of the child's birth.

(2) An alleged genetic parent who did not know of the potential genetic parentage of a child and who could not reasonably have known on account of material misrepresentation or concealment may commence a proceeding under this section within two years after discovering the potential genetic parentage. If the person is adjudicated to be the genetic parent of the child, the court may not disestablish a presumed parent.

(3) Regarding a presumption under subdivision 401(a)(4) of this title, another parent of the child may challenge a presumption of parentage if that parent openly held out the child as the presumptive parent's child due to duress, coercion, or threat of harm. Evidence of duress, coercion, or threat of harm may include whether within the prior ten years, the person presumed to be a parent pursuant to subdivision 401(a)(4) of this title has been convicted of domestic assault, sexual assault, or sexual exploitation of the child or another parent of the child, was subject to a final abuse protection order pursuant to 15 V.S.A. chapter 21 because the person was found to have committed abuse against the child or another parent of the child, or was substantiated for abuse against the child or another parent of the child pursuant to 33 V.S.A. chapter 49 or 33 V.S.A. chapter 69.

§ 403. MULTIPLE PRESUMPTIONS

If two or more conflicting presumptions arise under this chapter, the court shall adjudicate parentage pursuant to section 206 of this title.

CHAPTER 5. DE FACTO PARENTAGE

§ 501. STANDARD; ADJUDICATION

(a)(1) In a proceeding to adjudicate the parentage of a person who claims to be a de facto parent of the child, if there is only one other person who is a parent or has a claim to parentage of the child, the court shall adjudicate the person who claims to be a de facto parent to be a parent of the child if the person demonstrates by clear and convincing evidence that:

(A) the person resided with the child as a regular member of the child's household for a significant period of time;

(B) the person engaged in consistent caretaking of the child;

(C) the person undertook full and permanent responsibilities of a parent of the child without expectation of financial compensation;

(D) the person held out the child as the person's child;

(E) the person established a bonded and dependent relationship with the child which is parental in nature;

(F) the person and another parent of the child fostered or supported the bonded and dependent relationship required under subdivision (E) of this subdivision (1); and

(G) continuing the relationship between the person and the child is in the best interests of the child.

(2) A parent of the child may use evidence of duress, coercion, or threat of

harm to contest an allegation that the parent fostered or supported a bonded and dependent relationship as provided in subdivision (1)(F) of this subsection. Such evidence may include whether within the prior ten years, the person seeking to be adjudicated a de facto parent has been convicted of domestic assault, sexual assault, or sexual exploitation of the child or another parent of the child, was subject to a final abuse protection order pursuant to 15 V.S.A. chapter 21 because the person was found to have committed abuse against the child or another parent of the child, or was substantiated for abuse against the child or another parent of the child pursuant to 33 V.S.A. chapter 49 or 33 V.S.A. chapter 69.

(b) In a proceeding to adjudicate the parentage of a person who claims to be a de facto parent of the child, if there is more than one other person who is a parent or has a claim to parentage of the child and the court determines that the requirements of subsection (a) of this section are met by clear and convincing evidence, the court shall adjudicate parentage under section 206 of this title, subject to other applicable limitations in this title.

(c) The adjudication of a person as a de facto parent under this chapter does not disestablish the parentage of any other parent.

§ 502. STANDING; PETITION

(a) A person seeking to be adjudicated a de facto parent of a child shall file a petition with the Family Division of the Superior Court before the child reaches 18 years of age. Both the person seeking to be adjudicated a de facto parent and the child must be alive at the time of the filing. The petition shall include a verified affidavit alleging facts to support the existence of a de facto parent relationship with the child. The petition and affidavit shall be served on all parents and legal guardians of the child and any other party to the proceeding.

(b) An adverse party, parent, or legal guardian may file a pleading and verified affidavit in response to the petition that shall be served on all parties to the proceeding.

(c) The court shall determine on the basis of the pleadings and affidavits whether the person seeking to be adjudicated a de facto parent has presented prima facie evidence of the criteria for de facto parentage as provided in subsection 501(a) of this title and, therefore, has standing to proceed with a parentage action. The court, in its sole discretion, may hold a hearing to determine disputed facts that are necessary and material to the issue of standing.

(d) The court may enter an interim order concerning contact between the child and a person with standing seeking adjudication under this chapter as a

de facto parent of the child.

CHAPTER 6. GENETIC PARENTAGE

§ 601. SCOPE

This chapter governs procedures and requirements of genetic testing and genetic testing results of a person to determine parentage and adjudication of parentage based on genetic testing, whether the person voluntarily submits to testing or is tested pursuant to an order of the court. Genetic testing shall not be used to challenge the parentage of a person who is a parent by operation of law under chapter 7 or 8 of this title or to establish the parentage of a person who is a donor.

§ 602. REQUIREMENTS FOR GENETIC TESTING

Genetic testing shall be of a type reasonably relied upon by scientific and medical experts in the field of genetic testing and performed in a testing laboratory accredited by a national association of blood banks or an accrediting body designated by the Secretary of the U.S. Department of Health and Human Services. As used in this chapter, "genetic testing" shall have the same meaning as provided in 18 V.S.A. § 9331.

§ 603. COURT ORDER FOR TESTING

(a) Order to submit to genetic testing. Except as provided in section 615 of this title or as otherwise provided in this chapter, upon motion the court may order a child and other persons to submit to genetic testing.

(b) Presumption of genetic parentage. Genetic testing of the person who gave birth to a child shall not be ordered to prove that such person is the genetic parent unless there is a reasonable, good faith basis to dispute genetic parentage.

(c) In utero testing. A court shall not order in utero genetic testing.

(d) Concurrent or sequential testing. If two or more persons are subject to court-ordered genetic testing, the testing may be ordered concurrently or sequentially.

§ 604. GENETIC TESTING RESULTS

(a) A person shall be identified as a genetic parent of a child if the genetic testing of the person complies with this chapter and the results of testing disclose that the individual has at least a 99 percent probability of parentage as determined by the testing laboratory.

(b) Identification of a genetic parent through genetic testing does not establish parentage absent adjudication under this chapter and a court may rely

on nongenetic evidence to determine parentage, including parentage by acknowledgment pursuant to chapter 3 of this title or by admission pursuant to section 112 of this title, presumed parentage under chapter 4 of this title, de facto parentage under chapter 5 of this title, and parentage by intended parents under chapter 7 or 8 of this title.

(c) A person identified under subsection (a) of this section as a genetic parent of a child may rebut the genetic testing results only by other genetic testing satisfying the requirements of this chapter that:

(1) excludes the person as a genetic parent of the child; or

(2) identifies a person other than the person who gave birth to the child as a possible genetic parent of the child.

§ 605. REPORT OF GENETIC TESTING

(a) A report of genetic testing shall be in a record and signed under penalty of perjury by a designee of the testing laboratory. A report made under the requirements of this chapter is self-authenticating.

(b) A party in possession of results of genetic testing shall provide such results to all other parties to the parentage action upon receipt of the results and not later than 15 days before any hearing at which the results may be admitted into evidence.

§ 606. ADMISSIBILITY OF RESULTS OF GENETIC TESTING

(a) Production of results; notice. Unless waived by the parties, a party intending to rely on the results of genetic testing shall do all of the following:

(1) make the test results available to the other parties to the parentage action at least 15 days prior to any hearing at which the results may be admitted into evidence;

(2) give notice to the court and other parties to the proceeding of the intent to use the test results at the hearing; and

(3) give the other parties notice of this statutory section, including the need to object in a timely fashion.

(b) Objection. Any motion objecting to genetic test results shall be made in writing to the court and to the party intending to introduce the evidence at least seven days prior to any hearing at which the results may be introduced into evidence. If no timely objection is made, the written results shall be admissible as evidence without the need for foundation testimony or other proof of authenticity or accuracy.

(c) Results inadmissible; exceptions. If a child has a presumed parent,

acknowledged parent, or adjudicated parent, the results of genetic testing shall be admissible to adjudicate parentage only:

(1) with the consent of each person who is a parent of the child under this title, unless the court finds that admission of the testing is in the best interests of the child as provided in subsection 615(b) of this title; or

(2) pursuant to an order of the court under section 603 of this title.

§ 607. ADDITIONAL GENETIC TESTING

The court shall order additional genetic testing upon the request of a party who contests the result of the initial testing. If the initial genetic testing identified a person as a genetic parent of the child under section 604 of this title, the court shall not order additional testing unless the party provides advance payment for the testing.

§ 608. CONSEQUENCES OF DECLINING GENETIC TESTING

(a) If a person whose parentage is being determined under this chapter declines to submit to genetic testing ordered by the court, the court for that reason may adjudicate parentage contrary to the position of that person.

(b) Genetic testing of the person who gave birth to a child is not a condition precedent to testing the child and an individual whose parentage is being determined under this chapter. If the person who gave birth is unavailable or declines to submit to genetic testing, the court may order the testing of the child and every person whose genetic parentage is being adjudicated.

§ 609. ADJUDICATION OF PARENTAGE BASED ON GENETIC TESTING

(a)(1) If genetic testing results pursuant to section 604 of this title exclude a person as the genetic parent of a child, the court shall find that person is not a genetic parent of the child and may not adjudicate the person as the child's parent on the basis of genetic testing.

(2) If genetic testing results pursuant to section 604 of this title identify a person as the genetic parent of a child, the court shall find that person to be the genetic parent and may adjudicate the person as the child's parent, unless otherwise provided by this title.

(3) Subdivisions (1) and (2) of this subsection do not apply if the results of genetic testing are admitted for the purpose of rebutting results of other genetic testing.

(b) If the court finds that genetic testing pursuant to section 604 of this title neither identifies nor excludes a person as the genetic parent of a child, the

court shall not dismiss the proceeding. In that event, the results of genetic testing and other evidence are admissible to adjudicate the issue of parentage, including testimony relating to the sexual conduct of the person who gave birth to the child but only if it is alleged to have occurred during a time when conception of the child was probable.

§ 610. COSTS OF GENETIC TESTING

(a) The costs of initial genetic testing shall be paid:

(1) by the Office of Child Support in a proceeding in which the Office is providing services, if the Office requests such testing;

(2) as agreed by the parties or, if the parties cannot agree, by the person who made the request for genetic testing; or

(3) as ordered by the court.

(b) Notwithstanding subsection (a) of this section, a person who challenges a presumption, acknowledgment, or admission of parentage shall bear the cost for any genetic testing requested by such person.

(c) In cases in which the payment for the costs of initial genetic testing is advanced pursuant to subsection (a) of this section, the Office of Child Support may seek reimbursement from the genetic parent whose parent-child relationship is established.

§ 611. GENETIC TESTING WHEN SPECIMENS NOT AVAILABLE

(a) If a genetic testing specimen is not available from an alleged genetic parent of a child, for good cause the court may order the following persons to submit specimens for genetic testing:

(1) the parents of the alleged genetic parent;

(2) a sibling of the alleged genetic parent;

(3) another child of the alleged genetic parent and the person who gave birth to that other child; and

(4) another relative of the alleged genetic parent necessary to complete genetic testing.

(b) Prior to issuing an order under subsection (a) of this section, the court shall provide notice and opportunity to be heard to the person from whom a genetic sample is requested. If the court does order a person to be tested pursuant to subsection (a) of this section, it shall make a written finding that the need for genetic testing outweighs the legitimate interests, including the privacy and bodily integrity interests, of the person sought to be tested.

(c) A genetic specimen taken pursuant to this section shall be destroyed

after final determination of the parentage case.

§ 612. DECEASED PERSON

For good cause shown, the court may order genetic testing of a deceased person.

§ 613. IDENTICAL SIBLING

(a) The court may order genetic testing of a person who is believed to have an identical sibling if evidence suggests the sibling may be the genetic parent of the child.

(b) If more than one sibling is identified as a genetic parent of the child, the court may rely on nongenetic evidence to adjudicate which sibling is a genetic parent of the child.

§ 614. CONFIDENTIALITY OF GENETIC TESTING

(a) A report of genetic testing for parentage is exempt from public inspection and copying under the Public Records Act and shall be kept confidential and released only as provided in this title.

(b) A person shall not intentionally release a report of genetic testing or the genetic material of another person for a purpose not relevant to a parentage proceeding without the written permission of the person who furnished the genetic material. A person who violates this section shall be imprisoned not more than one year or fined not more than \$1,000.00, or both.

§ 615. AUTHORITY TO DENY REQUESTED ORDER FOR GENETIC TESTING OR ADMISSION OF TEST RESULTS

(a) Grounds for denial. In a proceeding to adjudicate parentage, the court may deny a motion seeking an order for genetic testing or deny admissibility of the test results at trial if it determines that:

(1) the conduct of the parties estops a party from denying parentage; or

(2) it would be an inequitable interference with the relationship between the child and an acknowledged, adjudicated, de facto, presumed, or intended parent, or would otherwise be contrary to the best interests of the child as provided in subsection (b) of this section.

(b) Factors. In determining whether to deny a motion seeking an order for genetic testing under this title or a request for admission of such test results at trial, the court shall consider the best interests of the child, including the following factors, if relevant:

(1) the length of time between the proceeding to adjudicate parentage and the time that a parent was placed on notice that genetic parentage is at

issue;

(2) the length of time during which the parent has assumed a parental role for the child;

(3) the facts surrounding discovery that genetic parentage is at issue;

(4) the nature of the relationship between the child and the parent;

(5) the age of the child;

(6) any adverse effect on the child that may result if parentage is successfully disproved;

(7) the nature of the relationship between the child and any alleged parent;

(8) the extent to which the passage of time reduces the chances of establishing the parentage of another person and a child support obligation in favor of the child; and

(9) any additional factors that may affect the equities arising from the disruption of the relationship between the child and the parent or the chance of an adverse effect on the child.

(c) Order. In cases involving an acknowledged or presumed parent, if the court denies a motion seeking an order for genetic testing, the court shall issue an order adjudicating the acknowledged or presumed parent to be the parent of the child.

§ 616. PRECLUDING ESTABLISHMENT OF PARENTAGE BY PERPETRATOR OF SEXUAL ASSAULT

(a) In a proceeding in which a person is alleged to have committed a sexual assault that resulted in the birth of a child, the person giving birth may seek to preclude the establishment of the other person's parentage.

(b) This section shall not apply if the person alleged to have committed a sexual assault has previously been adjudicated to be a parent of the child.

(c) In a parentage proceeding, the person giving birth may file a pleading making an allegation under subsection (a) of this section at any time.

(d) The standard of proof that a child was conceived as a result of the person sexually assaulting the person who gave birth to the child may be proven by the petitioner by either of the following:

(1) clear and convincing evidence that the person was convicted of a sexual assault against the person giving birth and that the child was conceived as a result of the sexual assault; or

(2) clear and convincing evidence that the person sexually assaulted or sexually exploited the person who gave birth to the child and that the child was conceived as a result of the sexual assault or sexual exploitation, regardless of whether criminal charges were brought against the person.

(e) If the court finds that the burden of proof under subsection (d) of this section is met, the court shall enter an order:

(1) adjudicating that the person alleged to have committed a sexual assault is not a parent of the child;

(2) requiring that the Department of Health amend the birth certificate to delete the name of the person precluded as a parent; and

(3) requiring that the person alleged to have committed a sexual assault to pay child support or birth-related costs, or both, unless the person giving birth requests otherwise.

CHAPTER 7. PARENTAGE BY ASSISTED REPRODUCTION

§ 701. SCOPE

This chapter does not apply to the birth of a child conceived by sexual intercourse or assisted reproduction under a surrogacy agreement under chapter 8 of this title.

§ 702. PARENTAL STATUS OF DONOR

(a) A donor is not a parent of a child conceived through assisted reproduction.

(b) Notwithstanding subsection (a) of this section:

(1) a person who provides a gamete or gametes or an embryo or embryos to be used for assisted reproduction for the person's spouse is a parent of the resulting child; and

(2) a person who provides a gamete or an embryo for assisted reproduction is a parent of the resulting child if the person has a written agreement or agreements with the person giving birth that the person providing the gamete or the embryo is intended to be a parent.

§ 703. PARENTAGE OF CHILD OF ASSISTED REPRODUCTION

A person who consents under section 704 of this title to assisted reproduction by another person with the intent to be a parent of a child conceived by the assisted reproduction is a parent of the child.

§ 704. CONSENT TO ASSISTED REPRODUCTION

(a)(1) A person who intends to be a parent of a child born through assisted

reproduction shall consent to such in a signed record that is executed by each intended parent and provides that the signatories consent to the use of assisted reproduction to conceive a child with the intent to parent the child.

(2) Consent pursuant to subdivision (1) of this subsection, executed via a form made available by the Department of Health, shall be accepted and relied upon for purposes of issuing a birth record.

(b) In the absence of a record pursuant to subsection (a) of this section, a court may adjudicate a person as the parent of a child if it finds by a preponderance of the evidence that:

(1) prior to conception or birth of the child, the parties entered into an agreement that they both intended to be the parents of the child; or

(2) the person resided with the child after birth and undertook to develop a parental relationship with the child.

§ 705. LIMITATION ON SPOUSE'S DISPUTE OF PARENTAGE

(a) Except as otherwise provided in subsection (b) of this section, a spouse may commence a proceeding to challenge his or her parentage of a child born by assisted reproduction during the marriage within two years after the birth of the child if the court finds that the spouse did not consent to the assisted reproduction before, on, or after the birth of the child or that the spouse withdrew consent pursuant to section 706 of this title.

(b) A spouse or the person who gave birth to the child may commence a proceeding to challenge the spouse's parentage of a child born by assisted reproduction at any time if the court determines:

(1) the spouse neither provided a gamete for, nor consented to, the assisted reproduction;

(2) the spouse and the person who gave birth to the child have not cohabited since the probable time of assisted reproduction; and

(3) the spouse never openly held out the child as the spouse's child.

(c) This section shall apply to a spouse's dispute of parentage even if the spouse's marriage is declared invalid after assisted reproduction occurs.

§ 706. EFFECT OF DISSOLUTION OF MARRIAGE OR WITHDRAWAL OF CONSENT

(a) If a marriage is dissolved before transfer or implantation of gametes or embryos, the former spouse is not a parent of the resulting child unless the former spouse consented in a signed record with notice to the other spouse and the person giving birth that, if assisted reproduction were to occur after a

divorce, the former spouse would be a parent of the child.

(b) Consent of a person to assisted reproduction pursuant to section 704 of this title may be withdrawn by that person in a signed record with notice to the person giving birth and any other intended parent before transfer or implantation of gametes or embryos. A person who withdraws consent under this subsection is not a parent of the resulting child.

§ 707. PARENTAL STATUS OF DECEASED PERSON

(a) If a person who intends to be a parent of a child conceived by assisted reproduction dies during the period between the transfer of a gamete or embryo and the birth of the child, the person's death does not preclude the establishment of the person's parentage of the child if the person otherwise would be a parent of the child under this chapter.

(b)(1) If a person who consented in a record to assisted reproduction by the person giving birth to the child dies before transfer or implantation of gametes or embryos, the deceased person is not a parent of a child conceived by assisted reproduction unless:

(A) the deceased person consented in a record that if assisted reproduction were to occur after the death of the deceased person, the deceased person would be a parent of the child; or

(B) the deceased person's intent to be a parent of a child conceived by assisted reproduction after the person's death is established by a preponderance of the evidence.

(2) A person is a parent of a child conceived by assisted reproduction under subdivision (1) of this subsection only if:

(A) the embryo is in utero not later than 36 months after the person's death; or

(B) the child is born not later than 45 months after the person's death.

§ 708. BIRTH ORDERS

(a) A party consenting to assisted reproduction, a person who is a parent pursuant to sections 702-704 of this title, an intended parent or parents, or the person giving birth may commence a proceeding in the Probate Division of the Superior Court to obtain an order:

(1) declaring that the intended parent or parents are the parent or parents of the resulting child and ordering that parental rights and responsibilities vest exclusively in the intended parent or parents immediately upon the birth of the child;

(2) sealing the record from the public to protect the privacy of the child and the parties;

(3) designating the contents of the birth certificate and directing the Department of Health to designate the intended parent or parents as the parent or parents of the child; or

(4) for any relief that the court determines necessary and proper.

(b) A proceeding under this section may be commenced before or after the birth of the child.

(c) Neither the State nor the Department of Health is a necessary party to a proceeding under this section.

(d) The intended parent or parents and any resulting child shall have access to the court records relating to the proceeding at any time.

§ 709. LABORATORY ERROR

If due to a laboratory error the child is not genetically related to either of the intended parents, the intended parents are the parents of the child unless otherwise determined by the court.

CHAPTER 8. PARENTAGE BY GESTATIONAL CARRIER AGREEMENT

§ 801. ELIGIBILITY TO ENTER GESTATIONAL CARRIER AGREEMENT

(a) In order to execute an agreement to act as a gestational carrier, a person shall:

(1) be at least 21 years of age;

(2) have completed a medical evaluation that includes a mental health consultation;

(3) have had independent legal representation of the person's own choosing and paid for by the intended parent or parents regarding the terms of the gestational carrier agreement and have been advised of the potential legal consequences of the gestational carrier agreement; and

(4) not have contributed gametes that will ultimately result in an embryo that the gestational carrier will attempt to carry to term, unless the gestational carrier is entering into an agreement with a family member.

(b) Prior to executing a gestational carrier agreement, a person or persons intending to become a parent or parents, whether genetically related to the child or not, shall:

(1) be at least 21 years of age;

(2) have completed a medical evaluation and mental health consultation; and

(3) have retained independent legal representation regarding the terms of the gestational carrier agreement and have been advised of the potential legal consequences of the gestational carrier agreement.

§ 802. GESTATIONAL CARRIER AGREEMENT

(a) Written agreement. A prospective gestational carrier, that person's spouse, and the intended parent or parents may enter into a written agreement that:

(1) the prospective gestational carrier agrees to pregnancy by means of assisted reproduction;

(2) the prospective gestational carrier and that person's spouse have no rights and duties as the parents of a child conceived through assisted reproduction; and

(3) the intended parent or parents will be the parents of any resulting child.

(b) Enforceability. A gestational carrier agreement is enforceable only if it meets the following requirements:

(1) The agreement shall be in writing and signed by all parties.

(2) The agreement shall not require more than a one-year term to achieve pregnancy.

(3) At least one of the parties shall be a resident of this State.

(4) The agreement shall be executed before the commencement of any medical procedures other than the medical evaluations required by section 801 of this title and, in every instance, before transfer of embryos.

(5) The gestational carrier and the intended parent or parents shall meet the eligibility requirements of section 801 of this title.

(6) If any party is married, the party's spouse shall be a party to the agreement.

(7) The gestational carrier and the intended parent or parents shall be represented by independent legal counsel in all matters concerning the agreement and each counsel shall affirmatively so state in a written declaration attached to the agreement. The declarations shall state that the agreement meets the requirements of this title and shall be solely relied upon by health care providers and staff at the time of birth and by the Department of Health for birth registration and certification purposes.

(8) The parties to the agreement shall sign a written acknowledgment of having received a copy of the agreement.

(9) The signing of the agreement shall be witnessed and signed by at least one other person.

(10) The agreement shall expressly provide that the gestational carrier:

(A) shall undergo assisted reproduction and attempt to carry and give birth to any resulting child;

(B) has no claim to parentage of all resulting children to the intended parent or parents immediately upon the birth of the child or children regardless of whether a court order has been issued at the time of birth; and

(C) shall acknowledge the exclusive parentage of the intended parent or parents of all resulting children.

(11) If the gestational carrier is married, the carrier's spouse:

(A) shall acknowledge and agree to abide by the obligations imposed on the gestational carrier by the terms of the gestational carrier agreement;

(B) has no claim to parentage of any resulting children to the intended parent or parents immediately upon the birth of the children regardless of whether a court order has been issued at the time of birth; and

(C) shall acknowledge the exclusive parentage of the intended parent or parents of all resulting children.

(12) The gestational carrier shall have the right to use the services of a health care provider or providers of the gestational carrier's choosing to provide care during the pregnancy.

(13) The intended parent or parents shall:

(A) be the exclusive parent or parents and accept parental rights and responsibilities of all resulting children immediately upon birth regardless of the number, gender, or mental or physical condition of the child or children; and

(B) assume responsibility for the financial support of all resulting children immediately upon the birth of the children.

(c) Medical evaluations. If requested by a party or the court, a party shall provide records to the court and other parties related to the medical evaluations conducted pursuant to section 801 of this title.

(d) Reasonable consideration and expenses. Except as provided in section 809 of this title, a gestational carrier agreement may include provisions for payment of consideration and reasonable expenses to a prospective gestational

carrier, provided they are negotiated in good faith between the parties.

(e) Decision of gestational carrier. A gestational agreement shall permit the gestational carrier to make all health and welfare decisions regarding the gestational carrier's health and pregnancy, and shall not enlarge or diminish the gestational carrier's right to terminate the pregnancy.

§ 803. PARENTAGE; PARENTAL RIGHTS AND RESPONSIBILITIES

(a)(1) If a gestational carrier agreement satisfies the requirements of this chapter, the intended parent or parents are the parent or parents of the resulting child immediately upon the birth of the child, and the resulting child is considered the child of the intended parent or parents immediately upon the birth of the child. Neither the gestational carrier nor the gestational carrier's spouse, if any, is the parent of the resulting child.

(2) A person who is determined to be a parent of the resulting child is obligated to support the child. The breach of the gestational carrier agreement by the intended parent or parents does not relieve the intended parent or parents of the obligation to support the resulting child.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, if genetic testing indicates a genetic relationship between the gestational carrier and the child, parentage shall be determined by the Family Division of the Superior Court pursuant to chapters 1 through 6 of this title.

(b) Parental rights and responsibilities shall vest exclusively in the intended parent or parents immediately upon the birth of the resulting child.

(c) If due to a laboratory error, the resulting child is not genetically related to either the intended parent or parents or any donor who donated to the intended parent or parents, the intended parent or parents are considered the parent or parents of the child.

§ 804. BIRTH ORDERS

(a) Before or after the birth of a resulting child, a party to a gestational carrier agreement may commence a proceeding in the Probate Division of the Superior Court to obtain an order doing any of the following:

(1) Declaring that the intended parent or parents are the parent or parents of the resulting child and ordering that parental rights and responsibilities vest exclusively in the intended parent or parents immediately upon the birth of the child.

(2) Designating the contents of the birth certificate and directing the Department of Health to designate the intended parent or parents as the parent or parents of the child. The Department of Health may charge a reasonable fee

for the issuance of a birth certificate.

(3) Sealing the record from the public to protect the privacy of the child and the parties.

(4) Providing any relief the court determines necessary and proper.

(b) Neither the State nor the Department of Health is a necessary party to a proceeding under subsection (a) of this section.

(c) The intended parent or parents and any resulting child shall have access to their court records at any time.

§ 805. EXCLUSIVE, CONTINUING JURISDICTION

Subject to the jurisdictional standards of 15 V.S.A. § 1071, the court conducting a proceeding under this chapter has exclusive, continuing jurisdiction of all matters arising out of the gestational carrier agreement until a child born to the gestational carrier during the period governed by the agreement attains the age of 180 days.

§ 806. TERMINATION OF GESTATIONAL CARRIER AGREEMENT

(a) A party to a gestational carrier agreement may withdraw consent to any medical procedure and may terminate the gestational carrier agreement at any time prior to any embryo transfer or implantation by giving written notice of termination to all other parties.

(b) Upon termination of the gestational carrier agreement under subsection (a) of this section, the parties are released from all obligations recited in the agreement except that the intended parent or parents remain responsible for all expenses that are reimbursable under the agreement incurred by the gestational carrier through the date of termination. The gestational carrier is entitled to keep all payments received and obtain all payments to which the gestational carrier is entitled. Neither a prospective gestational carrier nor the gestational carrier's spouse, if any, is liable to the intended parent or parents for terminating a gestational carrier agreement.

§ 807. GESTATIONAL CARRIER AGREEMENT; EFFECT OF SUBSEQUENT CHANGE OF MARITAL STATUS

Unless a gestational carrier agreement expressly provides otherwise:

(1) the marriage of a gestational carrier or of an intended parent after the agreement has been signed by all parties does not affect the validity of the agreement, the gestational carrier's spouse's consent or intended parent's spouse's consent to the agreement is not required, and the gestational carrier's spouse or intended parent's spouse is not a presumed parent of a child conceived by assisted reproduction under the agreement; and

(2) the divorce, dissolution, annulment, or legal separation of the gestational carrier or of an intended parent after the agreement has been signed by all parties does not affect the validity of the agreement.

§ 808. EFFECT OF NONCOMPLIANCE; STANDARD OF REVIEW;
REMEDIES

(a) Not enforceable. A gestational carrier agreement that does not meet the requirements of this chapter is not enforceable.

(b) Standard of review. In the event of noncompliance with the requirements of this chapter or with a gestational carrier agreement, the Family Division of the Superior Court shall determine the respective rights and obligations of the parties to the gestational carrier agreement, including evidence of the intent of the parties at the time of execution.

(c) Remedies. Except as expressly provided in a gestational carrier agreement and in subsection (d) of this section, in the event of a breach of the gestational carrier agreement by the gestational carrier or the intended parent or parents, the gestational carrier or the intended parent or parents are entitled to all remedies available at law or in equity.

(d) Genetic testing. If a person alleges that the parentage of a child born to a gestational carrier is not the result of assisted reproduction, and this question is relevant to the determination of parentage, the court may order genetic testing.

(e) Specific performance. Specific performance is not an available remedy for a breach by the gestational carrier of any term in a gestational carrier agreement that requires the gestational carrier to be impregnated or to terminate a pregnancy. Specific performance is an available remedy for a breach by the gestational carrier of any term that prevents the intended parent or parents from exercising the full rights of parentage immediately upon the birth of the child.

§ 809. LIABILITY FOR PAYMENT OF GESTATIONAL CARRIER
HEALTH CARE COSTS

(a) The intended parent or parents are liable for the health care costs of the gestational carrier that are not paid by insurance. As used in this section, "health care costs" means the expenses of all health care provided for assisted reproduction, prenatal care, labor, and delivery.

(b) A gestational carrier agreement shall explicitly detail how the health care costs of the gestational carrier are paid. The breach of a gestational carrier agreement by a party to the agreement does not relieve the intended parent or parents of the liability for health care costs imposed by subsection (a)

of this section.

(c) This section is not intended to supplant any health insurance coverage that is otherwise available to the gestational carrier or an intended parent for the coverage of health care costs. This section does not change the health insurance coverage of the gestational carrier or the responsibility of the insurance company to pay benefits under a policy that covers a gestational carrier.

Sec. 2. REPEAL

15 V.S.A. chapter 5, subchapter 3A (parentage proceedings) is repealed.

Sec. 3. 33 V.S.A. § 4921(e)(1) is amended to read:

(e)(1) Upon request, relevant Department records or information created under this subchapter shall be disclosed to:

* * *

(F) a Family Division of the Superior Court involved in any proceeding in which:

(i) custody of a child or parent-child contact is at issue pursuant to 15 V.S.A. chapter 11, subchapter 3A;

(ii) a parent of a child challenges a presumption of parentage under 15C V.S.A. § 402(b)(3); or

(iii) a parent of a child contests an allegation that he or she fostered or supported a bonded and dependent relationship between the child and a person seeking to be adjudicated a de facto parent under 15C V.S.A. § 501(a)(2);

* * *

Sec. 4. 33 V.S.A. § 6911 is amended to read:

§ 6911. RECORDS OF ABUSE, NEGLECT, AND EXPLOITATION

(a)(1) Information obtained through reports and investigations, including the identity of the reporter, shall remain confidential and shall not be released absent a court order, except as follows:

* * *

(C) Relevant information may be disclosed to a Family Division of the Superior Court, upon the request of that court, in any proceeding in which:

(i) a parent of a child challenges a presumption of parentage under 15C V.S.A. § 402(b)(3); or

(ii) a parent of a child contests an allegation that he or she fostered or supported a bonded and dependent relationship between the child and a person seeking to be adjudicated a de facto parent under 15C V.S.A. § 501(a)(2).

* * *

(c) The Commissioner or designee may disclose Registry information only to:

* * *

(11) A Family Division of the Superior Court upon request of that court if it is involved in any proceeding in which:

(A) a parent of a child challenges a presumption of parentage under 15C V.S.A. § 402(b)(3); or

(B) a parent of a child contests an allegation that he or she fostered or supported a bonded and dependent relationship between the child and a person seeking to be adjudicated a de facto parent under 15C V.S.A. § 501(a)(2).

* * *

Sec. 5. TRANSITIONAL PROVISION

This title applies to a pending proceeding to adjudicate parentage commenced before the effective date of this act for an issue on which a judgment has not been rendered.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

*ALICE W. NITKA
RICHARD W. SEARS
JOSEPH C. BENNING*

*Committee on the part of the
Senate*

*MARTIN J. LALONDE
MAXINE JO GRAD
EILEEN LYNN'G. DICKINSON
Committee on the part of the House*

Which was considered and adopted on the part of the House

Committee of Conference Appointed**S. 206**

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

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

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Marcotte of Coventry

Rep. Hill of Wolcott

Rep. Sheldon of Middlebury

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested**

H. 571

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to creating the Department of Liquor and Lottery and the Board of Liquor and Lottery

Was taken up for immediate consideration.

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

First: In Sec. 63, 7 V.S.A. § 278, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) A manufacturer or rectifier of vinous beverages that is licensed in ~~state~~ the State or ~~out-of-state~~ outside the State and holds valid state and federal permits and operates a winery in the United States may apply for a retail shipping license by filing with the ~~Department~~ Division of Liquor Control an application in a form required by the Commissioner accompanied by a copy of its in-state or out-of-state license and the fee provided in section 204 of this title.

Second: In Sec. 90, 31 V.S.A. § 654a, redesignated § 652, in subdivision (2)(C), after the words “A procedure adopted pursuant to this section shall” by inserting the following: have the force of law and

Third: In Sec. 94, 31 V.S.A. § 658, redesignated § 656, in subsection (b), in the second sentence before the second occurrence of the phrase “percent of gross receipts,” by striking out the number “1” and inserting in lieu thereof the following: ± one

Fourth: After Sec. 111, by inserting new Secs. 112, 113, 114 and 115 to read:

Sec. 112. 7 V.S.A. § 660 is amended to read:

§ 660. ADVERTISING

(a) ~~A person shall not display on~~ Any outside billboards or signs ~~erected on the highway any that contain an advertisement of any kind~~ relating to alcoholic beverages, or indicate where alcoholic beverages may be procured shall comply with the requirements of 10 V.S.A. chapter 21. A person who violates any provision of this section shall be fined not more than \$100.00 nor less than \$10.00, for each offense, and a conviction for a violation shall be cause for revoking the person's license issued under this title.

* * *

Sec. 113. 13 V.S.A. § 2143 is amended to read:

§ 2143. NONPROFIT ORGANIZATIONS

(a)(1) Notwithstanding the provisions of this chapter,~~a:~~

(A) A nonprofit organization, as defined in 31 V.S.A. § 1201(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 or civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated.

(B)(i) A nonprofit organization, as defined in 31 V.S.A. § 1201(5), may organize and execute, and a member of that organization may participate in, lotteries, raffles, or other games of chance in which, except as otherwise provided pursuant to subdivision (ii)(IV) of this subdivision (B), all of the proceeds are awarded as prizes to the members who participated.

(ii) Lotteries, raffles, and other games of chance organized under this subdivision (B) shall be limited as follows:

(I) an individual who is not a member of the nonprofit organization shall not be allowed to participate;

(II) a nonprofit organization shall not charge more than \$100.00 for an entry or ticket;

(III) a member of the nonprofit organization shall not purchase more than one entry or ticket per day; and

(IV) a nonprofit organization shall not offer or award any prize worth more than \$250.00 unless not less than 25 percent of the proceeds raised

is used in charitable, religious, educational, or civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated.

(2) 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~~ used under authority of this section.

* * *

(d) Casino events shall be limited as follows:

* * *

(4) As used in this subsection, "casino event" means an event held during any 24-hour period at which ~~any game of chance is~~ casino table games, such as baccarat, blackjack, craps, poker, or roulette are conducted except those. Games of chance prohibited by subdivision 2135(a)(1) or (2) of this title ~~shall not be permitted at a "casino event."~~ A "casino event" shall not include a fair, bazaar, field days, agricultural exposition, or similar event that ~~utilizes~~ uses 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.

* * *

Sec. 114. EDUCATION AND OUTREACH

On or before November 15, 2018, the Attorney General shall update the gambling page on the Attorney General's website to include the amendments to 13 V.S.A. § 2143 made pursuant to this act.

Sec. 115. LOTTERY AGENT SALES PRACTICES; INTEGRITY; REVIEW; REPORT

(a) The Commissioner of Liquor and Lottery shall conduct a review of:

(1) lottery prize winners by agency location to determine whether a disproportionate number of winning tickets sold by each lottery agent was purchased by the owner or of an employee of the agent, or by an immediate family member of the owner or of an employee of the agent; and

(2) the sales, fraud prevention, and security practices of each lottery agent to determine whether those practices are sufficient to preserve the integrity of the Lottery and to avoid the occurrence or appearance of illegitimate winnings by the owner or an employee of the agent, or by an immediate family member of the owner or of an employee of the agent.

(b) On or before October 1, 2018, the Commissioner shall submit a written report on the findings of the review conducted pursuant to subsection (a) of

this section to the Joint Fiscal Committee.

And by renumbering the remaining section to be numerically correct.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Stevens of Waterbury** moved that the House refuse to concur and ask for a Committee of Conference which was agreed to.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 684

Pending its entrance on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to professions and occupations regulated by the Office of Professional Regulation

Was taken up for immediate consideration.

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

* * * Office of Professional Regulation * * *

Sec. 1. 3 V.S.A. § 123 is amended to read:

§ 123. DUTIES OF OFFICE

(a) The Office shall provide administrative, secretarial, financial, investigatory, inspection, and legal services to the boards. The services provided by the Office shall include:

* * *

(9) Standardizing, to the extent feasible and with the advice of the boards, all applications, licenses, and other related forms and procedures, and adopting uniform procedural rules governing the investigatory and disciplinary process for all boards set forth in section 122 of this chapter.

* * *

(11) Assisting the boards in adopting, amending, and repealing developing rules consistent with the principles set forth in 26 V.S.A. chapter 57. Notwithstanding any provision of law to the contrary, the Secretary of State shall serve as the adopting authority for those rules.

* * *

(g) The Office of Professional Regulation shall create a process establish uniform procedures applicable to all of the professions and boards set forth in section 122 of this chapter, providing for:

(1) ~~accepting appropriate recognition of~~ education, training, or service completed by a member of the U.S. Armed Forces toward the requirements of professional licensure ~~or certification~~; and

(2) ~~creating a process for educational institutions under the supervision of a licensing board to award educational credits to a member of the U.S. Armed Forces for courses taken as part of the member's military training or service that meet the standards of the American Council on Education~~; and

(3) ~~expediting the~~ expedited issuance of a professional license to a person who is licensed in good standing in another regulatory jurisdiction and:

(A) ~~who is certified or licensed in another state~~;

(B) ~~whose spouse is a member of the U.S. Armed Forces and who has been subject to a military transfer to Vermont~~; and

(C)(B) ~~who left employment to accompany his or her spouse to Vermont~~.

* * *

Sec. 2. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

(1) Application for registration, \$75.00.

(2) Application for licensure or certification, \$100.00, except application for:

(A) Barbering or cosmetology schools and shops, \$300.00.

(B) Funeral directors, embalmers, crematory personnel, removal personnel, funeral establishments, crematory establishments, and limited services establishments, \$70.00.

(3) Optician trainee registration, \$50.00.

(4) Biennial renewal, \$200.00, except biennial renewal for:

(A) ~~Biennial renewal for~~ Independent clinical social workers and master's social workers, \$150.00.

(B) ~~Biennial renewal for occupational~~ Occupational therapists and assistants, \$150.00.

(C) ~~Biennial renewal for physical~~ Physical therapists and assistants, \$100.00.

(D) ~~Biennial renewal for optician~~ Optician trainees, \$100.00.

(E) Barbers, cosmetologists, nail technicians, and estheticians, \$130.00.

(F) Schools of barbering or cosmetology, \$300.00.

(G) Funeral directors and embalmers, \$280.00.

(H) Crematory personnel and removal personnel, \$100.00.

(I) Funeral establishments, crematory establishments, and limited services establishments, \$640.00.

(5) Limited temporary license or work permit, \$50.00.

* * *

Sec. 3. 3 V.S.A. § 127 is amended to read:

§ 127. UNAUTHORIZED PRACTICE

(a) When the Office receives a complaint of unauthorized practice, the Director shall refer the complaint to ~~the appropriate board for investigation~~ Office investigators and prosecutors.

(b)(1) A person practicing a regulated profession without authority or an employer permitting such practice may, upon the complaint of the Attorney General or a State's Attorney or an attorney assigned by the Office of Professional Regulation, be enjoined ~~there from~~ therefrom by the Superior Court where the violation occurred or the Washington County Superior Court and may be assessed a civil penalty of not more than \$1,000.00.

(2)(A) The Attorney General or an attorney assigned by the Office of Professional Regulation may elect to bring an action seeking only a civil penalty of not more than \$1,000.00 for practicing or permitting the practice of a regulated profession without authority before the board having regulatory authority over the profession or before an administrative law officer.

(B) Hearings shall be conducted in the same manner as disciplinary hearings.

(3)(A) A civil penalty imposed by a board or administrative law officer under this subsection (b) shall be deposited in the Professional Regulatory Fee Fund established in section 124 of this ~~title~~ chapter for the purpose of providing education and training for board members and advisor appointees.

(B) The Director shall detail in the annual report receipts and

expenses from these civil penalties.

* * *

(d)(1) A person whose license has expired for not more than one biennial period may reinstate the license by meeting renewal requirements for the profession, paying the profession's renewal fee, and paying the following nondisciplinary reinstatement penalty:

(A) if reinstatement occurs within 30 days after the expiration date, \$100.00; or

(B) if reinstatement occurs more than 30 days after the expiration date, an amount equal to the renewal fee increased by \$40.00 for every additional month or fraction of a month, provided the total penalty shall not exceed \$1,500.00.

(2) Fees assessed under this subsection shall be deposited into the Regulatory Fee Fund and credited to the appropriate fund for the profession of the reinstating licensee.

(3) A licensee seeking reinstatement may submit a petition for relief from the reinstatement penalty, which a board may grant only upon a finding of exceptional circumstances or extreme hardship to the licensee; provided, however, that fees under this subsection shall not be assessed for any period during which a licensee was a member of the U.S. Armed Forces on active duty.

* * *

Sec. 4. 3 V.S.A. § 128 is amended to read:

§ 128. DISCIPLINARY ACTION TO BE REPORTED TO THE OFFICE

* * *

(c) Information provided to the Office under this section shall be confidential unless the ~~board~~ Office decides to treat the report as a complaint, in which case the provisions of section 131 of this title shall apply.

* * *

Sec. 5. 3 V.S.A. § 129 is amended to read:

§ 129. POWERS OF BOARDS; DISCIPLINE PROCESS

(a) In addition to any other provisions of law, a board may exercise the following powers:

(1) ~~Adopt procedural~~ Consistent with other law and State policy,
develop administrative rules governing the investigatory and disciplinary

process establishing evidence-based standards of practice appropriate to secure and promote the public health, safety, and welfare; open and fair competition within the marketplace for professional services; interstate mobility of professionals; and public confidence in the integrity of professional services.

* * *

Sec. 6. 3 V.S.A. § 129a is amended to read:

§ 129a. UNPROFESSIONAL CONDUCT

(a) In addition to any other provision of law, the following conduct by a licensee constitutes unprofessional conduct. When that conduct is by an applicant or person who later becomes an applicant, it may constitute grounds for denial of a license or other disciplinary action. Any one of the following items, or any combination of items, whether ~~or not~~ the conduct at issue was committed within or outside the State, shall constitute unprofessional conduct:

* * *

(25) For providers of clinical care to patients, failing to have in place a plan for responsible disposition of patient health records in the event the licensee should become incapacitated or unexpectedly discontinue practice.

* * *

Sec. 7. 3 V.S.A. § 134 is added to read:

§ 134. LICENSE RENEWAL

(a) A license expires if not renewed biennially on a schedule assigned by the Office, or in the case of a provisional or temporary license, on the date assigned by the Office.

(b) Practice with an expired license is unlawful and exposes a practitioner to the penalties set forth in section 127 of this chapter.

Sec. 8. 3 V.S.A. § 135 is added to read:

§ 135. UNIFORM STANDARD FOR RENEWAL FOLLOWING
EXTENDED ABSENCE

(a) Notwithstanding any provision of law to the contrary, when an applicant seeks to renew an expired or lapsed license after fewer than five years of absence from practice, readiness to practice shall be inferred from completion of any continuing education that would have been required if the applicant had maintained continuous licensure or by any less burdensome showing set forth in administrative rules specific to the profession.

(b) When an applicant seeks to renew an expired or lapsed license after five or more years of absence from practice, the Director may, notwithstanding

any provision of law to the contrary and as appropriate to ensure the continued competence of the applicant, determine that the applicant has either:

(1) demonstrated retention of required professional competencies and may obtain an unencumbered license; or

(2) not demonstrated retention of all required professional competencies and should be reexamined or required to reapply in like manner to a new applicant.

(c) The Director may consult with a relevant board or advisor appointees for guidance in assessing continued competence under this section.

Sec. 9. 3 V.S.A. § 136 is added to read:

§ 136. UNIFORM CONTINUING EDUCATION EVALUATION

If continuing education is required by law or rule, the Office shall apply uniform standards and processes that apply to all professions regulated by the Office for the assessment and approval or rejection of continuing education offerings, informed by profession-specific policies developed in consultation with relevant boards and advisor appointees.

Sec. 10. LICENSING FOR IMMIGRANTS SETTLING IN VERMONT;
REPORT

The Director of the Office of Professional Regulation, in consultation with the State Refugee Coordinator, shall examine means of reducing unnecessary barriers to professional licensure for qualified immigrants to Vermont from foreign countries. On or before January 15, 2019, the Director shall submit to the House and Senate Committees on Government Operations a report of his or her findings and any recommendations for legislative action.

* * * Pollution Abatement Facility Operators * * *

Sec. 11. 10 V.S.A. § 1263 is amended to read:

§ 1263. DISCHARGE PERMITS

* * *

(d) A discharge permit shall:

* * *

(2) Require proper operation and maintenance of any pollution abatement facility necessary in the treatment or processing of the waste by qualified personnel in accordance with standards established by the Secretary and the Director of the Office of Professional Regulation. The Secretary may require that a pollution abatement facility be operated by persons licensed under 26 V.S.A. chapter ~~97~~ 99 and may prescribe the class of license required.

The Secretary may require a laboratory quality assurance sample program to ensure qualifications of laboratory analysts.

* * *

* * * Barbers and Cosmetologists * * *

Sec. 12. 26 V.S.A. chapter 6 is amended to read:

CHAPTER 6. BARBERS AND COSMETOLOGISTS

Subchapter 1. General Provisions

§ 271. DEFINITIONS

~~For the purposes of~~ As used in this chapter:

(1) “Barbering” means engaging in the continuing performance, for compensation, of any of the following activities: cutting, shampooing, or styling hair; shaving the face, shaving around the vicinity of the ears and neckline, or trimming facial hair; facials, skin care, or scalp massages, and bleaching, coloring, straightening, ~~permanent-waving or permanent-waving~~ hair, or similar work by any means, with hands or mechanical or electrical apparatus or appliances. Barbering also includes esthetics.

(2) ~~“Board” means the board of barbers and cosmetologists.~~

(3) “Cosmetology” means engaging in the continuing performance, for compensation, of any of the following activities:

(A) Work on the hair of any person, including dressing, curling, waving, cleansing, cutting, bleaching, coloring, or similar work by any means, with hands or mechanical or electrical apparatus or appliances.

(B) Esthetics.

(C) Manicuring.

(3) “Director” means the Director of the Office of Professional Regulation.

(4) ~~“Disciplinary action” or “disciplinary cases” includes any action taken by the board against a licensee, registrant, or applicant premised upon a finding of wrongdoing or unprofessional conduct by the licensee or applicant. It includes all sanctions of any kind, excluding obtaining injunctions, but including issuing warnings, other similar sanctions and ordering restitution.~~

(5) “Esthetics” means massaging, cleansing, stimulating, manipulating, beautifying, or otherwise working on the scalp, face, or neck, by using cosmetic preparations, antiseptics, tonics, lotions, or creams. “Esthetics” does not include the sale or application of cosmetics to customers in retail stores or

customers' homes.

~~(6) "Financial interest" means being:~~

~~(A) a licensed barber;~~

~~(B) a licensed cosmetologist; or~~

~~(C) a person who has invested anything of value in a business that provides barbering or cosmetology services.~~

~~(7)~~(5) "Manicuring" or "nail technician practice" means the nonmedical treatment of a person's fingernails or toenails or the skin in the vicinity of the nails, and includes the use of cosmetic preparations or appliances.

~~(8)~~(6) "School of barbering or cosmetology" means a facility or facilities regularly used to train or instruct persons in the practice of barbering or cosmetology.

~~(9)~~(7) "Shop" means a facility or facilities regularly used to offer or provide barbering or cosmetology.

§ 272. PROHIBITIONS; OFFENSES

(a) ~~No~~ A person shall not practice or attempt to practice barbering or cosmetology or use in connection with the person's name any letters, words, title, or insignia indicating or implying that the person is a barber or cosmetologist unless the person is licensed in accordance with this chapter.

(b) ~~No~~ A person who owns or controls a shop or school of barbering or cosmetology shall not permit the practice of barbering or cosmetology unless the shop or school is registered in accordance with this chapter.

(c) A person who violates a provision of this section shall be subject to the penalties provided in 3 V.S.A. § 127.

§ 273. EXEMPTIONS

The provisions of this chapter regulating barbers and cosmetologists shall not:

(1) affect or prevent the practice of barbering or cosmetology by a student at a school recognized by the ~~board~~ Director;

* * *

(3) prohibit a licensee from providing barbering or cosmetology services outside a licensed shop so long as those services are limited to only:

(A) patients or residents within a hospital, nursing home, community care home, or any similar facility;

(B) persons who are homebound, disabled, or in a hospice or similar program, or to deceased persons in a funeral home;

(C) persons as part of a special ~~occasion~~ event ~~so long as those services are limited to hair styling and makeup and,~~ provided the sanitation standards expected of licensees in licensed shops are followed;

* * *

(5) affect or prevent the practice of barbering or cosmetology outside a registered shop or school by licensees in accordance with rules adopted by the ~~board~~ Director;

(6) affect or prevent the practice of barbering or cosmetology within the confines of a State correctional facility by a person incarcerated therein, who has completed training acceptable to the Commissioner of Corrections; or

(7) affect or prevent the practice of natural hair braiding or styling, provided such practice does not involve cutting; the application of chemicals, dyes, or heat; or other changes to the structure of hair.

§ 274. ~~PENALTY~~

~~A person who violates any provision of section 272 of this title shall be subject to the penalties provided in 3 V.S.A. § 127(c). [Repealed.]~~

Subchapter 2. Administration

§ 275. ~~CREATION OF BOARD~~

~~(a) A board of barbers and cosmetologists is created, consisting of five members. Members shall be appointed by the governor pursuant to 3 V.S.A. §§ 129b and 2004. Members shall be residents of this state.~~

~~(b) One member of the board shall be a member of the public who has no financial interest in barbering or cosmetology other than as a consumer or possible consumer of its services. He or she shall have no financial interest personally or through a spouse, parent, child, brother or sister.~~

~~(c) Two members of the board shall be licensed cosmetologists.~~

~~(d) One member of the board shall be a licensed barber.~~

~~(e) The remaining member shall be a person licensed under this chapter or a public member.~~

~~(f) A majority of the members of the board shall constitute a quorum for transacting business, and all action shall be taken upon a majority vote of the members present and voting. [Repealed.]~~

§ 276. GENERAL POWERS AND DUTIES OF THE BOARD DIRECTOR

(a) The ~~board~~ Director shall:

(1) ~~Adopt~~ adopt rules that:

(A) ~~Prescribe~~ prescribe sanitary and safety standards for shops, schools, and other facilities used for the practice of barbering and cosmetology;

(B) ~~Prescribe~~ prescribe safe and sanitary practices for the performance of activities related to the practice of barbering and cosmetology;

(C) ~~Establish~~ establish standards for apprenticeships, courses, and examinations to be completed by an applicant for licensure under this chapter;

(D) establish qualifications for licensure under this chapter as:

(i) a barber, provided mandated formal training shall be 750 hours;

(ii) a cosmetologist, provided mandated formal training shall be 1,000 hours;

(iii) an esthetician, provided mandated formal training shall be 500 hours; and

(iv) a nail technician, provided mandated formal training shall be 200 hours; and

(E)(i) establish criteria for apprenticeships that would enable a person seeking licensure under this chapter to train under an appropriately qualified Vermont licensee in order to attain licensure without mandated formal training; and

(ii) limit the duration of a required apprenticeship to not more than 150 percent of the duration of the corresponding formal training.

(b)(1) The ~~board~~ Director may inspect shops and schools and other places used for the practice of barbering and cosmetology.

(2) ~~No~~ A fee shall not be charged for initial inspections under this subsection; however, if the ~~board~~ Director determines that it is necessary to inspect the same premises in the same ownership more than once in any two-year period, the ~~board~~ Director shall charge a reinspection fee.

(3) The ~~board~~ Director may waive all or a part of the reinspection fee in accordance with criteria established by rule.

§ 276a. ADVISOR APPOINTEES

(a)(1) The Secretary of State shall appoint one barber, one cosmetologist, one esthetician, and one nail technician for five-year staggered terms to serve

at the Secretary's pleasure as advisors in matters relating to barbering and cosmetology. At least one of the initial appointments shall be for less than a five-year term.

(2) An appointee shall have not less than three years' experience as a barber or cosmetologist immediately preceding appointment; shall be licensed as a barber or cosmetologist in Vermont; and shall be actively engaged in the practice of barbering or cosmetology in this State during incumbency.

(b) The Director shall seek the advice of the advisor appointees in carrying out the provisions of this chapter.

Subchapter 3. Licenses

§ 277. QUALIFICATIONS; BARBER

~~(a) A person shall be eligible for licensure as a barber if the person is at least 18 years of age, has a high school or general educational development diploma, and has satisfactorily completed an accredited barber school program; or has satisfactorily completed an apprenticeship of not less than 12 months and not more than 36 months consisting of a minimum of 2,000 hours and a maximum of 3,000 hours in a manner prescribed by the board in addition to areas of study, prescribed by the board, by rule, has a high school or general educational development diploma, and has passed the examination described in section 283 of this title.~~

~~(b) The board shall issue a limited barbering license, with an endorsement for cutting, shampooing, and styling hair and for mustache and beard trimming, to any person incarcerated in a state correctional facility who completes, while under the direct personal supervision of a barber licensed by the board, a course of training of not less than 10 hours in cutting, shampooing, and styling hair and trimming of mustache and beard. Such limited license shall be valid only within a state correctional facility. No fees shall be charged for a limited license issued under this subsection. [Repealed.]~~

§ 278. QUALIFICATIONS; COSMETOLOGIST

~~A person shall be eligible for licensure as a cosmetologist if the person is at least 18 years of age, has a high school or general educational development diploma, and has satisfactorily completed the following:~~

~~(1) a course of study of at least 1,500 hours at a school of cosmetology approved by an accrediting body recognized by the United States Department of Education or approved by the board under standards that the board has adopted by rule and passage of the examination described in section 283 of this title; or~~

~~(2) an apprenticeship of not less than 12 months and not more than~~

~~36 months consisting of not less than 2,000 hours and a maximum of 3,000 hours in a manner prescribed by the board in addition to courses, as prescribed by the board by rule, and passage of the examination described in section 283 of this title. [Repealed.]~~

~~§ 279. QUALIFICATIONS; ESTHETICIAN~~

~~A person shall be eligible for licensure as an esthetician if the person is at least 18 years of age, has a high school or general educational development diploma, and has satisfactorily completed the following:~~

~~(1) a course of study in esthetics of at least 600 hours at a school of cosmetology approved by an accrediting body recognized by the United States Department of Education or approved by the board under standards that the board has adopted by rule; or~~

~~(2) an apprenticeship of not less than 12 months and not more than 18 months, consisting of a minimum of 800 hours and a maximum of 1,200 hours, as prescribed by the board by rule, and has passed the examination described in section 283 of this title. [Repealed.]~~

~~§ 280. QUALIFICATIONS; NAIL TECHNICIAN~~

~~A person shall be eligible for licensure as a nail technician if the person is at least 18 years of age, has a high school or general educational development diploma, and has satisfactorily completed:~~

~~(1) a course of study in manicuring of at least 400 hours at a school of cosmetology approved by an accrediting body recognized by the United States Department of Education or approved by the board under standards that the board has adopted by rule; or~~

~~(2) an apprenticeship of not less than six months and not more than 12 months consisting of a minimum of 600 hours and a maximum of 900 hours, as prescribed by the board by rule, and has passed the examination described in section 283 of this title. [Repealed.]~~

~~§ 280a. ELIGIBILITY FOR LICENSURE~~

~~An applicant for licensure as a barber, cosmetologist, esthetician, or nail technician shall meet the qualifications for licensure established by the Director under the provisions of subchapter 2 of this chapter.~~

~~§ 281. POSTSECONDARY SCHOOL OF BARBERING AND
COSMETOLOGY; CERTIFICATE OF APPROVAL~~

~~(a) No A school of barbering or cosmetology shall not be granted a certificate of approval unless the school:~~

* * *

(4) Requires a school term of training:

~~(A) in the case of a school of barbering, of not less than 1,000 hours for a complete course that includes all or the majority of the practices of barbering, and includes practical demonstrations and theoretical studies in sanitation, sterilization, the use of antiseptics, and electrical appliances, consistent with the practical and theoretical requirements applicable to barbering or any practice of barbering; and~~

~~(B) in the case of a school of cosmetology, requires a school term of training of not less than 1,500 hours for a complete course that includes all or the majority of the practices of cosmetology, and includes practical demonstrations and theoretical studies in sanitation, sterilization, the use of antiseptics, cosmetics, and electrical appliances, consistent with the practical and theoretical requirements applicable to cosmetology or any practice of cosmetology consistent with formal training requirements established by rule, which shall include practical demonstrations and theoretical studies in sanitation, sterilization, the use of antiseptics, and the use of appliances, devices, treatments, and preparations relevant to the field of licensure.~~

~~(b) Regional vocational centers may offer courses of instruction in barbering or cosmetology without a certificate of approval from the Board Director, and State correctional facilities may offer courses of instruction in barbering without a certificate of approval from the Board Director; however, credits hours for licensing will shall only be given for courses that meet the Board's Director's standards for courses offered in postsecondary schools of barbering or cosmetology certified by the Board Director.~~

* * *

§ 282. SHOP; LICENSE

~~(a) No A shop shall not be granted a license unless the shop complies with the rules of the board Director and has a designated licensee responsible for overall cleanliness, sanitation, and safety of the shop.~~

~~(b) The practices of barbering and cosmetology shall be permitted only in shops licensed by the board Director, except as provided in sections 273 and 281 of this title chapter and the rules of the board Director.~~

§ 283. EXAMINATION

~~(a) An applicant who is otherwise eligible for licensure and has paid the required fees shall be examined.~~

~~(b)(1) The examination for a license shall include both practical~~

demonstrations and written or oral tests in the area of practices for which a license is applied and other related studies or subjects as the ~~board~~ Director may determine necessary.

(2) The examination shall not be confined to any specific system or method and shall be consistent with a prescribed curriculum as provided by this chapter.

(c) The ~~board~~ Director may limit, by rule, the number of times a person may take an examination.

§ 284. ISSUANCE OF LICENSE

(a) The ~~board~~ Director shall issue a license to an applicant who has passed the examination as determined by the ~~board~~ Director, has paid the required fee, and has completed all the requirements for the particular license.

(b) The ~~board~~ Director shall issue a license to the person who owns or controls a shop or school of barbering or cosmetology who has paid the required fee and is in compliance with the rules of the ~~board~~ Director and the provisions of this chapter.

(c) The license shall be conspicuously displayed for the customer in the licensee's principal office, place of business, or place of employment.

§ 285. LICENSES FROM OTHER JURISDICTIONS

Without requiring an examination, the ~~board~~ Director shall issue an appropriate license to a person who is licensed or certified in good standing under the laws of another jurisdiction with requirements ~~that the board considers to be:~~

(1) substantially equal to those of this ~~state~~ State; or

(2) materially less rigorous ~~than those of this State~~, if the person has had 1,500 documented hours of practice in not less than one year.

§ 286. ~~RENEWAL AND REINSTATEMENT~~

~~The holder of a license issued by the board pursuant to this chapter may biennially renew the license upon payment of the renewal fee. A license that has not been renewed by the renewal date shall expire. Within three years of the date of expiration, the holder of the expired license may apply for reinstatement upon the payment of the renewal fee and a renewal penalty. If a license is not reinstated within three years of expiration, the applicant shall meet the requirements of section 284 or 285 of this title before the license may be reinstated. [Repealed.]~~

§ 287. ~~FEES~~

~~Applicants and persons regulated under this chapter shall pay the following fees:~~

~~(1) Application:~~

(A) Barber	\$110.00
(B) Cosmetologist	\$110.00
(C) Nail technician	\$110.00
(D) Esthetician	\$110.00
(E) Shop	\$330.00
(F) School	\$330.00

~~(2) Biennial renewal:~~

(A) Barber	\$130.00
(B) Cosmetologist	\$130.00
(C) Nail technician	\$130.00
(D) Esthetician	\$130.00
(E) Shop	\$225.00
(F) School	\$330.00

~~(3) Reinspection~~ ~~\$100.00~~

~~[Repealed.]~~

§ 288. UNPROFESSIONAL CONDUCT

~~The conduct listed in this section and in 3 V.S.A. § 129a constitutes unprofessional conduct when committed by a licensee. When that conduct is by an applicant or person who later becomes an applicant, it may constitute grounds for denial of a license or other disciplinary action:~~

~~(1) Practicing or offering to practice beyond the scope permitted by law.~~

~~(2) Willfully materially misrepresenting the qualifications or experience of an applicant in the practice of the occupation, whether by commission or omission.~~

~~(3) Failing to adequately supervise employees who are engaged in any of the practices of barbering or cosmetology and nail technician practice.~~

~~(4) Harassing, intimidating, or abusing a client or customer.~~

~~(5) Performing treatments or providing services which a licensee is not qualified to perform or which are beyond the licensee's education, training, capabilities, experience, or scope of practice. [Repealed.]~~

§ 289. ~~LICENSURE BY ENDORSEMENT~~

~~The board may issue a license to an individual who is currently licensed or certified in another jurisdiction in good standing, provided the individual has been in active practice for at least three years immediately preceding application or has 2,000 documented hours of practice in not less than one year. [Repealed.]~~

Sec. 13. DIRECTOR OF PROFESSIONAL REGULATION; BARBERS
AND COSMETOLOGISTS; RULEMAKING

Prior to the effective date of Sec. 12 of this act, the Director of the Office of Professional Regulation shall adopt rules in accordance with the amendments to 26 V.S.A. chapter 6 (barbers and cosmetologists) contained in that section.

* * * Dentistry * * *

Sec. 14. 26 V.S.A. chapter 12 is amended to read:

CHAPTER 12. DENTISTS, DENTAL THERAPISTS, DENTAL
HYGIENISTS, AND DENTAL ASSISTANTS

* * *

Subchapter 3. Dentists

§ 601. LICENSE BY EXAMINATION

To be eligible for licensure as a dentist, an applicant shall:

(1) have attained the age of majority;

(2) be a graduate of:

(A) a dental college accredited by the Commission on Dental Accreditation of the American Dental Association; or

(B) a program of foreign dental training and a postgraduate program accredited by the Commission on Dental Accreditation of the American Dental Association that is acceptable to the Board; and

(3) meet the certificate, examination, and training requirements established by the ~~board~~ Board by rule.

* * *

Subchapter 6. Renewals, Continuing Education, and Fees

* * *

§ 663. ~~LAPSED LICENSES OR REGISTRATIONS~~

~~(a) Failure to renew a license by the renewal date shall result in a lapsed~~

license subject to late renewal penalties pursuant to 3 V.S.A. § 125(a)(1).

(b) ~~A person whose license or registration has lapsed may not practice and may be subject to disciplinary action.~~

(c) ~~Notwithstanding the provisions of subsection (a) of this section, a person shall not be required to pay renewal fees or late renewal penalties for years spent on active duty in the armed forces of the United States. A person who returns from active duty shall be required to pay only the most current biennial renewal fee. [Repealed.]~~

* * * Funeral Services * * *

Sec. 15. 26 V.S.A. chapter 21 is amended to read:

CHAPTER 21. FUNERAL ~~DIRECTORS~~ SERVICES

Subchapter 1. General Provisions

§ 1211. DEFINITIONS

(a) ~~The following words as~~ As used in this chapter, unless a contrary meaning is required by the context, ~~shall have the following meanings:~~

(1) “Crematory establishment” means a business registered with the ~~Board~~ Office conducted at a specific street address or location devoted to the disposition of dead human bodies by means of cremation, alkaline hydrolysis, or any other type of human reduction acceptable to the ~~Board of Funeral Service Director~~ as established by ~~Board~~ the Director by rule.

(2) “Director” means the Director of the Office of Professional Regulation.

(3) “Funeral director” means a licensed person who is the owner, co-owner, employee, or manager of a licensed funeral establishment and who, for compensation, engages in the practice of funeral service.

~~(3)~~(4) “Funeral establishment” means a business registered with the ~~Board~~ Office conducted at a specific street address or location devoted to the practice of funeral service, and includes a limited services establishment.

(5) “Office” means the Office of Professional Regulation.

~~(4)~~(6) “Practice of funeral service” means arranging, directing, or providing for the care, preparation, or disposition of dead human bodies for a fee or other compensation. This includes:

* * *

~~(5)~~(7) “Removal” means the removal of dead human bodies from places of death, hospitals, institutions, or other locations, for a fee or other

compensation.

* * *

§ 1212. ~~BOARD OF FUNERAL SERVICE; RULES~~ ADVISOR
APPOINTEES; DIRECTOR DUTIES; RULES

(a)(1) ~~The board of funeral service shall consist of five members appointed by the governor, three of whom shall be licensed funeral directors under this chapter with five years of experience as a funeral director, and two members shall represent the public. At least two of the funeral directors shall also be licensed embalmers. The public members shall not have a direct or indirect financial interest in the funeral business. Each member shall be sworn before performing his or her duties~~ Secretary of State shall appoint four persons for five-year staggered terms to serve at the Secretary's pleasure as advisors in matters relating to funeral service. Three of the initial appointments shall be for four-, three-, and two-year terms. Appointees shall include three licensed funeral directors, one of whom is a licensed embalmer and one of whom has training or experience in the operation of crematoria. One appointee shall be a public member.

(2) The Director shall seek the advice of the advisor appointees in carrying out the provisions of this chapter.

(b) ~~The board~~ Director shall:

(1) adopt rules establishing requirements for facilities used for embalming and preparation of dead human bodies, including the use of universal precautions. Rules adopted under this subdivision shall be submitted to the ~~commissioner of health~~ Commissioner of Health before the proposed rule is filed with the ~~secretary of state~~ Secretary of State under 3 V.S.A. chapter 25;

(2) adopt rules governing professional standards, standards for disclosure of prices, and a description of the goods and services that will be provided for those prices not inconsistent with Federal Trade Commission regulations regarding funeral industry practices and unfair or deceptive business practices;

(3) provide general information to applicants for licensure;

(4) explain appeal procedures to licensees and applicants and complaint procedures to the public;

(5) issue licenses to qualified applicants under this chapter; and

(6) adopt rules regarding:

(A) minimum standards for crematory establishments, including

standards for permits and documentation, body handling, containers, infectious diseases, pacemakers, body storage, sanitation, equipment, and maintenance, dealing with the public and other measures necessary to protect the public; and

(B) the transaction of its business as the ~~board~~ Director deems necessary;

~~(7) conduct at least one examination each year if there are candidates for examination;~~

~~(8) hold meetings as frequently as the efficient discharge of its duties requires. A majority of the members present shall constitute a quorum for the transaction of business.~~

* * *

§ 1213. INSPECTION OF PREMISES

(a) The ~~board of funeral service~~ Director or its his or her designee may, at any reasonable time, inspect funeral and crematory establishments.

(b) Each funeral and crematory establishment shall be inspected at least once every two years. Copies of the inspector's report of inspections of establishments shall be provided to the ~~board~~ Director.

* * *

§ 1215. PENALTIES; JURISDICTION OF OFFENSES

(a) A person who engages in the practice of funeral services without a license shall be subject to the penalties provided in 3 V.S.A. § 127(e).

(b) ~~No~~ A person shall not embalm or introduce any fluid into a dead human body unless the person is a licensed embalmer or is an apprentice and performs under the direction of an embalmer in his or her presence. A person who is not duly licensed as provided in this chapter ~~may~~ shall not practice or hold himself or herself out to the public as a practicing embalmer ~~and; a person who does so~~ shall be subject to the penalties provided in 3 V.S.A. § 127(e).

* * *

Subchapter 2. Licenses

§ 1251. LICENSE REQUIREMENTS

(a) ~~No~~ A person, partnership, corporation, association, or other organization ~~may~~ shall not open or maintain a funeral establishment unless the establishment is licensed by the ~~board of funeral service~~ Office to conduct the business and unless the owner, a co-owner, or manager is a licensed funeral director.

(b) ~~No~~ A person, partnership, corporation, association, or other organization ~~may~~ shall not open or maintain a crematory establishment unless the establishment is licensed by the ~~board of funeral service~~ Office.

(c) ~~No~~ A person ~~may~~ shall not hold himself or herself out as performing the duties of a funeral director unless licensed by the ~~board of funeral service~~ Office.

(d) Except as otherwise permitted by law, ~~no~~ a person employed by a funeral or crematory establishment ~~may~~ shall not perform a removal unless registered with the ~~board~~ Office.

§ 1252. APPLICATION; QUALIFICATIONS

(a) Funeral director.

(1) Any person holding a high school certificate or its equivalent shall be entitled to take an examination as a funeral director provided that he or she has:

(A) graduated from a school of funeral service accredited or approved by the American Board of Funeral Service Education in a course of instruction of not less than two academic years, or graduated from a school of funeral service accredited or approved by the American Board of Funeral Service Education in a course of instruction of not less than one academic year or its equivalent as determined by the ~~Board~~ Director, with 30 additional credit hours in subjects approved by the ~~Board~~ Director and obtained in a college or university approved by the ~~Board~~ Director;

(B) completed a traineeship of 12 months of full-time employment or its equivalent under the direct supervision of a person duly licensed for the practice of funeral service within a licensed funeral establishment not connected with a school. The duration of the traineeship and the work performed shall be verified by affidavit as required by the ~~Board~~ Director; and

(C) submitted a written application and the required application fee.

(2) The ~~Board~~ Director may waive the educational and traineeship requirements for examination as a funeral director, provided the applicant possesses a valid license from another state with licensure requirements substantially similar to those required by this chapter.

(3) Notwithstanding the provisions of subdivision (1)(A) of this subsection (a), the ~~Board~~ Director may by rule prescribe an alternative pathway to licensure for individuals who have not attended a school of funeral service but who have demonstrated through an approved program of apprenticeship and study the skills deemed necessary by the ~~Board~~ Director to ensure competence as a funeral director.

(b) Embalmer.

(1) Any person holding a high school certificate or its equivalent shall be entitled to take an examination in embalming provided that he or she has:

(A) graduated from a school of funeral service accredited or approved by the American Board of Funeral Service Education in a course of instruction of not less than two academic years, or graduated from a school of funeral service accredited or approved by the American Board of Funeral Service Education in a course of instruction of not less than one academic year or its equivalent as determined by the Board Director, with 30 additional credit hours in subjects approved by the Board Director and obtained in a college or university approved by the Board Director;

(B) served a traineeship of 12 months of full-time employment or its equivalent under the direct supervision of a person duly licensed for the practice of funeral service, within a licensed funeral establishment not connected with a school. The duration of the traineeship and the work performed shall be verified by affidavit as required by the Board Director; and

(C) submitted a written application and the required application fee.

(2) The Board Director may waive the educational and traineeship requirements for examination as an embalmer, provided the applicant possesses a valid license from another state with licensure requirements substantially similar to those required by this chapter.

(c) Funeral establishment.

(1) A person, partnership, association, or other organization desiring to operate a funeral establishment, shall apply, in writing, to the Board of Funeral Service Director for a license. The applicant, if a corporation, partnership, association, or other organization, must have a manager or co-owner who is a licensed funeral director.

(2) The application for a license shall be sworn to by the individual, a partner, or a duly authorized officer of a corporation, and shall be on the form prescribed and furnished by the Board of Funeral Service Director, and the applicant shall furnish such information as required by the Director by rule or regulation of the Board. The application shall be accompanied by a licensing fee.

(d) Crematory establishment.

(1) A person, partnership, corporation, association, or other organization desiring to operate a crematory establishment shall apply, in writing, to the Board of Funeral Service Director for a license. The applicant, if a partnership, corporation, association, or other organization, must have a

designated manager or co-owner who is responsible for the operation of the establishment and who is registered with the ~~Board~~ Office under subsection (e) of this section.

(2) The application for a license shall be sworn to by the individual, or a partner or a duly authorized officer of a corporation, shall be on the form prescribed and furnished by the ~~Board~~ Director, and the applicant shall furnish information, as required by rule. The application shall be accompanied by a licensing fee. However, the applicant shall not be required to pay the fee under this subsection if the applicant pays the fee under subsection (b) of this section.

(e) Crematory personnel.

(1) Any person who desires to engage in direct handling, processing, identification, or cremation of dead human remains within a licensed crematory establishment shall register with the ~~Board of Funeral Service~~ Office and pay the fee established in subsection 1256(d) of this chapter. The applicant shall have attained the age of majority and be directly employed by a licensed crematory establishment.

(2) The ~~Board~~ Director may prescribe, by rule, the forms for applicants, which may include proof of completion of up to three hours of education and training in programs approved by the ~~Board~~ Director.

(f) Removal personnel.

(1) Any person who desires to engage in removals shall register with the ~~Board of Funeral Service~~ Office and pay the fee established in subsection 1256(d) of this chapter. The applicant shall have attained the age of majority and be directly employed by a licensed funeral or crematory establishment, or the University of Vermont for removals related to the University's anatomical gift program.

(2) The ~~Board~~ Director may prescribe, by rule, the forms for applicants, which may include proof of completion of up to three hours of education and training in infectious diseases in programs approved by the ~~Board~~ Director.

(3) Registrants under this ~~section~~ subsection are authorized to perform removals only, as defined by this chapter. Unregistered personnel may accompany registered personnel to assist in removals so long as they have been instructed in handling and precautionary procedures prior to the call.

(g) Limited services establishment.

(1) The ~~Board of Funeral Service~~ Director may adopt rules for the issuance of limited service establishment licenses in accordance with this chapter. Limited service establishment licensees are authorized to perform

only disposition services without arranging, directing, or performing embalming, public viewings, gatherings, memorials, funerals, or related ceremonies. Disposition services under this subsection include direct cremation, direct alkaline hydrolysis, immediate burial, or direct green burial.

(2) Limited services shall be overseen by a funeral director licensed under this chapter who is employed by the limited service establishment.

(3) Each limited service arrangement shall include a mandatory written disclosure providing notice to the purchaser that limited services do not include embalming, public viewings, gatherings, memorials, funerals, or related ceremonies.

(4) A funeral director associated with a funeral establishment licensed under subsection (c) of this section may provide limited services so long as the mandatory disclosure described under subdivision (3) of this subsection is provided to the purchaser.

§ 1253. EXAMINATIONS

An applicant for a funeral director's or embalmer's license shall be examined ~~by as the board~~ Director may require by rule. ~~The examinations shall be in writing and upon forms approved by the board containing questions on subjects as the board by rule may require to determine the qualifications of the applicant.~~

§ 1254. ISSUANCE OR DENIAL OF LICENSE

If, upon review, it is found that the applicant possesses sufficient skill and knowledge of the business and has met the application and qualification requirements set forth in this chapter, the ~~board~~ Director shall issue to him or her a license to engage in the business of funeral director, embalmer, funeral establishment, crematory establishment, or removal personnel. ~~All applications shall be granted or denied within 90 days from the making thereof.~~

~~§ 1255. RECORD OF LICENSES AND APPLICATIONS~~

~~The board shall keep a record of licenses granted and applications made for license, which shall be open to public inspection at all reasonable times. [Repealed.]~~

§ 1256. RENEWAL OF REGISTRATION OR LICENSE

~~(a)(1) One month before renewal is required, the Board or the Office of Professional Regulation shall notify, by mail, every licensee of the date on which his or her or its license will expire.~~

(2) Biennially, every licensee shall renew his or her or its registration or

license by paying the required fee.

(b) Upon request of the Board of Health or a person authorized to issue burial or removal permits, a licensee shall show proof of current licensure.

~~(c) If a licensee fails to pay the renewal fee by the required date, the license shall lapse. Thereafter, the license may be reinstated only upon application to the Board or the Office of Professional Regulation and upon payment of the renewal fee and a reinstatement fee. [Repealed.]~~

(d) Applicants and persons regulated under this chapter shall pay the following fees:

(1) Application for license	\$ 70.00
(2) Biennial renewal of license	
(A) Funeral director	\$ 350.00
(B) Embalmer	\$ 350.00
(C) Funeral establishment	\$ 800.00
(D) Crematory establishment	\$ 800.00
(E) Crematory personnel	\$ 125.00
(F) Removal personnel	\$125.00
(G) Limited services establishment license	\$800.00

~~(e)(1)~~ In addition to the provisions of subsection (a) of this section, an applicant for renewal as a funeral director or embalmer shall have satisfactorily completed continuing education as required by the Board Director.

~~(2)~~ For purposes of this subsection, the Board Director shall require, by rule, not less than six nor more than ten hours of approved continuing education as a condition of renewal and may require up to three hours of continuing education for removal personnel in the subject area of universal precautions and infectious diseases.

§ 1257. UNPROFESSIONAL CONDUCT

(a) A licensee shall not engage in unprofessional conduct.

(b) Unprofessional conduct means the following conduct and conduct set forth in 3 V.S.A. § 129a:

- (1) Using dishonest or misleading advertising.
- (2) Failure to make available, upon request of a person who had

received services, copies of documents in the possession or under the control of the practitioner.

(3) Failure to comply with rules adopted by the ~~board~~ Director, the ~~office of professional regulation~~ Office, or by the Federal Trade Commission relating to funeral goods and services.

(4) For funeral directors, failure to make available at the licensee's place of business, by color picture or display, the three least expensive caskets, as available. For the purposes of this section and related administrative rules, the three least expensive caskets shall include one cloth, one metal, and one wood casket.

~~(e) After hearing and upon a finding of unprofessional conduct, the board may take disciplinary action against a licensee.~~

~~(d) For purposes of this section, "disciplinary action" includes any action taken by the board against a licensee premised on a finding of unprofessional conduct. Disciplinary action includes all appropriate remedies, including denial of renewal of a license, suspension, revocation, limiting, or conditioning of the license, issuing reprimands or warnings, and adopting consent orders.~~

~~(e) Disciplinary proceedings against a licensed crematory establishment or its personnel, when that crematory is independent from a licensed funeral establishment, may, upon petition of the licensee, be heard by an administrative law officer appointed by the director of the office of professional regulation.~~

* * *

Subchapter 3. Prepaid Funeral Arrangements

§ 1271. PREPAID ARRANGEMENTS

A funeral establishment that sells services or merchandise that is not to be delivered or provided within 30 days of sale has entered into a prepaid funeral arrangement and shall comply with the requirements of this subchapter.

§ 1272. RULES; PREPAID FUNERAL FUNDS

~~The board, with the assistance of the office of professional regulation,~~ Director shall adopt rules to carry out the provisions of this subchapter to ~~insure~~ ensure the proper handling of all funds paid pursuant to a prepaid funeral agreement and to protect consumers in the event of default. The rules shall include provisions relating to the following:

* * *

(5) Information to be provided the escrow agent by the funeral director

and information regarding the escrow account or the prepaid funeral that shall be made available to the buyer on request and annually in a format as determined by the ~~board~~ Director.

* * *

(8) Other factors determined by the ~~board~~ Director to be reasonably necessary to ~~insure~~ ensure the security of the funds paid into an escrow account as part of a prepaid funeral arrangement.

(9) Establishment of a funeral services trust account.

(A) For purposes of funding the funeral services trust account, the ~~board or the office of professional regulation~~ Office shall assess each funeral or crematory establishment a per funeral, burial, or disposition fee of \$6.00.

(B) The account shall be administered by the ~~secretary of state~~ Secretary of State and shall be used for the sole purpose of protecting prepaid funeral contract holders in the event a funeral establishment defaults on its obligations under the contract.

(C) The account shall consist of all fees collected under this subdivision (9) and any assessments authorized by the ~~general assembly~~ General Assembly. The principal and interest remaining in the account at the close of any fiscal year shall not revert but shall remain in the account for use in succeeding fiscal years.

(D) Notwithstanding the ~~foregoing~~ provisions of this subdivision (9) to the contrary, if the fund balance at the beginning of a fiscal year is at least \$200,000.00, no fees shall be imposed during that fiscal year.

(E) Payments on consumer claims from the fund shall be made on warrants by the ~~commissioner of finance and management~~ Commissioner of Finance and Management, at the direction of the ~~board of funeral services~~ Director.

(F) When an investigation reveals financial discrepancies within a licensed establishment, the ~~director~~ Director may order an audit to determine the existence of possible claims on the funeral services trust account. In cases where both a funeral and crematory establishment are involved in a disposition, the party receiving the burial permit shall be responsible for the disposition fee.

* * *

§ 1273. WRITTEN AGREEMENTS

(a) Each prepaid funeral arrangement shall be expressed in a written contract. The ~~board~~ Director shall adopt rules for standard provisions to be

included in all pre-need trust forms and may adopt a standard form ~~which~~ that every funeral director accepting prepaid funeral arrangements shall use. Those provisions shall include:

(1) Disclosure of whether the contract is revocable or irrevocable.

(2) A declaration of the person who will most likely be responsible for the funeral and who is to be notified of the prepaid funeral.

(3) Any other provision determined by the ~~board~~ Director to be reasonably necessary to ~~insure~~ ensure full disclosure to the buyer of all prepaid funeral arrangements as required under this chapter.

* * *

Sec. 16. REPEAL

26 V.S.A. § 1256(d) (funeral services; application and renewal fees) shall be repealed on June 1, 2023.

Sec. 17. TRANSITIONAL PROVISION; FUNERAL SERVICE RULES

On the effective date of Sec. 15 of this act (amending 26 V.S.A. chapter 21 (funeral services)), the rules of the Board of Funeral Service shall constitute the rules of the Director of the Office of Professional Regulation for the funeral service professions and establishments.

* * * Nursing * * *

Sec. 18. 26 V.S.A. chapter 28 is amended to read:

CHAPTER 28. NURSING

Subchapter 1. General Provisions

* * *

§ 1573. VERMONT STATE BOARD OF NURSING

(a) There is hereby created a the Vermont State Board of Nursing consisting of six registered nurses, including at least two licensed as advanced practice registered nurses_; two practical nurses_; one nursing assistant_; and two public members. Board members shall be appointed by the Governor pursuant to 3 V.S.A. §§ 129b and 2004.

* * *

~~(d) Six members of the Board shall constitute a quorum.~~

§ 1579. ~~ISSUANCE AND DURATION OF LICENSES~~

~~Licenses and endorsements shall be renewed every two years on a schedule determined by the Office of Professional Regulation.~~ [Repealed.]

* * *

§ 1584. PROHIBITIONS; OFFENSES

(a) It shall be a violation of this chapter for any person, including any corporation, association, or individual, to:

* * *

(8) ~~[Deleted.]~~

(b) Any person violating this section shall be subject to the penalties provided in 3 V.S.A. § 127(c).

(c) ~~[Deleted.]~~

* * *

Subchapter 2. Advanced Practice Registered Nurses

* * *

§ 1612. PRACTICE GUIDELINES

~~(a) APRN licensees who intend to or are engaged in clinical practice as an APRN shall submit for review individual practice guidelines and receive Board approval of the practice guidelines. Practice guidelines shall reflect current standards of advanced nursing practice specific to the APRN's role, population focus, and specialty.~~

~~(b) Licensees shall submit for review individual practice guidelines and receive Board approval of the practice guidelines:~~

~~(1) prior to initial employment;~~

~~(2) if employed or practicing as an APRN, upon application for renewal of an APRN's registered nurse license; and~~

~~(3) prior to a change in the APRN's employment or clinical role, population focus, or specialty. [Repealed.]~~

* * *

§ 1614. APRN RENEWAL

An APRN license renewal application shall include:

(1) documentation of completion of the APRN practice requirement;

(2) possession of a current certification by a national APRN specialty certifying organization; and

(3) ~~current practice guidelines; and~~

(4) a current collaborative provider agreement if required for transition

to practice.

§ 1615. ADVANCED PRACTICE REGISTERED NURSES;
REGULATORY AUTHORITY; UNPROFESSIONAL CONDUCT

(a) In addition to the provisions of 3 V.S.A. § 129a and section 1582 of this chapter, the Board may deny an application for licensure, renewal, or reinstatement, or may revoke, suspend, or otherwise discipline an advanced practice registered nurse upon due notice and opportunity for hearing if the person engages in the following conduct:

* * *

(4) Practice beyond those acts and situations that are within the ~~practice guidelines approved by the Board for an APRN and within the~~ limits of the knowledge and experience of the APRN, and, for an APRN who is practicing under a collaborative agreement, practice beyond those acts and situations that are within both the usual scope of the collaborating provider's practice and the terms of the collaborative agreement.

(5) For an APRN who acts as the collaborating provider for an APRN who is practicing under a collaboration agreement, allowing the mentored APRN to perform a medical act that is outside the usual scope of the mentor's own practice or that the mentored APRN is not qualified to perform by training or experience or that is not consistent with the requirements of this chapter and the rules of the Board.

* * *

Subchapter 3. Registered Nurses and Practical Nurses

* * *

§ 1622. REGISTERED NURSE LICENSURE BY ENDORSEMENT

To be eligible for licensure as a registered nurse by endorsement, an applicant shall:

(1) hold a current license to practice registered nursing in another U.S. jurisdiction based on education in a ~~U.S.~~ nursing program acceptable to the Board; and

(2) meet practice requirements set by the Board by rule.

* * *

§ 1626. PRACTICAL NURSE LICENSURE BY ENDORSEMENT

To be eligible for licensure as a practical nurse by endorsement, an applicant shall:

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(1) hold a current license to practice practical nursing in another U.S. jurisdiction based on education in a U.S. nursing program acceptable to the Board; and

(2) meet practice requirements set by the Board by rule.

* * *

Subchapter 4. Nursing Assistants

* * *

§ 1645. RENEWAL

(a) To renew a license, a nursing assistant shall meet active practice requirements set by the Board by rule.

(b) The Board shall credit as active practice those activities, regardless of title or obligation to hold a license, that reasonably tend to reinforce the training and skills of a licensee.

* * *

Sec. 19. NURSING COMPACT ASSESSMENT

(a) The Board of Nursing and the Office of Professional Regulation shall assess the costs and benefits of participation in licensure compacts for nurses at various levels of licensure.

(b) On or before March 15, 2019, the Office shall report its assessment to the House and Senate Committees on Government Operations. The report may be in verbal form.

* * * Pharmacy * * *

Sec. 20. 26 V.S.A. chapter 36 is amended to read:

CHAPTER 36. PHARMACY

Subchapter 1. General Provisions

* * *

§ 2022. DEFINITIONS

As used in this chapter:

* * *

(4) “Disciplinary action” or “disciplinary cases” includes any action taken by the Board against a licensee or others premised upon a finding of ~~wrongdoing~~ or unprofessional conduct by the licensee. It includes all sanctions of any kind, including obtaining injunctions, issuing warnings, and

other similar sanctions.

* * *

(7) “Drug outlet” means all pharmacies, ~~nursing homes, convalescent homes, extended care facilities, drug abuse treatment centers, family planning clinics, retail stores, hospitals, wholesalers, manufacturers, any authorized treatment centers, and mail order vendors~~ other entities that are engaged in the dispensing, delivery, or distribution of prescription drugs.

* * *

(10) “Manufacturer” means ~~anyone who is engaged in manufacturing, preparing, propagating, compounding, processing, packaging, repackaging, or labeling of a prescription drug~~ a person, regardless of form, engaged in the manufacturing of drugs or devices.

(11)(A) “Manufacturing” means the production, preparation, propagation, conversion, or processing of a drug or device, either directly or indirectly, by extraction from substances of natural origin or independently by means of chemical or biological synthesis.

(B) “Manufacturing” includes the packaging or repackaging of a drug or device or the labeling or relabeling of the container of a drug or device for resale by a pharmacy, practitioner, or other person.

(12) “Nonprescription drugs” means nonnarcotic medicines or drugs that may be sold without a prescription and that are prepackaged for use by the consumer and labeled in accordance with the requirements of the statutes and regulations of this State and the federal government.

~~(12)~~(13) “Pharmacist” means an individual licensed under this chapter.

~~(13)~~(14) “Pharmacy technician” means an individual who performs tasks relative to dispensing only while assisting, and under the supervision and control of, a licensed pharmacist.

~~(14)~~(15)(A) “Practice of pharmacy” means:

(i) ~~the interpretation~~ interpreting and ~~evaluation of~~ evaluating prescription orders;

(ii) ~~the~~ compounding, dispensing, and labeling of drugs and legend devices (except labeling by a manufacturer, packer, or distributor of nonprescription drugs and commercially packaged legend drugs and legend devices);

(iii) ~~the participation~~ participating in drug selection and drug utilization reviews;

~~(iv) the proper and safe storage of~~ properly and safely storing drugs and legend devices, ~~and the maintenance of~~ maintaining proper records therefor;

~~(v) the responsibility for~~ advising, where necessary or where regulated, of therapeutic values, content, hazards, and use of drugs and legend devices;

~~(vi) the providing of~~ patient care services within the pharmacist's authorized scope of practice;

~~(vii) the optimizing of~~ drug therapy through the practice of clinical pharmacy; and

~~(viii) the offering or performing of~~ or offering to perform those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of pharmacy.

(B) "Practice of clinical pharmacy" or "clinical pharmacy" means:

* * *

~~(ii) the provision of~~ providing patient care services within the pharmacist's authorized scope of practice, including medication therapy management, comprehensive medication review, and postdiagnostic disease state management services; or

~~(iii) the practice of pharmacy by a pharmacist practicing~~ pharmacy pursuant to a collaborative practice agreement.

(C) ~~A rule shall not be adopted by the~~ The Board under this chapter that shall require not adopt any rule requiring that pharmacists or pharmacies be involved in the sale and distribution of nonprescription drugs by a licensed pharmacist or under the supervision of a licensed pharmacist or otherwise interfere with the sale and distribution of such medicines; provided, however, that nothing in this subdivision (C) shall limit the authority of the Board to adopt rules applicable to the elective sale or distribution of nonprescription drugs by pharmacies.

~~(15)~~(16) "Practitioner" means an individual authorized by the laws of the United States or its jurisdictions or Canada to prescribe and administer prescription drugs in the course of his or her professional practice and permitted by that authorization to dispense, conduct research with respect to, or administer drugs in the course of his or her professional practice or research in his or her respective state or province.

~~(16)~~(17) "Prescription drug" means any human drug required by federal law or regulation to be dispensed only by a prescription, including finished

dosage forms and active ingredients subject to Section 503(b) of the Federal Food, Drug and Cosmetic Act.

~~(17)~~(18) “Wholesale distribution” means distribution of prescription drugs to persons other than a consumer or patient, but does not include:

* * *

~~(18)~~(19) “Wholesale ~~drug~~ distributor” means any person who is engaged in wholesale distribution of prescription drugs, but does not include any ~~for hire~~ for-hire carrier or person hired solely to transport prescription drugs.

~~(19)~~(20) “Collaborative practice agreement” means a written agreement between a pharmacist and a health care facility or prescribing practitioner that permits the pharmacist to engage in the practice of clinical pharmacy for the benefit of the facility’s or practitioner’s patients.

* * *

Subchapter 2. Board of Pharmacy

§ 2031. CREATION; APPOINTMENT; TERMS; ORGANIZATION

(a)(1) There is hereby created the ~~board of pharmacy~~ Board of Pharmacy to enforce the provisions of this chapter.

(2) The ~~board~~ Board shall consist of seven members, five of whom shall be pharmacists licensed under this chapter with five years of experience in the practice of pharmacy in this ~~state~~ State. Two members shall be members of the public having no financial interest in the practice of pharmacy.

(b) Members of the ~~board~~ Board shall be appointed by the ~~governor~~ Governor pursuant to 3 V.S.A. §§ 129b and 2004. ~~A majority of members shall constitute a quorum, and all action shall be taken upon a majority vote of the members present and voting.~~

* * *

Subchapter 3. Licensing

§ 2041. UNLAWFUL PRACTICE

(a) It shall be unlawful for any person to engage in the practice of pharmacy unless licensed to so practice under the provisions of this chapter; provided, however, physicians, dentists, veterinarians, osteopaths, or other practitioners of the healing arts who are licensed under the laws of this State may dispense and administer prescription drugs to their patients in the practice of their respective professions where specifically authorized to do so by statute of this State.

~~(b)(1) Any person who shall be found by the Board after hearing to have~~

~~unlawfully engaged in the practice of pharmacy shall be subject to disciplinary action.~~

~~(2) For the purpose of enforcing this section, the Attorney General or a State's Attorney or an attorney assigned by the Office of Professional Regulation may commence a criminal action against any person unlawfully engaging in the practice of pharmacy, and upon conviction, the person, including a business entity, violating this section shall be subject to the penalties provided in 3 V.S.A. § 127.~~

~~* * *~~

§ 2042b. PHARMACY TECHNICIANS; NONDISCRETIONARY TASKS;
SUPERVISION

~~* * *~~

~~(f)(1) A pharmacist on duty shall be directly responsible for the conduct of a pharmacy technician.~~

~~(2) A pharmacist responsible for a pharmacy technician shall be on the premises at all times, or in the case of a remote pharmacy approved by the Board, immediately available by a functioning videoconference link.~~

~~(3) A pharmacist shall verify a prescription before medication is provided to the patient.~~

~~* * *~~

§ 2044. RENEWAL OF LICENSES

~~Each person or entity licensed or regulated under the provisions of this chapter shall apply for renewal biennially by a date established by the director of the office of professional regulation. [Repealed.]~~

§ 2045. REINSTATEMENT

~~(a) The board may renew a license which has lapsed upon payment of the required fee and the late renewal penalty, provided all the requirements for renewal set by the board by rule, have been satisfied. The board shall not require payment of renewal fees for years during which the license was lapsed.~~

~~(b) As a condition of renewal, the board may by rule set reinstatement requirements for those whose licenses have lapsed for more than five years. [Repealed.]~~

~~* * *~~

Subchapter 4. Discipline

§ 2051. UNPROFESSIONAL CONDUCT

~~The board of pharmacy may refuse to issue or renew, or may suspend, revoke, or restrict the licenses of any person, pursuant to the procedures set forth in section 2052 of this title, upon one or more of the following grounds and upon the grounds set forth in 3 V.S.A. § 129a:~~

~~(1) Unprofessional conduct as that term is defined by the rules and regulations of the board;~~

~~(2) Incapacity of a nature that prevents a pharmacist from engaging in the practice of pharmacy with reasonable skill, competence, and safety to the public;~~

~~(3) Fraud or intentional misrepresentation by a licensee in securing the issuance or renewal of a license;~~

~~(4) Engaging or aiding and abetting an individual to engage in the practice of pharmacy without a license or to falsely use the title of pharmacist;~~

~~(5) Being found by the board to be in violation of any of the provisions of this chapter or rules and regulations adopted pursuant to this chapter.~~

~~§ 2052. PENALTIES AND REINSTATEMENT~~

~~(a)(1) Upon the finding, after notice and opportunity for hearing, of the existence of grounds for discipline of any person or any drug outlet holding a license, under the provisions of this chapter, the board of pharmacy may impose one or more of the following penalties:~~

~~(A) Suspension of the offender's license for a term to be determined by the board;~~

~~(B) Revocation of the offender's license;~~

~~(C) Restriction of the offender's license to prohibit the offender from performing certain acts or from engaging in the practice of pharmacy in a particular manner for a term to be determined by the board;~~

~~(D) Placement of the offender under the supervision of the board for a period to be determined and under conditions set by the board;~~

~~(E) A requirement to perform up to 100 hours of public service, in a manner and at a time and place to be determined by the board;~~

~~(F) A requirement of a course of education or training;~~

~~(G) An administrative penalty as provided in 3 V.S.A. § 129a(d).~~

~~(2) [Deleted.]~~

~~(b) Any person or drug outlet whose license to practice pharmacy in this state has been suspended, revoked, or restricted pursuant to this chapter,~~

~~whether voluntarily or by action of the board, shall have the right, at reasonable intervals, to petition the board for reinstatement of such license. Such petition shall be made in writing and in the form prescribed by the board. Upon hearing, the board may in its discretion grant or deny such petition or it may modify its original finding to reflect any circumstances which have changed sufficiently to warrant such modifications.~~

~~(c) Nothing herein shall be construed as barring criminal prosecutions for violations of this chapter where such violations are deemed as criminal offenses in other statutes of this state or of the United States.~~

~~(d) All final decisions by the board shall be subject to review pursuant to 3 V.S.A. § 130a. [Repealed.]~~

Subchapter 5. Registration of Facilities

§ 2061. REGISTRATION AND LICENSURE

(a) All drug outlets shall biennially register with the Board of Pharmacy.

(b) Each drug outlet shall apply for a license in one or more of the following classifications:

- (1) Retail ~~drug outlet~~.
- (2) Institutional ~~drug outlet~~.
- (3) ~~Manufacturing drug outlet~~ Manufacturer.
- (4) Wholesale ~~drug outlet or wholesale drug~~ distributor.
- (5) Investigative and research projects.
- (6) Compounding.
- (7) Outsourcing.
- (8) Home infusion.
- (9) Nuclear.

§ 2064. VIOLATIONS AND PENALTIES

(a) ~~No A drug outlet designated in section 2061 of this title subchapter shall not be operated until a license has been issued to said that outlet by the board Board. Upon the finding of a violation of this section, the board may impose one or more of the penalties enumerated in section 2052 of this title.~~

~~(b) Reinstatement of a license that has been suspended, revoked, or restricted by the board may be granted in accordance with the procedures specified by subsection 2052(b) of this title~~ Unauthorized operation of a drug outlet may be penalized as provided in 3 V.S.A. § 127 and shall constitute

unprofessional conduct by the licensees involved.

Subchapter 6. Wholesale ~~Drug~~ Distributors

§ 2067. WHOLESALE ~~DRUG~~ DISTRIBUTOR; LICENSURE REQUIRED

(a) A person who is not licensed under this subchapter shall not engage in wholesale ~~drug~~ distribution in this State.

(b) [Repealed.]

* * *

(d) An agent or employee of any licensed wholesale ~~drug~~ distributor shall not be required to obtain a license under this subchapter and may lawfully possess pharmaceutical drugs when that agent or employee is acting in the usual course of business or employment.

* * *

§ 2071. APPLICATION OF FEDERAL GUIDELINES

(a) The requirements set forth in sections 2068 and 2069 of this ~~title chapter~~ shall conform to wholesale ~~drug~~ distributor licensing guidelines formally adopted by the ~~United States~~ U.S. Food and Drug Administration (FDA).

(b) In case of conflict between any wholesale ~~drug~~ distributor licensing requirement imposed by the ~~board~~ Board under this chapter and any FDA wholesale ~~drug~~ distributor licensing guideline, the latter shall control.

§ 2072. ~~LICENSE RENEWAL~~

~~Licenses and registrations shall be renewed biennially on a schedule as determined by the office of professional regulation.~~ [Repealed.]

§ 2073. RULES

(a) The ~~board~~ Board may adopt rules necessary to carry out the purposes of the provisions of this subchapter.

(b) All rules adopted under this subchapter shall conform to wholesale ~~drug~~ distributor licensing guidelines formally adopted by the ~~Federal Drug Administration~~ FDA at 21 C.F.R. Part 205.

§ 2074. COMPLAINTS

~~Complaints arising under this subchapter shall be handled according to the policies and procedures for handling complaints adopted by the director of the office of professional regulation.~~ [Repealed.]

§ 2075. PENALTIES

~~After notice and opportunity for hearing, the board may suspend, revoke, limit, or condition a license granted under this subchapter if the board finds that the licensee:~~

~~(1) violated a provision of this subchapter or a rule adopted by the board under this subchapter; or~~

~~(2) has been convicted of a violation of a federal or state drug law. [Repealed.]~~

§ 2076. INSPECTION POWERS; ACCESS TO WHOLESALE DRUG
DISTRIBUTOR RECORDS

(a) A person authorized by the ~~board~~ Board may enter, during normal business hours, all open premises purporting or appearing to be used by a wholesale ~~drug~~ distributor for purposes of inspection.

(b)(1) Wholesale ~~drug~~ distributors may keep records regarding purchase and sales transactions at a central location apart from the principal office of the wholesale ~~drug~~ distributor or the location at which the drugs were stored and from which they were shipped, provided that such records shall be made available for inspection within two working days of a request by the ~~board~~ Board.

(2) Records may be kept in any form permissible under federal law applicable to prescription drugs ~~record-keeping~~ record keeping.

* * *

Sec. 21. CREATION OF POSITION WITHIN THE OFFICE OF
PROFESSIONAL REGULATION; PHARMACY

(a) There is created within the Secretary of State's Office of Professional Regulation one new position: Executive Officer of Pharmacy.

(b) Any funding necessary to support the position created in subsection (a) of this section shall be derived from the Office's Professional Regulatory Fee Fund, with no General Fund dollars.

* * * Real Estate Brokers and Salespersons * * *

Sec. 22. 26 V.S.A. § 2211 is amended to read:

§ 2211. DEFINITIONS

(a) ~~When~~ As used in this chapter, the following definitions shall have the following meanings except where the context clearly indicates that another meaning is intended:

* * *

(4) “Real estate broker” or “broker” means any person who, for another, for a fee, commission, salary, or other consideration, or with the intention or expectation of receiving or collecting such compensation from another, engages in or offers or attempts to engage in, either directly or indirectly, by a continuing course of conduct, any of the following acts:

* * *

(5) “Real estate salesperson” or “salesperson” means any person who for a fee, compensation, salary, or other consideration, or in the expectation or upon the promise thereof, is employed by or associated with a licensed real estate broker to do any act or deal in any transaction as provided in subdivision (4) of this subsection ~~(a)~~ for or on behalf of ~~such a~~ licensed real estate broker.

(b) The terms “real estate broker,” “real estate salesperson,” or “broker” shall not be held to include:

(1) Any person, partnership, association, or corporation who as a bona fide owner performs any of the ~~aforesaid~~ acts set forth in subdivision (a)(4) of this section with reference to property owned by them, nor shall it apply to regular employees thereof, ~~where~~ when such acts are performed in the regular course of or as an incident to the management of such property and the investment therein. This subdivision (1) shall not apply to licensees.

* * *

* * * Radiologic Technicians * * *

Sec. 23. 26 V.S.A. § 2803 is amended to read:

§ 2803. EXEMPTIONS

The prohibitions in section 2802 of this chapter shall not apply to dentists licensed under chapter 12 of this title and actions within their scope of practice nor to:

* * *

(5) Any of the following when operating dental radiographic equipment to conduct intraoral radiographic examinations under the general supervision of a licensed practitioner; and, any of the following when operating dental radiographic equipment to conduct specialized radiographic examinations, including tomographic, cephalometric, or temporomandibular joint examinations, if the person has completed a course in radiography approved by the Board of Dental Examiners and practices under the general supervision of a licensed practitioner:

(A) a licensed dental therapist;

(B) a licensed dental hygienist;

(B)(C) a registered dental assistant who has completed a course in radiography approved by the Board of Dental Examiners; or

(C)(D) a student of dental therapy, dental hygiene, or dental assisting as part of the training program when directly supervised by a licensed dentist, ~~certified~~ licensed dental therapist, licensed dental hygienist, or a registered dental assistant.

* * *

* * * Private Investigators and Security Guards * * *

Sec. 24. 26 V.S.A. chapter 59 is amended to read:

CHAPTER 59. PRIVATE INVESTIGATIVE AND SECURITY SERVICES

Subchapter 1. General Provisions

§ 3151. DEFINITIONS

As used in this chapter:

* * *

(5) ~~“Qualifying agent” means a licensed private investigator who is responsible for a private investigative services agency or combination agency, or a licensed security guard who is responsible for a private security services agency or combination agency. A sole proprietor shall be the qualifying agent of his or her agency and shall meet all qualifying agent licensure requirements.~~

(6) ~~“Combination agency” means an agency that provides both private investigative and private security services to the public.~~

§ 3151a. EXEMPTIONS

(a) The term “private investigator” shall not include:

* * *

(3) Persons regularly employed as investigators, exclusively by one employer in connection with the affairs of that employer only, provided that the employer is not a private investigative agency and the employee is engaged directly as part of the ordinary payroll for tax, accounting, and insurance purposes.

* * *

(b) The term “security guard” shall not include:

* * *

(3) Persons regularly employed as security guards exclusively by one employer in connection with the affairs of that employer only, provided that the employer is not a security agency and the employee is engaged directly as part of the ordinary payroll for tax, accounting, and insurance purposes.

Subchapter 2. State Board of Private Investigative and Security Services

* * *

§ 3162. ~~POWERS AND DUTIES~~ BOARD RULEMAKING AUTHORITY

The Board may:

(1) ~~Adopt~~ adopt rules necessary for the performance of its duties, including rules prescribing minimum standards and qualifications for:

(1) security guards who may:

(A) practice independently or head agencies; or

(B) practice within the hierarchy of an agency;

(2) private investigators who may:

(A) practice independently or head agencies; or

(B) practice within the hierarchy of an agency;

(3) agencies; and

(4) recognized trainers and training programs.

(2) ~~Conduct any necessary hearings in connection with the issuance, renewal, denial, suspension, or revocation of a license or registration or otherwise related to the disciplining of a licensee, registrant, or applicant.~~

(3) ~~Receive and investigate complaints and charges of unprofessional conduct against any holder of a license or registration, or any applicant. The Board shall investigate all complaints in which there are reasonable grounds to believe that unprofessional conduct has occurred.~~

(4) ~~Conduct examinations and pass upon the qualifications of applicants for a license or registration.~~

(5) ~~Issue subpoenas and administer oaths in connection with any authorized investigation, hearing, or disciplinary proceeding.~~

(6) ~~Take or cause depositions to be taken as needed in any investigation, hearing, or proceeding.~~

(7)(A) ~~Adopt rules establishing a security guard or private investigator training program, consisting of not fewer than 40 hours of training, as a prerequisite to registration.~~

~~(B) Full-time employees shall complete the training program prior to being issued a permanent registration.~~

~~(C)(i) Part-time employees shall complete not fewer than eight hours of training prior to being issued a part-time employee temporary registration, which shall be valid for not more than 180 days from the date of issuance. The remaining training hours for part-time employees shall be completed within the temporary registration period of 180 days or before the employee has worked 500 hours, whichever occurs first. The part-time employee temporary registration may be issued only once and shall expire after 180 days or 500 hours.~~

~~(ii) As used in this subdivision (C), "part-time employee" means an employee who works no more than 80 hours per month.~~

~~(iii) The Board may prioritize training subjects to require that certain subject areas are covered in the initial eight hours of training required for part-time employees.~~

~~(8) Adopt rules establishing continuing education requirements and establish or approve continuing education programs to assist a licensee or registrant in meeting these requirements.~~

§ 3163. FUNCTIONING OF LICENSING BOARD

~~(a) Annually, the board shall elect a chairperson, a vice chairperson, and a secretary.~~

~~(b) Meetings may be called by the chairperson and shall be called upon the request of two other members.~~

~~(c) Meetings shall be warned and conducted in accordance with 1 V.S.A. chapter 5.~~

~~(d) A majority of the members of a board shall constitute a quorum, and all action shall be taken upon a majority vote of the members present and voting.~~

~~(e), (f) [Deleted.] [Repealed.]~~

* * *

Subchapter 3. Licensing

* * *

§ 3173. PRIVATE INVESTIGATOR LICENSES

(a) A person shall not engage in the business of private investigation or provide private investigator services in this State without first obtaining a license. The Board shall issue a license to a private investigator after obtaining and approving all of the following:

* * *

(4) evidence that the applicant has successfully passed ~~the~~ any examination required by ~~section 3175 of this title~~ rule.

* * *

(c) The Board shall require that ~~the~~ a person licensed to practice independently has had appropriate experience in investigative work, for a period of not less than two years, as determined by the Board. Such experience may include having been regularly employed as a private detective licensed in another state or as an investigator for a private detective licensed in this or another state, or has having been a sworn member of a federal, state, or municipal law enforcement agency.

(d) An application for a license may be denied upon failure of the applicant to provide information required₂; upon a finding that the applicant does not meet a high standard as to character, integrity, and reputation₂; or for unprofessional conduct defined in section 3181 of this title chapter.

* * *

§ 3174. SECURITY GUARD LICENSES

(a) ~~No~~ A person shall not engage in the business of a security guard or provide guard services in this State without first obtaining a license. The Board shall issue a license after obtaining and approving all of the following:

* * *

(4) Evidence that the applicant has successfully passed ~~the~~ any examination required by ~~section 3175 of this title~~ rule.

* * *

(c) The Board shall require that ~~the~~ a person licensed to practice independently has had experience satisfactory to the Board in security work, for a period of not less than two years. Such experience may include having been licensed as a security guard in another state or regularly employed as a security guard for a security agency licensed in this or another state, or having been a sworn member of a federal, state, or municipal law enforcement agency.

(d) An application for a license may be denied upon failure of the applicant to provide information required₂; upon a finding that the applicant does not meet a high standard as to character, integrity, and reputation₂; or for unprofessional conduct defined in section 3181 of this title chapter.

* * *

§ 3176b. ~~TEMPORARY REGISTRATION FOR EMPLOYEES OF AGENCIES~~

~~(a) A 60-day temporary registration may be issued to a person who applies for registration as an employee of a licensed private investigator or a licensed security guard under section 3176 of this title. A temporary registration shall authorize a person to work as an unarmed private investigator or unarmed security guard while employed by a private investigator agency or security guard agency licensed by the board.~~

~~(b) Temporary registrations shall expire at the end of the 60-day period or by final action on the application, whichever occurs first. For good cause shown, the board may extend a temporary registration one time for an additional period of 60 days. [Repealed.]~~

§ 3176c. ~~TEMPORARY EMERGENCY REGISTRATION~~

~~(a) If the board determines that the public health, safety, or welfare so requires, it may grant to an applicant a temporary registration to practice as a security guard. To qualify under this section, an applicant shall have a license in good standing to practice as a security guard in another jurisdiction within the United States that regulates the practice. The person seeking the temporary registration shall document to the board's satisfaction that the applicant will otherwise meet all state and federal requirements necessary to perform the specific security duties arising out of the emergency circumstances warranting temporary licensure.~~

~~(b) The board may restrict or condition a temporary registration issued under this section, as it deems appropriate in light of the specific emergency, to a particular facility, industry, geographic area, or scope of duty.~~

~~(c) Duration of practice under a temporary registration shall be determined by the board but shall not exceed 60 days unless the person granted a temporary registration has submitted an application for full registration under this chapter, prior to the expiration of the term of the temporary registration, and the board finds the emergency to be ongoing. [Repealed.]~~

* * *

§ 3178. ~~RENEWALS AND REINSTATEMENT~~

~~A license or registration issued under this chapter shall be renewed biennially upon payment of the required fee. [Repealed.]~~

* * *

§ 3179. ~~PENALTIES~~

~~(a) A person who engages in the practice or business of a private~~

investigator or security guard without being licensed under to this chapter shall be subject to the penalties provided in 3 V.S.A § 127(e).

* * *

Subchapter 4. Unprofessional Conduct and Discipline

§ 3181. UNPROFESSIONAL CONDUCT

* * *

~~(e) After conducting a hearing and upon a finding that a licensee, registrant, or applicant engaged in unprofessional conduct, the board may take disciplinary action. Discipline for unprofessional conduct may include denial of an application, revocation or suspension of a license or registration, supervision, reprimand, warning, or the required completion of a course of action.~~

* * * Clinical Mental Health Counselors * * *

Sec. 25. 26 V.S.A. chapter 65 is amended to read:

CHAPTER 65. CLINICAL MENTAL HEALTH COUNSELORS

* * *

§ 3262a. BOARD OF ALLIED MENTAL HEALTH PRACTITIONERS

(a) ~~A~~ The Board of Allied Mental Health Practitioners is established.

* * *

~~(c) A majority of the members of the Board shall constitute a quorum for transacting business, and all action shall be taken upon a majority vote of the members present and voting.~~

* * *

§ 3265. ELIGIBILITY

To be eligible for licensure as a clinical mental health counselor an applicant shall ~~satisfy all of the following~~ have:

(1) ~~Shall have completed a minimum of 60 graduate hours and received~~ Received a master's degree or higher degree in counseling or a related field, from an accredited educational institution, after having successfully completed a course of study ~~as defined by the board, by rule, which included requiring a minimum number of graduate credit hours established by the Board by rule~~ and a supervised practicum, internship, or field experience, as defined by the board, Board by rule, in a mental health counseling setting.

(2) ~~Shall have documented~~ Documented a minimum of 3,000 hours of

~~supervised work in clinical mental health counseling over during a minimum of two years of post-master's experience. Persons engaged in supervised work shall be entered on the roster of nonlicensed, noncertified psychotherapists and shall comply with the laws of that profession, and shall have documented a minimum of, including at least 100 hours of face-to-face supervision over during a minimum of two years of post-master's experience. Clinical work shall be performed under the supervision of a licensed physician certified in psychiatry by the American Board of Medical Specialties, a licensed psychiatric nurse practitioner, a licensed psychologist, a licensed clinical social worker, a licensed marriage and family therapist, a licensed clinical mental health counselor, or a person certified or licensed in another jurisdiction in one of these professions or in a profession which is the substantial equivalent, or a supervisor trained by a regional or national organization which has been approved by the board. Persons engaged in supervised work shall be registered on the roster of nonlicensed, noncertified psychotherapists and shall comply with the laws applicable to registrants.~~

(3) ~~Shall pass~~ Passed the examinations required by ~~board~~ Board rules as provided in section 3267 of this title.

§ 3266. APPLICATION

~~To apply for licensure as a clinical mental health counselor, a person shall apply to the board on a form furnished by the board. The application shall be accompanied by payment of the specified fee and evidence of eligibility as requested by the board. [Repealed.]~~

§ 3267. EXAMINATION

(a) ~~The board or its designee shall conduct written examinations under this chapter at least twice a year, except that examinations need not be conducted when no one has applied to be examined.~~

(b) ~~Examinations administered by the board and the procedures of administration shall be fair and reasonable and shall be designed and implemented to ensure that all applicants are granted licensure if they demonstrate that they possess the minimal occupational qualifications which are consistent with the public health, safety, and welfare. They shall not be designed or implemented for the purpose of limiting the number of license holders. The board with the advice of the clinical mental health counselors who are members of the special panel, shall establish, by rule, fixed criteria for passing the examination that shall apply to all persons taking the examination.~~

(c) ~~The board may contract with independent testing services, licensed clinical mental health counselors, or others to assist in the administration of written examinations. [Repealed.]~~

* * *

§ 3269. RENEWALS

~~(a) Licenses shall be renewed every two years upon payment of the required fee, provided the person applying for renewal completes at least 40 hours fees and proof of such continuing education, approved by the board, during the preceding two-year period. The board shall establish, as the Board may require by rule, guidelines and criteria for continuing education credit.~~

~~(b) Biennially, the director shall forward a renewal form to each license holder. Upon receipt of the completed form and the renewal fee, the director shall issue a new license.~~

~~(c) Any application for renewal of a license which has expired shall be accompanied by the renewal fee and a reinstatement fee. A person shall not be required to pay renewal fees for years during which the license was lapsed.~~

~~(d) [Deleted.]~~

* * *

* * * Effective Dates * * *

Sec. 26. EFFECTIVE DATES

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

(1) this section and Secs. 2, amending 3 V.S.A. § 125 (fees) and 13 (Director of Professional Regulation; barbers and cosmetologists; rulemaking) shall take effect on passage, except that in Sec. 2, 3 V.S.A. § 125:

(A) subdivisions (b)(2)(A) (application for barbering and cosmetology schools and shops) and (b)(4)(E) and (F) (renewal for barbering and cosmetology professionals and schools) shall take effect on January 1, 2019; and

(B) subdivisions (b)(2)(B) and (b)(4)(G)-(I) (application and renewal for funeral service professionals and establishments) shall take effect on June 1, 2023;

(2) Sec. 6, amending 3 V.S.A. § 129a (unprofessional conduct), shall take effect on July 1, 2019; and

(3) Sec 12, amending 26 V.S.A. chapter 6 (barbers and cosmetologists), shall take effect on January 1, 2019.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in**H. 639**

Pending entrance on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to banning cost-sharing for all breast imaging services

Was taken up for immediate consideration.

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

Sec. 1. 8 V.S.A. § 4100a is amended to read:

§ 4100a. MAMMOGRAMS; COVERAGE REQUIRED

(a) Insurers shall provide coverage for screening by mammography for the presence of occult breast cancer, ~~as provided by this subchapter.~~ In addition, insurers shall provide coverage for screening by ultrasound for a patient for whom the results of a screening mammogram were inconclusive or who has dense breast tissue, or both. Benefits provided shall cover the full cost of the mammography service or ultrasound, as applicable, and shall not be subject to any co-payment, deductible, coinsurance, or other cost-sharing requirement or additional charge.

(b) ~~For females 40 years or older, coverage shall be provided for an annual screening. For females less than 40 years of age, coverage for screening shall be provided upon recommendation of a health care provider. [Repealed.]~~

(c) ~~After January 1, 1994, this~~ This section shall apply only to screening procedures conducted by test facilities accredited by the American College of Radiologists.

(d) As used in this subchapter:

(1) “Insurer” means any insurance company ~~which~~ that provides health insurance as defined in subdivision 3301(a)(2) of this title, nonprofit hospital and medical service corporations, and health maintenance organizations. The term does not apply to coverage for specified ~~disease~~ diseases or other limited benefit coverage.

(2) “Mammography” means the x-ray examination of the breast using equipment dedicated specifically for mammography, including the x-ray tube, filter, compression device, ~~screens, films, and cassettes~~ and digital detector. The term includes breast tomosynthesis.

(3) “Screening” includes the mammography or ultrasound test procedure and a qualified physician’s interpretation of the results of the

procedure, including additional views and interpretation as needed.

Sec. 2. MAMMOGRAPHY COVERAGE; DEPARTMENT OF FINANCIAL REGULATION

On or before October 1, 2018, the Department of Financial Regulation shall issue a bulletin to provide clarification to health insurers regarding the coding structure for screening mammograms and ultrasounds and for call-back screenings, including clarifying that call-back mammograms and ultrasounds for patients for whom the results of a screening mammogram were inconclusive or who have dense breast tissue, or both, shall be covered without cost-sharing.

Sec. 3. EFFECTIVE DATE

(a) Sec. 1 (8 V.S.A. § 4100a) shall take effect on January 1, 2019 and shall apply to all health insurance plans issued on and after January 1, 2019 on such date as a health insurer offers, issues, or renews the health insurance plan, but in no event later than January 1, 2020.

(b) Sec. 2 (mammography coverage; Department of Financial Regulation) and this section shall take effect on passage.

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

An act relating to eliminating cost-sharing for certain breast imaging services.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 907

Pending its entrance on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to improving rental housing safety

Was taken up for immediate consideration.

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

Sec. 1. 3 V.S.A. § 2477 is added to read:

§ 2477. RENTAL HOUSING ADVISORY BOARD

(a)(1) The Department of Housing and Community Development shall create the Rental Housing Advisory Board consisting of 11 members, each of whom shall be a resident of Vermont and shall be appointed by the Commissioner of the Department, as follows:

(A) three members representing landlords, one of whom is a for-profit landlord and one of whom represents a nonprofit housing provider;

(B) three members representing tenants;

(C) three members representing municipalities; and

(D) two members of the public.

(2) A member shall serve a term of three years.

(3) The Board shall annually elect a chair from among its members.

(4) A majority of the Board shall constitute a quorum for transacting business.

(5) The Board shall take action by a majority vote of the members present and voting.

(b) The Board shall be staffed by the Department, which, along with the Departments of Health and of Public Safety, shall provide support to the Board as required.

(c) The Board shall have the following powers and duties:

(1) to act as an advisory group to the Governor, General Assembly, and appropriate State agencies on issues related to rental housing statutes, policies, and regulations;

(2) to report regularly to the Vermont Housing Council on its deliberations and recommendations;

(3) to work with appropriate State agencies on developing adequate data on the location and condition of Vermont's rental housing stock;

(4) to provide guidance to the State on the implementation of programs, policies, and regulations better to support decent, safe, and sanitary housing, including recommendations for incentives and programs to assist landlords with building repairs;

(5) to provide information to community partners, municipalities, landlords, and tenants, including educational materials on applicable rental housing statutes, regulations, and ordinances; and

(6) in preparation for a natural disaster, to collect information regarding available resources, disaster-related information, and community needs, and, in the event of a natural disaster, work with government authorities in charge of disaster response and communication.

Sec. 2. TASKS OF RENTAL HOUSING ADVISORY BOARD

(a) On or before January 15, 2019, the Rental Housing Advisory Board created in 3 V.S.A. § 2477 shall submit to the General Assembly potential legislation or policy changes to better support decent, safe, and sanitary rental housing that address the following issues:

(1) recommendations for one State agency to be responsible for overseeing all aspects of rental housing code enforcement; and

(2) whether to retain or modify the current system of rental housing code enforcement, including current statutory provisions for issuance of health orders for violations of a rental housing health code.

(b) In formulating the potential legislation or policy changes identified pursuant to subsection (a) of this section, the Board shall consider the following proposals:

(1) professionalize or otherwise improve the current system of town health officers;

(2) regionalize rental housing code enforcement;

(3) create a public-private system of rental housing code inspections and enforcement;

(4) allow self-certification by property owners of compliance with applicable rental housing codes;

(5) require inspection reports to utilize a hazard index rating system similar to that used by the Department of Public Safety's Division of Fire Safety to standardize timelines for repair and amounts of fines;

(6) require landlords and tenants, as applicable, to submit an action plan for correcting violations within the time limit for correction;

(7) enable a landlord or tenant to appeal an inspection report to address habitability issues;

(8) make inspection reports available to the public online; and

(9) enable a local health officer to file a report of violation in the land records as a lien on the property if a landlord does not comply with the inspection report.

(c) Not later than September 1, 2018 and November 15, 2018, the Board shall report on its progress on formulating the potential legislation or policy changes identified pursuant to subsection (a) of this section to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General, Housing, and Military Affairs.

Sec. 3. IMPROVING EFFECTIVENESS OF LOCAL HEALTH OFFICERS;

REPORT

(a) The Department of Health, shall provide the Rental Housing Advisory Board with information on the current system for local health officers and the enforcement of Vermont rental housing and habitability statutes and regulations, as well as any recommendation it has for how the system could be improved or substantially modified, including recommendations for regional approaches to housing code enforcement.

(b) The Department shall develop a system for keeping data about the type and number of complaints concerning violations of the rental safety codes.

(c) The Department shall assign a person to be in charge of providing assistance to local health officers in their duties and make the name and contact information of that person available on request.

Sec. 4. 18 V.S.A. § 602a is amended to read:

§ 602a. DUTIES OF LOCAL HEALTH OFFICERS

(a) A local health officer, within his or her jurisdiction, shall:

(1) upon request of a landlord or tenant, or upon receipt of information regarding a condition that may be a public health hazard, conduct an investigation;

* * *

Sec. 5. 18 V.S.A. § 603 is added to read:

§ 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS

(a)(1) When conducting an investigation of rental housing, a local health officer shall issue a written inspection report on the rental property using the protocols for implementing the Rental Housing Health Code of the Department or the municipality, in the case of a municipality that has established a code enforcement office.

(2) A written inspection report shall:

(i) contain findings of fact that serve as the basis of one or more violations;

(ii) specify the requirements and timelines necessary to correct a violation;

(iii) provide notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and

(iv) provide notice in plain language that the landlord and agents of the landlord must have access to the rental unit to make repairs as ordered

by the health officer consistent with the access provisions in 9 V.S.A. § 4460.

(3) A local health officer shall provide a copy of the inspection report to the landlord and any tenants affected by a violation by delivering the report electronically, in person, by first class mail, or by leaving a copy at each unit affected by the deficiency.

(4) If an entire property is affected by a violation, the local health officer shall post a copy of the inspection report in a common area of the property and include a prominent notice that the report shall not be removed until authorized by the local health officer.

(b) A local health officer may impose a fine of not more than \$100.00 per day for each violation that is not corrected by the date provided in the written inspection report, or when a unit is re-rented to a new tenant prior to the correction of a violation.

(c) If a local health officer fails to conduct an investigation pursuant to section 602a of this title or fails to issue an inspection report pursuant to this section, a landlord or tenant may request that the Department, at its discretion, conduct an investigation or contact the local board of health to take action.

Sec. 6. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(f) Annually, on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:

- (1) name of owner or landlord;
- (2) mailing address of landlord;
- (3) location of rental unit;
- (4) type of rental unit;
- (5) number of units in building; and
- (6) School Property Account Number.

Sec. 7. ACCELERATED WEATHERIZATION PROGRAM; HOUSING
IMPROVEMENT PROGRAM; STATE TREASURER; FUNDING

(a) The General Assembly finds that, in addition to the weatherization efforts provided under the Home Weatherization Assistance Program

established in 33 V.S.A. chapter 25, an increased pace of weatherization and housing improvements would result in both environmental and economic benefits to the State. Accelerated weatherization efforts and housing improvements will:

- (1) decrease the emission of greenhouse gases;
- (2) increase job opportunities in the field of weatherization;
- (3) enable Vermonters to live in safer, healthier housing; and
- (4) reduce health care costs by reducing the incidence of respiratory illnesses, allergies, and other health problems.

(c) In fiscal years 2019 and 2020, the State Treasurer is authorized to invest up to \$5,000,000.00 of funds from the credit facility established in 10 V.S.A. § 10 for an accelerated weatherization and housing improvement program, provided that:

(1) for owner-occupied homes, the funds shall be used to support weatherization efforts and housing improvement efforts for homeowners with a family income that is not more than 120 percent of the area or statewide median family income, whichever is higher, as reported by the U.S. Department of Housing and Urban Development for the most recent year for which data are available;

(2) for multi-family rental homes, the funds shall be used in conjunction with other State programs, and that not less than 50 percent of the tenant households residing in properties to be rehabilitated shall have an annual household income that is not more than 80 percent of the area or statewide median family income, whichever is higher, as reported by the U.S. Department of Housing and Urban Development for the most recent year for which data are available; and

(3) weatherization efforts are included in the improvements to any housing unit funded from the credit facility.

Sec. 8. EFFECTIVE DATES

- (a) This section and Sec. 1 (advisory board) shall take effect on passage.
- (b) Sec. 6 (rental housing database) shall take effect on July 1, 2019.
- (c) The remaining sections shall take effect on July 1, 2018.

Which proposal of amendment was considered and concurred in.

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed**

H. 919

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to workforce development

Was taken up for immediate consideration.

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

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

* * * Stakeholder Alignment, Coordination, and Engagement * * *

**Sec. 1. STAKEHOLDER ALIGNMENT, COORDINATION, AND
ENGAGEMENT PROCESS; VISION; GOALS**

(a) Stakeholder alignment, coordination, and engagement. The State Workforce Development Board, in cooperation with the Department of Labor and the Agencies of Commerce and Community Development, of Education, of Human Services, of Agriculture, Food and Markets, of Natural Resources, and of Transportation shall:

(1) conduct a stakeholder alignment, coordination, and engagement process, consistent with 20 C.F.R. §§ 679.100 and 679.130 and 10 V.S.A. § 541a, to ensure and promote better coordination and agreement around the State's vision and shared goals for meeting Vermont's 21st-century workforce education, training, recruitment, and retention needs;

(2) design the stakeholder alignment, coordination, and engagement process to inform workforce-related aspects of other State strategic plans and reports, including the Workforce Innovation and Opportunity Act State Plan, the State Economic Development Marketing Plan, and the Statewide Comprehensive Economic Development Strategy; and

(3) solicit the perspectives of job seekers, incumbent workers, employers, industry representatives, program administrators, and workforce service delivery providers.

(b) Action plan. In adopting an action plan, the State Workforce Development Board shall:

(1) on or before February 1, 2020, describe the State's collective workforce development goals, which shall serve as the basis for an action plan to revitalize Vermont's workforce development system;

(2) post online the vision, goals, and any findings or recommendations; and

(3) provide advance notice to the Chair and Vice Chair of the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs if the recommendations may require legislative action during the 2020 legislative session.

(c) Regional delivery systems. The State Workforce Development Board shall review how functions performed by local workforce investment boards, career technical education regional advisory boards, regional planning commissions, regional development corporations, and other regional economic development and workforce-related boards could be more equitably executed from region to region and recommend structures that would foster better regional collaboration, alignment, and employer participation.

(d) Information sharing. The Department of Labor, with assistance from the State Workforce Development Board, shall facilitate the sharing of information among workforce development and training-delivery organizations during and following the stakeholder alignment, coordination, and engagement process so they may stay current with initiatives and plans related to building an effective workforce development system.

(e) Board authority; permissive activities. The State Workforce Development Board may:

(1) create a workforce development network map of workforce service delivery providers, employers, workforce program administrators, and industry representatives to:

(A) develop baseline data in conformance with the Workforce Innovation and Opportunity Act about how individuals, including new Americans, and organizations, both within and outside State government, are involved with workforce development and training around the State;

(B) analyze the relative level of connectivity of people and programs managed inside and outside State government; and

(C) identify opportunities to strengthen connectivity to achieve greater program alignment toward, and realize the Board's vision for, the State's workforce development and training system;

(2) identify the resources necessary to maintain the network map over time and track changes in levels of connectivity and alignment across the stakeholder community;

(3) recommend strategies to improve:

(A) how employer-outreach positions in each of the State-funded field offices might be shared;

(B) what type of coordination is needed between the State-level employer-outreach staff and local workforce organizations, including staff of the regional development corporations and regional planning commissions, to better serve employers;

(C) whether establishing a One-Stop American Job Center in each region to provide comprehensive customer-driven services for employers and job seekers could better serve businesses, improve responsiveness to the needs of emerging sectors, and increase access to qualified, available workers through direct outreach and recruitment;

(D) scaling or expanding pilot projects that link experts who have career and industry knowledge directly with middle schools or high schools, or both, to foster career readiness and exploration;

(E) ways to share data and information collected from employers among parties who implement workforce development programs; and

(F) what knowledge and education employers may require better to respond to their employees as workers and as members of a family; and

(4) following the stakeholder alignment, coordination, and engagement process outlined in subsection (a) of this section, make recommendations to align relevant funding sources to promote:

(A) employer-driven workforce education and training opportunities;

(B) results-based outcomes;

(C) innovative and effective initiatives, pilots, or demonstration programs that can be scaled to the rest of the State;

(D) access to federal resources that enable more innovative programs and initiatives in Vermont;

(E) equitable access to employment and training opportunities for women and underrepresented populations in Vermont; and

(F) best practices aligned with a two-generation approach to eliminating poverty, as identified by the Vermont Work Group on Whole Family Approach to Jobs.

Sec. 2. 10 V.S.A. § 541a is amended to read:

§ 541a. STATE WORKFORCE DEVELOPMENT BOARD

(a) Board established; duties. Pursuant to the requirements of 29 U.S.C. § 3111, the Governor shall establish a the State Workforce Development Board

to assist the Governor in the execution of his or her duties under the Workforce Innovation and Opportunity Act of 2014 and to assist the Commissioner of Labor as specified in section 540 of this title.

(b) Additional duties; planning; process.

(1) ~~In order to~~ To inform its ~~decision-making~~ decision making and to provide effective assistance under subsection (a) of this section, the Board shall:

~~(1)(A)~~ (A) conduct an ongoing public engagement process throughout the State that brings together employers and potential employees, including students, the unemployed, and incumbent employees seeking further training, to provide feedback and information concerning their workforce education and training needs; and

~~(2)(B)~~ (B) maintain familiarity and promote alignment with the federal, State, and regional Comprehensive Economic Development Strategy (CEDS) and other economic development planning processes; and coordinate workforce and education activities in the State, including the development and implementation of the State plan required under the Workforce Innovation and Opportunity Act of 2014, with economic development planning processes occurring in the State, as appropriate.

(2) To ensure that State-funded and federally funded workforce development and training efforts are of the highest quality and aligned with the State's workforce and economic goals, the Board shall regularly:

(A) review and approve State-endorsed Career Pathways that reflect a shared vision across multiple sectors and agencies for improving employment outcomes, meeting employers' and workers' needs, and leveraging available State and federal funding; and

(B) publicize the State-endorsed Career Pathways, including on websites managed by the Agency of Education, Department of Labor, and Department of Economic Development.

(3) The Board shall have the authority to approve State-endorsed and industry-recognized credentials and certificates, excluding high school diplomas and postsecondary academic degrees, that are aligned with the Career Pathways.

* * *

* * * CTE and Adult Technical Education; Career Pathways * * *

Sec. 3. CAREER PATHWAYS

(a) Definition. As used in this section, "career pathways" means a

combination of rigorous and high-quality educational, training, and other experiences and services, beginning not later than seventh grade, that:

(1) at the secondary level, integrates the academic and technical skills required for postsecondary success;

(2) is developed in partnership with business and industry and aligns with the skill needs of industries in the local, regional, and State economies;

(3) prepares an individual to transition seamlessly from secondary to postsecondary or adult technical education experiences and be successful in any of a full range of secondary, postsecondary, or adult technical education options, including registered apprenticeships;

(4) includes career counseling and work-based learning experiences to support an individual in achieving the individual's educational and career goals;

(5) includes, as appropriate, education offered concurrently with, and in the same context as, workforce preparation activities and training for a specific occupation or occupational cluster;

(6) organizes educational, training, and other experiences and services, with multiple entry and exit points along a training progression, to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;

(7) enables an individual to gain a secondary-school diploma or its recognized equivalent and allow postsecondary credit and industry certifications to be earned in high school; and

(8) prepares an individual to enter, or to advance within, a specific occupation or occupational cluster.

(b) Development of career pathways. The Agency of Education shall implement a process for developing career pathways that considers:

(1) State and local labor market demands;

(2) the recommendations of regional career technical education advisory boards or other employer-based boards;

(3) alignment with postsecondary education and training opportunities; and

(4) students' ability to gain credentials of value, dual enrollment credits, postsecondary credentials or degrees, and employment.

(c) Reporting. The Agency of Education shall report its progress in developing career pathways to the Board on an annual basis.

Sec. 4. CAREER READINESS; CTE PILOTS

(a) Collaboration. The Agency of Education shall promote collaboration among middle schools and regional career technical education (CTE) centers to engage in activities including:

(1) developing and delivering introductory CTE courses or lessons to middle school students that are part of broader career education, exploration, and development programs and that are connected to career pathways and CTE programs, as appropriate;

(2) increasing student exposure to local career opportunities through activities such as business tours, guest lectures, career fairs, and career-awareness days; and

(3) increasing student exposure to CTE programs through activities such as tours of regional CTE centers, virtual field trips, and CTE guest visits.

(b) Pilot projects. The Agency of Education shall approve up to four pilot projects in a variety of CTE settings. These pilot projects shall propose novel ways of integrating funding for CTE and general education and new governance structures for regional CTE centers, including unified governance structures between regional CTE centers and high schools, or both. Pilot projects shall require both high school and regional CTE center involvement, and shall be designed to enhance the delivery of educational experiences to both high school students and CTE students while addressing the current competitive nature of funding CTE programs.

(1) A pilot project shall extend not longer than two years.

(2) The Agency shall establish guidelines, proposal submission requirements, and a review process to approve pilot projects.

(3) On or before January 15, 2020, the Agency shall report on the outcomes of the pilot projects to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs.

(c) Recommendation on CTE pre-tech programs. On or before January 15, 2020, the Agency of Education shall recommend to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development flexible and student-centered policies that support equitable access and opportunity to participate in CTE pre-tech foundation and exploratory programs for students in grades 9 and 10. This recommendation shall include building such activities into students' personalized learning plans when appropriate, so that students

are exposed to a wide variety of career choices in their areas of interest. In making its recommendation, the Agency shall consider:

(1) the existing practices of regional CTE centers currently offering CTE pre-tech foundation and exploratory programs for students in grades 9 and 10;

(2) the results of the collaborative efforts made between regional CTE centers and middle schools as required under subsection (a) of this section; and

(3) the results of the pilot projects under subsection (b) of this section.

(d) Technical assistance.

(1) The Agency of Education shall provide technical assistance to schools to help them develop career education, exploration, and development, beginning in middle school, and introduce opportunities available through the regional CTE centers.

(2) The Agency of Education shall offer technical assistance so that regional CTE centers provide rigorous programs of study to students that are aligned with approved career pathways. Such programs of study may be combined with a registered apprenticeship program when the registered apprenticeship program is included in a student's personalized learning plan.

(3) The Agency of Education shall offer technical assistance to local education agencies to ensure that each high school student has the opportunity to experience meaningful work-based learning when included in the student's personalized learning plan, and that high schools coordinate effectively with regional CTE centers to avoid unnecessary duplication of programs of student placements and study already provided by the centers.

(e) Definition. As used in this section, "career pathways" shall have the same meaning as in Sec. 4 of this act.

Sec. 5. ADULT TRAINING PROGRAMS

(a) Effective use of State investments. The Department of Labor shall ensure that the State's investments in adult training programs are part of a system that is responsive to labor-market demands, provides equitable access to a broad variety of training opportunities, and provides to those jobseekers with barriers to employment the accommodations or services they need to be successful.

(b) Delivery of training programs. Training programs delivered by regional CTE centers, nonprofit and private entities, and institutions of higher education shall be included in the system.

(c) Technical assistance. The Agency of Education shall provide technical

and programmatic guidance and assistance, as appropriate, to the Department of Labor to ensure alignment between secondary and postsecondary programs, policies, funding, and institutions.

Sec. 6. ADULT CAREER TECHNICAL EDUCATION

(a) Regional career technical education (CTE) centers. Vermont's regional CTE centers shall offer adult CTE programs that:

(1) develop technical courses for adults, aligned with a career pathway when possible, that support the occupational training needs of Vermonters seeking to up-skill, re-skill, and obtain credentials leading to employment;

(2) ensure that new and existing training responds to local or Statewide labor market demands;

(3) coordinate with State and regional partners, including other CTE centers, high schools, postsecondary educational institutions, and private training providers, to ensure quality, consistency, efficiency, and efficacy of State and federally funded training opportunities;

(4) support expansion of adult work-based learning experiences, such as registered apprenticeships, by providing related instruction, as appropriate; and

(5) maximize use of federal and State funds by aligning with the State's goals, priorities, and strategies outlined in Vermont's Workforce Innovation and Opportunity Act Unified plan.

(b) Evaluation of technical and occupational training. The State Workforce Development Board shall review how technical and occupational training is delivered to adults throughout the State and consider how adult CTE programs, delivered through the regional CTE centers, contribute to this system. The Board shall make recommendations on:

(1) staffing levels and structures that best support a strong adult technical education system;

(2) optimal hours of operation and facility availability for adult programs; and

(3) any other issues it finds relevant to enhancing support for adult technical education.

(c) Reporting. On or before January 15, 2019, the Board shall report its findings and recommendations to the House Committees on Education and on Commerce and Economic Development and the Senate Committees on Education and on Economic Development, Housing and General Affairs.

(d) Partnering with employers. Nothing in this section shall prevent an

adult CTE program or regional CTE center from partnering directly with employers to design and deliver programs meeting specific needs of employers or provide additional courses that meet a State or community need.

(e) Definition. As used in this section, “career pathways” shall have the same meaning as in Sec. 4 of this act.

* * * Workforce Training * * *

Sec. 7. STRENGTHENING AND ALIGNING WORKFORCE TRAINING PROGRAMS

The State Workforce Development Board shall:

(1) create a process for identifying, monitoring, and evaluating occupational trainings and industry-recognized credentials, which may include a mechanism for endorsing programs that offer credentials or certificates in order to facilitate targeted investments in programs that meet industry needs, ensuring that:

(A) business and industry are participants and are engaged early in the process;

(B) the credential review process involves relevant stakeholders;

(C) credentials are differentiated based on rigor and industry demand; and

(D) systems are designed to be responsive to the changing needs of industry;

(2) create and periodically review publicly available documents that list:

(A) current industry-recognized, State-recognized, and federally recognized credentials;

(B) the requirements to obtain these credentials;

(C) training programs that lead to these credentials; and

(D) the cost of training and educational programs required to obtain the credential; and

(3) work with the Office of Professional Regulation:

(A) to increase recognition of professional skills and credentialing across states; and

(B) to support professional paths that involve more than one industry-recognized, State-recognized, or federally recognized credential and rules adopted by the Office.

Sec. 8. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

* * *

(g) Career Pathways. Programs that are funded under this section resulting in a credit, certificate, or credential shall demonstrate alignment with a Career Pathway.

(h) Expanding offerings. A regional career and technical education center that develops an adult technical education program of study using funding under this section shall:

(1) make the program materials available to other regional career and technical education centers and adult technical education programs;

(2) to the extent possible, align the program with subsequent programs offered through the Vermont State College System, the University of Vermont and State Agricultural College, or an accredited independent college located in Vermont; and

(3) respond to current or projected occupational demands.

* * * Growing the Workforce and Increasing Workforce Participation * * *

Sec. 9. 10 V.S.A. § 544 is amended to read:

§ 544. VERMONT ~~STRONG~~ INTERNSHIP PROGRAM

(a)(1) The Department of Labor, in consultation with the Agency of Education, shall develop, and the Department shall implement, a statewide Vermont ~~Strong~~ Internship Program for students who are in high school or in college and for those who are recent graduates of 24 months or less.

(2) The Department of Labor shall coordinate and provide funding to public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, colleges, and recent graduates of 24 months or less.

(3) Funding awarded through the Vermont ~~Strong~~ Internship Program may be used to build and administer an internship program and to provide participants with a stipend during the internship, based on need. Funds may be made only to programs or projects that:

(A) do not replace or supplant existing positions;

(B) expose students to the workplace or create real workplace expectations and consequences;

(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;

(D) are designed to motivate and educate participants through work-based learning opportunities with Vermont employers;

(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools; or

(F) offer participants a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont.

(4) As used in this section, “internship” means a learning experience working with an employer where the intern may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these.

(b) The Department of Labor, in collaboration with the Agencies of Agriculture, Food and Markets and of Education, State-funded postsecondary educational institutions, the State Workforce Development Board, and other State agencies and departments that have workforce education and training and training monies, shall:

(1) identify new and existing funding sources that may be allocated to the Vermont Strong Internship Program;

(2) collect data and establish program goals and performance measures that demonstrate program results for internship programs funded through the Vermont Strong Internship Program;

(3) develop or enhance a website that will connect students and graduates with internship opportunities with Vermont employers;

(4) engage appropriate agencies and departments of the State in the Vermont Internship Program to expand internship opportunities with State government and with entities awarded State contracts; and

(5) work with other public and private entities to develop and enhance internship programs, opportunities, and activities throughout the State.

Sec. 10. GROWING THE SIZE AND QUALITY OF THE WORKFORCE

(a) Increasing participation. The Department of Labor and the Agencies of Commerce and Community Development, of Education, and of Human Services, in partnership with the State Workforce Development Board, shall:

(1) increase Vermonters' labor force participation by creating multitiered engagement, training, and support activities that help working-age Vermonters who are able to participate or to participate to a greater degree in the workforce;

(2) recruit and relocate new workers and employers to Vermont; and

(3) assist businesses in locating and retaining qualified workers.

(b) Methods. The Department of Labor and the Agencies of Commerce and Community Development, of Education, and of Human Services shall:

(1) engage regional and statewide stakeholders, including regional CTE centers, regional development corporations, and regional planning commissions, to identify needs and strategies, and define success;

(2) identify targets and methods of recruitment, relocation, retraining, and retention;

(3) leverage resources available in current State and federal programs to support more workers from within and outside Vermont entering and staying in the Vermont workforce;

(4) create metrics for tracking the success of outreach efforts and economic impact; and

(5) develop policies and identify tools that support a two-generation approach to successful employment, addressing the needs of children in the lives of working adults.

(c) Board authority; identifying potential incentives. The State Workforce Development Board may identify incentives to enable and encourage targeted populations to participate in the labor force, including unemployment insurance waivers, income tax reductions, exemption of State tax on Social Security, housing and transportation vouchers, greater access to mental health and addiction treatment, and tuition and training reimbursements. The Board shall notify the House Committees on Commerce and Economic Development and on Human Services of any findings or recommendations, as appropriate.

Sec. 11. 10 V.S.A. § 540 is amended to read:

§ 540. WORKFORCE EDUCATION AND TRAINING LEADER

The Commissioner of Labor shall be the leader of workforce education and training in the State, and shall have the authority and responsibility for the coordination of workforce education and training within State government, including the following duties:

(1) Perform the following duties in consultation with the State

Workforce Development Board:

* * *

(G) design and implement criteria and performance measures for workforce education and training activities; ~~and~~

(H) establish goals for the integrated workforce education and training system; and

(I) with the assistance of the Secretaries of Commerce and Community Development, of Human Services, of Education, of Agriculture, Food and Markets, and of Transportation and of the Commissioner of Public Safety, develop and implement a coordinated system to recruit, relocate, and train workers to ensure the labor force needs of Vermont's businesses are met.

* * *

(8) Coordinate intentional outreach and connections between students graduating from Vermont's colleges and universities and employment opportunities in Vermont.

* * *

* * * Accountability; Data Collection and Monitoring; Reporting * * *

Sec. 12. RESULTS-BASED MONITORING

(a)(1) The Department of Labor, with the assistance of the Government Accountability Committee and the State Workforce Development Board, shall develop a framework to evaluate workforce education, training, and support programs and services.

(2) The Department shall apply the framework to the State's workforce system inventory and shall distinguish programs and services based on method of delivery, customer, program administrator, goal, or other appropriate category.

(3) The framework shall:

(A) establish population-level indicators based on desired outcomes for the workforce development delivery system;

(B) along with workforce development network mapping work that the Board may pursue, support program and service alignment of State-grant-funded projects with the State Workforce Innovation and Opportunity Act Plan;

(C) align with the Board's vision;

(D) note performance measures that already exist in the workforce

system and identify where State-specific measures would help monitor progress in achieving the State's goals; and

(E) identify gaps in service delivery and areas of duplication in services.

(b) The State Workforce Development Board shall:

(1) consider whether the information and data currently collected and reported throughout the workforce development system are useful;

(2) identify what information and data are not available or not readily accessible;

(3) make its findings publicly available; and

(4) recommend a process to improve the collection and reporting of data.

(c) The State Workforce Development Board may:

(1) create a process and a timeline to collect program-level data for the purposes of updating the State's workforce system inventory; and

(2) develop tools for program and service delivery providers that support continuous improvement using data-driven decision making, common information-sharing systems, and a customer-focused service delivery system.

Sec. 13. REPORTING

(a) On or before January 15, 2019, the State Workforce Development Board shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a report that specifically addresses the implementation of each section of this act.

(b) On or before January 15, 2019, the Department of Labor, in collaboration with the Agency of Education and the State Workforce Development Board, shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning:

(1) how to encourage more businesses to offer apprenticeships;

(2) how to encourage more labor force participation in apprenticeships; and

(3) of the myriad federal and private apprenticeship opportunities available, what additional opportunities in what industry sectors should be offered or enhanced in Vermont.

* * * WIOA Youth Funds * * *

Sec. 14. PROCESS FOR AWARDING WIOA YOUTH FUNDS

(a) On or before December 1, 2018, the Department of Labor shall review the current delivery of youth workforce investment activities funded by WIOA Youth Funds and consider whether more youth might be better served through awards or grants to youth service providers, consistent with section 123 of the federal Workforce Innovation and Opportunity Act.

(b)(1) If the Department decides not to provide directly some or all of the youth workforce investment activities, the State Workforce Development Board shall award grants or contracts for specific elements or activities on a competitive basis, consistent with 20 CFR 681.400.

(2) The providers of youth services shall meet criteria established in the State Plan and be able to meet performance accountability measures for the federally established primary indicators of performance for youth programs.

Sec. 15. TARGETED ENHANCED YOUTH WORKFORCE READINESS PROGRAM

(a) The Department of Forests, Parks and Recreation (DFPR) shall coordinate with the Department of Labor when granting to the Vermont Youth Conservation Corps the amounts appropriated to DFPR in fiscal year 2019 from the Tobacco Litigation Settlement Fund.

(b) The Departments shall ensure that the Vermont Youth Conservation Corps uses the funds to enhance its workforce preparedness and on-the-job training programs, with special attention for at-risk youths 18 to 24 years of age.

(c) Programs funded pursuant to this section may include classroom training at Vermont Technical College that focuses on vocations where the Department and Vermont employers have identified a shortage of workers.

* * * Promoting Remote Workers and Remote Work Arrangements * * *

Sec. 16. 32 V.S.A. chapter 151, subchapter 11P is added to read:

Subchapter 11P. New Remote Worker Tax Credit

§ 5930pp. NEW REMOTE WORKER TAX CREDIT

(a) As used in this section:

(1) “New resident remote worker” means an individual who:

(A) is a full-time employee of a business with its domicile or primary place of business outside Vermont;

(B) becomes a full-time resident of this State on or after January 1, 2019; and

(C) performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(2) “New Vermont remote worker” means an individual who:

(A) becomes a full-time employee of a business with its domicile or primary place of business in this State on or after January 1, 2019; and

(B) performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(3) “Qualifying remote worker expenses” means the actual costs incurred by a new Vermont remote worker or a new resident remote worker for one or more of the following that are necessary to perform his or her employment duties:

(A) relocation to this State;

(B) computer software and hardware;

(C) broadband access or upgrade; and

(D) membership in a co-working or similar space.

(b)(1) A new Vermont remote worker and a new resident remote worker shall be eligible for a nonrefundable credit against the income tax liability imposed under this chapter for qualifying remote worker expenses in an amount not to exceed \$2,000.00 per year for five years, and not to exceed \$10,000.00 per worker.

(2)(A) The Agency of Commerce and Community Development shall develop a process to certify new Vermont remote workers and new resident remote workers for eligibility for a credit under this section.

(B) Upon certifying that a new Vermont remote worker or new resident remote worker meets the eligibility requirements of this section and certifying his or her qualifying expenses incurred in the year, the Agency shall issue to the worker a credit certificate for the amount of his or her qualifying expenses, which the worker shall file with his or her tax return.

(3) The Agency shall have the authority to annually award not more than \$500,000.00 in credit certificates to new Vermont remote workers and to new resident remote workers on a first-come, first-served basis, as follows:

(A) not more than \$250,000.00 in total credits for new Vermont remote workers; and

(B) any remaining amount of the annual total for new resident

remote workers.

(c) A new Vermont remote worker or new resident remote worker may:

(1) first claim a credit under this section in the year following the year in which he or she first qualifies as a new Vermont remote worker or new resident remote worker;

(2) claim an additional credit in each of the subsequent four tax years, provided he or she remains a resident of this State and a full-time remote worker; and

(3) carry forward the amount of any unused credit for five tax years.

(d) The Agency of Commerce and Community Development shall:

(1) promote awareness of the tax credit authorized in this section; and

(2) adopt measurable goals, performance measures that demonstrate results, and an audit strategy to assess the utilization and performance of the credit authorized in this section.

Sec. 17. IMPROVING INFRASTRUCTURE AND SUPPORT FOR
REMOTE WORK IN VERMONT; STUDY; REPORT

(a) The Secretary of Commerce and Community Development, in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services and other interested stakeholders, shall identify and examine the infrastructure improvements and other support needed to enhance the ability of businesses to establish a remote presence in Vermont and to allow Vermonters and businesses developing from maker spaces, co-working spaces, remote work hubs, and innovation spaces to work and provide services remotely.

(b) Based on his or her findings, and in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services and other interested stakeholders, the Secretary shall design a program to address the needs identified pursuant to subsection (a) of this section.

(c) Specifically, the program shall:

(1) address the infrastructure needs of remote workers and businesses developing from generator spaces;

(2) promote and facilitate the use of remote worksites and maker spaces, co-working spaces, remote work hubs, and innovation spaces;

(3) encourage out-of-state companies to use remote workers in Vermont;

(4) reduce the administrative and regulatory burden on businesses

employing remote workers in Vermont;

(5) increase the ease of start-up companies finding remote work or maker spaces, co-working spaces, remote work hubs, and innovation spaces in the State; and

(6) support the interconnection of current and future maker spaces, co-working spaces, remote work hubs, and innovation spaces in this State.

(d) On or before January 15, 2019, the Secretary shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a written report detailing:

(1) his or her findings, program, and any recommendations for legislative action to implement the program; and

(2) any additional policy changes to improve the climate for remote workers, including zoning measures, insurance and liability issues, workforce training needs, broadband access, access to co-working spaces, and an assessment of environmental implications of working remotely.

Sec. 18. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES

(a) The Secretary of Administration, in consultation with the Secretary of Commerce and Community Development and the Commissioner of Buildings and General Services, shall examine the potential for the State to establish remote worksites that are available for use by both State employees and remote workers in the private sector.

(b) The Secretary shall examine the feasibility of and potential funding models for the worksites, including the opportunity to provide at low or no cost co-working space within State buildings that are currently vacant or underutilized.

(c) On or before January 15, 2019, the Secretary shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs detailing his or her findings and any recommendations for legislative action.

Sec. 19. BROADBAND AVAILABILITY FOR REMOTE WORKERS

On or before January 15, 2019, the Director of Telecommunications and Connectivity, in consultation with the Agency of Commerce and Community Development, shall submit with the annual report required by 30 V.S.A. § 202e findings and recommendations concerning:

(1) the current availability of broadband service in municipal downtown

centers that do, or could at reasonable cost, support one or more co-working spaces or similar venues for remote workers and small businesses; and

(2) strategies for expanding and enhancing broadband availability for such spaces.

* * * Workforce Development in Particular Sectors;
Television and Film Production * * *

Sec. 20. WORKFORCE DEVELOPMENT; FILM AND TELEVISION
TRADES

(a) The Vermont Department of Labor, in partnership with the Vermont Film Institute, Vermont Technical College, and local institutes of higher education shall explore and pursue opportunities to access current federal ApprenticeshipUSA funds to develop and offer registered apprenticeships in the film and television production trades industry, including electrical work, lighting, set building, and art direction.

(b) Related instruction that is developed and administered as part of a registered apprenticeship program shall also provide the registered apprentice with college credit that is recognized by an accredited post-secondary institution in Vermont.

(c) The Department of Labor, in partnership with the Agency of Education and Agency of Commerce and Community development, shall:

(1) promote other work-based learning experiences, including internships, job shadowing, returnships, and on-the-job training, in the film and television production trades industry;

(2) build connections with and among industry professionals; and

(3) conduct outreach to middle school, high school, and postsecondary students.

* * * Workforce Development in Particular Sectors;
Green Energy and Technology * * *

Sec. 21. WORKFORCE DEVELOPMENT; GREEN ENERGY AND
TECHNOLOGY

The Department of Labor, in partnership with the Agency of Education, the Agency of Commerce and Community Development, the Agency of Natural Resources, and interested stakeholders, shall:

(1) develop career pathways, beginning in middle school, that lead to employment in the green energy sector;

(2) work with employers in the green energy sector to explore

opportunities to create registered apprenticeships,

(3) identify certifications and credentials that support workforce expansion in the green energy sector; and

(4) collaborate, to the extent possible, to create, fund, and offer instruction that leads to industry recognized credentials in the green energy sector.

* * * Effective Date * * *

Sec. 22. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Botzow of Pownal** moved that the House refuse to concur and ask for a Committee of Conference which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Botzow of Pownal
Rep. Marcotte of Coventry
Rep. Ancel of Calais

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 727

Pending entry on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to the admissibility of a child's hearsay statements in a proceeding before the Human Services Board

Was taken up for immediate consideration.

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

Sec. 1. 33 V.S.A. § 4916b is amended to read:

§ 4916b. HUMAN SERVICES BOARD HEARING

(a) Within 30 days ~~of~~ after the date on which the administrative reviewer mailed notice of placement of a report on the Registry, the person who is the subject of the substantiation may apply in writing to the Human Services Board for relief. The Board shall hold a fair hearing pursuant to 3 V.S.A. § 3091. When the Department receives notice of the appeal, it shall make note in the Registry record that the substantiation has been appealed to the Board.

(b)(1) The Board shall hold a hearing within 60 days ~~of~~ after the receipt of

the request for a hearing and shall issue a decision within 30 days ~~of~~ after the hearing.

(2) Priority shall be given to appeals in which there are immediate employment consequences for the person appealing the decision.

(3) ~~Rule 804a of the Vermont Rules of Evidence (V.R.E.) shall apply to hearings held under this subsection only as follows:~~

(A) ~~V.R.E. 804a(a)(1) and (4) shall apply.~~

(B) ~~V.R.E. 804a(a)(2) shall apply, except that any deposition or testimony given under oath at another proceeding shall be admissible evidence in a hearing held under this subsection.~~

(C) ~~V.R.E. 804a(a)(3) shall apply to hearings under this subsection unless the hearing officer determines, based on a preponderance of the evidence, that requiring the child to testify will present a substantial risk of trauma to the child.~~

(D) ~~V.R.E. 804a(b) shall not apply~~ Article VIII of the Vermont Rules of Evidence (Hearsay) shall not apply to any hearing held pursuant to this subchapter with respect to statements made by a child 12 years of age or under who is alleged to have been abused or neglected and the child shall not be required to testify or give evidence at any hearing held under this subchapter. Evidence shall be admissible if the time, content, and circumstances of the statements provide substantial indicia of trustworthiness.

(B) Article VIII of the Vermont Rules of Evidence (Hearsay) shall not apply to any hearing held pursuant to this subchapter with respect to statements made by a child who is at least 13 years of age and under 16 years of age who is alleged to have been abused or neglected and the child shall not be required to testify or give evidence at any hearing held under this subchapter in either of the following circumstances:

(i) The hearing officer determines, based on a preponderance of the evidence, that requiring the child to testify will present a substantial risk of trauma to the child. Evidence of trauma need not be offered by an expert and may be offered by any adult with an ongoing significant relationship with the child. Evidence shall be admissible if the time, content, and circumstances of the statements provide substantial indicia of trustworthiness.

(ii) The hearing officer determines that the child is physically unavailable to testify or the Department has made diligent efforts to locate the child and was unsuccessful. Evidence shall be admissible if the time, content, and circumstances of the statements provide substantial indicia of trustworthiness.

(4) Convictions and adjudications ~~which~~ that arose out of the same incident of abuse or neglect for which the person was substantiated, whether by verdict, by judgment, or by a plea of any type, including a plea resulting in a deferred sentence, shall be competent evidence in a hearing held under this subchapter.

(c) A hearing may be stayed upon request of the petitioner if there is a related case pending in the Criminal or Family Division of the Superior Court ~~which~~ that arose out of the same incident of abuse or neglect for which the person was substantiated.

(d) If no review by the Board is requested, the Department's decision in the case shall be final, and the person shall have no further right for review under this section. The Board may grant a waiver and permit such a review upon good cause shown.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

Which proposal of amendment was considered and concurred in.

Committee of Conference Appointed

H. 571

House bill, entitled

An act relating to creating the Department of Liquor and Lottery and the Board of Liquor and Lottery

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Stevens of Waterbury

Rep. Walz of Barre City

Rep. Gonzalez of Winooski

Rules Suspended; Bill Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

S. 204

Senate bill, entitled

An act relating to the registration of short-term rentals

S. 40

Senate bill, entitled

An act relating to increasing the minimum wage

S. 262

Senate bill, entitled

An act relating to miscellaneous changes to the Medicaid program and the Department of Vermont Health Access

S. 150

Senate bill, entitled

An act relating to automated license plate recognition systems

H. 897

House bill, entitled

An act relating to enhancing the effectiveness, availability, and equity of services provided to students who require additional support

H. 919

House bill, entitled

An act relating to workforce development

H. 571

House bill, entitled

An act relating to creating the Department of Liquor and Lottery and the Board of Liquor and Lottery

**Rules Suspended; Second Reading; Proposal of Amendment Agreed to;
Third Reading Ordered**

S. 261

On motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to mitigating trauma and toxic stress during childhood by strengthening child and family resilience

Appearing on the Calendar for notice, was taken up for immediate consideration.

Rep. Lanpher of Vergennes, for the committee on Appropriations, to which had been referred the Senate bill reported in favor of its passage in concurrence with proposal of amendment when amended as recommended by the committee on Human Services, as amended.

Thereupon, the bill was read the second time, the report of the committee on Human Services, as amended, was agreed to and third reading was ordered.

Rules Suspended; Senate Proposal of Amendment Concurred in**H. 636**

Pending entrance on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to miscellaneous fish and wildlife subjects

Was taken up for immediate consideration.

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

* * * Information Collection * * *

Sec. 1. 10 V.S.A. § 4132 is amended to read:

§ 4132. GENERAL DUTIES OF COMMISSIONER

(a) The Commissioner shall have charge of the enforcement of the provisions of this part.

* * *

(f) The Commissioner may collect data, conduct scientific research, and contract with qualified consultants for the purposes of managing fish and wildlife in the State and achieving the requirements and policies of this part. The Commissioner may designate as confidential any records produced or acquired by Department staff or contractors in the conduct of a study of or research related to fish, wildlife, wild plants, or the habitat of fish, wildlife, or wild plants, if release of the records would present a threat of harm to a species or the habitat of a species. Records designated as confidential under this subsection shall be exempt from inspection and copying under the Public Records Act. Records of Department staff or contractors that are not designated as confidential under this subsection shall be available for inspection and copying under the Public Records Act.

* * * Acquisition of Property; Grants * * *

Sec. 2. 10 V.S.A. § 4144(a) is amended to read:

(a) ~~The secretary~~ Secretary with approval of the Governor may acquire for the use of the ~~State~~ Department of Fish and Wildlife by gift, purchase, or lease ~~in the name of the State, any and all rights and interests in~~ lands, ponds, or streams, and hunting and fishing rights and privileges in any lands or waters in the State, with and the necessary rights of ingress or egress to and from such lands and waters. The Secretary's authority to acquire property interests under this section shall include all of the interests that may be acquired under subsection 6303(a) of this title.

Sec. 3. 10 V.S.A. § 4147 is amended to read:

§ 4147. FISH AND WILDLIFE LANDS

(a) Notwithstanding the provisions of 29 V.S.A. § 166, the Secretary with the approval of the Governor, may convey, exchange, sell, or lease lands under the Secretary's jurisdiction of the Department of Fish and Wildlife for one or more of the following purposes:

(1) resolving trespass issues and implementing boundary line adjustments and right-of-way and deed corrections, provided that the transfers are advantageous to the State;

(2) implementing the acquisition of new lands for conservation and public recreation when, in his or her judgment, it is advantageous to the State to do so in the highest orderly development of such lands and management of game thereon.

(b) ~~Provided, however, such~~ The lease, sale, or exchange of lands under this section shall not include oil and gas leases and shall not be contrary to the terms of any contract ~~which~~ that has been entered into by the State.

* * *

* * * Licensing; Lottery Applications * * *

Sec. 4. 10 V.S.A. § 4254(e) is amended to read:

(e) The Commissioner shall establish:

(1) license agencies, for the sale and distribution of licenses or lottery applications for licenses, including any town clerk who desires to sell licenses or process lottery applications for licenses;

(2) the number, type, and location of license agencies, other than town clerk agencies;

(3) the qualifications of all agencies and agents except town clerks;

(4) controls for the inventory, safeguarding, issue, and recall of all licensing materials;

(5) the times and methods for reporting the sale and issuance of all licenses;

(6) procedures for accounting for and return of all monies and negotiable documents due the Department from agencies in accordance with the provisions of this title and Title 32 of the Vermont Statutes Annotated;

(7) procedures for the audit of all license programs and license agency transactions and the proper retention and inspection of all accounting and

inventory records related to the sale or issuance of licenses;

(8) procedures for the suspension of any license agent or agency, including a town clerk agent, for noncompliance with the provisions of this title, any written agreement between the agent and the Department, or any licensing rule established by the Department;

(9) that for each license or lottery application, \$1.50 of the fee is a filing fee that may be retained by the agent, except for the super sport license for which \$5.00 of the fee is a filing fee that may be retained by the agent; and

(10) that for licenses, lottery applications, and tags issued where the Department does not receive any part of the fee, \$1.50 may be charged as a filing fee and retained by the agent.

* * * Migratory Waterfowl Stamp Program * * *

Sec. 5. 10 V.S.A. § 4277 is amended to read:

§ 4277. MIGRATORY WATERFOWL STAMP PROGRAM

(a) Definitions. As used in this section:

(1) “Migratory waterfowl” means all waterfowl species in the family anatidae, including wild ducks, geese, brant, and swans.

(2) “Stamp” means the State migratory waterfowl hunting stamp furnished by the Department of Fish and Wildlife as provided for in this section and the federal migratory waterfowl stamp furnished by the U.S. Department of the Interior.

(b) Waterfowl stamp required. No person 16 years of age or older shall attempt to take or take any migratory waterfowl in this State without first obtaining a State and federal migratory waterfowl stamp for the current year in addition to a regular hunting license as provided by section 4251 of this title. A stamp shall not be transferable. The State stamp year shall run from January 1 to December 31.

(c) Waterfowl stamp design, production, and distribution. The Commissioner of Fish and Wildlife shall be responsible for the design, production, procurement, distribution, and sale of ~~all stamps~~ the State stamp and all marketable stamp ~~by-products~~ by-products such as posters, artwork, calendars, and other items.

(d) Fee. ~~Stamps~~ State stamps shall be sold at the direction of the Commissioner for a fee of \$7.50. The issuing agent may retain a fee of \$1.00 for each stamp and shall remit \$6.50 of each fee to the Department of Fish and Wildlife. The Commissioner shall establish a uniform sale price for all categories of ~~by-products~~ by-products.

(e) Disposition of waterfowl receipts. All State waterfowl stamp receipts and all receipts from the sale of State stamp ~~byproducts~~ by-products shall be deposited in the Fish and Wildlife Fund. All State stamp and ~~byproducts~~ by-products receipts shall be expended through the appropriation process for waterfowl acquisition and improvement projects.

(f) Advisory ~~committee~~ Committee. There is hereby created a the Migratory Waterfowl Advisory Committee which shall consist of five persons and up to three alternates appointed by and serving at the pleasure of the Commissioner of Fish and Wildlife. The Commissioner shall designate a the Chair. The Committee shall be consulted with and may make recommendations to the Commissioner in regard to all projects and activities supported with the funds derived from the implementation of this section. The Commissioner shall make an annual financial and progress report to the Committee with regard to all activities authorized by this section.

* * * Forfeiture * * *

Sec. 6. 10 V.S.A. § 4505 is amended to read:

§ 4505. HEARING; FORFEITURE

The game warden or other officer shall retain possession of firearms, jacks, lights, motor vehicles, and devices taken until final disposition of the charge against the owner, possessor, or person using the same in violation of the provisions of section 4745, 4781, 4783, 4784, 4705(a), 4280, 4747, or 4606 of this title, in accordance with the provisions of section 4503 of this title. When the owner, possessor, or person using firearms, jacks, lights, motor vehicles, and devices in violation of the section is convicted of the offense, the court where the conviction is had shall cause the owner, if known, and possessor, and all persons having the custody of or exercising any control over the firearms, jacks, lights, motor vehicles, and devices seized, either as principal, clerk, servant, or agent and the respondent to appear and show cause, if any they have, why a forfeiture or condemnation order should not issue. The hearings may be held as a collateral proceeding to the trial of the respondent in the discretion of the court.

* * * Enforcement; Violations * * *

Sec. 7. 10 V.S.A. § 4551 is amended to read:

§ 4551. FISH AND WILDLIFE VIOLATION DEFINED

A violation of any provision of this part, other than a violation for which a term of imprisonment may be imposed, or a minor violation as defined in section 4572 of this title, ~~or a violation of a rule adopted under this part~~ shall be ~~known as~~ a fish and wildlife violation.

Sec. 8. 10 V.S.A. § 4705 is amended to read:

§ 4705. SHOOTING FROM MOTOR VEHICLES OR AIRCRAFT;
SHOOTING FROM OR ACROSS HIGHWAY; PERMIT

(a) A person shall not take, or attempt to take, a wild animal by shooting from a motor vehicle, motorboat, airplane, snowmobile, or other ~~motor propelled~~ motor-propelled craft or any vehicle drawn by a ~~motor-propelled~~ motor-propelled vehicle except as permitted under subsection (e) of this section.

(b) A person shall not carry or possess while in or on a vehicle propelled by mechanical power or drawn by a vehicle propelled by mechanical power within the ~~right-of-way~~ right-of-way of a public highway a rifle or shotgun containing a loaded cartridge or shell in the chamber, mechanism, or in a magazine, or clip within a rifle or shotgun, or a muzzle-loading rifle or muzzle-loading shotgun that has been charged with powder and projectile and the ignition system of which has been enabled by having an affixed or attached percussion cap, primer, battery, or priming powder, except as permitted under subsections (d) and (e) of this section. A person who possesses a rifle, crossbow, or shotgun, including a muzzle-loading rifle or muzzle-loading shotgun, in or on a vehicle propelled by mechanical power, or drawn by a vehicle propelled by mechanical power within a ~~right-of-way~~ right-of-way of a public highway shall upon demand of an enforcement officer exhibit the firearm for examination to determine compliance with this section.

(c) A person while on or within 25 feet of the traveled portion of a public highway, except a public highway designated Class 4 on a town highway map, shall not take or attempt to take any wild animal by shooting a firearm, a muzzle loader, a bow and arrow, or a crossbow. A person while on or within the traveled portion of a public highway designated Class 4 on a town highway map shall not take or attempt to take any wild animal by shooting a firearm, a muzzle loader, a bow and arrow, or a crossbow. A person shall not shoot a firearm, a muzzle loader, a bow and arrow, or a crossbow over or across the traveled portion of a public highway, except for a person shooting over or across the traveled portion of a public highway from a sport shooting range, as that term is defined in section 5227 of this title, provided that:

(1) the sport shooting range was established before January 1, 2014; and

(2) the operators of the sport shooting range post signage warning users of the public highway of the potential danger from the sport shooting range.

(d) This section shall not restrict the possession or use of a loaded firearm by an enforcement officer in performance of his or her duty.

* * *

Sec. 9. 10 V.S.A. § 4709 is amended to read:

§ 4709. TRANSPORT, IMPORTATION, POSSESSION, AND STOCKING
OF WILD ANIMALS; POSSESSION OF WILD BOAR

(a) A person shall not bring into ~~the State~~, transport into, transport within, transport through, or possess in the State any live wild bird or animal of any kind, ~~unless, upon application in writing therefor, the person obtains without authorization~~ from the Commissioner a permit to do so or his or her designee. The importation permit may be granted under such regulations therefor as the ~~Board~~ Commissioner shall prescribe and only after the Commissioner has made such investigation and inspection of the birds or animals as she or he may deem necessary. The Department may dispose of unlawfully possessed or imported wildlife as it may judge best, and the State may collect treble damages from the violator of this subsection for all expenses incurred.

(b) No person shall bring into the State from another country, state, or province wildlife illegally taken, transported, or possessed contrary to the laws governing the country, state, or province from which the wildlife originated.

(c) No person shall place a Vermont-issued tag on wildlife taken outside the State. No person shall report big game in Vermont when the wildlife is taken outside the State.

(d) Nothing in this section shall prohibit the Commissioner or duly authorized agents of the Department of Fish and Wildlife from bringing into the State for the purpose of planting, introducing, or stocking, or from planting, introducing, or stocking in the State, any wild bird or animal.

~~(e)~~(e) Applicants shall pay a permit fee of \$100.00.

~~(d)~~(f)(1) The Commissioner shall not issue a permit under this section for the importation or possession of the following live species, a hybrid or genetic variant of the following species, offspring of the following species, or offspring or a hybrid of a genetically engineered variant of the following species: wild boar, wild hog, wild swine, feral pig, feral hog, feral swine, old world swine, razorback, Eurasian wild boar, or Russian wild boar (*Sus scrofa* Linnaeus).

(2) This subsection shall not apply to the domestic pig (*Sus domesticus*) involved in domestic hog production and shall not restrict or limit the authority of the Secretary of Agriculture, Food and Markets to regulate the importation or possession of the domestic pig as livestock or as a domestic animal under Title 6 of the Vermont Statutes Annotated.

* * * Trapping * * *

Sec. 10. 10 V.S.A. § 4254c is added to read:

§ 4254c. NOTICE OF TRAPPING; DOG OR CAT

A person who incidentally traps a dog or cat shall notify a fish and wildlife warden or the Department within 24 hours after discovery of the trapped dog or cat. The Department shall maintain records of all reports of incidentally trapped dogs or cats submitted under this section, and the reports shall include the disposition of each incidentally trapped dog or cat.

Sec. 11. 10 V.S.A. § 4828 is amended to read:

§ 4828. TAKING OF RABBIT OR FUR-BEARING ANIMALS BY
LANDOWNER; SELECTBOARD; CERTIFICATE; PENALTY

(a)(1) The provisions of law or ~~regulations~~ rules of the Board relating to the taking of rabbits or fur-bearing animals shall not apply to:

(A) an owner, the owner's employee, tenant, or caretaker of property protecting the property from damage by rabbits or fur-bearing animals; or

(B) ~~to~~ a member of the selectboard of a town protecting public highways or bridges from such damage or submersion with the permission of the owner of lands affected.

(2) A person who for compensation sets a trap for rabbits or fur-bearing animals on the property of another in defense of that property shall possess a valid trapping license.

(3)(A) ~~However, if~~ If required by rule of the ~~board~~ Board, an owner; ~~the owner's employee, tenant, or caretaker, or the members;~~ a member of the selectboard; or a person who sets a trap for compensation who ~~desire~~ desires to possess during the closed season the skins of any fur-bearing animals taken in defense of property, highways, or bridges shall notify the Commissioner or the Commissioner's representative within 84 hours after taking ~~such~~ the animal, and shall hold ~~such~~ the pelts for inspection by such authorized representatives.

(b) Before disposing of ~~such~~ pelts taken under this section, if required by rule of the Board, the property owner; ~~the owner's employee, tenant, or caretaker, or;~~ a member of the selectboard; or a person who sets a trap for compensation shall secure from the Commissioner or a designee a certificate describing the pelts, and showing that the pelts were legally taken during a closed season and in defense of property, highways, or bridges. In the event of storage, sale, or transfer, ~~such~~ the certificates shall accompany the pelts described therein.

Sec. 12. 10 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

Words and phrases used in this part, unless otherwise provided, shall be construed to mean as follows:

* * *

(9) Game: game birds or game quadrupeds, or both.

(10) Game birds: quail, partridge, woodcock, pheasant, plover of any kind, Wilson snipe, other shore birds, rail, coot, gallinule, wild ducks, wild geese, and wild turkey.

* * *

(13) Rabbit: to include wild hare.

(14) Fur-bearing animals: beaver, otter, marten, mink, raccoon, fisher, fox, skunk, coyote, bobcat, weasel, opossum, lynx, wolf, and muskrat.

(15) Wild animals or wildlife: all animals, including birds, fish, amphibians, and reptiles, other than domestic animals, domestic fowl, or domestic pets.

* * *

(23) Take and taking: pursuing, shooting, hunting, killing, capturing, trapping, snaring, and netting fish, birds, and quadrupeds and all lesser acts, such as disturbing, harrying or, worrying, or wounding or placing, setting, drawing, or using any net or other device commonly used to take fish or wild animals, whether they result in the taking or not; and shall include every attempt to take and every act of assistance to every other person in taking or attempting to take fish or wild animals, provided that when taking is allowed by law, reference is had to taking by lawful means and in a lawful manner.

* * *

(27) Commissioner: Commissioner of Fish and Wildlife.

* * *

(31) Big game: deer, bear, moose, wild turkey, caribou, elk, and anadromous Atlantic salmon taken in the Connecticut River Basin.

* * *

(40) Domestic pet: domesticated dogs, domesticated cats, domesticated ferrets, psittacine birds, or any domesticated animal.

Sec. 13. FISH AND WILDLIFE BOARD RULES; TRAPPING

On or before January 1, 2019, the Fish and Wildlife Board shall adopt by rule those requirements of Fish and Wildlife Board Rule 44 regarding the trapping of fur-bearing animals that shall apply to persons trapping for

compensation under 10 V.S.A. § 4828.

* * * Coyote Hunting * * *

Sec. 14. 10 V.S.A. § 4716 is added to read:

§ 4716. COYOTE-HUNTING COMPETITIONS; PROHIBITION

(a) As used in this section, “coyote-hunting competition” means a contest in which people compete in the capturing or taking of coyotes for a prize.

(b) A person shall not hold or conduct a coyote-hunting competition in the State.

(c) A person shall not participate in a coyote-hunting competition in the State.

(d) A person who violates this section shall be fined not more than \$1,000.00 nor less than \$400.00 for a first offense. Upon a second and all subsequent convictions or any conviction while under license suspension related to the requirements of part 4 of this title, a person who violates this section shall be fined not more than \$4,000.00 nor less than \$2,000.00.

Sec. 15. 10 V.S.A. § 4502(b) is amended to read:

(b) A person violating provisions of this part shall receive points for convictions in accordance with the following schedule (all sections are in this title of the Vermont Statutes Annotated):

* * *

(2) Ten points shall be assessed for:

* * *

(TT) § 4716. Participating in a coyote-hunting competition.

(3) Twenty points shall be assessed for:

* * *

(CC) § 4716. Holding or conducting a coyote-hunting competition.

* * * Fish and Wildlife Violations; Criminal or Civil * * *

Sec. 16. DEPARTMENT OF FISH AND WILDLIFE; REVIEW OF
CRIMINAL OR CIVIL NATURE OF VIOLATIONS

The Department of Fish and Wildlife shall conduct a review of the potential criminal and civil charges for all fish and wildlife violations. On or before January 15, 2019, the Department shall submit to the House Committees on Natural Resources, Fish, and Wildlife and on Judiciary and the Senate Committees on Natural Resources and Energy and on Judiciary a report

recommending changes to the criminal and civil charges for fish and wildlife violations. The report shall summarize the process the Department used to review the charges for fish and wildlife violations and shall explain the basis for the Department's recommendations. Prior to preparing the report required by this section, the Department shall consult with interested stakeholders, the Judiciary, State's Attorneys, criminal defense lawyers, and fish and game groups.

* * * Effective Dates * * *

Sec. 17. EFFECTIVE DATES

(a) This section and Sec. 4 (licensing; lottery applications) shall take effect on passage.

(b) Secs. 10 (incidental trapping), 12 (definitions), 13 (trapping rules amendment), and 14–15 (coyote-hunting competition prohibition; points) shall take effect on January 1, 2019.

(c) Sec. 11 (trapping for compensation) shall take effect on January 1, 2020.

(d) All other sections shall take effect on July 1, 2018.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Third Reading; Bill Passed

S. 244

On Senate bill, entitled

An act relating to repealing the guidelines for spousal maintenance awards

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed in concurrence with proposal of amendment.

**Rules Suspended; Senate Proposal of Amendment Considered,
Action Postponed**

H. 908

Pending entrance on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to the Administrative Procedure Act

Was taken up for immediate consideration.

The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

In Sec. 2, 3 V.S.A. chapter 25, in § 838 (filing of proposed rules), in subsection (b) (economic impact analysis; rules affecting small businesses and school districts), in subdivision (2) (small businesses) in the first sentence, after “the agency shall include” by inserting , when appropriate,

And, after the first sentence, by inserting a new sentence before subdivision (A) to read: When an agency determines that such an evaluation is not appropriate, the economic impact statement shall briefly explain the reasons for this determination.

Pending the question, Shall the House concur in Senate proposal of amendment? **Rep. Kitzmiller of Montpelier** moved to postpone action on the bill until May 10, 2018 which was agreed to.

**Rules Suspended; Second Reading; Proposal of Amendment Agreed to;
Third Reading Ordered**

S. 276

On motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to rural economic development

Appearing on the Calendar for notice, was taken up for immediate consideration.

Rep. Partridge of Windham, for the committee on Agriculture and Forestry, to which had been referred the Senate bill reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Rural Economic Development Initiative * * *

Sec. 1. 10 V.S.A. § 325m is amended to read:

§ 325m. RURAL ECONOMIC DEVELOPMENT INITIATIVE

(a) Definitions. As used in this subchapter:

(1) ~~“Industrial park” means an area of land permitted as an industrial park under chapter 151 of this title or under 24 V.S.A. chapter 117, or under both.~~

(2) “Rural area” means a county of the State designated as “rural” or “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

~~(3)~~(2) “Small town” means a town in the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

(b) Establishment. There is created ~~within the Vermont Housing and~~

~~Conservation Board~~ a the Rural Economic Development Initiative to promote and facilitate to be administered by the Vermont Housing and Conservation Board for the purpose of promoting and facilitating community economic development in the small towns and rural areas of the State. The Rural Economic Development Initiative shall collaborate with municipalities, businesses, ~~industrial parks,~~ regional development corporations, regional planning commissions, and other appropriate entities to access funding and other assistance available to small towns and businesses in rural areas of the State when existing State resources or staffing assistance is not available.

(c) Services; access to funding.

(1) The Rural Economic Development Initiative shall provide the following services to small towns and businesses in rural areas:

(A)(1) ~~identification of grant or other funding opportunities available to small towns, businesses in rural areas, and industrial parks in small towns and rural areas that facilitate business development, siting of businesses, workforce development, broadband deployment, infrastructure development, or other economic development opportunities;~~

(B)(2) ~~technical assistance to small towns, businesses in rural areas, and industrial parks in small towns and rural areas in writing grants, accessing and completing the application process for identified grants or other funding opportunities, including writing applications for grants or other funding, coordination with providers of grants or other funding, strategic planning for the implementation or timing of activities funded by grants or other funding, and compliance with the requirements of grant awards or awards of other funding.~~

(2)(d) Priority. In providing services under this subsection ~~section,~~ the Rural Economic Development Initiative shall give first priority to projects that have received necessary State or municipal approval and that are ready for construction or implementation.

(d)(e) Services; business development Priority projects. The Rural Economic Development Initiative shall ~~provide small towns and rural areas with services to facilitate business development in these areas. These services shall include:~~

(1) ~~Identifying businesses or business types suitable for a small town, rural areas, industrial parks in a small town or rural area, or coworker spaces or generator spaces in rural areas. In identifying businesses or business types, the Rural Economic Development Initiative shall seek to assist the following priority types of projects:~~

(A) ~~identify businesses or business types in the following priority~~

areas:

~~(i)(1)~~ milk plants, milk handlers, or dairy products, as those terms are defined in 6 V.S.A. § 2672;

~~(ii)(2)~~ the outdoor recreation and equipment ~~or recreation industry enterprises~~;

~~(iii)(3)~~ the value-added food and forest products industry enterprises;

~~(iv)(4)~~ the ~~value-added food industry~~ farm operations, including phosphorus removal technology for farm operations;

~~(v)(5)~~ phosphorus removal technology coworking or business generator and accelerator spaces; and

~~(vi)(6)~~ commercial composting facilities; and

(7) restoration and rehabilitation of historic buildings in community centers.

~~(B) explore with a small town or rural area whether underused or closed school buildings are appropriate sites for coworker or generator spaces.~~

~~(2) Recommending available grants, tax credits, or other incentives that a small town or rural area can use to attract businesses.~~

(3)(f) Coordination. In providing services under this subsection ~~section~~, the Rural Economic Development Initiative shall coordinate with the Secretary of Commerce and Community Development ~~in order to avoid duplication by the Rural Economic Development Initiative of business recruitment and workforce development services provided by the Agency of Commerce and Community Development, regional development corporations, and regional planning commissions.~~

~~(e)(g)~~ Report. Beginning on January 15, ~~2018~~ 31, 2019, and annually thereafter, the Rural Economic Development Initiative shall submit to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs and the House Committees on Agriculture and Forestry and on Commerce and Economic Development a report regarding the activities and progress of the Initiative as part of the report of the Vermont Farm and Forest Viability Program. The report shall ~~include~~:

~~(1) a summary of the Initiative's activities in the preceding calendar year;~~

~~(2) an evaluation of the effectiveness of the services provided by the Initiative to small towns, rural areas, and industrial parks;~~

~~(3) a summary of the Initiative's progress in attracting priority businesses to small towns and rural areas;~~

~~(4) an accounting of the grants or other funding that the Initiative facilitated or provided assistance with;~~

~~(5) an accounting of the funds acquired by the Rural Economic Development Initiative for administration of grants or other funding mechanisms and whether these funds are sufficient to offset the cost of the Rural Economic Development Initiative; and~~

~~(6) recommended changes to the program, including proposed legislative amendments to further economic development in small towns and rural areas in the State summarize the Initiative's activities in the preceding year; evaluate the effectiveness of the services provided by the Initiative; provide an accounting of the grants or other funding that the Initiative facilitated or helped secure; and recommend any changes to the program to further economic development in small towns and rural areas of the State.~~

* * * Outdoor Recreation-Friendly Community Program * * *

Sec. 2. OUTDOOR RECREATION-FRIENDLY COMMUNITY PROGRAM

(a) Establishment. Upon receipt of funding, the Outdoor Recreation-Friendly Community Program (Program) is created to provide incentives for communities to leverage outdoor recreation assets to foster economic growth within a town, village, city, or region of the State.

(b) Administration. The Program shall be administered by the Department of Forests, Parks and Recreation in association with the Agency of Commerce and Community Development.

(c) Selection. The Commissioner of Forests, Parks and Recreation in consultation with the Agency of Commerce and Community Development and the Vermont Outdoor Recreation Economic Collaborative steering committee shall select communities for the Program using, at minimum, the following factors:

(1) community economic need;

(2) identification of outdoor recreation as a priority in a town plan or other pertinent planning document;

(3) community commitment to an outdoor recreation vision; demonstrated support from community officials, the public, local business, and local and statewide outdoor recreation nonprofit organizations; and commitment to adhere to accepted standards and recreation ethos;

(4) a community with a good foundation of outdoor recreation assets

already in place with strong potential for growth on both private and public lands;

(5) a community with good opportunities for connecting assets within the community with assets of other nearby communities;

(6) a community with an existing solid network of local supporting businesses; and

(7) community commitment to track and measure outcomes to demonstrate economic and social success.

(d) Incentives. Communities accepted into the Program shall be offered, at minimum, the following incentives:

(1) preferential consideration to become part of the Vermont Trail System;

(2) preferential consideration when applying for grant assistance through the Recreational Trails Program and the Land and Water Conservation Fund Program;

(3) access to other economic development assistance if available and appropriate; and

(4) recognition as part of a network of Outdoor Recreation-Friendly Communities connected through a common branding and adherence to high standards of quality and service.

(e) Pilot project and appropriation. Upon receipt of funding to create the Outdoor Recreation Friendly Community Program, the Agency of Commerce and Community Development, in association with the Department of Forests, Parks and Recreation, shall approve pilot communities to serve as prototypes for the Program. The funding may be used for the following purposes:

(1) communitywide outdoor recreation planning, including assessment, mapping, and identifying possibilities and priorities;

(2) services of consultants and other technical assistance providers;

(3) public facing mapping and other informational materials;

(4) securing access;

(5) implementation of public access improvements;

(6) stewardship;

(7) marketing; and

(8) program administration.

(f) Reports. On or before January 15, 2019, the Commissioner of Forests, Parks and Recreation shall submit a report to the General Assembly detailing the progress made with the pilot project authorized under subsection (e) of this section. On or before January 15, 2020, the Commissioner of Forests, Parks and Recreation shall submit a report to the General Assembly detailing any measurable results of economic activity growth.

* * * Vermont Trails System; Act 250 * * *

Sec. 3. PURPOSE

The purpose of this section and Sec. 4 of this act is to provide for consistency in the application of 10 V.S.A. chapter 151 (Act 250) to the construction and improvement of trails that are part of the Vermont Trails System under 10 V.S.A. chapter 20.

Sec. 4. 10 V.S.A. § 6001(3) is amended to read:

(3)(A) “Development” means each of the following:

* * *

(v) The construction of improvements on a tract of land involving more than 10 acres that is to be used for municipal, county, or State purposes. In computing the amount of land involved, land shall be included that is incident to the use such as lawns, parking areas, roadways, leaching fields, and accessory buildings. Trails recognized as part of the Vermont Trails System under section 443 of this title shall be deemed to be for a State purpose.

* * *

(C) For the purposes of determining jurisdiction under subdivision ~~(3)(A)~~ of this ~~section~~ subdivision (3), the following shall apply:

* * *

(vi) Vermont Trail System projects. In the case of a construction project for a trail recognized as part of the Vermont Trail System pursuant to section 443 of this title, the computation of land involved shall not include any portion of the trail or of the Vermont Trail System in existence as of July 1, 2018, unless that portion will be physically altered as part of the project and is on the same tract or tracts of land.

* * *

(F) When jurisdiction over a trail has been established pursuant to subdivision (A) of this subdivision (3), jurisdiction shall extend only to the trail corridor and to any area directly or indirectly affected by the construction, operation, or maintenance of the trail corridor. The width of the corridor shall

be 10 feet unless the District Commission determines that circumstances warrant a wider or narrower width.

Sec. 4a. PROSPECTIVE REPEAL

10 V.S.A. § 6001(3)(C)(vi) shall be repealed on July 1, 2019.

Sec. 4b. ACT 250 JURISDICTION; RECREATIONAL TRAILS;
EVALUATION

(a) In addition to the currently assigned tasks under 2017 Acts and Resolves No. 47 (Act 47), the Commission on Act 250: the Next 50 Years (the Commission) established under that act shall evaluate the strengths and challenges associated with regulation of recreational trails under 10 V.S.A. chapter 151 (Act 250) and alternative structures for the planning, review, and construction of future trail networks and the extension of existing trail networks. The Commission shall include recommendations on this issue in its report to the General Assembly due on or before December 15, 2018 under Act 47.

(b) To provide information and recommendations to the Commission on the issue identified in subsection (a) of this section, the Commissioner of Forest, Parks and Recreation or designee and the Chair of the Natural Resources Board or designee shall form a recreational trails working group that shall include officers and employees of the Agency of Natural Resources designated by the Secretary of Natural Resources, the Vermont Trails and Greenways Council established under 10 V.S.A. chapter 20, representatives of environmental organizations, and other affected persons. The working group shall submit a report to the Commission on Act 250 on or before October 1, 2018.

(1) With respect to recreational trails, the working group's report shall examine multiple potential planning and regulatory structures, including possible revisions to Act 250; the creation of a trail oversight program within the Agency of Natural Resources that includes best development practices and an agency permitting process, including consideration of a general permit; and other options that the working group may identify.

(2) In considering alternative structures, the working group shall evaluate how best to foster the development of an interconnected recreational trail network in Vermont while safeguarding the State's natural resources, including water quality, wildlife habitat and populations, and sensitive natural communities and areas, and potential impacts on neighboring properties and host municipalities.

(3) The Commission shall consider the report of the working group

during its deliberation and report preparation phase set forth in Act 47, Sec. 2(d)(3), and shall attach a copy of the working group's report to its own report to the General Assembly.

* * * Farm and Forest Viability * * *

Sec. 5. 6 V.S.A. § 4710 is amended to read:

§ 4710. VERMONT FARM AND FOREST VIABILITY ENHANCEMENT PROGRAM

(a) The Vermont Farm and Forest Viability ~~Enhancement~~ Program is a voluntary program established in the Agency of Agriculture, Food and Markets to provide assistance to Vermont ~~farmers~~ farm, food, and forest-sector businesses to enhance the financial success and long-term viability of Vermont ~~agriculture~~ agricultural and forest sectors. In administering the Program, the Secretary shall:

(1) Collaborate with the Vermont Housing and Conservation Board, to administer the program with other State and federal agencies, private entities, and service groups to develop, coordinate, and provide technical and financial assistance to Vermont ~~farmers~~ farm, food, and forest-sector businesses.

(2) ~~Include teams of~~ Secure and coordinate experts to assist ~~farmers~~ farm, food, and forest-sector business owners in areas such as ~~assessing farm resources and potential business and financial planning, succession planning,~~ diversifying, adopting new technologies, improving product quality, developing value-added products, and lowering costs of production ~~for Vermont's agricultural sector. The teams.~~ Providers may include farm business management specialists, University of Vermont Extension professionals, ~~veterinarians,~~ and other experts to deliver the ~~informational and technological~~ educational and consulting services.

(3) Encourage agricultural or forest-sector economic development through investing in improvements to essential infrastructure and the promotion of ~~farm~~ businesses in ~~Vermont~~ these sectors.

(4) Enter into agreements with private organizations or individuals or with any agency or instrumentality of the United States or of this State and employ technical experts to carry out the purposes of this section.

(b) The ~~farm viability enhancement program~~ Farm and Forest Viability Program shall be assisted by an advisory board consisting of ~~ten~~ 12 members who shall include:

(1) The Secretary of Agriculture, Food and Markets. The Secretary shall serve as Chair of the Board.

(2) The Commissioner of Forests, Parks and Recreation or designee.

(3) The Commissioner of Economic Development or designee.

~~(3)~~(4) The Manager of the Vermont Economic Development Authority or designee.

(4)(5) The Director of University of Vermont Extension or designee.

~~(5)~~(6) The Executive Director of the Vermont Housing and Conservation Board or designee.

~~(6)~~(7) Four Vermont ~~farmers~~ agricultural or forest-sector business owners appointed by the Secretary of Agriculture, Food and Markets in consultation with the Vermont Housing and Conservation Board and the Commissioner of Forests, Parks and Recreation. ~~The four farmers shall serve two-year terms, except for the first year, two farmers chosen by the Chair shall serve one-year terms~~ At least two of the four business owners shall be agricultural-sector business owners.

~~(7)~~(8) ~~A person who has~~ Two people who have expertise in agricultural or forest-sector economics, financing, or business planning development appointed by the Secretary of Agriculture, Food and Markets in consultation with the Vermont Housing and Conservation Board and the Commissioner of Forests, Parks and Recreation.

(c) Members of the Advisory Board established in subsection (b) of this section other than ex officio members shall serve up to three two-year terms and shall be entitled to per diem expenses pursuant to 32 V.S.A. § 1010 for each day spent in the performance of their duties, and each such member shall be reimbursed ~~from the fund created by this section~~ for his or her reasonable expenses incurred in carrying out his or her duties under this section.

(d) In consultation with the Advisory Board, the Secretary of Agriculture, Food and Markets and the Vermont Housing and Conservation Board shall establish ~~grant criteria~~, performance goals, performance measures that demonstrate Program results, and other criteria to implement the Program. The ~~grant~~ criteria shall include at least the following requirements:

(1) ~~the application is developed in consultation with the producers who use or would use the Program and will address their needs;~~

~~(2) the use of the funds available to the Program is likely to succeed in improving the economic viability of the farm and the farm's producers business;~~

~~(3)~~(2) ~~the producers are committed~~ enrollees demonstrate commitment to participating in the Program; and

~~(4)(3)~~ an evaluation shall be completed by ~~enrolled farmers in conjunction with the teams the enrollees.~~

~~(e)(1) The Farm Viability Enhancement Program Special Fund is established in the State Treasury and shall be administered by the Secretary of Agriculture, Food and Markets in accordance with the provisions of 32 V.S.A. chapter 7, subchapter 5, except that interest earned on the fund shall be retained in the Fund. The Fund shall be used only for the purpose of implementing and effectuating the Farm Viability Enhancement Program established by this section. There shall be deposited in such Fund any monies appropriated by the General Assembly to, or received by, the Secretary of Agriculture, Food and Markets from any other source, public or private. The Fund shall be used only for the purposes of:~~

~~(A) providing funds for the Farm Viability Enhancement Program as established in this section;~~

~~(B) providing funds to enrolled farmers;~~

~~(C) providing funds to service providers for administrative expenses of the program; and~~

~~(D) leveraging other competitive public and private funds, grants, and contributions for the Farm Viability Enhancement Program.~~

~~(2) The Secretary of Agriculture, Food and Markets, the Commissioner of Forests, Parks and Recreation, and the Vermont Housing and Conservation Board, separately or cooperatively, may solicit federal funds, grants, and private contributions for the Farm and Forest Viability Enhancement Program, but any Vermont Housing and Conservation Board funds used for the Farm and Forest Viability Enhancement Program shall be administered in accordance with 10 V.S.A. § 312.~~

~~(f)(1) In collaboration with the Vermont Housing and Conservation Board, the Secretary of Agriculture, Food and Markets and the Commissioner of Forests, Parks and Recreation, the Vermont Housing and Conservation Board shall report in writing to the Senate Committee Committees on Agriculture and on Economic Development, Housing and General Affairs and the House Committee Committees on Agriculture and Forestry and on Commerce and Economic Development on or before January 31 of each year with a report on the activities and performance of the Farm and Forest Viability Enhancement Program. At a minimum, the report shall include an evaluation of the Program utilizing the performance goals and performance measures established in consultation with the Advisory Board under subsection (d) of this section. The report should assess potential demand for the Program over the succeeding three years.~~

~~(2) The Agency of Agriculture, Food and Markets and the Vermont Housing and Conservation Board shall describe in their annual budget submissions plans to develop adequate State, federal, and private funds to carry out this initiative.~~

~~(g)(1) The Agricultural Economic Development Special Account is established as a dedicated sub-account of the Vermont Farm Viability Enhancement Program Special Fund. There shall be deposited in such account any monies:~~

~~(A) appropriated by the General Assembly to the account; and~~

~~(B) received by the State or the Secretary of Agriculture, Food and Markets from any source, public or private, for use for any of the purposes for which the account was established.~~

~~(2) The Fund shall only be used for the purposes of:~~

~~(A) encouraging private investment in the economic initiative; and~~

~~(B) providing incentives for technology businesses, determined by the Agency of Agriculture, Food and Markets to provide critical technological solutions for the growth of Vermont's agricultural economy.~~

~~(3) Assistance from the Agricultural Economic Development Special Account shall be available in order to produce agricultural energy, harvest biomass, convert biomass into energy, or enable installation and usage of wind, solar, or other technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate pursuant to 30 V.S.A. § 8002(2), including:~~

~~(A) business and technical assistance for research and planning to aid a farmer or a group of farmers in developing business enterprises;~~

~~(B) cost-effective implementation assistance to leverage other sources of capital to assist a farmer or group of farmers in purchasing equipment, technology, or other assistance; and~~

~~(C) business, technical, and implementation assistance to persons that are not farmers for the development and implementation of technology or development of facilities designed to produce agricultural energy, harvest biomass, or convert biomass into energy, provided that the person is working in consultation with a Vermont farm, is creating an enterprise that utilizes Vermont resources, and provides Vermont a significant return on investment and meets any financial and technical criteria established by the Secretary by procedure. [Repealed.]~~

* * * Nutrient Management Plans; Technical Service Providers * * *

Sec. 5a. 6 V.S.A. § 4989 is added to read:

§ 4989. CERTIFICATION OF NUTRIENT MANAGEMENT PLAN

TECHNICAL SERVICE PROVIDERS

(a) On or before July 1, 2019, the Secretary of Agriculture, Food and Markets shall adopt by rule a process by which a nutrient management technical service provider shall be certified to operate within the State. The certification process shall require a nutrient management technical service provider to complete eight hours of training over each five-year period regarding:

- (1) calculating manure and agricultural waste generation;
- (2) taking soil and manure samples;
- (3) identifying and creating maps of all natural resource features;
- (4) use of erosion calculation tools;
- (5) reconciling plans using records;
- (6) use of nutrient index tools; and

(7) requirements within the Required Agricultural Practices, Medium Farm Operation rules and general permit, and Large Farm Operation rules.

(b) Beginning on July 1, 2019, a nutrient management technical service provider shall not create a nutrient management plan for a farm unless certified by the Secretary of Agriculture, Food and Markets.

* * * Forest Products Industry; Act 250 * * *

Sec. 6. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF REVIEW

* * *

(g) When an application concerns the construction of improvements for one of the following, the application shall be processed as a minor application in accordance with subsections (b) through (e) of this section:

- (1) a sawmill that produces three and one-half million board feet or less annually; or
- (2) an operation that involves the primary processing of forest products of commercial value and that annually produces:
 - (A) 3,500 cords or less of firewood or cordwood; or

(B) 10,000 tons or less of bole wood, whole tree chips, or wood pellets.

Sec. 7. COMMISSION ON ACT 250; REVIEW OF FOREST PRODUCTS
PROCESSING

The Commission on Act 250: the Next 50 Years (Commission) established under 2017 Acts and Resolves No. 47 (Act 47) shall review whether permit conditions in permits issued under 10 V.S.A. chapter 151 (Act 250) to forest processing operations negatively impact the ability of a forest processing operation to operate in an economically sustainable manner, including whether Act 250 permit conditions limit the ability of a forest processing operation to alter production or processing in order to respond to market conditions. If the Commission determines that Act 250 permit conditions have a significant negative economic impact on forestry processing operations, the Commission shall recommend alternatives for mitigating those negative economic impacts. The Commission shall include its findings and recommendation on this issue, if any, in the report due to the General Assembly on December 15, 2018 under Act 47.

* * * Environmental Permitting Fees * * *

Sec. 8. 3 V.S.A. § 2822(j) is amended to read:

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

* * *

(26) For individual conditional use determinations, for individual wetland permits, for general conditional use determinations issued under 10 V.S.A. § 1272, or for wetland authorizations issued under a general permit, an administrative processing fee assessed under subdivision (2) of this subsection (j) and an application fee of:

(A) \$0.75 per square foot of proposed impact to Class I or II wetlands.

(B) \$0.25 per square foot of proposed impact to Class I or II wetland buffers.

(C) Maximum fee, for the conversion of Class II wetlands or wetland buffers to cropland use or for installation of a pipeline in a wetland for the transport of manure for the purpose of farming, as that term is defined in 10 V.S.A. § 6001(22), when the pipeline will serve or implement a water quality or conservation practice, \$200.00 per application. As used in this

subdivision, “cropland” means land that is used for the production of agricultural crops, including row crops, fibrous plants, pasture, fruit-bearing bushes, trees, or vines, and the production of Christmas trees.

* * *

* * * Electric Utility Demand Charges; Rural Towns * * *

Sec. 9. DEMAND CHARGES; REPORT

(a) On or before January 31, 2019, the Commissioner of Public Service (Commissioner), in consultation with the Secretary of Commerce and Community Development, shall submit a written report on electric utility demand charges in Vermont and their effect on the ability of industrial enterprises to locate in rural towns of the State.

(b) The Commissioner shall submit the report to the House Committees on Agriculture and Forestry, on Commerce and Community Development, and on Energy and Technology and the Senate Committees on Agriculture, on Economic Development, Housing and General Affairs, and on Finance.

(c) The report under this section shall include:

(1) a narrative summary of the terms, conditions, and rates for each demand charge tariff of each Vermont electric utility;

(2) a table that shows the rates and applicability of each such tariff, with such other information as the Commissioner may consider relevant, organized by electric utility;

(3) an analysis of the alternatives to these tariffs that will improve the ability of industrial enterprises to locate in rural towns of the State, including the use of energy efficiency, self-generation, and other measures to reduce the demand of such enterprises on the interconnecting electric utility;

(4) the Commissioner’s recommendations on changes to demand charge tariffs and other methods to reduce demand that would encourage locating industrial enterprises in rural towns of the State or that would reduce or remove disincentives posed by demand charge tariffs to such locations.

(d) In this section, “rural town” shall have the same meaning as in 24 V.S.A. § 4303.

* * * Purchase and Use Tax; Forestry Equipment * * *

Sec. 10. 32 V.S.A. § 8911 is amended to read:

§ 8911. EXCEPTIONS

The tax imposed by this chapter shall not apply to:

(1) Motor vehicles owned or registered, or motor vehicles rented, by any state or province or any political subdivision thereof.

* * *

(23) The following motor vehicles used for timber cutting, timber removal, and processing of timber or other solid wood forest products intended to be sold ultimately at retail: skidders with grapple and cable, feller bunchers, cut-to-length processors, forwarders, delimbers, loader slashers, log loaders, whole-tree chippers, stationary screening systems, and firewood processors, elevators, and screens.

* * * Forest Products Industry; Wood Energy; Supply * * *

Sec. 11. PUBLIC BUILDINGS; WOOD ENERGY; VERMONT
SUPPLIERS; REPORT

(a) On or before December 15, 2018, the Commissioner of Buildings and General Services (Commissioner), in consultation with the Commissioner of Public Service, shall submit a written report and recommendation on the feasibility and impacts of requiring certain public buildings that use wood to produce heat or electricity, or both, to give preference to Vermont suppliers when making fuel supply purchases.

(b) As used in this section, “public building” has the same meaning as in 20 V.S.A. § 2730.

(c) The submission shall include the Commissioner’s specific recommendations as to each of the following categories of public buildings:

(1) schools owned, occupied, or administered by municipalities;

(2) other public buildings owned or occupied by the State of Vermont, counties, municipalities, or other public entities; and

(3) public buildings or biomass energy facilities in Vermont that receive incentives or financing, or both, from the State of Vermont and are not within the category described in subdivision (1) or (2) of this subsection.

(d) The Commissioner shall submit the report and recommendation to the Senate Committees on Agriculture and on Natural Resources and Energy and the House Committees on Agriculture and Forestry and on Energy and Technology.

* * * Hemp * * *

Sec. 12. PURPOSE

The purpose of this section and Secs. 13–14 of this act is to amend the laws of Vermont regarding the cultivation of industrial hemp to conform with

federal requirements for industrial hemp research set forth in section 7606 of the federal Agricultural Act of 2014, Pub. L. No. 113-79, codified at 7 U.S.C. § 5940.

Sec. 13. 6 V.S.A. chapter 34 is amended to read:

CHAPTER 34. HEMP

§ 561. FINDINGS; INTENT

(a) Findings.

(1) Hemp has been continuously cultivated for millennia, is accepted and available in the global marketplace, and has numerous beneficial, practical, and economic uses, including: high-strength fiber, textiles, clothing, ~~bio-fuel~~ biofuel, paper products, protein-rich food containing essential fatty acids and amino acids, biodegradable plastics, resins, nontoxic medicinal and cosmetic products, construction materials, rope, and value-added crafts.

(2) The many agricultural and environmental beneficial uses of hemp include: livestock feed and bedding, stream buffering, erosion control, water and soil purification, and weed control.

(3) The hemp plant, an annual herbaceous plant with a long slender stem ranging in height from four to 15 feet and a stem diameter of one-quarter to three-quarters of an inch is morphologically distinctive and readily identifiable as an agricultural crop grown for the cultivation and harvesting of its fiber and seed.

(4) Hemp cultivation will enable the State of Vermont to accelerate economic growth and job creation, promote environmental stewardship, and expand export market opportunities.

(5) The federal Agricultural Act of 2014, Pub. L. No. 113-79 authorized the growing, cultivation, and marketing of industrial hemp, notwithstanding restrictions under the federal Controlled Substances Act, if certain criteria are satisfied.

(b) Purpose. The intent of this chapter is to establish policy and procedures for growing hemp in Vermont that comply with federal law so that farmers and other businesses in the Vermont agricultural industry can take advantage of this market opportunity.

§ 562. DEFINITIONS

As used in this chapter:

(1) [Repealed.]

(2) “Hemp products” or “hemp-infused products” means all products

made from hemp, including cloth, cordage, fiber, food, fuel, paint, paper, construction materials, plastics, seed, seed meal, seed oil, and certified seed for cultivation.

(3) “Hemp” or “industrial hemp” means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

(4) “Secretary” means the Secretary of Agriculture, Food and Markets.

§ 563. HEMP; AN AGRICULTURAL PRODUCT

~~Hemp~~ Industrial hemp is an agricultural product ~~which~~ that may be grown as a crop, produced, possessed, marketed, and commercially traded in Vermont pursuant to the provisions of this chapter. The cultivation of industrial hemp shall be subject to and comply with ~~the requirements of~~ the required agricultural practices adopted under section 4810 of this title.

§ 564. REGISTRATION; ADMINISTRATION; PILOT PROJECT

(a) The Secretary shall establish a pilot program to research the growth, cultivation, and marketing of industrial hemp. Under the pilot program, the Secretary shall register persons who will participate in the pilot program through growing or cultivating industrial hemp. The Secretary shall certify the site where industrial hemp will be cultivated by each person registered under this chapter. A person who intends to participate in the pilot program and grow industrial hemp shall register with the Secretary and submit on a form provided by the Secretary the following:

(1) the name and address of the person;

(2) a statement that the seeds obtained for planting are of a type and variety that do not exceed the maximum concentration of tetrahydrocannabinol set forth in subdivision 562(3) of this title; and

(3) the location and acreage of all parcels sown and other field reference information as may be required by the Secretary.

(b) The form provided by the Secretary pursuant to subsection (a) of this section shall include a notice statement that, ~~until current federal law is amended to provide otherwise:~~

(1) cultivation and possession of industrial hemp in Vermont is a violation of the federal Controlled Substances Act unless the industrial hemp is grown, cultivated, or marketed under a pilot program authorized by section 7606 of the federal Agricultural Act of 2014, Pub. L. No. 113-79; and

(2) federal prosecution for growing hemp in violation of federal law

may include criminal penalties, forfeiture of property, and loss of access to federal agricultural benefits, including agricultural loans, conservation programs, and insurance programs; and

(3) registrants may purchase or import hemp genetics from any state that complies with federal requirements for the cultivation of industrial hemp.

(c) A person registered with the Secretary pursuant to this section shall allow industrial hemp crops, throughout sowing, growing season, harvest, storage, and processing, to be inspected and tested by and at the discretion of the Secretary or his or her designee. The Secretary shall retain tests and inspection information collected under this section for the purposes of research of the growth and cultivation of industrial hemp.

(d) The Secretary may assess an annual registration fee of \$25.00 for the performance of his or her duties under this chapter.

§ 566. RULEMAKING AUTHORITY

(a) The Secretary may adopt rules to provide for the implementation of this chapter and the pilot project authorized under this chapter, which may include rules to require hemp to be tested during growth for tetrahydrocannabinol levels and to require inspection and supervision of hemp during sowing, growing season, harvest, storage, and processing. The Secretary shall not adopt under this or any other section a rule that would prohibit a person to grow hemp based on the legal status of hemp under federal law.

(b) The Secretary shall adopt rules establishing how the Agency of Agriculture, Food and Markets will conduct research within the pilot program for industrial hemp.

(c) The Secretary shall adopt rules establishing requirements for the registration of processors of hemp and hemp-infused products.

Sec. 14. TRANSITION; IMPLEMENTATION

All persons registered prior to July 1, 2018 with the Secretary of Agriculture, Food and Markets under 6 V.S.A. chapter 34 to grow or cultivate hemp shall be deemed to be registered with the Secretary of Agriculture, Food and Markets as participants in the industrial hemp pilot project established by this act under 6 V.S.A. § 564, and those previously registered persons shall not be required to reregister with the Secretary of Agriculture, Food and Markets.

Sec. 15. 6 V.S.A. §§ 567 and 568 are added to read:

§ 567. AGENCY OF AGRICULTURE, FOOD AND MARKETS; TESTING

The Agency of Agriculture, Food and Markets shall establish a cannabis quality control program for the following purposes:

(1) to develop potency and contaminant testing protocols for hemp and hemp-infused products;

(2) to verify cannabinoid label guarantees of hemp and hemp-infused products;

(3) to test for pesticides, solvents, heavy metals, mycotoxins, and bacterial and fungal contaminants in hemp and hemp-infused products; and

(4) to certify testing laboratories that can offer the services in subdivisions (2) and (3) of this section.

§ 568. TEST RESULTS; ENFORCEMENT

(a) If the Secretary or a dispensary registered under 18 V.S.A. chapter 86 tests a hemp crop and the hemp has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis, the person registered with the Secretary as growing the hemp crop shall:

(1) enter into an agreement with a dispensary registered under 18 V.S.A. chapter 86 for the separation of the delta-9 tetrahydrocannabinol from the hemp crop, return of the hemp crop to the person registered with the Secretary, and retention of the separated delta-9 tetrahydrocannabinol by the dispensary.

(2) sell the hemp crop to a dispensary registered under 18 V.S.A. chapter 86; or

(3) arrange for the Secretary to destroy or order the destruction of the hemp crop.

(b) A person registered with the Secretary as growing the hemp crop shall not be subject to civil, criminal, or administrative liability or penalty under 18 V.S.A. chapter 84 if the tested industrial hemp has a delta-9 tetrahydrocannabinol concentration of one percent or less on a dry weight basis.

(c) A crop or product confirmed by the Secretary to meet the definition of hemp under State or federal law may be sold or transferred in interstate commerce to the extent authorized by federal law.

Sec. 16. 18 V.S.A. § 4474e is amended to read:

§ 4474e. DISPENSARIES; CONDITIONS OF OPERATION

(a) A dispensary registered under this section may:

(1) Acquire, possess, cultivate, manufacture, process, transfer, transport, supply, sell, and dispense marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her dispensary and to his or her

registered caregiver for the registered patient's use for symptom relief.

* * *

(5) Acquire, possess, manufacture, process, transfer, transport, market, and test hemp provided by persons registered with the Secretary of Agriculture, Food and Markets under 6 V.S.A. chapter 34 to grow or cultivate hemp.

* * *

* * * Produce Inspection * * *

Sec. 17. 6 V.S.A. § 21(b) is amended to read:

(b) The Secretary shall have the authority to:

(1) respond to and remediate incidences of mass animal death, agricultural structure fires, or other emergencies on a farm in order to prevent a public health hazard;

(2) condemn, confiscate, or establish restrictions on the use, sale, or distribution of adulterated raw agricultural commodities or animal feed; and

(3) cooperate with the Department of Health and other State and federal agencies regarding:

(A) the prevention or remediation of the adulteration of raw agricultural commodities, food, or animal feed on farms; and

(B) application of the FDA Food Safety Modernization Act, ~~21 U.S.C. §§ 2201-2252~~ Pub. L. No. 111-353, to farms, farm products, or value-added products produced in the State.

Sec. 18. 6 V.S.A. § 852 is amended to read:

§ 852. ~~AUTHORITY; ENFORCEMENT~~

(a) The Secretary may enforce in the State the requirements of:

(1) the rules adopted under the ~~federal U.S. Food and Drug Administration Food Safety Modernization Act, Public Law No. 111-353, for standards for growing, harvesting, packing, and holding of produce for human consumption~~ Standards for Growing, Harvesting, Packing, and Holding of Produce for Human Consumption, 21 C.F.R. part 112; and

(2) the rules adopted under this chapter.

(b) The Agency may collaborate with the ~~Vermont~~ Department of Health regarding application of the ~~federal Food Safety Modernization Act and the rules adopted thereunder~~ U.S. Food and Drug Administration Food Safety Modernization Act, Standards for Growing, Harvesting, Packing, and Holding

of Produce for Human Consumption, 21 C.F.R. part 112, and application of the rules adopted under this chapter.

(c) The Secretary shall carry out the provisions of this chapter using:

(1) monies appropriated to the Agency by the federal government for the purpose of administering the federal Food Safety Modernization Act and the rules adopted thereunder;

(2) monies appropriated to the Agency by the State for the purpose of administering this chapter; and

(3) other gifts, bequests, and donations by private entities for the purposes of administering this chapter.

Sec. 19. 6 V.S.A. § 853 is amended to read:

§ 853. FARM INSPECTIONS

(a)(1) The Secretary may inspect a produce farm during reasonable hours for the purposes of ensuring compliance with:

(A) the federal standards for growing, harvesting, packing, and holding of produce for human consumption, as adopted under 21 C.F.R. part 112; or

(B) the rules adopted under this chapter.

(2) This section shall not limit the Secretary's authority to respond to an emergency in order to prevent a public health hazard under section 21 of this title.

~~(b) After inspection, the Secretary may issue an inspection certificate that shall include the date and place of inspection along with any other pertinent facts that the Secretary may require.~~

(e) The Secretary may coordinate with other State agencies and organizations to carry out inspections at or near the same time on a given produce farm.

Sec. 20. 6 V.S.A. §§ 856 and 857 are added to read:

§ 856. ENFORCEMENT; CORRECTIVE ACTIONS

When the Secretary of Agriculture, Food and Markets determines that a person is violating the rules listed in section 852 of this title, the Secretary may issue a written warning that shall be served in person or by certified mail, return receipt requested. A warning issued under this section shall include:

(1) a description of the alleged violation;

(2) identification of this section;

(3) identification of the applicable rule violated; and

(4) the required corrective action that the person shall take to correct the violation.

§ 857. ENFORCEMENT; ADMINISTRATIVE ORDERS

(a) Notwithstanding the requirements of section 856 of this title, the Secretary at any time may pursue one or more of the following:

(1) issue a cease and desist order in accordance to a person the Secretary believes to be in violation of the rules listed in section 852 of this title;

(2) issue a verbal order or written administrative order to protect public health, including orders for the stop sale, recall, embargo, destruction, quarantine, and release of produce, when:

(A) the U.S. Food and Drug Administration requires immediate State action; or

(B) an alleged violation, activity, or farm practice presents an immediate threat to the public health or welfare;

(3) order mandatory corrective actions;

(4) take any action authorized under chapter 1 of this title;

(5) seek administrative or civil penalties in accordance with the requirements of section 15, 16, or 17 of this title.

(b) When the Secretary of Agriculture, Food and Markets issues a cease and desist order, written administrative order, or required corrective action under subsection (a) of this section, the Secretary shall provide the person subject to the order or corrective action with a statement that the order or corrective action is effective upon receipt and the person has 15 days from the date the order or corrective action was issued to request a hearing.

(c) If the Secretary of Agriculture, Food and Markets issues a verbal order under this section, the Secretary shall issue written notice to the person subject to the order within five days of the issuance of the verbal order. The written notice shall include a statement that the person has 15 days from the date the written notice was received to request a hearing.

(d) If a person who receives a cease and desist order, a verbal order, an administrative order, or a mandatory corrective action under this section does not request in writing a hearing within 15 days of receipt of the order or within 15 days of written notice for a verbal order, the person's right to a hearing is waived. Upon receipt of a written request for a hearing, the Secretary promptly shall set a date and time for a hearing. A request for a hearing on a

cease and desist order, verbal order, or administrative order issued under this section shall not stay the order.

(e) A person aggrieved by a final action or decision of the Secretary under this section may appeal de novo to the Civil Division of the Superior Court within 30 days of the final decision of the Secretary.

* * * Livestock and Poultry Transport for Slaughter * * *

Sec. 21. 6 V.S.A. § 1461a(c) is amended to read:

(c) Livestock and poultry that are transported to a commercial slaughter facility within the State shall not be removed from the facility without the facility's ~~owner~~ owner's first obtaining written permission from the State Veterinarian. For purposes of this section, arrival of the conveyance onto facility property and the offloading of livestock or poultry constitutes transport to a slaughter facility, regardless of whether the animals have been offloaded ~~or presented for antemortem inspection.~~ The State Veterinarian may require inspection and testing prior to issuing consent for removal.

* * * Industrial Park Designation * * *

Sec. 22. AGENCY OF COMMERCE AND COMMUNITY

DEVELOPMENT; INDUSTRIAL PARK DESIGNATION

(a) On or before December 15, 2018, the Secretary of Commerce and Community Development, after consultation with the Secretary of Natural Resources, the Chair of the Natural Resources Board, Regional Development Corporations, Regional Planning Commissions, the Vermont Natural Resources Council, and the Commission on Act 250, shall submit to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs and to the House Committees on Commerce and Economic Development, on Agriculture and Forestry, and on Natural Resources, Fish, and Wildlife recommendations for establishing an economic development program under which defined parcels in rural areas of the State are designated as industrial parks for the purposes of providing regulatory and permitting incentives to businesses sited within the industrial park. The report shall include:

(1) recommended criteria for establishing an industrial park in a rural area;

(2) eligibility criteria, if any, for a business to site within a designated industrial park in a rural area;

(3) recommended incentives for businesses sited within a designated industrial park in a rural area, including permitting incentives, permit fee

reductions, reduced electric rates, net metering incentives, and other regulatory incentives;

(4) recommended technical or financial assistance that a business would be eligible to receive for locating within a designated industrial park in a rural area; and

(5) draft legislation necessary to implement any recommendation.

(b) The recommendations in the report shall be designed in a manner so that any recommended process or criteria maintains consistency with the land use goals of Vermont in 24 V.S.A. § 4302 and the relevant regional plan adopted under 24 V.S.A. § 4348.

(c) As used in this section, “rural area” means a county of the State designated as “rural” or “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

* * * Fire Prevention and Building Code Fees * * *

Sec. 23. 20 V.S.A. § 2731(c) is amended to read:

(c) The following fire prevention and building code fees are established:

(1) The permit application fee for a construction plan approval shall be based on \$8.00 per each \$1,000.00 of the total valuation of the construction work proposed to be done for all buildings, but in no event shall the permit application fee exceed ~~\$185,000.00~~ \$130,000.00 nor be less than \$50.00.

(2) When an inspection is required due to the change in use or ownership of a public building, the fee shall be \$125.00.

(3) The proof of inspection fee for fire suppression, alarm, detection, and any other fire protection systems shall be \$30.00.

(4) Three-year initial certificate of fitness and renewal fees for individuals performing activities related to fire or life safety established under subsection (a) of this section shall be:

* * *

* * * Use Value Appraisal * * *

Sec. 24. 32 V.S.A. § 3755 is amended to read:

§ 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

* * *

(b) Managed forestland shall be eligible for use value appraisal under this subchapter only if:

(1) The land is subject to a forest management plan, or subject to a conservation management plan in the case of lands certified under 10 V.S.A. § 6306(b), ~~which~~ that is filed in the manner and form required by the Department of Forests, Parks and Recreation and that:

(A) ~~is~~ Is signed by the owner of the parcel;

(B) ~~complies~~ Complies with subdivision 3752(9) of this title;

(C) ~~is filed with and~~ Is approved by the Department of Forests, Parks and Recreation; ~~and~~.

(D) ~~provides~~ Provides for continued conservation management or forest crop production on the parcel for 10 years. An initial forest management plan or conservation management plan must be filed with the Department of Forests, Parks and Recreation ~~no later than~~ on or before October 1 and shall be effective for a 10-year period beginning the following April 1. Prior to expiration of a 10-year plan and ~~no later than~~ on or before April 1 of the year in which the plan expires, the owner shall file a new conservation or forest management plan for the next succeeding 10 years to remain in the program.

(E) The Department may approve a forest management plan that provides for the maintenance and enhancement of the tract's wildlife habitat where clearly consistent with timber production and with minimum acceptable standards for forest management as established by the Commissioner of Forests, Parks and Recreation.

(F) The Department, upon giving due consideration to resource inventories submitted by applicants, may approve a conservation management plan, consistent with conservation management standards, so as to include appropriate provisions designed to preserve: areas with special ecological values; fragile areas; rare or endangered species; significant habitat for wildlife; significant wetlands; outstanding resource waters; rare and irreplaceable natural areas; areas with significant historical value; public water supply protection areas; areas that provide public access to public waters; and open or natural areas located near population centers or historically frequented by the public. In approving a plan, the Department shall give due consideration to: the need for restricted public access where required to protect the fragile nature of the resource; public accessibility where restricted access is not required; facilitation of appropriate, traditional public usage; and opportunities for traditional or expanded use for educational purposes and for research.

(2) A management report of whatever activity has occurred, signed by the owner, has been filed with the Department of Forests, Parks and Recreation

by Taxes, Director of Property Valuation and Review on or before February 1 of the year following the year when the management activity occurred.

(3) There has not been filed with the Director an adverse inspection report by the Department stating that the management of the tract is contrary to the forest or conservation management plan, or contrary to the minimum acceptable standards for forest or conservation management. The management activity report shall be on a form prescribed by the Commissioner of Forests, Parks and Recreation in consultation with the Commissioner of Taxes and shall ~~include a detachable section~~ be signed by all the owners that and shall contain the federal tax identification numbers of all the owners. ~~The section containing federal tax identification numbers shall not be made available to the general public, but shall be forwarded to the Commissioner of Taxes within 30 days after receipt and used for tax administration purposes. All information contained within the management activity report shall be forwarded to the Department of Forests, Parks and Recreation, except for any tax identification number included in the report.~~ If any owner ~~shall satisfy~~ satisfies the Department that he or she was prevented by accident, mistake, or misfortune from filing an initial or revised management plan ~~which that~~ is required to be filed on or before October 1, or a management plan update ~~which that~~ is required to be filed on or before April 1 of the year in which the plan expires, or a management activity report ~~which that~~ is required to be filed on or before February 1 of the year following the year when the management activity occurred, the ~~Department owner~~ owner may ~~receive~~ submit that management plan or management activity report at a later date; provided, however, no initial or revised management plan shall be received later than December 31, and no management plan update shall be received later than one year after April 1 of the year the plan expires, and no management activity report shall be received later than March 1.

(c) The Department of Forests, Parks and Recreation shall periodically review the management plans and each year review the management activity reports that have been filed.

(1) At intervals not to exceed 10 years, that Department shall inspect each parcel of managed forestland qualified for use value appraisal to verify that the terms of the management plan have been carried out in a timely fashion.

(2) The Department shall have the ability to enter parcels of managed forestland for the purpose of inspections. The Department may bring any other staff from the Agency of Natural Resources that have the expertise to evaluate compliance with this chapter or staff that may be required to ensure the safety of the Department while conducting the inspections.

(3) If that Department finds that the management of the tract is contrary to the conservation or forest management plan, or contrary to the minimum acceptable standards for conservation or forest management, it shall file with the owner, the assessing officials, and the Director an adverse inspection report within 30 days of after the conclusion of the inspection process.

(d) After managed forestland has been removed from use value appraisal due to an adverse inspection report under ~~subdivision 3756(i)(1)~~ subsection 3756(k) of this title, a new application for use value appraisal shall not be considered for a period of five years, and then the forest management plan shall be approved by the Department of Forests, Parks and Recreation only if a compliance report has been filed with the new ~~application~~ forest management plan, certifying that appropriate measures have been taken to bring the parcel into compliance with minimum acceptable standards for forest or conservation management.

* * *

* * * Sales and Use Tax; Advanced Wood Boilers * * *

Sec. 25. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

Unless the context in which they occur requires otherwise, the following terms when used in this chapter mean:

* * *

(54) “Noncollecting vendor” means a vendor that sells tangible personal property or services to purchasers who are not exempt from the sales tax under this chapter, but that does not collect the Vermont sales tax.

(55) “Advanced wood boiler” means a boiler or furnace:

(A) installed as a primary central heating system;

(B) rated as high-efficiency, meaning a higher heating value or gross calorific value of 85 percent or more;

(C) containing at least one week fuel-storage, automated startup and shutdown, and fuel feed; and

(D) meeting other efficiency and air emissions standards established by the Department of Environmental Conservation.

Sec. 26. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail

sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(52) Advanced wood boilers, as defined in section 9701 of this title.

Sec. 27. 32 V.S.A. § 9706(11) is added to read:

(11) The statutory purpose of the exemption for advanced wood boilers in subdivision 9741(52) of this title is to promote the forest products industry in Vermont by encouraging the purchase of modern wood heating systems.

* * * Energy Efficiency * * *

Sec. 28. 30 V.S.A. § 209 is amended to read:

§ 209. JURISDICTION; GENERAL SCOPE

* * *

(j) Self-managed energy efficiency programs.

(1) There shall be a class of self-managed energy efficiency programs for transmission and industrial electric ratepayers only.

(2) The Commission, by order, shall enact this class of programs.

(3) Entities approved to participate in the self-managed energy efficiency program class shall be exempt from all statewide charges under subdivision (d)(3) of this section that support energy efficiency programs performed by or on behalf of Vermont electric utilities. If an electric ratepayer approved to participate in this program class also is a customer of a natural gas utility, the ratepayer shall be exempt from all charges under subdivision (d)(3) of this section or contained within the rates charged by the natural gas utility to the ratepayer that support energy efficiency programs performed by or on behalf of that utility, provided that the ratepayer complies with this subsection.

(4) All of the following shall apply to a class of programs under this subsection:

(A) A member of the transmission or industrial electric rate classes shall be eligible to apply to participate in the self-managed energy efficiency program class if the charges to the applicant, or to its predecessor in interest at the served property, under subdivision (d)(3) of this section were a minimum of:

(i) \$1.5 million during calendar year 2008; or

(ii) \$1.5 million during calendar year 2017.

(B) A cost-based fee to be determined by the Commission shall be

charged to the applicant to cover the administrative costs, including savings verification, incurred by the Commission and Department. The Commission shall determine procedures for savings verification. Such procedures shall be consistent with savings verification procedures established for entities appointed under subdivision (d)(2) of this section.

(C) An applicant shall demonstrate to the Commission that it has a comprehensive energy management program with annual objectives. Achievement of certification of ISO standard 14001 shall be eligible to satisfy the requirements of having a comprehensive program.

(D) An applicant eligible pursuant to subdivision (A)(i) of this subdivision (j)(4) shall commit to an annual average ~~energy efficiency~~ investment in energy efficiency and productivity programs and measures during each three-year period that the applicant participates in the program of ~~no~~ not less than \$1 million. An applicant eligible pursuant to subdivision (A)(ii) of this subdivision (j)(4) shall commit to an annual average investment in energy efficiency and productivity programs and measures during each three-year period that the applicant participates in the program of not less than \$500,000.00. To achieve the exemption from energy efficiency charges related to natural gas under subdivision (3) of this subsection (j), ~~the~~ an applicant shall make an additional annual energy efficiency investment in an amount not less than \$55,000.00. As used in this subsection (j), "productivity programs and measures" means investments that reduce the amount of energy required to produce a unit of product.

(E) Participation in the self-managed program includes efficiency and productivity programs and measures applicable to electric and other forms of energy. A participant may balance ~~efficiency~~ investments in such programs and measures across all types of energy or fuels without limitations.

(F) A participant shall provide to the Commission and Department annually an accounting of ~~energy~~ investments in energy efficiency and productivity programs and measures and the resultant energy savings in the form prescribed by the Commission, which may conduct reasonable audits to ensure the accuracy of the data provided.

(G) The Commission shall report to the General Assembly annually ~~by on or before~~ April 30 concerning the prior calendar year's class of self-managed energy efficiency programs. The report shall include identification of participants, their annual investments, and resulting savings, and any actions taken to exclude entities from the program.

(H) Upon approval of an application by the Commission, the applicant shall be able to participate in the class of self-managed energy

efficiency programs.

(I) On a determination that, for a given three-year period, a participant in the self-managed efficiency program class did not meet or has not met the commitment required by subdivision (4)(D) of this subsection ~~subdivision (j)(4)~~, the Commission shall terminate the participant's eligibility for the self-managed program class.

(i) On such termination, the former participant will be subject fully to the then existing charges applicable to its rate class without exemption under subdivision (3) of this subsection ~~(j)~~, and within 90 days of ~~of~~ after such termination shall pay:

(I) the difference between the investment it made pursuant to the self-managed energy efficiency program during the three-year period of noncompliance and the full amount of the charges and rates related to energy efficiency it would have incurred during that period absent exemption under subdivision (3) of this subsection ~~(j)~~; and

(II) the difference between the investment it made pursuant to the program within the current three-year period, if different from the period of noncompliance, and the full amount of the charges and rates related to energy efficiency it would have incurred during the current period absent exemption under subdivision (3) of this subsection ~~(j)~~.

(ii) Payments under subdivision ~~(4)(I)(i)~~ of this subsection ~~(j)~~ subdivision (4)(I) shall be made to the entities to which the full amount of charges and rates would have been paid absent exemption under subdivision (3) of this subsection ~~(j)~~.

(iii) A former participant may not reapply for membership in the self-managed program after termination under this subdivision (4)(I).

(J) A participant in the self-managed program class may request confidentiality of data it reports to the Commission if the data would qualify for exemption from disclosure under 1 V.S.A. § 317. If such confidentiality is requested, the Commission shall disclose the data only in accordance with a protective agreement approved by the Commission and signed by the recipient of the data, unless a court orders otherwise.

(K) Any data not subject to a confidentiality request under subdivision (4)(J) of this subsection ~~subdivision (4)~~ will be a public record.

(L) A participant in the self-managed program class may submit projects to the independent system operator of New England, including through recognized aggregators, for payments under that operator's forward capacity market program, and shall invest such payments in electric or fuel

efficiency.

(M) A participant in the self-managed program class may receive funding from an energy program administered by a government or other entity ~~which that~~ is not the participant ~~but and~~ may ~~not~~ count such funds received as part of the annual commitment to its self-managed energy efficiency program.

* * *

Sec. 29. ENERGY SAVINGS ACCOUNT PARTNERSHIP PILOT

(a) Definitions. As used in this section:

(1) “ACCD” means the Agency of Commerce and Community Development under 3 V.S.A. chapter 47.

(2) “Commission” means the Public Utility Commission under 30 V.S.A. § 3.

(3) “Customer” means a commercial or industrial electric customer that is located in a service territory in which Efficiency Vermont delivers energy efficiency programs and measures and that does not qualify for SMEEP. The term shall also include at least one electric customer located in such a service territory whose operation is primarily devoted to farming as defined in 10 V.S.A. § 6001, regardless of the customer’s rate class.

(4) “Customer EEC Funds” means a customer’s EEC payments during the period of the ESA partnership project.

(5) “Department” means the Department of Public Service under 3 V.S.A. § 212 and 30 V.S.A. § 1.

(6) “EEC” means an energy efficiency charge on a customer’s retail electric bill under 30 V.S.A. § 209(d).

(7) “Efficiency Vermont” or “EVT” means the EEU whose appointment under 30 V.S.A. § 209(d)(2) includes the delivery of programs and measures to customers of multiple electric distribution utilities.

(8) “Energy efficiency utility” or “EEU” means an entity appointed to deliver energy efficiency and conservation programs and measures under 30 V.S.A. § 209(d)(2).

(9) “ESA” means an energy savings account under 30 V.S.A. § 209(d)(3)(B).

(10) “ESA Partnership Pilot” means the three-year pilot program established by this section.

(11) “Productivity measures” means investments that reduce the amount of energy required to produce a unit of product.

(12) “SMEEP” means the self-managed energy efficiency program established under 30 V.S.A. § 209(j).

(13) “Standing committees of jurisdiction” means the House Committee on Energy and Technology and the Senate Committees on Finance and on Natural Resources and Energy.

(14) “Unregulated fuel” shall have the same meaning as in 30 V.S.A. § 209(e).

(b) ESA Partnership Pilot; establishment. On or before July 1, 2019, the Commission by rule or order shall establish a three-year pilot program for customers to self-direct the use of their Customer EEC Funds, working with EVT. The total amount of Customer EEC Funds available in the pilot program each year shall not exceed \$2 million. The pilot program established under this section shall be an expansion of the ESA option under which:

(1) Notwithstanding any contrary provision of 30 V.S.A. § 209(d)(3)(B), the customer shall be able to receive an amount equal to 100 percent of its Customer EEC Funds to pay for the full cost of projects that are eligible under subdivision (3) of this subsection; for technical assistance and other services from EVT; and for evaluation, measurement, and verification activity conducted by the Department or EVT.

(2) The customer may receive payments in advance of project completion from EVT based on the energy management plan submitted under subsection (d) of this section, estimated project costs, and projected energy savings. However, a customer shall not receive advance payments from EVT that exceed the amount of Customer EEC Funds the customer has already paid.

(3) Notwithstanding any contrary provision of 30 V.S.A. § 209, the Customer EEC Funds may be used for one or more of the following: electric energy efficiency, thermal energy and process-fuel efficiency for unregulated fuels, productivity measures, demand management, and energy storage that provides benefits to the customer and its interconnecting utility.

(c) Methodology for evaluation, measurement, and verification. In its rule or order under subsection (b) of this section, the Commission shall establish a methodology for evaluation, measurement, and verification of projects implemented under the pilot that is consistent with the requirements of 30 V.S.A. § 218c and that includes cost-effectiveness screening that values energy savings across the customer’s energy portfolio and nonenergy benefits such as economic development. As used in this subsection, “economic development” includes job creation, job retention, and capital investment.

(1) This methodology may be considered for future establishment of EEU performance criteria under 30 V.S.A. § 209(d).

(2) EVT and the Department shall evaluate and verify the electricity savings of each project funded under the ESA Partnership Pilot with no less rigor than is required by the Independent System Operator of New England (ISO-NE) for the ISO-NE's forward capacity market.

(d) Competitive solicitation. A customer shall apply to participate in the ESA Partnership Pilot through a competitive solicitation process conducted jointly by EVT, the Department, and ACCD.

(1) Promptly after the Commission's rule or order under subsection (b) of this section becomes effective, EVT, the Department, and ACCD shall establish criteria for customer selection that are consistent with that rule or order and that take into account energy efficiency and economic development.

(2) On establishment of the selection criteria, EVT, the Department, and ACCD jointly shall issue a request for proposals (RFP) from customers seeking to participate in the ESA Partnership Pilot.

(3) EVT, the Department, and ACCD jointly shall select customers to participate in the ESA Partnership Pilot from among the customers that timely submit proposals in response to the RFP and shall notify the Commission of the selected customers.

(4) If EVT, the Department, and ACCD are unable to resolve an issue arising under this subsection, they shall bring the issue to the Commission for resolution.

(5) Customer selection under this subsection shall be completed before July 1, 2019.

(e) Energy management plans. Working with EVT, each customer selected for the ESA Partnership Pilot shall develop an energy management plan for the three-year period of the pilot with projects to be implemented, energy savings targets, and a timeline for projects and investments. A copy of each plan shall be submitted to the Commission, the Department, and ACCD.

(f) Other EEU services. A customer that participates in the ESA Partnership Pilot shall not be eligible for other EEU services, except for an EEU appointed to deliver natural gas efficiency programs and measures.

(g) Other funding. A customer that participates in the ESA Partnership Pilot may receive funding from an energy program administered by a government or other person that is not the participant, including an EEU appointed to deliver natural gas efficiency services, but shall not count such funds as part of the investment commitment of the ESA Partnership Pilot.

(h) Unused funds. At the end of the ESA Partnership Pilot, any Customer EEC Funds that have not been expended or committed under the pilot shall

revert to use for systemwide energy efficiency programs and measures.

(i) Annual reports. On or before each November 1 from 2020 through 2022, the EVT and the selected customers jointly shall submit written progress reports to the Commission, the Department, and the standing committees of jurisdiction that include projects under the ESA Partnership Pilot and their associated energy and cost savings. A customer's projects under the pilot and the associated data and results shall be made public through this report. However, a customer may request that the Commission order customer-specific data to be used in preparing a report under this subsection be kept confidential if the data would qualify for exemption from disclosure under 1 V.S.A. § 317. If the Commission issues such an order, the data subject to the order shall be disclosed only in accordance with a protective agreement approved by the Commission and signed by the recipient of the data, unless a court directs otherwise.

(j) Evaluation; recommendation. On completion of the ESA Partnership Pilot, the Commission shall conduct or shall have a third party conduct an independent evaluation of the ESA Partnership Pilot and, after considering the results of that evaluation, shall submit a written recommendation to the standing committees of jurisdiction on whether to continue the program conducted under this section and, if so, under what recommended conditions and revisions, if any. The Commission shall submit this recommendation on or before January 15, 2023.

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

(a) This section and Secs. 3–4b (Act 250; trails), 5a (technical service providers), 6 (Act 250 primary processing of forest products), 7 (Act 250; review of forest products processing), 8 (wetland permit fee), 17–20 (produce inspection), and 21 (livestock transport) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2018.

Rep. Browning of Arlington, for the committee on Ways and Means, to which had been referred Senate bill, entitled

An act relating to rural economic development

Reported in favor of its passage in concurrence with proposal of amendment when amended by the committee on Agriculture and Forestry and when amended as follows:

First: By striking out Sec. 23 (fire prevention; building code fees) and its reader assistance heading in their entirety and inserting in lieu there a new Sec. 23 to read as follows:

Sec. 23. [Deleted.]

Second: By adding Secs. 26a and 26b to read as follows:

Sec. 26a. TRANSFER FROM CEDF TO GENERAL FUND; TAX
EXPENDITURE; ADVANCED WOOD BOILERS

(a) Beginning on July 1, 2018, the Clean Energy Development Fund quarterly shall calculate the foregone sales tax on advanced wood fired boilers resulting from the sales tax exemption under 32 V.S.A. § 9741(52) for advanced wood boilers. Beginning on October 1, 2018, the Clean Energy Development Fund shall notify the Department of Taxes of the amount of sales tax foregone in the preceding calendar quarter resulting from the sales tax exemption under 32 V.S.A. § 9741(52) for advanced wood boilers.

(b) In fiscal years 2019 and 2020, the Clean Energy Development Fund shall transfer from the Clean Energy Development Fund to the General Fund the amount of the tax expenditure resulting from the sales tax exemption under 32 V.S.A. § 9741(52) on advanced wood boilers up to a maximum of \$200,000.00 for both fiscal years combined. The Department of Taxes shall deposit 64 percent of the monies transferred from the Clean Energy Development Fund into the General Fund under 32 V.S.A. § 435 and 36 percent of the monies in the Education Fund under 16 V.S.A. § 4025.

Sec. 26b. REPEALS

(a) 32 V.S.A. § 9741(52) (sales tax exemption for advanced wood boilers) shall be repealed on July 1, 2021.

(b) Sec. 26a of this act (transfer from CEDF) shall be repealed on July 1, 2021.

Rep. Feltus of Lyndon, for the committee on Appropriations, recommended that the House propose to the Senate to amend the bill as recommended by the committee on Agriculture and Forestry and when amended as follows:

First: By adding Secs. 8a and 8b to read as follows:

Sec. 8a. 3 V.S.A. § 2822(j) is amended to read:

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

* * *

(26) For individual conditional use determinations, for individual wetland permits, for general conditional use determinations issued under

10 V.S.A. § 1272, or for wetland authorizations issued under a general permit, an administrative processing fee assessed under subdivision (2) of this subsection (j) and an application fee of:

(A) \$0.75 per square foot of proposed impact to Class I or II wetlands.

(B) \$0.25 per square foot of proposed impact to Class I or II wetland buffers.

(C) Maximum fee, for the conversion of Class II wetlands or wetland buffers to cropland use ~~or for installation of a pipeline in a wetland for the transport of manure for the purpose of farming, as that term is defined in 10 V.S.A. § 6001(22), when the pipeline will serve or implement a water quality or conservation practice,~~ \$200.00 per application. As used in this subdivision, “cropland” means land that is used for the production of agricultural crops, including row crops, fibrous plants, pasture, fruit-bearing bushes, trees, or vines, and the production of Christmas trees.

* * *

Sec. 8b. ANR REPPORT ON WETLANDS PERMIT FEES

On or before January 15, 2019, the Secretary of Natural Resources shall submit to the House Committees on Appropriations, on Ways and Means, and on Natural Resources, Fish, and Wildlife and the Senate Committees on Appropriations, on Finance, and on Natural Resources and Energy a revised fee schedule for the permitting of activity or disturbance in a wetland or wetland buffer in the State. In developing the revised fee schedule, the Secretary shall consider whether and how to provide lower fees for activity or disturbance in a wetland or wetland buffer when the activity or disturbance provides a water quality benefit or implements a conservation practice.

Second: By striking out Sec. 30 (effective dates) in its entirety and inserting in lieu thereof a new Sec. 30 to read as follows:

Sec. 30. EFFECTIVE DATES

(a) This section and Secs. 3–4b (Act 250; trails), 5a (technical service providers), 6 (Act 250 primary processing of forest products), 7 (Act 250; review of forest products processing), 8 (wetland permit fee), 8b (ANR report on wetland permit fees), 17–20 (produce inspection), and 21 (livestock transport) shall take effect on passage.

(b) Sec. 8a (repeal of wetland permit fee for manure pipelines) shall take effect on July 1, 2019.

(c) All other sections shall take effect on July 1, 2018.

Thereupon, the bill was read the second time, the reports of the committees on Appropriations and Ways and Means were agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the committee on Agriculture and Forestry, as amended? **Rep. Feltus of Lyndon** moved to amend the report of the committee on Agriculture and Forestry, as amended, as follows:

By striking out Sec. 8b in its entirety and inserting in lieu thereof a new Sec. 8b to read as follows:

Sec. 8b. ANR REPPORT ON WETLANDS PERMIT FEES

On or before January 15, 2019, the Secretary of Natural Resources shall submit to the House Committees on Appropriations, on Ways and Means, and on Natural Resources, Fish, and Wildlife and the Senate Committees on Appropriations, on Finance, and on Natural Resources and Energy a report on whether and how the State should provide lower fees for activity or disturbance in a wetland or wetland buffer when the activity or disturbance provides a water quality benefit or implements a conservation practice.

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the committee on Agriculture and Forestry, as amended? **Reps. Sibilia of Dover, Conquest of Newbury, Gannon of Wilmington, Jickling of Randolph, Keefe of Manchester, Kimbell of Woodstock, Pajala of Londonderry and Young of Glover** moved to amend the House proposal of amendment as recommended by the committee on Agriculture and Forestry, as amended as follows:

By adding Sec. 29a and accompanying reader assistance to read as follows:

* * * Temporary Universal Service Charge Increase; Connectivity Fund * * *

Sec. 29a. 30 V.S.A. § 7523 is amended to read:

§ 7523. RATE OF CHARGE

(a) Beginning on July 1, 2014, the rate of charge shall be two percent of retail telecommunications service.

(b) Beginning on July 1, 2018 and ending on June 30, 2022, the rate of charge established under subsection (a) of this section shall be increased by one-half of one percent of retail telecommunications service, and the monies collected from this increase shall be transferred to the Connectivity Fund established under section 7516 of this title.

(c) Universal Service Charges imposed and collected by the fiscal agent

under this subchapter shall not be transferred to any other fund or used to support the cost of any activity other than in the manner authorized by this section and section 7511 of this title.

Thereupon, **Rep Sibia of Dover** asked and was granted leave of the House to withdraw the amendment.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the committee on Agriculture and Forestry, as amended? **Rep. Bartholomew of Hartland** moves to amend the recommendation of amendment of the committee on Agriculture and Forestry, as amended, as follows:

By striking our Secs. 28 and 29.

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the committee on Agriculture and Forestry, as amended? **Rep. Partridge of Windham** moved to amend the proposal of amendment as offered by the committee on Agriculture and Forestry, as amended, as follows:

First: By striking out Secs. 3 through 4b and their reader assistance heading in their entirety and inserting in lieu thereof new Secs. 3 and 4 and reader assistance heading as follows:

* * * Evaluation; Act 250; Recreational Trails * * *

Sec. 3. ACT 250 JURISDICTION; RECREATIONAL TRAILS;

EVALUATION

(a) In addition to the currently assigned tasks under 2017 Acts and Resolves No. 47 (Act 47), the Commission on Act 250: the Next 50 Years (the Commission) established under that act shall evaluate the strengths and challenges associated with regulation of recreational trails under 10 V.S.A. chapter 151 (Act 250) and alternative structures for the planning, review, and construction of future trail networks and the extension of existing trail networks. The Commission shall include recommendations on this issue in its report to the General Assembly due on or before December 15, 2018 under Act 47.

(b) To provide information and recommendations to the Commission on the issue identified in subsection (a) of this section, the Commissioner of Forests, Parks and Recreation or designee and the Chair of the Natural Resources Board or designee shall form a recreational trails working group that shall include officers and employees of the Agency of Natural Resources

designated by the Secretary of Natural Resources. The working group shall offer an opportunity for submission of information and recommendations from affected parties, including recreational trail and environmental organizations. The working group shall submit a report to the Commission on or before October 1, 2018.

(1) With respect to recreational trails, the working group's report shall examine multiple potential planning and regulatory structures, including possible revisions to Act 250; the creation of a trail oversight program within the Agency of Natural Resources that includes best development practices and an agency permitting process, including consideration of a general permit; and other options that the working group may identify.

(2) In considering alternative structures, the working group shall evaluate how best to foster the development of an interconnected recreational trail network in Vermont while safeguarding the State's natural resources, including water quality, wildlife habitat and populations, and sensitive natural communities and areas, and minimizing potential impacts on neighboring properties and host municipalities.

(3) The Commission shall consider the report of the working group during its deliberation and report preparation phase set forth in Act 47, Sec. 2(d)(3), and shall attach a copy of the working group's report to its own report to the General Assembly.

Sec. 4. [Deleted.]

Second: By striking out Sec. 11 (BGS public building report) and its reader assistance heading in their entirety and inserting in lieu thereof a new Sec. 11 to read as follows:

Sec. 11. [Deleted.]

Third: By striking out Secs. 12-16 (hemp) and their reader assistance heading in their entirety and inserting in lieu thereof new Secs. 12-16 to read as follows:

Sec. 12. [Deleted.]

Sec. 13. [Deleted.]

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

Fourth: In Sec. 30 (effective dates) in subsection (a), by striking out "Secs. 3-4b" and inserting in lieu thereof "Secs. 3"

Which was agreed to.

Thereupon the proposal of the committee on Agriculture and Forestry, as amended, was agreed to. Third reading was ordered on a division of Yeas, 112 and Nays 0.

Rules Suspended; Third Reading; Bill Passed

S. 276

Senate bill, entitled

An act relating to rural economic development

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed in concurrence with proposal of amendment.

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith.

S. 244

Senate bill, entitled

An act relating to repealing the guidelines for spousal maintenance awards

S. 276

Senate bill, entitled

An act relating to rural economic development

Message from the Senate No. 75

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

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposal of amendment to Senate proposal of amendment to House bill of the following title:

H. 526. An act relating to regulating notaries public.

And has concurred therein.

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

H. 739. An act relating to energy productivity investments under the self-managed energy efficiency program.

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

The Senate has considered House proposal of amendment to Senate bill entitled:

S. 224. An act relating to co-payment limits for visits to chiropractors.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Sirotkin
Senator Ayer
Senator Campion

The Senate has considered House proposal of amendment to Senate proposal of amendment to House bill entitled:

H. 593. An act relating to miscellaneous consumer protection provisions.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Ashe
Senator Sirotkin
Senator Balint

Pursuant to the request of the House for Committees of Conference on the disagreeing votes of the two Houses on the following House bills the President announced the appointment as members of such Committees on the part of the Senate:

H. 143. An act relating to automobile insurance requirements and transportation network companies.

Senator Sears
Senator Benning
Senator Ingram.

H. 764. An act relating to data brokers and consumer protection.

Senator Baruth
Senator Balint
Senator Soucy.

Adjournment

At six o'clock and twenty-three minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at ten o'clock in the forenoon.