

# House Calendar

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Thursday, April 25, 2019

107th DAY OF THE BIENNIAL SESSION

House Convenes at 1:00 P.M.

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**ACTION CALENDAR**

**Third Reading**

**S. 95**

An act relating to municipal utility capital investment

**Favorable**

**H. 549**

An act relating to approval of the dissolution of Rutland Fire District No. 10

**Rep. Harrison of Chittenden**, for the Committee on Government Operations, recommends the bill ought to pass.

**( Committee Vote: 11-0-0)**

**NOTICE CALENDAR**

**Favorable with Amendment**

**S. 131**

An act relating to insurance and securities

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

\* \* \* Insurance Regulatory Sandbox; Sunset \* \* \*

Sec. 1. 8 V.S.A. § 15a is added to read:

§ 15a. INSURANCE REGULATORY SANDBOX; INNOVATION

WAIVER; SUNSET

(a) Subject to the limitations specified in subsection (g) of this section, the Commissioner may grant a variance or waiver (innovation waiver or waiver) with respect to the specific requirements of any insurance law, regulation, or bulletin if a person subject to that law, regulation, or bulletin demonstrates to the Commissioner's satisfaction that:

(1) the application of the law, regulation, or bulletin would prohibit the introduction of an innovative or more efficient insurance product or service that the applicant intends to offer during the period for which the proposed

waiver is granted;

(2) the public policy goals of the law, regulation, or bulletin will be or have been achieved by other means;

(3) the waiver will not substantially or unreasonably increase any risk to consumers; and

(4) the waiver is in the public interest.

(b) An application for an innovation waiver shall include the following information:

(1) the identity of the person applying for the waiver;

(2) a description of the product or service to be offered if the waiver is granted, including how the product or service functions and the manner and terms on which it will be offered;

(3) an explanation of the potential benefits to consumers of the product or service;

(4) an explanation of the potential risks to consumers posed by the product or service and how the applicant proposes to mitigate such risks;

(5) an identification of the statutory or regulatory provision that prohibits the introduction, sale, or offering of the product or service; and

(6) any additional information required by the Commissioner.

(c)(1) An innovation waiver shall be granted for an initial period of up to 12 months, as deemed appropriate by the Commissioner.

(2) Prior to the end of the initial waiver period, the Commissioner may grant a one-time extension for up to an additional 12 months. An extension request shall be made to the Commissioner at least 30 days prior to the end of the initial waiver period and shall include the length of the extension period requested and specific reasons why the extension is necessary. The Commissioner shall grant or deny an extension request before the end of the initial waiver period.

(d) An innovation waiver shall include any terms, conditions, and limitations deemed appropriate by the Commissioner, including limits on the amount of premium that may be written in relation to the underlying product or service and the number of consumers that may purchase or utilize the underlying product or service; provided that in no event shall a product or service subject to an innovation waiver be purchased or utilized by more than 10,000 Vermont consumers.

(e) A product or service offered pursuant to an innovation waiver shall include the following written disclosures to consumers in clear and conspicuous form:

(1) the name and contact information of the person providing the product or service;

(2) that the product or service is authorized pursuant to an innovation waiver for a temporary period of time and may be discontinued at the end of the waiver period, the date of which shall be specified;

(3) contact information for the Department, including how a consumer may file a complaint with the Department regarding the product or service; and

(4) any additional disclosures required by the Commissioner.

(f) The Commissioner's decision to grant or deny a waiver or extension shall not be subject to the contested-case provisions of the Vermont Administrative Procedures Act.

(g)(1) Pursuant to the authority granted by this section, the Commissioner shall not grant a waiver with respect to any of the following:

(A) Any law, regulation, bulletin, or other provision that is not subject to the Commissioner's jurisdiction under Title 8;

(B) section 3304, 3366, or 6004(a)–(b) of this title or any other requirement as to the minimum amount of paid-in capital or surplus required to be possessed or maintained by any person;

(C) chapter 107 (concerning health insurance), 112 (concerning the Vermont Life and Health Insurance Guaranty Association Act), 117 (concerning workers' compensation insurance), 129 (concerning insurance trade practices), or 131 (concerning licensing requirements), and chapter 154 (concerning long-term care insurance) of this title or any regulations or bulletins directly relating thereto;

(D) section 4211 (concerning volunteer drivers) of this title;

(E) any law, regulation, or bulletin required for the Department to maintain its accreditation by the National Association of Insurance Commissioners unless said law or regulation permits variances or waivers;

(F) the application of any taxes or fees; and

(G) any other law or regulation deemed ineligible by the Commissioner.

(2) The authority granted to the Commissioner under this section shall not be construed to allow the Commissioner to grant or extend a waiver that would abridge the recovery rights of Vermont policyholders.

(h) A person who receives a waiver under this section shall be required to make a deposit of cash or marketable securities with the State Treasurer in an amount subject to such conditions and for such purposes as the Commissioner determines necessary for the protection of consumers.

(i)(1) At least 30 days prior to granting an innovation waiver, the Commissioner shall provide public notice of the draft waiver by publishing the following information:

(A) the specific statute, regulation, or bulletin to which the draft waiver applies;

(B) the proposed terms, conditions, and limitations of the draft waiver;

(C) the proposed duration of the draft waiver; and

(D) any additional information deemed appropriate by the Commissioner.

(2) The notice requirement of this subsection may be satisfied by publication on the Department's website.

(j)(1) If a waiver is granted pursuant to this section, the Commissioner shall provide public notice of the existence of the waiver by providing the following information:

(A) the specific statute, regulation, or bulletin to which the waiver applies;

(B) the name of the person who applied for and received the waiver;

(C) the duration of and any other terms, conditions, or limitations of the waiver; and

(D) any additional information deemed appropriate by the Commissioner.

(2) The notice requirement of this subsection may be satisfied by publication on the Department's website.

(k) The Commissioner, by regulation, shall adopt uniform procedures for the submission, granting, denying, monitoring, and revocation of petitions for a waiver pursuant to this section. The procedures shall set forth requirements for the ongoing monitoring, examination, and supervision of, and reporting by,

each person granted a waiver under this section and shall permit the Commissioner to attach reasonable conditions or limitations on the conduct permitted pursuant to a waiver. The procedures shall provide for an expedited application process for a product or service that is substantially similar to one for which a waiver has previously been granted by the Commissioner. The procedures shall include an opportunity for public comment on draft waivers under consideration by the Commissioner.

(l) Upon expiration of an innovation waiver, the person who obtained the waiver shall cease all activities that were permitted only by the waiver and comply with all generally applicable laws and regulations.

(m) The ability to grant a waiver under this section shall not be interpreted to limit or otherwise affect the authority of the Commissioner to exercise discretion to waive or enforce requirements as permitted under any other section of this title or any regulation or bulletin adopted pursuant thereto.

(n)(1) Biannually, beginning on January 15, 2020, the Commissioner shall submit a report to the General Assembly providing the following information:

(A) the total number of petitions for waivers that have been received, granted, and denied by the Commissioner;

(B) for each waiver granted by the Commissioner, the information specified under subsection (f) of this section;

(C) a list of any regulations or bulletins that have been adopted or amended as a result of or in connection with a waiver granted under this section;

(D) with respect to each statute to which a waiver applies, the Commissioner's recommendation as to whether such statute should be continued, eliminated, or amended in order to promote innovation and establish a uniform regulatory system for all regulated entities; and

(E) a list of any waivers that have lapsed or been revoked and, if revoked, a description of other regulatory or disciplinary actions, if any, that resulted in, accompanied, or resulted from such revocation.

(2) In the report submitted to the General Assembly on or before January 15, 2020, the Commissioner shall include a recommendation on whether there are any opportunities for the State to monetize its role in developing innovative insurance products and services that are subsequently offered in other jurisdictions. The Commissioner's recommendation shall ensure that any regulatory financial incentives under a monetization proposal would not conflict with the best interests of Vermont policyholders or the public good of the State.

(o) No new waivers or extensions shall be granted after July 1, 2021.

(p) This section shall be repealed on July 1, 2023.

\* \* \* Capital and Surplus Requirements \* \* \*

Sec. 2. [Deleted.]

Sec. 3. 8 V.S.A. § 3366 is amended to read:

§ 3366. ASSETS OF COMPANIES

(a)(1) ~~Such~~ A foreign or alien insurer authorized to do business in this State shall possess and thereafter maintain unimpaired paid-in capital or basic surplus of not less than \$2,000,000.00 and, when first so authorized, shall possess and maintain free surplus of not less than \$3,000,000.00. ~~Such~~

(2) The capital and surplus shall be in the form of cash or marketable securities, a portion of which may be held on deposit with the State Treasurer, such securities as designated by the insurer and approved by the Commissioner, in an amount and subject to ~~such~~ conditions determined by the Commissioner. ~~Such~~ The conditions shall include a requirement that any interest or other earnings attributable to such cash or marketable securities shall inure to the benefit of the insurer until such time as the Commissioner determines that the deposit must be used for the benefit of the policyholders of the insurer or some other authorized public purpose relating to the regulation of the insurer.

(3) The Commissioner may prescribe additional capital or surplus for all insurers authorized to transact the business of insurance based upon the type, volume, and nature of insurance business transacted. The Commissioner may reduce or waive the capital and surplus amounts required by this section pursuant to a plan of dissolution for the company approved by the Commissioner.

(b) The express purpose of subsection (a) of this section and the Commissioner's power to require the deposit of cash or marketable securities set forth therein is to protect the interests of Vermont policyholders in the event of the insolvency of the insurer. Except to the extent it would contravene applicable provisions of 9A V.S.A. Article 9, the State of Vermont shall be deemed to control the funds on deposit and to have a lien on the funds for the benefit of the Vermont policyholders affected by the insolvency. The lien so created shall be superior to any lien filed by a general creditor of the insurer.

\* \* \* Domestic Surplus Lines Insurer; Home State Surplus Lines

Premium Taxation \* \* \*



Sec. 4. 8 V.S.A. § 5022 is amended to read:

§ 5022. DEFINITIONS

\* \* \*

(b) As used in this chapter:

(1) “Admitted insurer” means an insurer possessing a certificate of authority licensed to transact business in this State issued by the Commissioner pursuant to section 3361 of this title. For purposes of this chapter, “admitted insurer” shall not include a domestic surplus lines insurer.

\* \* \*

(3) “Domestic insurer” means any insurer that has been chartered by, incorporated, organized, or constituted within or under the laws of this State.

(4) “Domestic risk” means a subject of insurance which that is resident, located, or to be performed in this State.

(5) “Domestic surplus lines insurer” means a domestic insurer with which insurance coverage may be placed under this chapter.

~~(4)~~(6) “To export” means to place surplus lines insurance with a non-admitted insurer.

~~(5)~~(7) “Home state” means, with respect to an insured:

(A)(i) the state in which an insured maintains its principal place of business or, in the case of an individual, the individual’s principal residence; or

(ii) if 100 percent of the insured risk is located outside the state referred to in subdivision (A)(i) of this subsection, the state to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.

(B) If more than one insured from an affiliated group are named insureds on a single non-admitted insurance contract, the term “home state” means the home state, as determined pursuant to subdivision (A) of this subdivision ~~(5)~~(7), of the member of the affiliated group that has the largest percentage of premium attributed to it under such insurance contract.

~~(6)~~(8) “NAIC” means the National Association of Insurance Commissioners.

~~(7)~~(9) “Surplus lines broker” means an individual licensed under this chapter and chapter 131 of this title.

~~(8)~~(10) “Surplus lines insurance” means coverage not procurable from admitted insurers.

(9)(11) “Surplus lines insurer” means a non-admitted insurer with which insurance coverage may be placed under this chapter.

Sec. 5. 8 V.S.A. § 5023a is added to read:

§ 5023a. DOMESTIC SURPLUS LINES INSURER; AUTHORIZED

(a) Surplus lines insurance may be procured from a domestic surplus lines insurer if all of the following criteria are met:

(1) The board of directors of the insurer has adopted a resolution seeking certification as a domestic surplus lines insurer and the Commissioner has approved such certification.

(2) The insurer is already eligible to offer surplus lines insurance in at least one other state besides Vermont.

(3) The insurer meets the requirements of section 5026 of this title.

(4) All other requirements of this chapter are met.

(b) The requirements of 8 V.S.A. § 80 shall not apply to domestic surplus lines insurers. A domestic surplus lines insurer shall be deemed to be a non-admitted insurer for purposes of chapter 138 of this title.

Sec. 6. 8 V.S.A. § 5024 is amended to read:

§ 5024. CONDITIONS FOR PLACEMENT OF INSURANCE

(a) Insurance coverage, except as described in section 5025 of this chapter, shall not be placed with a ~~non-admitted~~ surplus lines insurer unless the full amount of insurance required is not reasonably procurable from admitted insurers actually transacting that kind and class of insurance in this State; and the amount of insurance exported shall be only the excess over the amount procurable from admitted insurers actually transacting and insuring that kind and class of insurance.

\* \* \*

Sec. 7. 8 V.S.A. § 5026 is amended to read:

§ 5026. SOLVENT INSURERS REQUIRED

(a) Where Vermont is the home state of the insured, surplus lines brokers shall not knowingly place or continue surplus lines insurance with ~~non-admitted~~ surplus lines insurers who are insolvent or unsound financially, and in no event shall any surplus lines broker place any insurance with a non-admitted insurer unless such insurer:

\* \* \*

(b) Notwithstanding the capital and surplus requirements of this section, a ~~non-admitted~~ surplus lines insurer may receive approval upon an affirmative finding of acceptability by the Commissioner. The finding shall be based upon such factors as quality of management, capital, and surplus of any parent company, company underwriting profit and investment-income trends, market availability, and company record and reputation within the industry. In no event, however, shall the Commissioner make an affirmative finding of acceptability when the surplus lines insurer's capital and surplus is less than \$4,500,000.00.

\* \* \*

Sec. 8. 8 V.S.A. § 5027 is amended to read:

§ 5027. EVIDENCE OF THE INSURANCE; CHANGES; PENALTY

(a) Where Vermont is the home state of the insured, the surplus lines broker, upon placing a domestic risk with a surplus lines insurer, either domestic or foreign, shall promptly deliver to the insured the policy issued by the surplus lines insurer, or if such policy is not then available, a certificate, cover note, or other confirmation of insurance, showing the description and location of the subject of the insurance, coverage, conditions and term of the insurance, the premium and rate charged and taxes collected from the insured, and the name and address of the insured and surplus lines insurer. If the risk is assumed by more than one insurer, the document or documents shall state the name and address and proportion of the entire risk assumed by each insurer.

\* \* \*

Sec. 9. 8 V.S.A. § 5028 is amended to read:

§ 5028. INFORMATION REQUIRED ON CONTRACT

Where Vermont is the home state of the insured, each surplus lines broker through whom a surplus lines insurance coverage is procured shall endorse on the outside of the policy and on any confirmation of the insurance, his or her name, address and license number, and the name and address of the producer, if any, through whom the business originated. Where such coverage is placed with an eligible surplus lines insurer there shall be stamped or written conspicuously in no smaller than 10 point boldface type of a contrasting color upon the first page of the policy and the confirmation of insurance if any, "The company issuing this policy ~~has not been licensed by the State of Vermont~~ is a surplus lines insurer and the rates charged have not been approved by the Commissioner of Financial Regulation. Any default on the part of the insurer is not covered by the Vermont Insurance Guaranty Association."

Sec. 10. 8 V.S.A. § 5029 is amended to read:

§ 5029. SURPLUS LINES INSURANCE VALID

(a) Insurance contracts procured as surplus lines insurance from ~~non-~~admitted surplus lines insurers in accordance with this chapter shall be valid and enforceable to the same extent as insurance contracts procured from admitted insurers.

(b) The insurance trade practices provisions of sections 4723 and 4724(1)–(7) and (9)–(18) of this title, and the cancellation provisions of sections 3879–3883 (regarding fire and casualty policies) and 4711–4715 (regarding commercial risk policies) of this title shall apply to surplus lines insurers, both domestic and foreign.

(c) Other provisions of this title not specifically applicable to surplus lines insurers shall not apply.

Sec. 11. 8 V.S.A. § 5030 is amended to read:

§ 5030. LIABILITY OF ~~NON-ADMITTED~~ SURPLUS LINES INSURER  
FOR LOSSES AND UNEARNED PREMIUMS

If a ~~non-~~admitted surplus lines insurer has assumed a surplus lines coverage through the intervention of a licensed surplus lines broker of this State, and if the premium for that coverage has been received by that broker, then in all questions thereafter arising under the coverage as between the insurer and the insured, the insurer shall be deemed to have received that premium and the insurer shall be liable to the insured for losses covered by such insurance and for any return premiums due on that insurance to the insured whether or not the broker is indebted to the insurer for such insurance or for any other cause.

Sec. 12. 8 V.S.A. § 5035 is amended to read:

§ 5035. SURPLUS LINES TAX

(a) Where Vermont is the home state of the insured, gross premiums charged, less any return premiums, for surplus lines coverages placed with ~~non-~~admitted surplus lines insurers are subject to a premium receipts tax of three percent, which shall be collected from the insured by the surplus lines broker at the time of delivery of policy or other confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance. The tax on any portion of the premium unearned at termination of insurance shall be returned to the policyholder by the surplus lines broker. Nothing contained in this section will preclude a surplus lines broker from charging a fee to the purchaser of the contract sufficient to recover the amount of this tax. ~~Where the insurance covers properties, risks, or exposures located~~

~~or to be performed both in and out of this State, the sum payable shall be computed based on gross premiums charged, less any return premiums, as follows:~~

~~(1) An amount equal to three percent on that portion of the premiums applicable to properties, risks, or exposures located or to be performed in Vermont; plus~~

~~(2) An amount equal to a percentage on that portion of the premiums applicable to properties, risks, or exposures located or to be performed outside Vermont. Such percentage shall be determined based on the laws of the jurisdiction within which the property, risk, or exposure is located or to be performed.~~

\* \* \*

Sec. 13. 8 V.S.A. § 5036 is amended to read:

§ 5036. DIRECT PLACEMENT OF INSURANCE

\* \* \*

~~(b) If any such insurance also covers a subject located or to be performed outside this State, a proper pro rata portion of the entire premium shall be allocated to the subjects of insurance located or to be performed in this State.~~

~~(e) Any insurance with a non-admitted insurer procured through negotiations or by application in whole or in part made within this State, where this State is the home state of the insured, or for which premium in whole or in part is remitted directly or indirectly from within this State, shall be deemed insurance subject to subsection (a) of this section.~~

~~(d)(c) A tax at the rate of three percent of the gross amount of premium, less any return premium, in respect of risks located in this State, shall be levied upon an insured who procures insurance subject to subsection (a) of this section. Before March 1 of the year after the year in which the insurance was procured, continued, or renewed, the insured shall remit to the Commissioner the amount of the tax. The Commissioner before June 1 of each year shall certify and transmit to the Commissioner of Taxes the sums so collected.~~

~~(e)(d) The tax shall be collectible from the insured by civil action brought by the Commissioner.~~

Sec. 14. 8 V.S.A. § 5038 is amended to read:

§ 5038. ACTIONS AGAINST INSURER; SERVICE OF PROCESS

\* \* \*

(b) Each ~~non-admitted~~ surplus lines insurer ~~assuming that~~ assumes a surplus lines coverage shall be deemed thereby to have subjected itself to this chapter.

\* \* \*

\* \* \* HIV-Related Tests \* \* \*

Sec. 15. 8 V.S.A. § 4724 is amended to read:

§ 4724. UNFAIR METHODS OF COMPETITION OR UNFAIR OR  
DECEPTIVE ACTS OR PRACTICES DEFINED

The following are hereby defined as unfair methods of competition or unfair or deceptive acts or practices in the business of insurance:

\* \* \*

(7) Unfair discrimination; arbitrary underwriting action.

\* \* \*

(C)(i) Inquiring or investigating, directly or indirectly as to an applicant's, an insured's or a beneficiary's sexual orientation, or gender identity in an application for insurance coverage, or in an investigation conducted by an insurer, reinsurer, or insurance support organization in connection with an application for such coverage, or using information about gender, marital status, medical history, occupation, residential living arrangements, beneficiaries, zip codes, or other territorial designations to determine sexual orientation or gender identity;

\* \* \*

(iii) Making adverse underwriting decisions because medical records or a report from an insurance support organization reveal that an applicant or insured has demonstrated ~~AIDS-related~~ HIV-related concerns by seeking counseling from health care professionals;

\* \* \*

(20) HIV-related tests. Failing to comply with the provisions of this subdivision regarding HIV-related tests. "HIV-related test" means a test approved by the United States Food and Drug Administration ~~and the Commissioner~~, included in the current Centers for Disease Control and Prevention recommended laboratory HIV testing algorithm for serum or plasma specimens, used to determine the existence of HIV antibodies or antigens in the blood, ~~urine, or oral mucosal transudate (OMT)~~.

\* \* \*

(B)(i) No person shall request or require that an individual submit to an HIV-related test unless he or she has first obtained the individual's written informed consent to the test. Before written, informed consent may be granted, the individual shall be informed, by means of a printed information statement ~~which~~ that shall have been read aloud to the individual by any agent of the insurer at the time of application or later and then given to the individual for review and retention, of the following:

(I) an explanation of the test or tests to be given, including: the tests' relationship to AIDS, the insurer's purpose in seeking the test, potential uses and disclosures of the results, limitations on the accuracy of and the meaning of the test's results, the importance of seeking counseling about the individual's test results after those results are received, and the availability of information from and the telephone numbers of the Vermont Department of Health AIDS hotline and the Centers for Disease Control and Prevention; and

(II) an explanation that the individual is free to consult, at personal expense, with a personal physician or counselor or the State Vermont Department of Health, which shall remain confidential, or to obtain an anonymous test at the individual's choice and personal expense, before deciding whether to consent to testing and that such delay will not affect the status of any application or policy; and

\* \* \*

~~(ii) In addition, before drawing blood or obtaining a sample of the urine or OMT for the HIV-related test or tests, the person doing so shall give the individual to be tested an informed consent form containing the information required by the provisions of this subdivision (B), and shall then obtain the individual's written informed consent. If an OMT test is administered in the presence of the agent or broker, the individual's written informed consent need only be obtained prior to administering the test, in accordance with the provisions of this subdivision (B).~~

(C)(i) The forms for informed consent, information disclosure, and test results disclosure used for HIV-related testing shall be filed with and approved by the Commissioner pursuant to section 3541 of this title; ~~and~~

~~(ii) Any testing procedure shall be filed and approved by the Commissioner in consultation with the Commissioner of Health.~~

~~(D) No laboratory may be used by an insurer or insurance support organization for the processing of HIV-related tests unless it is approved by the Vermont Department of Health. Any requests for approval under this subdivision shall be acted upon within 120 days. The Department may~~

~~approve a laboratory without on-site inspection or additional proficiency data if the laboratory has been certified under the Clinical Laboratory Improvement Act, 42 U.S.C. § 263a or if it meets the requirements of the federal Health Care Financing Administration under the Clinical Laboratory Improvement Amendments.~~

~~(E) The test protocol shall be considered positive only if test results are two positive ELISA tests, and a Western Blot test confirms the results of the two ELISA tests, or upon approval of any equally or more reliable confirmatory test or test protocol which has been approved by the Commissioner and the U.S. Food and Drug Administration. If the result of any test performed on a sample of urine or OMT is positive or indeterminate, the insurer shall provide to the individual, no later than 30 days following the date of the first urine or OMT test results, the opportunity to retest once, and the individual shall have the option to provide either a blood sample, a urine sample, or an OMT sample for that retest. This retest shall be in addition to the opportunities for retest provided in subdivisions (F) and (G) of this subdivision (20).~~

~~(F) If an individual has at least two positive ELISA tests but an indeterminate Western Blot test result, the Western Blot test may be repeated on the same sample. If the Western Blot test result is indeterminate, the insurer may delay action on the application, but no change in preexisting coverage, benefits, or rates under any separate policy or policies held by the individual may be based upon such indeterminacy. If action on an application is delayed due to indeterminacy as described herein, the insurer shall provide the individual the opportunity to retest once after six but not later than eight months following the date of the first indeterminate test result. If the retest Western Blot test result is again indeterminate or is negative, the test result shall be considered as negative, and a new application for coverage shall not be denied by the insurer based upon the results of either test. Any underwriting decision granting a substandard classification or exclusion based on the individual's prior HIV-related test results shall be reversed, and the company performing a retest which had forwarded to a medical information bureau reports based upon the individual's prior HIV-related test results shall request the medical information bureau to remove any abnormal codes listed due to such prior test results.~~

(D) HIV-related tests required by insurers or insurance support organizations must be processed in a laboratory certified under the Clinical Laboratory Improvement Act, 42 U.S.C. § 263a, or that meets the requirements of the federal Health Care Financing Administration under the Clinical Laboratory Improvement Amendments.



(E) The test protocol shall be considered positive only if testing results meet the most current Centers for Disease Control and Prevention recommended laboratory HIV testing algorithm or more reliable confirmatory test or test protocol that has been approved by the United States Food and Drug Administration.

(F) If the HIV-1/2 antibody differentiation test result is indeterminate, the insurer may delay action on the application, but no change in preexisting coverage, benefits, or rates under any separate policy or policies held by the individual shall be based upon such indeterminacy. If the HIV-1 NAT test result is negative, a new application for coverage shall not be denied by the insurer. If the HIV-1 NAT test is invalid, the full testing algorithm shall be repeated. No application for coverage shall be denied based on an indeterminate or invalid result. Any underwriting decision granting a substandard classification or exclusion based on the individual's prior HIV-related test results shall be reversed, and the company performing any previous HIV-related testing that had forwarded to a medical information bureau reports based upon the individual's prior HIV-related test results shall request the medical information bureau to remove any abnormal codes listed due to such prior test results.

(G)(i) Upon the written request of an individual for a retest, an insurer shall retest, at the insurer's expense, any individual who was denied insurance, or offered insurance on any other than a standard basis, because of the positive results of an HIV-related test:

\* \* \*

(II) in any event, upon the approval by the Commissioner of an alternative test or test protocol for the presence of HIV antibodies or antigens updates to the Centers for Disease Control and Prevention recommended laboratory HIV testing algorithm for serum or plasma specimens.

\* \* \*

Sec. 16. 18 V.S.A. § 501b is amended to read:

§ 501b. CERTIFICATION OF LABORATORIES

\* \* \*

(d) Laboratory certification and approval	Annual fee shall be:
Drug laboratory approval	\$500.00
Drug laboratory alternate approval	\$300.00
Drug laboratory approval renewal	\$300.00

HIV laboratory approval	\$300.00
HIV laboratory alternate approval	\$100.00
HIV laboratory approval renewal	\$100.00
<del>HIV laboratory (insurance) approval</del>	<del>\$500.00</del>
<del>HIV laboratory (insurance) alternate approval</del>	<del>\$300.00</del>
<del>HIV laboratory (insurance) approval renewal</del>	<del>\$300.00</del>

\* \* \*

\* \* \* Victim Restitution Fund \* \* \*

Sec. 17. 9 V.S.A. § 5616 is added to read:

§ 5616. VERMONT VICTIM RESTITUTION FUND

(a) Purpose. The purpose of this section is to provide restitution assistance to victims of securities violations who:

(1) were awarded restitution in a final order issued by the Commissioner or were awarded restitution in the final order in a legal action initiated by the Commissioner;

(2) have not received the full amount of restitution ordered before the application for restitution assistance is due; and

(3) demonstrate to the Commissioner's satisfaction that there is no reasonable likelihood that they will receive the full amount of restitution in the future.

(b) Definitions. As used in this section,

(1) "Claimant" means a person who files an application for restitution assistance under this section on behalf of a victim. The claimant and the victim may be the same but do not have to be the same. The term includes the named party in a restitution award in a final order, the executor of a named party in a restitution award in a final order, and the heirs and assigns of a named party in a restitution award in a final order.

(2) "Final order" means a final order issued by the Commissioner or a final order in a legal action initiated by the Commissioner.

(3) "Fund" means the Victim Restitution Special Fund created by this section.

(4) "Securities violation" means a violation of this chapter and any related administrative rules.

(5) “Victim” means a person who was awarded restitution in a final order.

(6) “Vulnerable person” means:

(A) a person who meets the definition of vulnerable person under 33 V.S.A. § 6902(14); or

(B) a person who is at least 60 years of age.

(c) Eligibility.

(1) A natural person who was a resident of Vermont at the time of the alleged fraud is eligible for restitution assistance.

(2) The Commissioner shall not award securities restitution assistance under this section:

(A) to more than one claimant per victim;

(B) unless the person ordered to pay restitution has not paid the full amount of restitution owed to the victim before the application for restitution assistance from the fund is due;

(C) if there was no award of restitution in the final order; or

(D) to a claimant who has not exhausted his or her appeal rights.

(d) Denial of Assistance. The Commissioner shall not award restitution assistance if the victim:

(1) sustained the monetary injury as a result of:

(A) participating or assisting in the securities violation; or

(B) attempting to commit or committing the securities violation;

(2) profited or would have profited from the securities violation; or

(3) is an immediate family member of the person who committed the securities violation.

(e) Application for Restitution Assistance and Maximum Amount of Restitution Assistance Award.

(1) The Commissioner may adopt procedures and forms for application for restitution assistance under this section.

(2) An application must be received by the Department within two years after the deadline for payment of restitution established in the final order.

(3) Except as provided in subdivision (4) of this subsection, the maximum award from the fund for each claimant shall be the lesser of

\$25,000.00 or 25 percent of the amount of unpaid restitution awarded in a final order.

(4) If the claimant is a vulnerable person, the maximum award from the fund shall be the lesser of \$50,000.00 or 50 percent of the amount of unpaid restitution awarded in the final order

(f) Victim Restitution Fund. The Victim Restitution Special Fund, pursuant to 32 V.S.A. chapter 7, subchapter 5, is created to provide funds for the purposes specified in this section. All monies received by the State by reason of grant or donation for use in providing uncompensated victims restitution shall be deposited into the Victim Restitution Special Fund. Interest earned on the fund shall be retained in the Fund.

(g) Award Not Subject to Execution, Attachment, or Garnishment. An award made by the Commissioner under this section is not subject to execution, attachment, garnishment, or other process.

(h) State's Liability for Award. The Commissioner shall have the discretion to suspend applications and awards based on the solvency of the fund. The State shall not be liable for any determination made under this section.

(i) Subrogation of Rights of State.

(1) The State is subrogated to the rights of the person awarded restitution under this chapter to the extent of the award.

(2) The subrogation rights are against the person who committed the securities violation or a person liable for the pecuniary loss.

(j) Rulemaking Authority. The Commissioner may adopt rules to implement this section.

(k) Bulletin. The Commissioner shall publish a bulletin defining the term "immediate family member" for purposes of this section

\* \* \* New England Equity Crowdfunding \* \* \*

Sec. 18. 9 V.S.A. § 5305 is amended to read:

§ 5305. SECURITIES REGISTRATION FILINGS

\* \* \*

(b) A person filing a registration statement shall pay a filing fee of \$600.00. A person filing a registration statement in connection with the New England Crowdfunding Initiative shall be exempt from the filing fee requirement. Open-end investment companies shall pay a registration fee and

an annual renewal fee for each portfolio as long as the registration of those securities remains in effect. If a registration statement is withdrawn before the effective date or a preeffective stop order is issued under section 5306 of this title, the Commissioner shall retain the fee.

\* \* \*

\* \* \* Surplus Lines Insurance Compact; Repeal \* \* \*

Sec. 19. REPEAL

8 V.S.A. chapter 138A (Surplus Lines Insurance Multi-state Compliance Compact) is repealed.

\* \* \* Insurance Producers; Licensing Requirements; Definitions \* \* \*

Sec. 20. 8 V.S.A. § 4791 is amended to read:

§ 4791. DEFINITIONS

As used in this chapter:

\* \* \*

(3) “Adjuster” means any person who investigates claims ~~and~~ or negotiates settlement of claims arising under policies of insurance in behalf of insurers under such policies, or who advertises or solicits business from insurers as an adjuster. Lawyers settling claims of clients shall not be considered an adjuster. A license as an adjuster shall not be required of an official or employee of a domestic fire or casualty insurance company or of a duly licensed resident insurance producer of a domestic or duly licensed foreign insurer who is authorized by such insurer to appraise losses under policies issued by such insurer.

(4) “Public adjuster” means any person who investigates claims ~~and~~ or negotiates settlement of claims arising under policies of insurance in behalf of the insured under such policies or who advertises or solicits business as such adjuster. Lawyers settling claims of clients shall not be deemed to be insurance public adjusters.

\* \* \*

\* \* \* Fair Credit Reporting; Definition of Credit Report \* \* \*

Sec. 21. 9 V.S.A. § 2480a(3) is amended to read:

(3) “Credit report” means ~~a consumer report, as defined in 15 U.S.C. § 1681a, that is used or collected in whole or in part for the purpose of serving as a factor in establishing a consumer’s eligibility for credit for personal, family, or household purposes~~ any written, oral, or other communication of

any information by a credit reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, including an investigative credit report. The term does not include:

(A) a report containing information solely as to transactions or experiences between the consumer and the person making the report; or

(B) an authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device.

\* \* \* Effective Date \* \* \*

Sec. 22. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

**(Committee vote: 10-0-1 )**

**(For text see Senate Journal April 3, 2019 )**

**S. 149**

An act relating to miscellaneous changes to laws related to vehicles and the Department of Motor Vehicles

**Rep. McCormack of Burlington**, for the Committee on Transportation, recommends that the House propose to the Senate that the bill be amended as follows:

First: By striking out Sec. 1, 23 V.S.A. § 104(a), in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 23 V.S.A. § 104(a) is amended to read:

~~(a) The records of the registration of motor vehicles, snowmobiles, and motorboats, licensing of operators and registration of dealers, all original accident reports, and the records showing suspension and revocation of licenses and registrations and the records regarding diesel fuel, gasoline, and rental vehicle taxes shall be deemed official and public records, and shall be open to public inspection at all reasonable hours. The Commissioner shall furnish certified copies of the records to any interested person on payment of such fee as established by subdivision 114(a)(21) of this title. Notwithstanding section 114 of this title, information from the records of the Department may be made available to government agencies in the manner determined by the Commissioner and at the actual cost of furnishing the same. The records may be maintained on microfilm or electronic imaging. Any information contained in Department records is subject to and shall be released pursuant to the Driver's Privacy Protection Act, 18 U.S.C. chapter 123 as amended.~~

Second: By striking out Sec. 2, 23 V.S.A. § 114, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 23 V.S.A. § 114 is amended to read:

§ 114. FEES

(a) The Commissioner shall be paid the following fees for miscellaneous transactions:

(1) Listings of 1 through 4 registrations	\$8.00
(2) Certified copy of registration application	\$8.00
(3) Sample plates	\$18.00
(4) Lists of registered dealers, transporters, periodic inspection stations, fuel dealers, and distributors, including gallonage sold or delivered and rental vehicle companies	\$8.00 per page
(5) [Repealed.]	
(6) Periodic inspection sticker record	\$8.00
(7) Certified copy individual accident crash report	\$12.00
(8) Certified copy police accident crash report	\$18.00
(9) Certified copy suspension notice	\$8.00
(10) Certified copy mail receipt	\$8.00
(11) Certified copy proof of mailing	\$8.00
(12) Certified copy reinstatement notice	\$8.00
(13) Certified copy operator's license application	\$8.00
(14) Certified copy three-year operating record	\$14.00
(15) [Repealed.]	
(16) Government official photo identification card	\$6.00
(17) Listing of operator's licenses of 1 through 4	\$8.00
(18) Statistics and research	\$42.00 per hour
(19) Insurance information on crash	\$8.00
(20) Certified copy complete operating record	\$20.00
(21) Records not otherwise specified	\$8.00 per page

(22) ~~List of title records and related data elements excluding any personally identifiable information—initial computer programming~~ Public records request for Department records requiring custom computer programming \$5,331.00 \$100.00 per hour, but not less than \$500.00

(23) ~~List of title records and related data elements excluding any personally identifiable information—record set on electronic media~~ Public records request for Department records requiring custom computer programming (updated)

\$119.00

(b) The Commissioner shall furnish the items listed in subsection (a) of this section ~~only~~ upon a request ~~which~~ that completely identifies the information sought ~~or~~ pursuant to a contract with an outside entity for purposes permitted under law, including the Driver’s Privacy Protection Act, 18 U.S.C. chapter 123 as amended. ~~Completely identifying~~ For purposes of this subsection, a request that completely identifies the information sought for individuals an individual shall mean name and date of birth, and for vehicles it a vehicle shall mean either the registration number or the vehicle identification number.

Third: By striking out Sec. 16, 23 V.S.A. chapter 41, in its entirety and inserting in lieu thereof a new Sec. 16 to read as follows:

Sec. 16. 23 V.S.A. chapter 41 is added to read:

CHAPTER 41. AUTOMATED VEHICLE TESTING

§ 4201. SHORT TITLE

This chapter may be cited as the Automated Vehicle Testing Act.

§ 4202. DEFINITIONS

As used in this chapter:

(1) “Automated driving system” means the hardware and software that are collectively capable of performing the entire dynamic driving task within its operational design domain, if any, including achieving a minimal risk



condition, without any intervention or supervision by a conventional human driver.

(2) “Automated vehicle” means a motor vehicle that is equipped with an automated driving system.

(3) “Automated vehicle tester” or “tester” means an individual, company, public agency, or other organization that is testing automated vehicles on public highways in this State pursuant to this chapter including an automated vehicle manufacturer, municipal or State agency, institution of higher education, fleet service provider, or automotive equipment or technology provider.

(4) “Conventional human driver” means an individual who manually engages in-vehicle braking, accelerating, steering, and transmission gear selection input devices in order to operate a vehicle.

(5) “Dynamic driving task” means all the real-time operational and tactical functions required to operate a vehicle in on-road traffic within its specific operational design domain, if any, excluding the strategic functions such as trip scheduling and selection of destinations and waypoints.

(6) “Highly automated vehicle” means a vehicle equipped with an automated driving system capable of performing all aspects of the dynamic driving task within its operational design domain, if any, including achieving a minimal risk condition, without any intervention or supervision by a conventional human driver.

(7) “Manufacturer” means an individual or company that designs, produces, or constructs vehicles or equipment. Manufacturers include original equipment manufacturers (OEMs), multiple and final stage manufacturers, individuals or companies making changes to a completed vehicle before first retail sale or deployment (upfitters), and modifiers (individuals or companies making changes to existing vehicles after first retail sale or deployment).

(8) “Minimal risk condition” means a condition in which an automated vehicle operating without a human driver, upon experiencing a failure of its automated driving system that renders the automated vehicle unable to perform the dynamic driving task, achieves a reasonably safe state that may include bringing the automated vehicle to a complete stop.

(9) “Operational design domain” means a description of the specific domain or domains in which an automated driving system is designed to properly operate, including types of roadways, ranges of speed, weather, time of day, and environmental conditions.

(10) “Operator” means an individual employed by or under contract with an automated vehicle tester who has successfully completed the tester’s training on safe driving and the capabilities and limitations of the automated vehicle and automated driving system, can take immediate manual or remote control of the automated vehicle being tested, is 21 years of age or older, and holds an operator’s license for the class of vehicle being tested.

(11) “Public highway” means a State or municipal highway as defined in 19 V.S.A. § 1(12).

#### § 4203. TESTING OF AUTOMATED VEHICLES ON PUBLIC HIGHWAYS

(a) An automated vehicle shall not be operated on public highways for testing until the Traffic Committee as defined in 19 V.S.A. § 1(24) approves a permit application for automated vehicle testers that defines the geographic scope and operational design domain for the test and demonstrates the ability of the automated vehicle tester to comply with the requirements of this section.

(b) Prior to approving a permit application, the Traffic Committee will conduct a hearing to provide for comments from the public. Legislative bodies of the municipalities where an automated vehicle will be tested shall be notified by the Traffic Committee 60 calendar days prior to the Traffic Committee hearing when the geographic scope of the test includes State highways or Class 1, 2, 3, or 4 Town Highways, as classified pursuant to 19 V.S.A. § 302, within the geographic boundaries of the municipality.

(c) The Traffic Committee is authorized to approve the testing of automated vehicles on:

(1) All State highways and Class 1 Town Highways.

(2) Class 2, 3, and 4 Town Highways within the geographic boundaries of municipalities that have preapproved testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality as of the date the permit application for automated vehicle testing is filed. A municipality may immediately revoke its preapproval of automated vehicle testing by notifying the Secretary of Transportation in writing that it no longer wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality.

(d) The Agency of Transportation’s Automated Vehicle Testing Guide shall include a list of municipalities that have preapproved testing of automated vehicles and shall update the Automated Vehicle Testing Guide within 10 business days after a municipality notifies the Secretary of Transportation in writing that it now wishes to allow testing of automated vehicles on Class 2,

3, and 4 Town Highways within the geographic boundaries of the municipality or no longer wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality.

(e) The Traffic Committee has the sole authority to approve specific test permit applications. Municipal approval of specific testing permits is not required. Notwithstanding subdivision (c)(2) of this section, after a test permit has been approved by the Traffic Committee, all modifications to the operational design domain or other permit conditions, including changes affecting town highways in a preapproved testing municipality, requires approval by the Traffic Committee.

(f) Before a test commences, the Traffic Committee shall make approved automated vehicle test permits readily available to law enforcement and municipalities within the geographic scope of the operational design domain designated in the permit.

(g) The automated vehicle tester shall submit a report to the Traffic Committee annually, until all testing ceases, summarizing results and observations related to safety, traffic operations, interaction with roadway infrastructure, comments from the public, and any other relevant matters.

(h) An automated vehicle tester shall not test an automated vehicle on a public highway unless:

(1) The operator is:

(A) seated in the driver's seat of the automated vehicle;

(B) monitoring the operation of the automated vehicle; and

(C) capable of taking immediate manual control of such automated vehicle.

(2) The automated vehicle tester:

(A) registers each automated vehicle to be tested with the Commissioner pursuant to chapter 7 of this title;

(B) submits to the Commissioner, in a manner and form directed by the Commissioner, proof of liability insurance, self-insurance, or a surety bond of at least five million dollars for damages by reason of bodily injury, death, or property damage caused by an automated vehicle while engaged in automated vehicle testing;

(C) has established and enforces a zero-tolerance policy for drug and alcohol use by operators while engaged in automated vehicle testing. The policy shall include provisions for investigations of alleged policy violations and the suspension of drivers under investigation; and

(D) has conducted background checks for all operators pursuant to section 751 of this title, which may be inspected by the Commissioner of Motor Vehicles or designee pursuant to section 752 of this title.

(3) The operator and automated vehicle tester:

(A) comply with applicable standards established by the National Highway Traffic Safety Administration regarding the testing of automated vehicles or are capable of providing proof of exemptions or waivers to such standards;

(B) report to the Agency of Transportation and the applicable law enforcement agency within 72 hours after any motor vehicle crash involving the testing of the automated vehicle that results in personal injury or property damage; and

(C) satisfy any other requirements and permit conditions as determined by the Traffic Committee as necessary to ensure the safe operation of such automated vehicles.

(i) An automated vehicle testing permit may be voided and invalidated for the trip by a law enforcement officer who determines there is a violation of any condition specified in the terms of the automated vehicle test permit or that the continuation of the trip would be unsafe.

(j) An automated vehicle testing permit may be suspended or revoked by the Traffic Committee if, after the opportunity for a hearing, the Traffic Committee determines that there is a violation of any condition or conditions specified in the terms of the automated vehicle test permit that warrants the suspension or revocation of the testing permit or that the continuation of the testing would be unsafe.

(k) Operating or testing in violation of a suspension or revocation order shall be a traffic violation for which there shall be a penalty of not more than \$1,000.00.

(l) Test vehicles must be capable of operating in compliance with applicable traffic and motor vehicle laws of this State, subject to this subchapter.

(m) An individual shall not operate, attempt to operate, or be in actual physical control of an automated vehicle being tested on a public highway when the individual's blood alcohol concentration is 0.02 or more.

(n) An automated vehicle being tested on a public highway shall be clearly identifiable by the public.

Fourth: By striking out Sec. 18, automated vehicle testing implementation, in its entirety and inserting in lieu thereof a new Sec. 18 to read as follows:

Sec. 18. AUTOMATED VEHICLE TESTING IMPLEMENTATION

(a) As soon as practicable, but not later than January 1, 2021, the Agency of Transportation, in consultation with Vermont's Regional Planning Commissions, shall identify which legislative bodies of municipalities in the State have approved the testing of automated vehicles on the Class 2, 3, and 4 Town Highways, as classified pursuant to 19 V.S.A. § 302, within the geographic boundaries of the municipality.

(b) As soon as practicable, but not later than January 1, 2021, the Agency of Transportation shall publish an Automated Vehicle Testing Guide and application form to support review by the Traffic Committee and consistent with the requirements of 23 V.S.A. § 4203 as added in Sec. 16 of this act, including that the Automated Vehicle Testing Guide include a list of municipalities that have preapproved testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality and be updated whenever a new municipality wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality or a municipality no longer wishes to allow testing of automated vehicles on Class 2, 3, and 4 Town Highways within the geographic boundaries of the municipality.

(c) The Agency of Transportation may adopt rules to implement the provisions of 23 V.S.A. chapter 41 as added in Sec. 16 of this act.

Fifth: By striking out Sec. 23, 23 V.S.A. § 631, in its entirety and inserting in lieu thereof a new Sec. 23 to read as follows:

Sec. 23. 23 V.S.A. § 631 is amended to read:

§ 631. REQUIREMENTS; RULES

(a) The Commissioner may adopt rules pursuant to 3 V.S.A. chapter 25 governing the examination of new applicants for ~~operators~~<sup>operator's</sup> licenses and may prescribe ~~what shall be requisite~~ requirements to obtain or hold a license or learner's permit, by either a new or renewal applicant, as to driving experience, mental and physical qualifications, and any other matter or thing ~~which that~~, in his or her judgment, will contribute to the selection of safe and efficient operators.

(b) Any written forms, applications, or tests used by the Department of Motor Vehicles for operator licensing shall be translated into primary languages of nations from which individuals assisted by the U.S. Committee for Refugees and Immigrants Vermont in the prior 10 years hail, as determined on an annual basis by the Department in consultation with the U.S. Committee for Refugees and Immigrants Vermont, and available at all Department

locations and on the Department's website if the English version is available. Nothing in this subsection is intended to require the Department to translate any educational manuals.

Sixth: By striking out Sec. 25, 23 V.S.A. § 4108, in its entirety and inserting in lieu thereof a new Sec. 25 to read as follows:

Sec. 25. [Deleted.]

Seventh: By striking out Sec. 28, effective dates, and its accompanying reader assistance heading in their entirety and inserting in lieu thereof the following:

\* \* \* Colored Signal Lamps \* \* \*

Sec. 28. 23 V.S.A. § 1252 is amended to read:

§ 1252. ISSUANCE OF PERMITS FOR SIRENS OR COLORED LAMPS,  
OR BOTH; USE OF AMBER LAMPS

(a) When satisfied as to the condition and use of the vehicle, the Commissioner shall issue and may revoke, for cause, permits for sirens ~~or~~ and colored signal lamps in the following manner:

(1) Sirens, ~~or blue or blue and signal lamps, red signal lamps, white signal lamps, or a combination of these thereof,~~ may be authorized for all law enforcement vehicles owned or leased by a law enforcement agency, a certified law enforcement officer, or the Vermont Criminal Justice Training Council. If the applicant is a constable, the application shall be accompanied by a certification by the town clerk that the applicant is the duly elected or appointed constable and attesting that the town has not voted to limit the constable's authority to engage in enforcement activities under 24 V.S.A. § 1936a.

(2) Sirens and red or red and white signal lamps may be authorized for all ambulances, ~~fire apparatus and other emergency medical service (EMS) vehicles, vehicles owned or leased by a fire department, vehicles used solely in rescue operations, or vehicles owned or leased by, or provided to, volunteer firefighters and voluntary rescue squad members, including a vehicle owned by a volunteer's employer when the volunteer has the written authorization of the employer to use the vehicle for emergency fire or rescue activities.~~ A single blue signal lamp may be authorized for all ambulances, other EMS vehicles, and vehicles owned or leased by a fire department or rescue squad organization, provided that the Commissioner shall require the lamp to be mounted so as to be visible primarily from the rear of the vehicle.

(3) No vehicle may be authorized a permit for more than one of the combinations described in subdivisions (1) and (2) of this subsection.

(4) No motor vehicle, other than one owned by the applicant, shall be issued a permit until the Commissioner has recorded the information regarding both the owner of the vehicle and the applicant for the permit.

(5) Upon application to the Commissioner, the Commissioner may issue a single permit for all the vehicles owned or leased by the applicant.

(6) Sirens and red or red and white signal lamps, or sirens and blue or blue and white signal lamps, may be authorized for restored emergency or enforcement vehicles used for exhibition purposes. Sirens and lamps authorized under this subdivision may only be activated during an exhibition, such as a car show or parade.

(b) Amber signal lamps shall be used on road maintenance vehicles, service vehicles, and wreckers and shall be used on all registered snow removal equipment when in use removing snow on public highways and the amber lamps shall be mounted so as to be visible from all sides of the motor vehicle. ~~A vehicle equipped with an amber signal lamp may not be issued a permit for the installation and use of a siren.~~

\* \* \* Junior Operator Use of Portable Electronic Devices \* \* \*

Sec. 29. 23 V.S.A. § 1095a(d) is added to read:

(d)(1) A person who violates this section commits a traffic violation as defined in section 2302 of this title and shall be subject to a civil penalty of not less than \$100.00 and not more than \$200.00 for a first violation, and of not less than \$250.00 and not more than \$500.00 for a second or subsequent violation within any two-year period.

(2) A person convicted of violating this section while operating within the following areas shall have four points assessed against his or her driving record for a first conviction and five points assessed for a second or subsequent conviction:

(A) a properly designated work zone in which construction, maintenance, or utility personnel are present; or

(B) a school zone marked with warning signs conforming to the Manual on Uniform Traffic Control Devices.

(3) A person convicted of violating this section outside the areas designated in subdivision (2) of this subsection shall have two points assessed against his or her driving record.

\* \* \* Master License Agreement Study \* \* \*

Sec. 30. STUDY ON THE AGENCY OF TRANSPORTATION'S USE OF  
MASTER LICENSE AGREEMENTS AND ALTERNATIVE  
OPTIONS

The Agency of Transportation, in consultation with the Vermont League of Cities and Towns, shall report back to the House and Senate Committees on Transportation on or before November 15, 2019 concerning the use and contents of master license agreements and other agreements or contracts by the Agency of Transportation when a municipality, utility, or other person needs to use the right-of-way for the line of railroad owned by the State. The report shall include the history of the Agency's use of master license agreements and other agreements or contracts, including the contents thereof; alternatives to the use of such agreements; whether a municipality or municipal operated utility can secure sufficient insurance coverage to enter into the Agency's current iteration of the standard conditions to the master license agreement it uses when a municipality, utility, or other person needs to use the right-of-way for the line of railroad owned by the State; and what other states do when a municipality, utility, or other person needs to use the right-of-way for any state-owned railroad lines.

\* \* \* Safety Belts \* \* \*

Sec. 31. 23 V.S.A. § 1259 is amended to read:

§ 1259. SAFETY BELTS; PERSONS AGE 18 YEARS OF AGE OR OVER

\* \* \*

~~(e) This section may be enforced only if a law enforcement officer has detained the operator of a motor vehicle for another suspected traffic violation. An operator shall not be subject to the penalty established in this section unless the operator is required to pay a penalty for the primary violation. [Repealed.]~~

(f) The penalty for violation of this section shall be as follows:

- (1) ~~\$25.00~~ \$0.00 for a first violation;
- (2) ~~\$50.00~~ \$25.00 for a second violation;
- (3) \$50.00 for a third violation; and
- (4) \$100.00 for ~~third~~ fourth and subsequent violations.

\* \* \* Motor Vehicle Registrations \* \* \*



Sec. 32. 23 V.S.A. § 307 is amended to read:

§ 307. CARRYING OF REGISTRATION CERTIFICATE; REPLACEMENT  
AND CORRECTED CERTIFICATES

(a) A person shall not operate a motor vehicle nor draw a trailer or semi-trailer unless all required registration certificates are carried in some easily accessible place in the motor vehicle.

(b) In case of the loss, mutilation, or destruction of a certificate, the owner of the vehicle described in it shall forthwith notify the Commissioner and remit a fee of \$16.00, upon receipt of which the Commissioner shall furnish the owner with a duplicate certificate.

(c) A corrected registration certificate shall be furnished by the Commissioner upon request and receipt of a fee of \$16.00.

(d) An operator cited for violating subsection (a) of this section with respect to a pleasure car, motorcycle, or truck that could be registered for less than 26,001 pounds shall be subject to a civil penalty of not more than \$5.00, which penalty shall be exempt from surcharges under 13 V.S.A. § 7282(a), if he or she is cited within the 14 days following the expiration of the motor vehicle's registration.

Sec. 33. 23 V.S.A. § 511 is amended to read:

§ 511. MANNER OF DISPLAY

(a) A motor vehicle operated on any highway shall have displayed in a conspicuous place either one or two number plates as the Commissioner may require. Such number plates shall be furnished by the Commissioner and shall show the number assigned to such vehicle by the Commissioner. If only one number plate is furnished, the same shall be securely attached to the rear of the vehicle. If two are furnished, one shall be securely attached to the rear and one to the front of the vehicle. The number plates shall be kept entirely unobscured, and the numerals and the letters thereon shall be plainly legible at all times. They shall be kept horizontal, shall be so fastened as not to swing, excepting however, there may be installed on a motor truck or truck tractor a device which would, upon contact with a substantial object, permit the rear number plate to swing toward the front of the vehicle, provided such device automatically returns the number plate to its original rigid position after contact is released, and the ground clearance of the lower edges thereof shall be established by the Commissioner pursuant to the provisions of 3 V.S.A. chapter 25.

(b) A registration validation sticker shall be unobstructed, and shall be affixed as follows:

(1) for vehicles issued registration plates with dimensions of approximately 12 × 6 inches, in the lower right corner of the rear registration plate; and

(2) for vehicles issued a registration plate with a dimension of approximately 7 × 4 inches, in the upper right corner of the rear registration plate.

(c) A person shall not operate a motor vehicle unless number plates and a validation sticker are displayed as provided in this section.

(d) An operator cited for violating subsection (c) of this section with respect to failure to display a validation sticker on a pleasure car, motorcycle, or truck that could be registered for less than 26,001 pounds shall be subject to a civil penalty of not more than \$5.00, which penalty shall be exempt from surcharges under 13 V.S.A. § 7282(a), if he or she is cited within the 14 days following the expiration of the motor vehicle's registration.

\* \* \* Motor Vehicle Inspections \* \* \*

Sec. 34. 23 V.S.A. § 1222(c) is amended to read:

(c) A person shall not operate a motor vehicle unless it has been inspected as required by this section and has a valid certification of inspection affixed to it. A person shall be subject to a ~~fine~~ civil penalty of not more than \$5.00, which penalty shall be exempt from surcharges under 13 V.S.A. § 7282(a), if he or she is cited for a violation of this section within the 14 days following expiration of the motor vehicle inspection sticker. The month of next inspection for all motor vehicles shall be shown on the current inspection certificate affixed to the vehicle.

\* \* \* Effective Dates \* \* \*

Sec. 35. EFFECTIVE DATES

(a) This section and Secs. 26 (Department of Motor Vehicles training), 27 (translated documents and use of interpreters implementation), and 30 (master license agreement study) shall take effect on passage.

(b) Secs. 23 (written forms) and 24 (examination required) shall take effect on July 1, 2020.

(c) All other sections shall take effect on July 1, 2019.

**(Committee vote: 11-0-0 )**

**(For text see Senate Journal March 21, 2019 )**

**Rep. Beck of St. Johnsbury**, for the Committee on Ways and Means, recommends the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Transportation.

**(Committee Vote: 10-1-0)**

**Amendment to be offered by Rep. Savage of Swanton to the recommendation of amendment of the Committee on Transportation to S. 149**

By adding a new section to be Sec. 29a before the reader assistance heading for Sec. 30 to read as follows:

Sec. 29a. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against his or her driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to Title 23 of the Vermont Statutes Annotated.)

(1) Two points assessed for:

\* \* \*

(LL)(i) § 1095. Entertainment picture visible  
to operator;

(ii) § 1095a(d)(3). Junior operator use of portable electronic  
device outside work or school zone;

(iii) § 1095b(c)(3). Use of portable electronic device outside  
work or school zone;

\* \* \*

(3) Four points assessed for:

\* \* \*

(E) § 1095a(d)(2). Junior operator use of portable electronic

device in work or school zone—first offense;

(F) § 1095b(c)(2).

Use of portable electronic device in work or school zone—first offense;

(4) Five points assessed for:

\* \* \*

(D) § 1095a(d)(2).

Junior operator use of portable electronic device in work or school zone—second and subsequent offenses;

(E) § 1095b(c)(2).

Use of portable electronic device in work or school zone—second and subsequent offenses;

\* \* \*

### **Favorable**

#### **H. 544**

An act relating to approval of amendments to the charter of the City of Burlington

**Rep. Hooper of Burlington**, for the Committee on Government Operations, recommends the bill ought to pass.

**( Committee Vote: 11-0-0)**

**Rep. Donovan of Burlington**, for the Committee on Ways and Means, recommends the bill ought to pass.

**( Committee Vote: 11-0-0)**

#### **J.R.S. 13**

Joint resolution authorizing the Commissioner of Forests, Parks and Recreation to amend the Department's lease with the Okemo Limited Liability Company and to authorize a conveyance of Woodchuck Mountain in Newbury as an alternative to the conveyance authorized in 2002 Acts and Resolves No. 149, Sec. 83(a)(3)

**Rep. Macaig of Williston**, for the Committee on Corrections and Institutions, recommends the bill ought to pass.

**( Committee Vote: 9-0-2)**

## **Consent Calendar**

### **Concurrent Resolutions**

The following concurrent resolutions have been introduced for approval by the Senate and House and will be adopted automatically unless a Senator or Representative requests floor consideration before the end of the session of the next legislative day. Requests for floor consideration in either chamber should be communicated to the Secretary's office and/or the House Clerk's office, respectively. For text of resolutions, see Addendum to House Calendar and Senate Calendar.

#### **H.C.R. 144**

House concurrent resolution honoring the tenth bishop of the Episcopal Diocese of Vermont, the Right Reverend Thomas Clark Ely, for his visionary leadership

#### **H.C.R. 146**

House concurrent resolution honoring Joseph L. Choquette III on his multiple career and avocational accomplishments

#### **H.C.R. 147**

House concurrent resolution congratulating Essex High School on winning the first Academic WorldQuest Vermont championship

#### **H.C.R. 148**

House concurrent resolution honoring Vaughn Altemus for his career achievements in academia and Vermont State government

#### **H.C.R. 149**

House concurrent resolution congratulating the Rutland County Humane Society on its 60th anniversary

#### **H.C.R. 150**

House concurrent resolution congratulating the Harwood Union High School Highlanders on winning a second consecutive Division II boys' golf championship

#### **H.C.R. 151**

House concurrent resolution congratulating the 2019 Enosburg Falls High School Hornets State snowboarding championship team

**H.C.R. 152**

House concurrent resolution congratulating Nicholas John Blaney of Berkshire on his outstanding snowboarding accomplishments

**H.C.R. 153**

House concurrent resolution congratulating the 2019 Vermont Shamrocks USA Hockey girls' Tier II 16U national championship team

**S.C.R. 11**

Senate concurrent resolution congratulating Katherine Womeldorf Paterson of Montpelier on winning the 2019 E.B. White Award for her achievement in children's literature.

**S.C.R. 12**

Senate concurrent resolution honoring former Representative and Senator Seth B. Bongartz for his impressive leadership as President of Hildene.