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ACTION CALENDAR

UNFINISHED BUSINESS OF TUESDAY, MAY 14, 2019

House Proposal of Amendment

S. 96

An act relating to the provision of water quality services.

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

Sec. 1. 10 V.S.A. chapter 37, subchapter 5 is amended to read:

Subchapter 5. Aquatic Nuisance Control Water Quality Restoration and Improvement

§ 921. DEFINITIONS

As used in this subchapter:

(1) "Administrative cost" means program and project costs incurred by a clean water service provider or a grantee, including costs to conduct procurement, contract preparation, and monitoring, reporting, and invoicing.

(2) "Basin" means a watershed basin designated by the Secretary for use as a planning unit under subsection 1253(d) of this title.

(3) "Best management practice" or "BMP" means a schedule of activities, prohibitions, practices, maintenance procedures, green infrastructure, or other management practices to prevent or reduce water pollution.

(4) "Clean water project" means a best management practice or other program designed to improve water quality to achieve a target established under section 922 of this title that:

(A) is not subject to a permit under chapter 47 of this title, is not subject to the requirements of 6 V.S.A. chapter 215, exceeds the requirements of a permit issued under chapter 47 of this title, or exceeds the requirements of 6 V.S.A chapter 215; and

(B) is within the following activities:

(i) developed lands, sub-jurisdictional practices related to developed lands including municipal separate storm sewers, operational stormwater discharges, municipal roads, and other developed lands discharges; (ii) natural resource protection and restoration, including river corridor and floodplain restoration and protection, wetland protection and restoration, riparian and lakeshore corridor protection and restoration, and natural woody buffers associated with riparian, lakeshore, and wetland protection and restoration;

(iii) forestry; or

(iv) agriculture.

(5) "Co-benefit" means the additional benefit to local governments and the public provided by or associated with a clean water project, including flood resilience, ecosystem improvement, and local pollution prevention.

(6) "Design life" means the period of time that a clean water project is designed to operate according to its intended purpose.

(7) "Maintenance" means ensuring that a clean water project continues to achieve its designed pollution reduction value for its design life.

(8) "Standard cost" means the projected cost of achieving a pollutant load reduction per unit or per best management practice in a basin.

§ 922. WATER QUALITY IMPLEMENTATION PLANNING AND TARGETS

(a) After listing a water as impaired on the list of waters required by 33 U.S.C. § 1313(d), the Secretary shall include in the implementation plan for the water a strategy for returning the water to compliance with the Vermont Water Quality Standards. With respect to a water that is impaired due to sources outside the State or if there is insufficient data or no data available to quantify reductions required by this subchapter, the Secretary shall not be required to implement the requirements of this subchapter; however, the Secretary shall provide an alternate strategy for attaining water quality standards in the implementation plan for the water. For waters determined to be subject to this subchapter, the Secretary shall include the following in an implementation plan:

(1) An evaluation of whether implementation of existing regulatory programs will achieve water quality standards in the impaired water. If the Secretary determines that existing regulatory programs will not achieve water quality standards, the Secretary shall determine the amount of additional pollutant reduction necessary to achieve water quality standards in that water. When making this determination, the Secretary may express the pollutant reduction in a numeric reduction or through defining a clean water project that must be implemented to achieve water quality standards.

(2) An allocation of the pollutant reduction identified under subdivision (a)(1) of this section to each basin and the clean water service provider assigned to that basin pursuant to subsection 924(a) of this title. When making this allocation, the Secretary shall consider the sectors contributing to the water quality impairment in the impaired water's boundaries and the contribution of the pollutant from regulated and nonregulated sources within the basin. Those allocations shall be expressed in annual pollution reduction goals and five-year pollution reduction targets as checkpoints to gauge progress and adapt or modify as necessary.

(3) A determination of the standard cost per unit of pollutant reduction. The Secretary shall publish a methodology for determining standard cost pollutant reductions. The standard cost shall include the costs of project identification, project design, and project construction.

(b)(1) The Secretary shall conduct the analysis required by subsection (a) of this section for previously listed waters as follows:

(A) For phosphorous in the Lake Champlain watershed, not later than November 1, 2021.

(B) For phosphorous in the Lake Memphremagog watershed, not later than November 1, 2022.

(2) By not later than November 1, 2023, the Secretary shall adopt a schedule for implementing the requirements of this subchapter in all other previously listed impaired waters, including Lake Carmi, not set forth in subdivision (1) of this subsection.

(c) When implementing the requirements of this section, the Secretary shall follow the type 3 notice process established in section 7714 of this title.

<u>§ 923. QUANTIFICATION OF POLLUTION REDUCTION; CLEAN</u> WATER PROJECTS

(a) After listing a water as impaired on the list of waters required by 33 U.S.C. § 1313(d), the Secretary shall publish a methodology for calculating pollution reduction values associated with a clean water project in that water. When establishing a pollutant reduction value, the Secretary shall consider pollution reduction values established in the TMDL; pollution reduction values established by other jurisdictions; pollution reduction values for a clean water project; applicable monitored data with respect to a clean water project, if available; modeled data, if available; or a comparison to other similar projects or programs if no other data on a pollution reduction value or design life exists. Pollution reduction values established by the Secretary shall be the exclusive method for determining the pollutant reduction value of a clean water project.

(b) After listing a water as impaired on the list of waters required by 33 U.S.C. § 1313(d), the Secretary shall publish a methodology for establishing a design life associated with a clean water project. The design life of a clean water project shall be determined based on a review of values established in other jurisdictions, values recommended by organizations that regularly estimate the design life of clean water projects, actual data documenting the design life of a practice, or a comparison to other similar practices if no other data exists. A design life adopted by the Secretary shall be the exclusive method for determining the design life of a best management practice or other control.

(c)(1) If a person is proposing a clean water project for which no pollution reduction value or design life exists for a listed water, the Secretary shall establish a pollution reduction value or design life for that clean water project within 60 days following a request from the person proposing the clean water project. A pollution reduction value or design life established under this subdivision shall be based on a review of pollution reduction values established in the TMDL; pollution reduction values or design lives established by other jurisdictions; pollution reduction values or design lives recommended by organizations that develop pollutant reduction values or design lives for a clean water project; applicable monitored data with respect to a clean water project, if available; modeled data, if available; actual data documenting the design life of a clean water project; or a comparison to other similar projects or programs if no other data on a pollution reduction value or design life exists. Any estimate developed under this subsection by the Secretary shall be posted on the Agency of Natural Resources' website.

(2) Upon the request of a clean water service provider, the Secretary shall evaluate a proposed clean water project and issue a determination as to whether the proposed clean water project is eligible to receive funding as a part of a Water Quality Restoration Formula Grant awarded by the State pursuant to section 925 of this title.

(d)(1) The Secretary shall conduct the analysis required by subsections (a) and (b) of this section for clean water projects and design lives related to phosphorous not later than November 1, 2021.

(2) By not later than November 1, 2023, the Secretary shall adopt a schedule for implementing the requirements of subsections (a) and (b) of this section for clean water projects and design lives related to all other impairments not listed under subdivision (1) of this subsection.

(e) The Secretary shall periodically review pollution reduction values and design lives established under this section at least every five years to determine the adequacy or accuracy of a pollution reduction value or design life.

(f)(1) When implementing the requirements of subsections (a) and (b) of this section, the Secretary shall follow the type 3 notice process established in section 7714 of this title.

(2) When implementing the requirements of subsection (c) of this section, the Secretary shall follow the type 4 notice process in section 7715 of this title.

§ 924. CLEAN WATER SERVICE PROVIDER; RESPONSIBILITY FOR CLEAN WATER PROJECTS

(a) Clean water service providers; establishment.

(1) On or before November 1, 2020, the Secretary shall adopt rules that assign a clean water service provider to each basin in the Lake Champlain and Lake Memphremagog watersheds for the purposes of achieving pollutant reduction values established by the Secretary for the basin and for identification, design, construction, operation, and maintenance of clean water projects within the basin. For all other impaired waters, the Secretary shall assign clean water service provider no later than six months prior to the implementation of the requirements of this subchapter scheduled by the Secretary under subdivision 922(b)(2) of this title. The rulemaking shall be done in consultation with regional planning commissions, natural resource conservation districts, watershed organizations, and municipalities located within each basin.

(2) An entity designated as a clean water service provider shall be required to identify, prioritize, develop, construct, verify, inspect, operate, and maintain clean water projects in accordance with the requirements of this subchapter.

(3) The Secretary shall adopt guidance on a clean water service provider's obligation with respect to implementation of this chapter. The Secretary shall provide notice to the public of the proposed guidance and a comment period of not less than 30 days. At a minimum, the guidance shall address the following:

(A) how the clean water service provider integrates prioritizes and selects projects consistent with the applicable basin plan, including how to account for the co-benefits provided by a project;

(B) minimum requirements with respect to selection and agreements with subgrantees;

(C) requirements associated with the distribution of administrative costs to the clean water service provider and subgrantees;

(D) Secretary's assistance to clean water service providers with respect to their maintenance obligations pursuant to subsection (c) of this section; and

(E) the Secretary's strategy with respect to accountability pursuant to subsection (f) of this section.

(4) In carrying out its duties, a clean water service provider shall adopt guidance for subgrants consistent with the guidance from the Secretary developed pursuant to subdivision (a)(3) of this section that establishes a policy for how the clean water service provider will issue subgrants to other organizations in the basin, giving due consideration to the expertise of those organizations and other requirements for the administration of the grant program. The subgrant guidance shall include how the clean water service provider will allocate administrative costs to subgrantees for project implementation and for the administrative costs of the basin water quality council. The subgrant guidance shall be subject to the approval of the Secretary and basin water quality council.

(5) When selecting clean water projects for implementation or funding, a clean water service provider shall prioritize projects identified in the basin plan for the area where the project is located and shall consider the pollutant targets provided by the Secretary and the recommendations of the basin water quality council.

(b) Project identification, prioritization, selection. When identifying, prioritizing, and selecting a clean water project to meet a pollutant reduction value, the clean water service provider shall consider the pollution reduction value associated with the clean water project, the co-benefits provided by the project, operation, and maintenance of the project, conformance with the tactical basin plan, and other water quality benefits beyond pollution reduction associated with that clean water project. All selected projects shall be entered into the watershed projects database.

(c) Maintenance responsibility. A clean water service provider shall be responsible for maintaining a clean water project or ensuring the maintenance for at least the design life of that clean water project. The Secretary shall provide funding for maintenance consistent with subdivision 1389(e)(1)(A) of this title.

(d) Water quality improvement work. If a clean water service provider achieves a greater level of pollutant reduction than a pollutant reduction goal or five-year target established by the Secretary, the clean water service provider may carry those reductions forward into a future year. If a clean water service provider achieves its pollutant reduction goal or five-year target and has excess grant funding available, a clean water service provider may: (1) carry those funds forward into the next program year;

(2) use those funds for other eligible project;

(3) use those funds for operation and maintenance responsibilities for existing constructed projects;

(4) use those funds for projects within the basin that are required by federal or State law; or

(5) use those funds for other work that improves water quality within the geographic area of the basin, including protecting river corridors, aquatic species passage, and other similar projects.

(e) Reporting. A clean water service provider shall report annually to the Secretary. The report from clean water service providers shall be integrated into the annual clean water investment report, including outcomes from the work performed by clean water service providers. The report shall contain the following:

(1) a summary of all clean water projects completed that year in the basin;

(2) a summary of any inspections of previously implemented clean water projects and whether those clean water projects continue to operate in accordance with their design;

(3) all administrative costs incurred by the clean water service provider;

(4) a list of all of the subgrants awarded by the clean water service provider in the basin; and

(5) all data necessary for the Secretary to determine the pollutant reduction achieved by the clean water service provider during the prior year.

(f) Accountability for pollution reduction goals. If a clean water service provider fails to meet its allocated pollution reduction goals or its five-year target or fails to maintain previously implemented clean water projects the Secretary shall take appropriate steps to hold the clean water service provider accountable for the failure to meet pollution reduction goals or its five-year target. The Secretary may take the following steps:

(1) enter a plan to ensure that the clean water service provider meets current and future year pollution reduction goals and five-year targets; or

(2) initiate rulemaking to designate an alternate clean water service provider as accountable for the basin.

(g) Basin water quality council.

(1) A clean water service provider designated under this section shall establish a basin water quality council for each assigned basin. The purpose of a basin water quality council is to establish policy and make decisions for the clean water service provider regarding the most significant water quality impairments that exist in the basin and prioritizing the projects that will address those impairments based on the basin plan. A basin water quality council shall also participate in the basin planning process.

(2) A basin water quality council shall include, at a minimum, the following:

(A) two persons representing natural resource conservation districts in that basin, selected by the applicable natural resource conservation districts;

(B) two persons representing regional planning commissions in that basin, selected by the applicable regional planning commission;

(C) two persons representing local watershed protection organizations operating in that basin, selected by the applicable watershed protection organizations;

(D) one representative from an applicable local or statewide land conservation organization selected by the conservation organization in consultation with the clean water service provider; and

(E) two persons representing from each municipality within the basin, selected by the clean water service provider in consultation with municipalities in the basin.

(3) The designated clean water service provider and the Agency of Natural Resources shall provide technical staff support to the basin water quality council. The clean water service provider may invite support from persons with specialized expertise to address matters before a basin water quality council, including support from the University of Vermont Extension, staff of the Agency of Natural Resources, staff of the Agency of Agriculture, Food and Markets, staff of the Agency of Transportation, staff from the Agency of Commerce and Community Development, the Natural Resource Conservation Service, U.S. Department of Fish and Wildlife, and U.S. Forest Service.

§ 925. CLEAN WATER SERVICE PROVIDER; WATER QUALITY RESTORATION FORMULA GRANT PROGRAM

The Secretary shall administer a Water Quality Restoration Formula Grant Program to award grants to clean water service providers to meet the pollutant reduction requirements under this subchapter. The grant amount shall be based on the annual pollutant reduction goal established for the clean water service provider multiplied by the standard cost for pollutant reduction including the costs of administration and reporting. Not more than 15 percent of the total grant amount awarded to a clean water service provider shall be used for administrative costs.

§ 926. WATER QUALITY ENHANCEMENT GRANT PROGRAM

The Secretary shall administer a Water Quality Enhancement Grant Program. This program shall be a competitive grant program to fund projects that protect high quality waters, maintain or improve water quality in all waters, restore degraded or stressed waters, create resilient watersheds and communities, and support the public's use and enjoyment of the State's waters. When making awards under this program, the Secretary shall consider the geographic distribution of these funds. Not more than 15 percent of the total grant amount awarded shall be used for administrative costs.

§ 927. DEVELOPED LANDS IMPLEMENTATION GRANT PROGRAM

The Secretary shall administer a Developed Lands Implementation Grant Program to provide grants or financing to persons who are required to obtain a permit to implement regulatory requirements that are necessary to achieve water quality standards. The grant or financing program shall only be available in basins where a clean water service provider has met its annual goals or is making sufficient progress, as determined by the Secretary, towards those goals. This grant program shall fund or provide financing for projects related to the permitting of impervious surface of three acres or more under subdivision 1264(g)(3) of this title. Not more than 15 percent of the total grant amount awarded shall be used for administrative costs.

§ 928. MUNICIPAL STORMWATER IMPLEMENTATION GRANT PROGRAM

The Secretary shall administer a Municipal Stormwater Implementation Grant Program to provide grants to any municipality required under section 1264 of this title to obtain or seek coverage under the municipal roads general permit, the municipal separate storm sewer systems permit, a permit for impervious surface of three acres or more, or a permit required by the Secretary to reduce the adverse impacts to water quality of a discharge or stormwater runoff. The grant program shall only be available in basins where a clean water service provider has met its annual goals or is making sufficient progress, as determined by the Secretary, towards those goals. Not more than 15 percent of the total grant amount awarded shall be used for administrative costs.

§ 929. CLEAN WATER PROJECT TECHNICAL ASSISTANCE

<u>The Secretary shall provide technical assistance upon the request of any</u> person who, under this chapter, receives a grant or is a subgrantee of funds to implement a clean water project.

§ 930. RULEMAKING

The Secretary may adopt rules to implement the requirements of this subchapter.

Sec. 2. 10 V.S.A. § 1253(d)(2) and (3) are amended to read:

(2) In developing a basin plan under this subsection, the Secretary shall:

(A) identify waters that should be reclassified outstanding resource waters or that should have one or more uses reclassified under section 1252 of this title;

(B) identify wetlands that should be reclassified as Class I wetlands;

(C) identify projects or activities within a basin that will result in the protection and enhancement of water quality;

(D) review the evaluations performed by the Secretary under subdivisions 922(a)(1) and (2) of this title and update those findings based on any new data collected as part of a basin plan;

(E) for projects in the basin that will result in enhancement of resources, including those that protect high quality waters of significant natural resources, the Secretary shall identify the funding needs beyond those currently funded by the Clean Water Fund;

(F) ensure that municipal officials, citizens, <u>natural resources</u> conservation districts, regional planning commissions, watershed groups, and other interested groups and individuals are involved in the basin planning process;

(E)(G) ensure regional and local input in State water quality policy development and planning processes;

(F)(H) provide education to municipal officials and citizens regarding the basin planning process;

(G)(I) develop, in consultation with the regional planning commission, an analysis and formal recommendation on conformance with the goals and objectives of applicable regional plans;

(H)(J) provide for public notice of a draft basin plan; and

(H)(K) provide for the opportunity of public comment on a draft basin plan.

(3) The Secretary shall, contingent upon the availability of funding, negotiate and issue performance grants to the Vermont Association of Planning and Development Agencies or its designee, and the Natural Resources Conservation Council or its designee, and to Watersheds United Vermont or its designee to assist in or to produce a basin plan under the schedule set forth in subdivision (1) of this subsection in a manner consistent with the authority of regional planning commissions under 24 V.S.A. chapter 117 and the authority of the natural resources conservation districts under chapter 31 of this title. When negotiating a scope of work with the Vermont Association of Planning and Development Agencies or its designee, and Watersheds United Vermont or its designee to assist in or produce a basin plan, the Secretary may require the Vermont Association of Planning and Development Agencies, or Watersheds United Vermont to:

(A) conduct any of the activities required under subdivision (2) of this subsection (d);

(B) provide technical assistance and data collection activities to inform municipal officials and the State in making water quality investment decisions;

(C) coordinate municipal planning and adoption or implementation of municipal development regulations better to meet State water quality policies and investment priorities; or

(D) assist the Secretary in implementing a project evaluation process to prioritize water quality improvement projects within the region to ensure cost-effective use of State and federal funds.

Sec. 3. 10 V.S.A. § 1387 is amended to read:

§ 1387. FINDINGS; PURPOSE; CLEAN WATER INITIATIVE

(a)(1) The State has committed to implementing a long-term Clean Water Initiative to provide mechanisms, staffing, and financing necessary to achieve and maintain compliance with the Vermont Water Quality Standards for all State waters.

(2) Success in implementing the Clean Water Initiative will depend largely on providing sustained and adequate funding to support the implementation of all of the following:

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

(B) federal or State required cleanup plans for individual waters or water segments, such as total maximum daily load plans;

(C) the Agency of Natural Resources' Combined Sewer Overflow Rule; (D) the operations of clean water service providers under chapter 37, subchapter 5 of this title; and

(E) the permanent protection of land and waters from future development and impairment through conservation and water quality projects funded by the Vermont Housing and Conservation Trust Fund authorized by chapter 15 of this title.

(3) To ensure success in implementing the Clean Water Initiative, the State should commit to funding the Clean Water Initiative in a manner that ensures the maintenance of effort and that provides an annual appropriation for clean water programs in a range of \$50 million to \$60 million as adjusted for inflation over the duration of the Initiative.

(4) To avoid the future impairment and degradation of the State's waters, the State should commit to continued funding for the protection of land and waters through agricultural and natural resource conservation, including through permanent easements and fee acquisition.

(b) The General Assembly establishes in this subchapter a Vermont Clean Water Fund as a mechanism for financing the improvement of water quality in the State. The Clean Water Fund shall be used to:

(1) assist the State in complying with water quality requirements and construction or implementation of water quality projects or programs the implementation of the Clean Water Initiative;

(2) fund staff positions at the Agency of Natural Resources, Agency of Agriculture, Food and Markets, or Agency of Transportation when the positions are necessary to achieve or maintain compliance with water quality requirements and existing revenue sources are inadequate to fund the necessary positions; and

(3) provide funding to nonprofit organizations, regional associations, and other entities for implementation and administration of community-based water quality programs or projects clean water service providers to meet the obligations of chapter 37, subchapter 5 of this title.

Sec. 3a. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

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

(1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;

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

(3) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title; and

(4) four percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and

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

* * *

Sec. 4. 10 V.S.A. § 1389 is amended to read:

§ 1389. CLEAN WATER BOARD

(a) Creation.

(1) There is created the Clean Water Board that shall:

(A) be responsible and accountable for planning, coordinating, and financing of the remediation, improvement, and protection of the quality of State waters;

(B) recommend to the Secretary of Administration expenditures:

(i) appropriations from the Clean Water Fund <u>according to the</u> priorities established under subsection (e) of this section; and

(ii) <u>clean water water quality programs or projects that provide</u> water quality benefits, reduce pollution, protect natural areas, enhance water quality protections on agricultural land enhance flood and climate resilience, provide wildlife habitat, or promote and enhance outdoor recreation in support of rural community vitality to be funded by capital appropriations.

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

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

(1) the Secretary of Administration or designee;

(2) the Secretary of Natural Resources or designee;

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

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

(5) the Secretary of Transportation or designee; and

(6) four members of the public, who are not legislators, with expertise in one or more of the following subject matters: public management, civil engineering, agriculture, ecology, wetlands, stormwater system management, forestry, transportation, law, banking, finance, and investment, to be appointed by the Governor.

* * *

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

* * *

(3) The Clean Water Board shall:

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

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

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

(C) if the Board determines that there are insufficient funds in the Clean Water Fund to issue all grants or financing required by sections 925–928 of this title, conduct all of the following:

(i) Direct the Secretary of Natural Resources to prioritize the work needed in every basin, adjust pollution allocations assigned to clean water service providers, and issue grants based on available funding.

(ii) Make recommendations to the Governor and General Assembly on additional revenue to address unmet needs.

(iii) Notify the Secretary of Natural Resources that there are insufficient funds in the Fund. The Secretary of Natural Resources shall consider additional regulatory controls to address water quality improvements that could not be funded.

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

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

(F) establish a process under which a watershed organization, State agency, or other interested party may propose that a water quality project or program identified in a watershed basin plan receive funding from the Clean Water Fund recommend capital appropriations for the permanent protection of land and waters from future development through conservation and water quality projects.

(e) Priorities.

(1) In making recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall prioritize <u>as follows</u>:

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

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

(1) As a first priority, make recommendations regarding funding for the following grants and programs, which shall each be given equal priority:

(A) grants to clean water service providers to fund the reasonable costs associated with the inspection, verification, operation, and maintenance of clean water projects in a basin;

(B) the Water Quality Restoration Formula Grant under section 925 of this title;

(C) the Agency of Agriculture, Food and Markets' agricultural water quality programs; and

(D) the Water Quality Enhancement Grants under section 926 of this title at a funding level of at least 20 percent of the annual balance of the Clean Water Fund, provided that the maximum amount recommended under this subdivision (D) in any year shall not exceed \$ 5,000,000.00; and

(E) funding to partners for basin planning, basin water quality council participation, education, and outreach as provided in subdivision 1253(d)(3) of this title, provided funding shall be at least \$500,000.00.

(2) As the next priority after reviewing funding requests for programs identified under subdivision (1) of this subsection:

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

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

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

(F)(C) funding for the Municipal Stormwater Implementation Grant as provided in section 928 of this title;

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

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

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

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

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

(3) In developing its recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall, after satisfaction of the priorities established under subdivision (1) of this subsection (e), attempt to provide investment in all watersheds of the State based on the needs identified in watershed basin plans.

(3) As the next priority after reviewing funding requests under subdivisions (1) and (2) of this subsection, funding for the Developed Lands Implementation Grant Program as provided in section 927 of this title.

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

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

§ 4025. EDUCATION FUND

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

* * *

(4) $25 \ \underline{21}$ percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225;

* * *

Sec. 4b. REPEAL

Sec. G.8 (prewritten software accessed remotely) of 2015 Acts and Resolves No. 51 is repealed.

Sec. 5. 24 V.S.A. § 4345a is amended to read:

§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

A regional planning commission created under this chapter shall:

* * *

(20) If designated as a clean water service provider under 10 V.S.A. § 924, provide for the identification, prioritization, development, construction, inspection, verification, operation, and maintenance of clean water projects in the basin assigned to the regional planning commission in accordance with the requirements of 10 V.S.A. chapter 37, subchapter 5.

Sec. 6. 10 V.S.A. § 704 is amended to read:

§ 704. POWERS OF COUNCIL

The State Natural Resources Conservation Council may employ an administrative officer and such technical experts and such other agents and employees as it may require. The Council may call upon the Attorney General of the State for such legal services as it may require, or may employ its own counsel. It shall have authority to delegate to one or more of its members, or to one or more agents or employees, such powers and duties as it may deem proper. If designated as a clean water service provider under section 924 of

this title, provide for the identification, prioritization, development, construction, inspection, verification, operation, and maintenance of clean water projects in the basin assigned to a natural resources conservation district in accordance with the requirements of chapter 37, subchapter 5 of this title.

Sec. 7. RECOMMENDATIONS ON NUTRIENT CREDIT TRADING

On or before July 1, 2022, the Secretary of Natural Resources, after consultation with the Clean Water Board, shall submit to the Senate Committees on Appropriations, on Natural Resources and Energy, and on Finance and the House Committees on Appropriations, on Natural Resources, Fish, and Wildlife, and on Ways and Means recommendations regarding implementation of a market-based mechanism that allows the purchase of water quality credits by permittees under 10 V.S.A. chapter 47, and other entities. The report shall include information on the cost to develop and manage any recommended trading program.

Sec. 8. TRANSITION

(a) Until November 1, 2021, the Secretary shall implement the existing ecosystem restoration funding delivery program and shall not make substantial modifications to the manner in which that program has been implemented. The Secretary may give increased priority to meeting legal obligations pursuant to a total maximum daily load when implementing that funding delivery program.

(b) Until the plan required by 10 V.S.A. § 923(d)(2) has been fully implemented, the Secretary shall provide additional weight to geographic areas of the State not receiving a grant pursuant to 10 V.S.A. § 925 when making funding decisions with respect to grants awarded pursuant to 10 V.S.A. § 926.

Sec. 9. LAND AND WATER CONSERVATION STUDY

(a) The State's success in achieving and maintaining compliance with the Vermont Water Quality Standards for all State waters depends on avoiding the future degradation or impairment of surface waters. An important component of avoiding the future degradation or impairment of surface waters is the permanent protection of lands for multiple conservation purposes, including the protection of surface waters and associated natural resources, according to priorities for multiple conservation values, including water quality benefits, natural areas, flood and climate resilience, wildlife habitat, and outdoor recreation.

(b) The State's success in achieving and maintaining compliance with the Vermont Water Quality Standards depends in part on strategic land conservation. To assist the State in enhancing the benefit of strategic land

conservation, the Secretary of Natural Resources shall convene a Land and Water Conservation Study Stakeholder Group to develop a recommended framework for statewide land conservation. On or before January 15, 2020, the Secretary shall submit the Stakeholder Group's recommended framework for statewide land conservation to the General Assembly. The recommended framework shall include:

(1) recommendations for maximizing both water quality benefits and other state priorities from land conservation projects, including agricultural uses, natural area and headwaters protection, flood and climate resilience, wildlife habitat, outdoor recreation, and rural community development; and

(2) recommended opportunities to leverage federal and other nonstate funds for conservation projects.

(c)(1) The Land and Water Conservation Study Stakeholder Group shall include the following individuals or their designees:

(A) the Secretary of Natural Resources;

(B) the Secretary of Agriculture, Food and Markets;

<u>(C) the Executive Director of the Vermont Housing and Conservation</u> Board;

(D) the President of the Vermont Land Trust;

(E) the Vermont and New Hampshire Director of the Trust for Public Land; and

(F) the Director of the Nature Conservancy for the State of Vermont.

(2) The Secretary of Natural Resources shall invite the participation in the Stakeholder Group by the U.S. Department of Agriculture's Natural Resources Conservation Service, representatives of farmer's watershed alliances, representatives of landowner organizations, and other interested parties.

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

§ 1389a. CLEAN WATER INVESTMENT REPORT

(a) Beginning on January 15, 2017, and annually thereafter, the Secretary of Administration shall publish the Clean Water Investment Report. The Report shall summarize all investments, including their cost-effectiveness, made by the Clean Water Board and other State agencies for clean water restoration over the prior fiscal year. The Report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source.

(b) The Report shall include:

(1) Documentation of progress or shortcomings in meeting established indicators for clean water restoration.

(2) A summary of additional funding sources pursued by the Board, including whether those funding sources were attained; if it was not attained, why it was not attained; and where the money was allocated from the Fund.

(3) A summary of water quality problems or concerns in each watershed basin of the State, a list of water quality projects identified as necessary in each basin of the State, and how identified projects have been prioritized for implementation. The water quality problems and projects identified under this subdivision shall include programs or projects identified across State government and shall not be limited to projects listed by the Agency of Natural Resources in its watershed projects database.

(4) A summary of any changes to applicable federal law or policy related to the State's water quality improvement efforts, including any changes to requirements to implement total maximum daily load plans in the State.

(5) A summary of available federal funding related to or for water quality improvement efforts in the State.

(6) Beginning January 2023, a summary of the administration of the grant programs established under sections 925–928 of this title, including whether these grant programs are adequately funding implementation of the Clean Water Initiative and whether the funding limits for the Water Quality Enhancement Grants under subdivision 1389(e)(1)(D) of this title should be amended to improve State implementation of the Clean Water Initiative.

(c) The Report may also provide an overview of additional funding necessary to meet objectives established for clean water restoration and recommendations for additional revenue to meet those restoration objectives. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report required by this section.

(d)(1) The Secretary of Administration shall develop and use a resultsbased accountability process in publishing the annual report required by subsection (a) of this section.

(2) The Secretary of Administration shall develop user-friendly issue briefs, tables, or executive summaries that make the information required under subdivision (b)(3) available to the public separately from the report required by this section.

(3) On or before September 1 of each year, the Secretary of Administration shall submit to the Joint Fiscal Committee an interim report regarding the information required under subdivision (b)(5) of this section relating to available federal funding.

Sec. 10a. REPORT OF SECRETARY OF ADMINISTRATION; WATER QUALITY PROJECTS ON FARMS

On or before January 15, 2020, the Secretary of Administration, as the chair of the Clean Water Board, shall, after consultation with the Secretary of Natural Resources and the Secretary of Agriculture, Food and Markets, submit to the House Committees on Natural Resources, Fish, and Wildlife and on Agriculture and Forestry and the Senate Committees on Natural Resources and Energy and on Agriculture a report regarding the administration and funding of water quality projects on farms as part of the Clean Water Initiative. The report shall include recommendations on:

(1) how farmers can maximize access to funding for water quality projects on farms, including funding available through grants authorized under 10 V.S.A chapter 37, subchapter 5;

(2) how the Agency of Agriculture, Food and Markets should be involved in water quality projects on farms, including how the Agency of Agriculture, Food and Markets would give approval of, be notified of, or participate in water quality projects on farms funded by a clean water service provided under 10 V.S.A. chapter 37, subchapter 5;

(3) how to minimize duplication of effort, administration, and oversight between the Agency of Agriculture, Food and Markets and clean water service providers regarding water quality projects on farms; and

(4) how to most efficiently and effectively fund water quality projects on farms, including how to ensure the continued functionality of projects after construction or implementation.

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

UNFINISHED BUSINESS OF THURSDAY, MAY 16, 2019

Third Reading

H. 107.

An act relating to paid family and medical leave.

Second Reading

Favorable with Proposal of Amendment

H. 351.

An act relating to workers' compensation, unemployment insurance, and ski tramway amendments.

Reported favorably with recommendation of proposal of amendment by Senator Sirotkin for the Committee on Economic Development, Housing and General Affairs.

The Committee recommends that the Senate propose to the House to amend the bill as follows:

By striking out Secs. 1 through 6 and their reader assistance headings in their entireties and inserting in lieu thereof new Secs. 1 through 6 and their reader assistance heading to read as follows:

* * * Deleted Sections * * *

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

Sec. 5. [Deleted.]

Sec. 6. [Deleted.]

(Committee vote: 4-0-1)

(For House amendments, see House Journal for March 20, 2019, pages 564-570)

Reported favorably with recommendation of proposal of amendment by Senator McCormack for the Committee on Appropriations.

The Committee recommends that the Senate propose to the House to amend the bill as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendment thereto:

In Sec. 8, 21 V.S.A. § 707, by striking out "<u>ski lift mechanic education, job</u> training, and apprenticeship programs" and inserting in lieu thereof the following: <u>mechanic education, job training, and apprenticeship programs,</u> related to the maintenance and operation of ski lifts

(Committee vote: 6-0-1)

UNFINISHED BUSINESS OF FRIDAY, MAY 17, 2019

Second Reading

Favorable with Recommendation of Amendment

S.R. 5.

Senate resolution strongly opposing the basing of any nuclear weapon delivery system in the State of Vermont.

Reported favorably with recommendation of amendment by Senator Pollina for the Committee on Government Operations.

The Committee recommends that the resolution be amended by striking it out in its entirety and inserting in lieu thereof the following:

Senate resolution strongly opposing the basing of any nuclear weapon delivery system in Vermont.

Whereas, the State of Vermont has long been a national leader in opposing the spread of nuclear weapons, and

Whereas, at Town Meeting in 1982, 88 percent of the 180 municipalities voting on a U.S–U.S.S.R. bilateral nuclear freeze ballot measure voted in the affirmative, and

Whereas, at Town Meeting in 1999, 33 Vermont municipalities voted to "call upon the U.S. government and governments of all nuclear weapons states to secure on an urgent basis a nuclear weapons abolition treaty" that would include a timetable for the early and mutually verifiable elimination of nuclear weapons, and

Whereas, shortly after the 33 towns approved this town meeting question, the General Assembly adopted Acts and Resolves No. R-120, "Joint resolution relating to urgently requesting the U.S. government to immediately enter into negotiations with all other nuclear nations for the adoption of a verifiable treaty to abolish nuclear weapons," and

Whereas, on May 7, 2019, a retired Vermont Air National Guard Lieutenant Colonel testified before the Senate Committee on Government Operations that when the now-retired F-89 aircraft was stationed in Burlington it carried nuclear warheads, but that neither the U.S. Department of Defense nor the U.S. Air Force informed the State of Vermont that these weapons were being stored locally, and

Whereas, the 2018 *Nuclear Posture Review*, a publication of the U.S. Department of Defense, states that "We [the United States] are committed to upgrading the DCA (Dual-Capable Aircraft) with the nuclear-capable F-35

aircraft," and further that "The United States is also incorporating nuclear capability onto the F-35, to be used by the United States and NATO allies, as a replacement for the current aging DCA," and

Whereas, in a July 2018 interview, an official in the U.S. Air Force's Financial Management and Comptroller's office indicated that the variant of the F-35 to be assigned to the National Guard will eventually receive a Block 4 (nuclear capable) upgrade, and

Resolved by the Senate of the State of Vermont:

That the Senate of the State of Vermont expresses its strong opposition to the basing of any nuclear delivery system in the State of Vermont, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to the Governor, to Acting U.S. Secretary of Defense Patrick Shanahan, and to the Vermont Congressional Delegation.

(Committee vote: 4-1-0)

(For text of Resolution, see Senate Journal for April 25, 2019, page 600)

NEW BUSINESS

Third Reading

H. 547.

An act relating to approval of an amendment to the charter of the City of Montpelier.

Second Reading

Favorable

H. 508.

An act relating to approval of amendments to the charter of the Town of Bennington.

Reported favorably by Senator Collamore for the Committee on Government Operations.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of May 14, 2019, pages 1508-1516)

Reported favorably by Senator Campion for the Committee on Finance.

(Committee vote: 4-0-3)

House Proposal of Amendment

S. 30

An act relating to the regulation of hydrofluorocarbons.

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

Sec. 1. 10 V.S.A. § 586 is added to read:

§ 586. REGULATION OF HYDROFLUOROCARBONS

(a) As used in this section:

(1) "Class I substance" and "class II substance" mean those substances listed in the 42 U.S.C. § 7671a, as it read on November 15, 1990 and Appendix A or B of Subpart A of 40 C.F.R. Part 82, as those read on January 3, 2017.

(2) "Hydrofluorocarbon" means a class of greenhouse gases that are saturated organic compounds containing hydrogen, fluorine, and carbon.

(3) "Residential consumer refrigeration product" has the same meaning as in Section 430.2 of Subpart A of 10 C.F.R. Part 430.

(4) "Retrofit" has the same meaning as in section 152 of Subpart F of 40 C.F.R. Part 82, as that section existed as of January 3, 2017.

(5) "Substitute" means a chemical, product, or alternative manufacturing process, whether new or retrofit, that is used to perform a function previously performed by a class I substance or class II substance and any substitute subsequently adopted to perform that function, including hydrofluorocarbons.

(b)(1) A person may not offer any product or equipment for sale, lease, or rent, or install or otherwise cause any equipment or product to enter into commerce in Vermont if that equipment or product consists of, uses, or will use a substitute, as set forth in Appendix U or V, Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017, for the applications or end uses restricted by Appendix U or V, as those read on January 3, 2017, and consistent with the dates established in subdivision (b)(4) of this section.

(2) Except where existing equipment is retrofit, nothing in this subsection requires a person that acquired a restricted product or equipment prior to an effective date of the restrictions in subdivision (b)(4) of this section to cease use of that product or equipment.

(3) Products or equipment manufactured prior to an applicable effective date of the restrictions in subdivision (b)(4) of this section may be sold, imported, exported, distributed, installed, and used after the specified effective date.

(4) The restrictions under subdivision (b)(1) of this section shall take effect beginning:

(A) January 1, 2021, for propellants, rigid polyurethane applications and spray foam, flexible polyurethane, integral skin polyurethane, flexible polyurethane foam, polystyrene extruded sheet, polyolefin, phenolic insulation board and bunstock, supermarket systems, remote condensing units, standalone units, and vending machines;

(B) January 1, 2021, for refrigerated food processing and dispensing equipment, compact residential consumer refrigeration products, and polystyrene extruded boardstock and billet, and rigid polyurethane lowpressure two component-spray foam;

(C) January 1, 2022, for residential consumer refrigeration products other than compact and built-in residential consumer refrigeration products;

(D) January 1, 2023, for cold storage warehouses and built-in residential consumer refrigeration products;

(E) January 1, 2024, for centrifugal chillers and positive displacement chillers; and

(F) January 1, 2020, or the effective date of the restrictions identified in appendix U or V, Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017, whichever comes later, for all other applications and end uses for substitutes not covered by the categories listed in subdivisions (A) through (E) of this subsection (b).

(c) The Secretary may adopt rules that include any of the following:

(1) The modification of the date of a prohibition established pursuant to subsection (b) of this section if the Secretary determines that the modified deadline meets both of the following criteria:

(A) reduces the overall risk to human health or the environment; and

(B) reflects the earliest date that a substitute is currently or potentially available.

(2) The prohibition on the use of any substitute if the Secretary determines that the prohibition meets both of the following criteria:

(A) reduces the overall risk to human health or the environment; and

(B) a lower-risk substitute is currently or potentially available.

(3) The creation of a list of approved substitutes, use conditions, or use limits, if any, and the addition or removal of substitutes, use conditions, or use limits to or from the list of approved substitutes if the Secretary determines those substitutes reduce the overall risk to human health and the environment.

(4) The creation of a list of exemptions from this section for medical uses of hydrofluorocarbons.

(d) If the U.S. Environmental Protection Agency approves a previously prohibited hydrofluorocarbon blend with a global warming potential of 750 or less for foam blowing of polystyrene extruded boardstock and billet and rigid polyurethane low-pressure two-component spray foam pursuant to the Significant New Alternatives Policy Program under section 7671(k) of the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.), the Secretary shall expeditiously propose a rule to conform to the requirements established under this section with that federal action.

Sec. 2. ADOPTION OF RULES AND REPORTING

(a) On or before July 1, 2020, the Secretary of Natural Resources shall file with the Secretary of State proposed rules to establish a schedule to phase down the use of hydrofluorocarbons to meet the goal of a 40 percent reduction from the 2013 level of use by 2030.

(b) On or before January 15, 2020, the Secretary of Natural Resources shall submit a report to the Senate Committee on Natural Resources and Energy and the House Committee on Natural Resources, Fish, and Wildlife on progress in filing proposed rules pursuant to subsection (a) of this section and any delays in such rulemaking.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

House Proposal of Amendment to Senate Proposal of Amendment to House Proposal of Amendment

S. 31

An act relating to informed health care financial decision making

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

<u>First</u>: In Sec. 5, Vermont Health Information Exchange; opt-out consent policy; implementation, in subsection (a), by striking out subdivision (3) in its entirety and inserting in lieu thereof a new subdivision (3) to read as follows:

(3) identify the mechanisms by which Vermonters will be able to easily opt out of having their health information shared through the VHIE and a timeline identifying when each mechanism will be available, which shall begin at least one month prior to the March 1, 2020 change to the consent policy;

<u>Second</u>: In Sec. 6, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) Sec. 4 (18 V.S.A. § 9351) shall take effect on March 1, 2020.

House Proposal of Amendment

S. 105

An act relating to miscellaneous judiciary procedures.

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

Sec. 1. 3 V.S.A. § 163 is amended to read:

§ 163. JUVENILE COURT DIVERSION PROJECT

* * *

(c) All diversion projects receiving financial assistance from the Attorney General shall adhere to the following provisions:

* * *

(4) Each State's Attorney, in cooperation with the <u>Attorney General and</u> the diversion project program, shall develop clear criteria for deciding what types of offenses and offenders will be eligible for diversion; however, the State's Attorney shall retain final discretion over the referral of each case for diversion. The provisions of 33 V.S.A. § 5225(c) and § 5280(e) shall apply.

* * *

(e) Within 30 days of the two-year anniversary of a successful completion of juvenile diversion, the court shall order the sealing of all court files and records, law enforcement records other than entries in the juvenile court diversion project's centralized filing system, fingerprints, and photographs applicable to a juvenile court diversion proceeding unless, upon motion, the court finds:

(1) the participant has been convicted of a subsequent felony or misdemeanor during the two-year period, or proceedings are pending seeking such conviction; or

(2) rehabilitation of the participant has not been attained to the satisfaction of the court.

(1) Within 30 days after the two-year anniversary of a successful completion of juvenile diversion, the court shall provide notice to all parties of record of the court's intention to order the expungement of all court files and records, law enforcement records other than entries in the juvenile court diversion program's centralized filing system, fingerprints, and photographs applicable to the proceeding. The court shall give the State's Attorney an opportunity for a hearing to contest the expungement of the records. The court shall expunge the records if it finds:

(A) two years have elapsed since the successful completion of juvenile diversion by the participant and the dismissal of the case by the State's Attorney;

(B) the participant has not been convicted of a subsequent felony or misdemeanor during the two-year period, and no proceedings are pending seeking such conviction;

(C) rehabilitation of the participant has been attained to the satisfaction of the court; and

(D) the participant does not owe restitution related to the case under a contract executed with the Restitution Unit.

(2) The court may expunge any records that were sealed pursuant to this subsection prior to July 1, 2018 unless the State's Attorney's office that prosecuted the case objects. Thirty days prior to expunging a record pursuant to this subdivision, the court shall provide written notice of its intent to expunge the record to the State's Attorney's office that prosecuted the case.

(3)(A) The court shall keep a special index of cases that have been expunged pursuant to this section together with the expungement order. The index shall list only the name of the person convicted of the offense, his or her date of birth, the docket number, and the criminal offense that was the subject of the expungement.

(B) The special index and related documents specified in subdivision (A) of this subdivision (3) shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons.

(C) Inspection of the expungement order and the certificate may be permitted only upon petition by the person who is the subject of the case. The Chief Superior Judge may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records. (D) The Court Administrator shall establish policies for implementing this subsection (e).

(f) Upon the entry of an order sealing such files and records under this section, the proceedings in the matter under this section shall be considered never to have occurred, all index references thereto shall be deleted, and the participant, the court, and law enforcement officers and departments shall reply to any request for information that no record exists with respect to such participant inquiry in any matter. Copies of the order shall be sent to each agency or official named therein. Except as otherwise provided in this section, upon the entry of an order expunging files and records under this section, the proceedings in the matter shall be considered never to have occurred, all index references thereto shall be deleted, and the participant, the court, and law enforcement officers and departments shall reply to any request for information that no record exists with respect to such participant. Copies of the order shall be deleted, and the participant, the court, and law enforcement officers and departments shall reply to any request for information that no record exists with respect to such participant inquiry in any matter. Copies of the order shall be sent to each agency or official named therein.

(g) Inspection of the files and records included in the order may thereafter be permitted by the court only upon petition by the participant who is the subject of such records and only to those persons named therein. The process of automatically expunging records as provided in this section shall only apply to those persons who completed diversion on or after July 1, 2002. Any person who completed diversion prior to July 1, 2002 must apply to the court to have his or her records expunged. Expungement shall occur if the requirements of subsection (e) of this section are met.

* * *

(j) Notwithstanding subdivision (c)(1) of this section, the diversion program may accept cases pursuant to 33 V.S.A.§§ 5225–5280.

Sec. 2. 3 V.S.A. § 164 is amended to read:

§ 164. ADULT COURT DIVERSION PROGRAM

* * *

(d) The Office of the Attorney General shall develop program outcomes following the designated State of Vermont performance accountability framework and, in consultation with the Department of State's Attorneys and Sheriffs, the Office of the Defender General, the Center for Crime Victim Services, and the Judiciary, report annually on or before December 1 to the General Assembly on services provided and outcome indicators. <u>As a</u> component of the report required by this subsection, the Attorney General

shall include data on diversion program referrals in each county and possible causes of any geographical disparities.

(e) All adult court diversion programs receiving financial assistance from the Attorney General shall adhere to the following provisions:

(1) The diversion program shall accept only persons against whom charges have been filed and the court has found probable cause, but are not yet adjudicated. The prosecuting attorney may refer a person to diversion either before or after arraignment and shall notify in writing the diversion program and the court of his or her intention to refer the person to diversion. The matter shall become confidential when notice is provided to the court, except that for persons who are subject to conditions of release imposed pursuant to 13 V.S.A. § 7554 and who are referred to diversion pursuant to subdivision (b)(2) of this section, the matter shall become confidential upon the successful completion of diversion. If a person is charged with a qualifying crime as defined in 13 V.S.A. § 7601(4)(A) and the crime is a misdemeanor, the prosecutor shall provide the person with the opportunity to participate in the court diversion program unless the prosecutor states on the record at arraignment or a subsequent hearing why a referral to the program would not serve the ends of justice. If the prosecuting attorney refers a case to diversion, the prosecuting attorney may release information to the victim upon a showing of legitimate need and subject to an appropriate protective agreement defining the purpose for which the information is being released and in all other respects maintaining the confidentiality of the information; otherwise, files held by the court, the prosecuting attorney, and the law enforcement agency related to the charges shall be confidential and shall remain confidential unless:

(A) the diversion program declines to accept the case;

(B) the person declines to participate in diversion;

(C) the diversion program accepts the case, but the person does not successfully complete diversion; or

(D) the prosecuting attorney recalls the referral to diversion.

* * *

(m) Notwithstanding subdivision (e)(1) of this section, the diversion program may accept cases pursuant to 33 V.S.A. §§ 5225 and 5280.

Sec. 3. [Deleted.]

Sec. 4. 4 V.S.A. § 27b is added to read:

§ 27b. ELECTRONICALLY FILED VERIFIED DOCUMENTS

(a) A registered electronic filer in the Judiciary's electronic document filing system may file any document that would otherwise require the approval or verification of a notary by filing the document with the following language inserted above the signature and date:

<u>I declare that the above statement is true and accurate to the best of my</u> <u>knowledge and belief.</u> <u>I understand that if the above statement is false, I will</u> <u>be subject to the penalty of perjury.</u>

(b) A document filed pursuant to subsection (a) of this section shall not require the approval or verification of a notary.

(c) This section shall not apply to an affidavit in support of a search warrant application or to an application for a nontestimonial identification order.

Sec. 5. 13 V.S.A. § 2904 is amended to read:

§ 2904. FALSE SWEARING; FALSE DECLARATION

(a) A person of whom an oath is required by law, who willfully swears falsely in regard to any matter or thing respecting which such oath is required, shall be guilty of perjury and punished as provided in section 2901 of this title.

(b) A person who declares, certifies, or verifies in a signed writing that a statement is true and is made under the pains and penalties of perjury, and who willfully makes a false statement in the declaration, certification, or verification, shall be guilty of perjury and punished as provided in section 2901 of this title.

Sec. 6. 13 V.S.A. § 11a is amended to read:

§ 11a. VIOLENT CAREER CRIMINALS

(a) The State may elect to seek the substitute penalty provided for in this section against a person who, after having been two times convicted within this State of a felony crime of violence, or under the law of any other state, government, or country, of a crime which, if committed in this State would be a felony crime of violence, is convicted of a third felony crime of violence within this State.

(b) If the State seeks a substitute penalty for one of the offenses enumerated in subsection (d) of this section, it shall give notice to the person by filing an information seeking the penalty contained in this section.

(c) A person charged under this section shall be sentenced upon conviction of such third or subsequent offense to imprisonment up to and including life.

(d) As used in this section, "felony crime of violence" shall mean the following crimes:

(1) arson causing death as defined in section 501 of this title;

(2) assault and robbery with a dangerous weapon as defined in subsection 608(b) of this title;

(3) assault and robbery causing bodily injury as defined in subsection 608(c) of this title;

(4) aggravated assault as defined in section 1024 of this title;

(5) murder as defined in section 2301 of this title;

(6) manslaughter as defined in section 2304 of this title;

(7) kidnapping as defined in section 2405 of this title or its predecessor as it was defined in section 2401 of this title;

(8) maiming as defined in section 2701 of this title;

(9) sexual assault as defined in subdivision 3252(a)(1) or (2) of this title or its predecessor as it was defined in section 3201 of this title;

(10) aggravated sexual assault as defined in section 3253 of this title;

(11) first degree unlawful restraint as defined in section 2407 of this title;

(12) first degree aggravated domestic assault as defined in section 1043 of this title where the defendant causes serious bodily injury to another person;

(13) lewd or lascivious conduct with a child as defined in section 2602 of this title where the child is under the age of 13 years and the defendant is 18 years of age or older.

(e) Notwithstanding any other provision of law to the contrary, the court shall not place on probation or suspend the sentence of any person sentenced under this section. No person who receives a minimum sentence under this section shall be eligible for early release or furlough until the expiration of the minimum sentence.

(f) For the purposes of this section, multiple convictions that arise out of the same criminal transaction are to be treated as one conviction. [Repealed.]

Sec. 7. 13 V.S.A. § 362 is amended to read:

§ 362. EXPOSING POISON ON THE LAND

A person who deposits any poison or substance poisonous to animals on his or her premises or on the <u>premise premises</u> or buildings of another, with the intent that it be taken by an animal, shall be in violation of subdivision 352(2) of this title. This section shall not apply to control of wild pests, protection of crops from insects, mice, and plant diseases, or the Department of Fish and Wildlife and employees and agents of the State Forest Service in control of destructive wild animals.

Sec. 8. 13 V.S.A. § 397 is amended to read:

§ 397. ADMINISTRATIVE PENALTY

In addition to the forfeiture of any award, premium, or trophy otherwise due, and in addition to other penalties provided by law, a person violating this chapter may be assessed an administrative penalty in an amount not to exceed \$1,000.00 by the Secretary. The Secretary shall utilize the provisions of 6 V.S.A. §§ 16 and 17 for purposes of assessing the penalty.

Sec. 9. 13 V.S.A. § 508 is amended to read:

§ 508. SETTING FIRES

A person who enters upon lands of another and sets a fire that causes damage shall be imprisoned not more than 60 days nor less than 30 days, or fined not more than \$100.00 nor less than \$10.00, or both. The provisions of this section shall not affect the provisions of sections section 507 and 3906 of this title.

Sec. 10. 13 V.S.A. § 1501 is amended to read:

§ 1501. ESCAPE AND ATTEMPTS TO ESCAPE

(a) A person who, while in lawful custody:

(1) escapes or attempts to escape from any correctional facility or a local lockup shall be imprisoned for not more than 10 years or fined not more than \$5,000.00, or both; or

(2) escapes or attempts to escape from an officer, if the person was in custody as a result of a felony, shall be imprisoned for not more than 10 years or fined not more than \$5,000.00, or both; or if the person was in custody as a

result of a misdemeanor, shall be imprisoned for not more than two years, or fined not more than \$1,000.00, or both.

(b)(1) A person shall not, while in lawful custody:

(A) fail to return from work release to the correctional facility at the specified time, or visits other than the specified place, as required by the order issued in accordance with 28 V.S.A. § 753;

(B) fail to return from furlough to the correctional facility at the specified time, or visits other than the specified place, as required by the order issued in accordance with 28 V.S.A. § 808, 808a, 808b, or 808c 28 V.S.A. § 808(a)(1)-(5);

(C) escape or attempt to escape while on release from a correctional facility to do work in the service of such facility or of the Department of Corrections in accordance with 28 V.S.A. § 758; or

(D) elope or attempt to elope from the Vermont Psychiatric Care Hospital or a participating hospital, when confined by court order pursuant to chapter 157 of this title, or when transferred there pursuant to 28 V.S.A. § 703 and while still serving a sentence.

(2) A person who violates this subsection shall be imprisoned for not more than five years or fined not more than \$1,000.00, or both.

(3) It shall not be a violation of subdivision (1)(A), (1)(B), or (1)(C) of this subsection (b) if the person is on furlough status pursuant to 28 V.S.A. \S 808(a)(6), 808(e), 808(f), 808a, 808b, or 808c.

(c) All sentences imposed under subsection (a) of this section shall be consecutive to any term or sentence being served at the time of the offense.

* * *

Sec. 11. 28 V.S.A. § 808e is added to read:

§ 808e. ABSCONDING FROM FURLOUGH; WARRANT

The Commissioner of Corrections may issue a warrant for the arrest of a person who has absconded from furlough status in violation of 28 V.S.A. § 808(a)(6), 808(e), 808(f), 808a, 808b, or 808c, requiring the person to be returned to a correctional facility. A person for whom an arrest warrant is issued pursuant to this section shall not earn credit toward service of his or her sentence for any days that the warrant is outstanding.

Sec. 12. 13 V.S.A. § 1504 is amended to read:

§ 1504. PLACE OF CONFINEMENT CONSTRUED

The words "place of confinement" as used in sections 1502 and 1503 of this title shall not be construed to include the Weeks School. [Repealed.]

Sec. 13. 13 V.S.A. § 2901 is amended to read:

§ 2901. PUNISHMENT FOR PERJURY

A person who, being lawfully required to depose the truth in a proceeding in a court of justice or in a contested case before a State agency pursuant to 3 V.S.A. chapter 25, commits perjury shall be imprisoned not more than 15 years and or fined not more than \$10,000.00, or both.

Sec. 14. 13 V.S.A. § 2535 is amended to read;

§ 2535. GUARDIAN

A guardian who embezzles or fraudulently converts to his or her own use, money, obligations, securities, or other effects or property belonging to the ward person under guardianship or the estate of the ward of whom he or she is guardian person under guardianship, shall be guilty of larceny and shall be imprisoned not more than 10 years or fined not more than \$1,000.00, or both.

Sec. 15. 13 V.S.A. § 3403 is amended to read:

§ 3403. MISPRISION OF TREASON

A person owing allegiance to this State, knowing such treason to have been committed, or knowing of the intent of a person to commit such treason, who does not, within 14 days from the time of having such knowledge, give information thereof to the Governor of the State, to one of the Justices of the Supreme Court, a Superior or District judge, or a justice of the peace, shall be guilty of misprision of treason and shall be imprisoned not more than 10 years nor less than five years or fined not more than \$2,000.00, or both.

Sec. 16. 13 V.S.A. § 3485 is amended to read:

§ 3485. PENALTY WHEN OFFENSE IS TREASON

A person who commits an offense punishable under one of sections 3481-3484 3482-3485 of this title, and such offense amounts to treason, shall be punished for treason in lieu of the penalty prescribed in such section.

Sec. 17. 13 V.S.A. § 5415 is amended to read:

§ 5415. ENFORCEMENT; SPECIAL INVESTIGATION UNITS

(a) Special investigation units, created pursuant to 24 V.S.A. § 1940, shall be responsible for the investigation of violations of this chapter's Registry requirements and are authorized to conduct in-person Registry compliance checks in a time, place, and manner it deems appropriate in furtherance of the purposes of this chapter. This section shall not be construed to prohibit local law enforcement from enforcing the provisions of this chapter.

(b) On or before November 1, 2019, and annually thereafter, local law enforcement agencies shall report to the Vermont Crime Information Center about any in-person Registry compliance checks that the agency has conducted during the preceding 12 months. The report shall include the total number of in-person compliance checks conducted during the 12-month period, the number of offenders who were in compliance, the number of offenders who were out of compliance, and the reasons for being out of compliance.

(c) The department of public safety Department of Public Safety shall report to the Senate and House Committees on Judiciary on or before December 15, 2009, and annually thereafter, regarding its efforts under this section.

Sec. 18. 13 V.S.A. § 7041 is amended to read:

§ 7041. DEFERRED SENTENCE

(a) Upon an adjudication of guilt and after the filing of a presentence investigation report, the court may defer sentencing and place the respondent on probation upon such terms and conditions as it may require if a written agreement concerning the deferring of sentence is entered into between the State's Attorney and the respondent and filed with the clerk of the court.

(b) Notwithstanding subsection (a) of this section, the court may defer sentencing and place the respondent on probation without a written agreement between the State's Attorney and the respondent if the following conditions are met:

(1) the respondent is 28 years old or younger; [Repealed.]

(2) the crime for which the respondent is being sentenced is not a listed crime as defined in subdivision 5301(7) of this title;

(3) the court orders a presentence investigation in accordance with the procedures set forth in V.R.C.P. Rule 32, unless the State's Attorney agrees to waive the presentence investigation;

(4) the court permits the victim to submit a written or oral statement concerning the consideration of deferment of sentence;

(5) the court reviews the presentence investigation and the victim's impact statement with the parties; and

(6) the court determines that deferring sentence is in the interests of justice.

* * *

Sec. 19. 13 V.S.A. § 7554c is amended to read:

§ 7554c. PRETRIAL RISK ASSESSMENTS; NEEDS SCREENINGS

* * *

(b)(6) Any person charged with a criminal offense or who is the subject of a youthful offender petition pursuant to 33 V.S.A. § 5280, except those persons identified in subdivision (2) of this subsection, may choose to engage with a pretrial services coordinator.

* * *

Sec. 20. 14 V.S.A. § 1203 is amended to read:

§ 1203. LIMITATIONS ON PRESENTATION OF CLAIMS

(a) All claims against a decedent's estate which that arose before the death of the decedent, including claims of the State and any subdivision thereof, whether due or to become due, absolute or contingent, liquidated or unliquidated, founded on contract, tort, or other legal basis, except claims for the possession of or title to real estate and claims for injury to the person and damage to property suffered by the act or default of the deceased, if not barred earlier by other statute of limitations, are barred against the estate, the executor or administrator, and the heirs and devisees of the decedent, unless presented as follows:

(1) within four months after the date of the first publication of notice to creditors if notice is given in compliance with the Rules of Probate Procedure; provided, <u>however, that</u> claims barred by the nonclaim statute of the decedent's domicile before the first publication for claims in this State are also barred in this State;

* * *

Sec. 21. 18 V.S.A. § 8840 is amended to read:

§ 8840. JURISDICTION AND VENUE

Proceedings brought under this subchapter for commitment to the Commissioner for custody, care, and habilitation shall be commenced by petition in the Criminal Family Division of the Superior Court for the unit in which the respondent resides.

Sec. 22. 24 V.S.A. § 1981 is amended to read:

§ 1981. ENFORCEMENT OF ORDER FROM JUDICIAL BUREAU

(a) Upon the filing of the complaint and entry of a judgment after hearing or entry of default by the hearing officer, subject to any appeal pursuant to 4 V.S.A. § 1107, the person found in violation shall have up to 30 days to pay the penalty to the Judicial Bureau. Upon the expiration of the period to pay the penalty, the person found in violation shall be assessed a surcharge of \$10.00 for the benefit of the municipality. All the civil remedies for collection of judgments shall be available to enforce the final judgment of the Judicial Bureau.

* * *

Sec. 23. 33 V.S.A. § 5204a is amended to read:

§ 5204A. JURISDICTION OVER ADULT DEFENDANT FOR CRIME COMMITTED WHEN DEFENDANT WAS UNDER AGE 18

(a) A proceeding may be commenced in the Family Division against a defendant who has attained the age of 18 years of age if:

(1) the petition alleges that the defendant $\overline{}$;

(A) before attaining the age of 18 years of age, violated a crime listed in subsection 5204(a) of this title; or

(B) after attaining 14 years of age but before attaining 18 years of age, committed an offense listed in 13 V.S.A. § 5301(7) but not listed in subsection 5204(a) of this title;

(2) a juvenile petition was never filed based upon the alleged conduct; and

(3) the statute of limitations has not tolled on the crime which the defendant is alleged to have committed.

(b)(1) The Family Division shall, except as provided in subdivision (2) of this subsection, transfer a petition filed pursuant to subsection (a) subdivision (a)(1)(A) of this section to the Criminal Division if the Family Division finds that:

(A) there is probable cause to believe that while the defendant was less than 18 years of age he or she committed an act listed in subsection 5204(a) of this title;

(B) there was good cause for not filing a delinquency petition in the Family Division when the defendant was less than 18 years of age;

(C) there has not been an unreasonable delay in filing the petition; and

(D) transfer would be in the interest of justice and public safety.

(2)(A) The If a petition has been filed pursuant to subdivision (a)(1)(A) <u>of this section</u>, the Family Division may order that the defendant be treated as a youthful offender consistent with the applicable provisions of subchapter 5 of chapter 52 <u>52A</u> of this title if the defendant is under 23 years of age and the Family Division:

(i) makes the findings required by subdivisions (1)(A), (B), and (C) of this subsection;

(ii) finds that the youth is amenable to treatment or rehabilitation as a youthful offender; and

(iii) finds that there are sufficient services in the Family Division system and the Department for Children and Families or the Department of Corrections to meet the youth's treatment and rehabilitation needs.

(B) If the Family Division orders that the defendant be treated as a youthful offender, the <u>Court court</u> shall approve a disposition case plan and impose conditions of probation on the defendant.

(C) If the Family Division finds after hearing that the defendant has violated the terms of his or her probation, the Family Division may:

(i) maintain the defendant's status as a youthful offender, with modified conditions of probation if the <u>Court court</u> deems it appropriate; or

(ii) revoke the defendant's youthful offender status and transfer the petition to the Criminal Division pursuant to subdivision (1) of this subsection.

(3) The Family Division shall in all respects treat a petition filed pursuant to subdivision (a)(1)(B) of this section in the same manner as a

petition filed pursuant to section 5201 of this title, except that the Family Division's jurisdiction shall end on or before the defendant's 22nd birthday, if the Family Division:

(A) finds that there is probable cause to believe that, after attaining 14 years of age but before attaining 18 years of age, the defendant committed an offense listed in 13 V.S.A. § 5301(7) but not listed in subsection 5204(a) of this title; and

(B) makes the findings required by subdivisions (b)(1)(B) and (C) of this section.

(4) In making the determination required by subdivision (1)(D) of this subsection, the <u>Court court</u> may consider, among other matters:

(A) the maturity of the defendant as determined by consideration of his or her age; home; environment; emotional, psychological, and physical maturity; and relationship with and adjustment to school and the community;

(B) the extent and nature of the defendant's prior criminal record and record of delinquency;

(C) the nature of past treatment efforts and the nature of the defendant's response to them;

(D) whether the alleged offense was committed in an aggressive, violent, premeditated, or willful manner;

(E) the nature of any personal injuries resulting from or intended to be caused by the alleged act;

(F) whether the protection of the community would be best served by transferring jurisdiction from the Family Division to the Criminal Division of the Superior Court.

(c) If the Family Division does not transfer the case a petition filed pursuant to subdivision (a)(1)(A) of this section to the Criminal Division or order that the defendant be treated as a youthful offender pursuant to subsection (b) of this section, the petition shall be dismissed.

Sec. 24. TASK FORCE ON CAMPUS SEXUAL HARM; REPORT

(a) Creation. There is created the Task Force on Campus Sexual Harm to examine issues relating to responses to sexual harm, dating and intimate partner violence, and stalking on campuses of postsecondary educational institutions in Vermont.

(b) Membership. The Task Force shall be composed of the following 19 members:

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

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

(3) two survivors of campus sexual assault, domestic violence, or stalking incidents, appointed by Vermont Center for Crime Victim Services;

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

(5) one representative of a community-based sexual violence advocacy organization, appointed by the Vermont Network Against Domestic and Sexual Violence;

(6) three Title IX Coordinators, one employed and appointed by the University of Vermont, one employed and appointed by the Vermont State Colleges, and one employed by a Vermont independent postsecondary educational institution, appointed by the President of the Association of Vermont Independent Colleges;

(7) one campus health and wellness educator or sexual violence prevention educator working in a Vermont postsecondary educational institution, appointed by the Higher Education Subcommittee of the Prekindergarten–16 Council;

(8) one victim advocate working in a Vermont postsecondary educational institution, appointed by the Higher Education Subcommittee of the PreK–16 Council;

(9) two students who are members of campus groups representing traditionally marginalized communities, appointed by the Higher Education Subcommittee of the Prekindergarten–16 Council;

(10) one community-based restorative justice practitioner, appointed by the Community Justice Network of Vermont;

(11) one representative appointed by the Pride Center of Vermont;

(12) one representative appointed by the Vermont Office of the Defender General;

(13) one representative appointed by the Vermont Department of State's Attorneys and Sheriffs;

(14) one representative appointed by the Vermont Bar Association, with expertise in working with postsecondary educational institutions on the

investigation and adjudication of sexual harassment and sexual assault allegations; and

(15) the Executive Director of the Vermont Human Rights Commission or designee.

(c) Powers and duties. The Task Force shall study the following:

(1) The pathways for survivors of sexual harm in postsecondary educational institutional settings to seek healing and justice and recommendations to increase or enhance those pathways.

(2) Issues with Vermont's campus adjudication processes as identified by survivors of sexual harm, dating and intimate partner violence, or stalking in postsecondary educational institutional settings, including the interface between campus adjudication processes and law enforcement.

(3) Issues relating to transparency, safety, affordability, accountability of outcomes, and due process in campus conduct adjudication processes for sexual harm, dating and intimate partner violence, or stalking, including:

(A) current and best practices relating to outcomes conveyed through a student's transcript record;

(B) the effectiveness of acts passed in New York in 2015 to address campus sexual assault and in Virginia in 2015 to include a notation "on the transcript of each student who has been suspended for, has been permanently dismissed for, or withdraws from the institution while under investigation for an offense involving sexual violence under the institution's code, rules, or set of standards governing student conduct";

(C) the effectiveness of requiring that student transcript records note expulsions or suspensions in order to trigger follow-up conversations between the transferring and receiving schools; and

(D) consideration of concerns raised by the Association of Title IX Administrators with regard to transcript notation, in support of proposed federal legislation known as the Safe Transfer Act (H.R.6523, 114th Congress).

(4) How to improve survivor safety in campus adjudication processes.

(5) Any State policy changes that should be made in response to Title IX changes at the federal level.

(6) How to enhance ties between postsecondary educational institutions and community organizations that focus on domestic and sexual violence.

(d) Assistance. For purposes of scheduling meetings and preparing recommended legislation, the Task Force shall have the assistance of the Office of Legislative Council.

(e) Report. On or before March 15, 2020, the Task Force shall submit a written report to the House and Senate Committees on Education and on Judiciary with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Executive Director of the Vermont Network Against Domestic and Sexual Violence or designee shall call the first meeting of the Task Force to occur on or before July 15, 2019.

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

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

(4) The Task Force shall cease to exist on March 16, 2020.

(g) Compensation and reimbursement.

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

(2) Other members of the Task Force who are not otherwise compensated for their service on the Task Force shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 25. REPEAL; EXTENSION

Sec. 2 of 2016 Acts and Resolves No. 167, as amended by Sec. E.204 of 2017 Acts and Resolves No. 185, is amended to read:

Sec. 2. REPEAL

4 V.S.A. § 38 (Judicial Masters) shall be repealed on July 1, 2020 2025.

Sec. 26. EFFECTIVE DATES

This act shall take effect on passage, except that Secs. 9 and 10 shall take effect on July 1, 2019.

Report of Committee of Conference

S. 95.

An act relating to municipal utility capital investment.

To the Senate and House of Representatives:

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

S.95. An act relating to municipal utility capital investment.

Respectfully report that they have met and considered the same and recommend that the House recede from its proposals 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. 24 V.S.A. § 1822 is amended to read:

§ 1822. POWERS; APPROVAL OF VOTERS

(a) In addition to the powers it may now or hereafter have, a municipal corporation otherwise authorized to own, acquire, improve, control, operate, or manage a public utility or project and to issue bonds pursuant to this subchapter, may also, by action of its legislative branch, exercise any of the following powers:

(1) to borrow money and issue bonds for the purposes of acquiring, improving, maintaining, financing, controlling, or operating the public utility or project, or for the purpose of selling, furnishing, or distributing the services, facilities, products, or commodities of such utility or project;

(2) to enter into contracts in connection with the issuance of bonds for any of the purposes enumerated in subdivision (1) of this subsection;

(3) to purchase, hold, and dispose of any of its bonds;

(4) to pledge or assign all or part of any net revenues of the public utility or project, to provide for or to secure the payment of the principal of and the interest on bonds issued in connection with such public utility or project;

(5) to do any and all things necessary or prudent to carry out the powers expressly granted or necessarily implied in this subchapter, including without limitation those powers enumerated in section 1824 of this title.

(b)(1) The bonds authorized under this section shall be in such form, shall contain such provisions, and shall be executed as may be determined by the legislative branch of the municipal corporation, but shall not be executed,

issued, or made, and shall not be valid and binding, unless and until at least a majority of the legal voters of such municipal corporation present and voting at a duly warned annual or special meeting called for that purpose shall have first voted to authorize the same.

(2) The warning calling such a meeting shall state the purpose for which it is proposed to issue bonds, the estimated cost of the project, the amount of bonds proposed to be issued under this subchapter therefor, that such bonds are to be payable solely from net revenues, and shall fix the place where and the date on which such meetings shall be held and the hours of opening and closing the polls.

(3) The notice of the meeting shall be published and posted as provided in section 1756 of this title.

(4) When a majority of all the voters voting on the question at such meeting vote to authorize the issuance of bonds under this subchapter to pay for such project, the legislative body shall be authorized to issue bonds or enter into contracts, pledges, and assignments as provided in this subchapter.

(5) Sections 1757 and 1758 of this title shall apply to the proceedings taken hereunder, except that the form of ballot to be used shall be substantially as follows:

Shall bonds of the (name of municipality) to the amount of \$______be issued under subchapter 2 of chapter 53 of Title 24, Vermont Statutes Annotated, payable only from net revenues derived from the (type) public utility system, for the purpose of paying for the following public utility project?

If in favor of the bond issue, make a cross (x) in this square \Box .

If opposed to the bond issue, make a cross (x) in this square \Box .

(c) The bonds authorized by this subchapter shall be sold at par, premium, or discount by negotiated sale, competitive bid, or to the Vermont Municipal Bond Bank.

(d) Notwithstanding the provisions of subsection (b) of this section, the legislative branch of a municipal corporation owning a municipal plant as defined in 30 V.S.A. § 2901 may authorize by resolution the issuance of bonds in an amount not to exceed 50 percent of the total assets of said municipal plant without the need for voter approval. Nothing in this subsection shall be interpreted as eliminating the requirement for approval from the Public Utility Commission pursuant to 30 V.S.A. § 108, where applicable.

Sec. 2. 30 V.S.A. § 108 is amended to read:

§ 108. ISSUE OF BONDS OR OTHER SECURITIES

* * *

(b) The provisions of this section shall not apply to <u>the Vermont Public</u> <u>Power Supply Authority or to</u> a public utility which that meets each and all of the following four conditions:

(1) is incorporated in some state other than Vermont;

(2) is conducting an interstate and intrastate telephone business which that is subject to regulation by the Federal Communications Commission in some respects;

(3) is conducting telephone operations in four or more states; and

(4) has less than 10 percent of its total investment in property used or useful in rendering service located within this State to the extent that such public utility may issue stock, bonds, notes, debentures, or other evidences of indebtedness not directly or indirectly constituting or creating a lien on any property used or useful in rendering service which that is located within this State.

(c)(1) A municipality shall not issue bonds or notes or pledge its net revenues under 24 V.S.A. chapter 53, respecting the ownership or operation of a gas or electric utility, unless the Public Utility Commission first finds, upon petition of the municipality and after notice and an opportunity for hearing, that the proposed action will be consistent with the general good of the State.

(2) If the Public Utility Commission does not issue its ruling within 90 days of the filing of the petition, as may be extended by consent of the municipality, the issuance of the proposed bonds or notes or pledge of net revenues shall be deemed to be consistent with the general good of the State.

(3) If the Public Utility Commission issues a ruling in accordance with subdivision (1) of this subsection, or does not rule within the period specified in subdivision (2) of this subsection, a municipality must subsequently obtain also have obtained voter approval in accordance with 24 V.S.A. chapter 53, if required, prior to issuing bonds or notes or pledging its net revenues.

(d) Notwithstanding the provisions of subsection (c) of this section, a municipality may:

(1) issue bonds or notes or pledge its net revenues payable within three years from the date of issue without such consent, provided such borrowing is necessary in an emergency to restore service immediately after damage by disaster; or

(2) issue bonds or notes or pledge its net revenues payable within one year of the date of issuance without the consent otherwise required by this subdivision, provided its total bonds, notes, or evidences of indebtedness so payable within one year do not exceed 20 percent of its total assets; or

(3) issue bonds or notes without the consent otherwise required by this subdivision, provided:

(A) the amount of the issuance plus the amount of any bond or note issuances during the previous 12 calendar months does not exceed 20 percent of the municipality's total assets; and

(B) after the proposed issuance, the total amount of the municipality's outstanding bonds, notes, or evidences of indebtedness would not exceed 50 percent of its total assets.

Sec. 3. 30 V.S.A. § 5031(a)(4) is amended to read:

(4) Bonds and notes may be issued in accordance with this chapter, subject to without the need to obtain the consent and approval of the Public Utility Commission as provided in this title.

Sec. 4. 30 V.S.A. § 8002 is amended to read:

§ 8002. DEFINITIONS

As used in this chapter:

* * *

(10) "Group net metering system" means a net metering system serving more than one customer, or a single customer with multiple electric meters, located within the service area of the same retail electricity provider. Various buildings owned by municipalities, including water and wastewater districts, fire districts, villages, school districts, and towns, may constitute a group net metering system. A union or district school facility shall may be considered in the same group net metering system with buildings of its member municipalities schools that are located within the service area of the same retail electricity provider that serves the facility.

* * *

Sec. 5. 30 V.S.A. § 8010 is amended to read:

§ 8010. SELF-GENERATION AND NET METERING

* * *

(f) Except for net metering systems for which the Commission has established a registration process, the Commission shall issue a final determination as to an uncontested application within 90 days of the date of the last substantive filing by a party.

Sec. 6. NET METERING; CUMULATIVE CUSTOMER CAPACITY; SCHOOLS AND SCHOOL DISTRICTS

(a) Legislative intent. Public Utility Commission Rule 5.129(D) establishes a 500 kW single customer limit and states that the cumulative capacity of net metering systems allocated to a single customer may not exceed 500 kW. It is the intent of the General Assembly that schools and school districts shall not be included in this 500 kW customer limit or cap. Specifically, it is the intent of the General Assembly that:

(1) Customers that are a school or school district shall have a cumulative capacity limit of 1 MW. This means that a school or school district may have multiple accounts as long as the allocated share of those multiple accounts does not exceed 1 MW in total.

(2) School districts that have been or may be created as a result of consolidation should not be penalized by the fact that the consolidation resulted in a cumulative capacity that exceeds the 1 MW limit. As a result, customers that are school districts that have been or may be created as a result of school district consolidation or merger shall have a cumulative capacity of the larger of 1 MW, or the cumulative capacity of the net metering systems the schools or school districts were participating in, or had agreed to participate in, prior to the consolidation that created the new district.

(b) Cumulative capacity of school net metering systems. Notwithstanding any provision of law to the contrary, the cumulative capacity of net metering systems allocated to a single customer:

(1) That is a public school, as defined in 16 V.S.A. § 11(7); an independent school, as defined in 16 V.S.A. § 11(8); a supervisory union, as defined in 16 V.S.A. § 11(23); or a school district, as defined in 16 V.S.A. § 11(10) shall not exceed 1 MW.

(2) That is a school district, as defined in 16 V.S.A. § 11(10), or a supervisory union, as defined in 16 V.S.A. § 11(23), created as a result of school district consolidation under 2010 Acts and Resolves No. 153, 2012 Acts

and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended, shall not exceed the greater of:

(A) the cumulative capacity of the net metering systems that the school districts were participating in, or had agreed to participate in, prior to consolidation; or

<u>(B) 1 MW.</u>

(c) Public Utility Commission rules. The Public Utility Commission shall amend Rule 5.129(D), or adopt a new rule, as necessary to implement this section. The amended, or new, rule shall clearly state that the 500 kW customer limit is no longer applicable to schools and school districts, that customers that are schools or school districts shall have a customer limit of 1 MW, unless, pursuant to subsection (b)(2)(A) of this section, the customer limit is greater than 1 MW.

Sec. 7. PUBLIC UTILITY COMMISSION; RULES

(a) The Public Utility Commission shall update its applicable rules for consistency with this act.

(b) The provisions of this act shall supersede any provisions to the contrary contained in the Public Utility Commission's rules as they existed immediately prior to the effective date of this act.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

MARK A. MACDONALD CHRISTOPHER A. PEARSON REBECCA A. BALINT

Committee on the part of the Senate

LAURA H. SIBILIA TIMOTHY C. BRIGLIN MICHAEL I. YANTACHKA

Committee on the part of the House

NOTICE CALENDAR

Second Reading

Favorable with Proposal of Amendment

H. 135.

An act relating to the authority of the Agency of Digital Services.

Reported favorably with recommendation of proposal of amendment by Senator Clarkson for the Committee on Government Operations.

The Committee recommends that the Senate propose to the House to amend the bill as follows:

By striking out Sec. 13, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 13. INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS; GOVERNANCE STRUCTURE; REPORT

(a) The Secretary of Administration, in collaboration with the Joint Information Technology Oversight Committee and the Secretary of Digital Services, shall consult with State government and public and private stakeholders to review the need for a governance structure to oversee and coordinate telecommunications and information technology planning, development, and funding, both internal and external to State government. The review shall:

(1) consider broadband, public safety, information technology, information security, networking reliability and resiliency, and geographic information systems; and

(2) reconcile long-term policy and goals for the planning requirements set forth in 3 V.S.A. § 3303 with the policy and goals set forth in 30 V.S.A. § 202c.

(b) On or before December 1, 2019, the Secretary of Administration shall submit a report and recommendations for legislation resulting from the review described in subsection (a) of this section to the Senate Committees on Finance, on Government Operations, and on Institutions and the House Committees on Corrections and Institutions and on Energy and Technology. The report shall include recommendations for legislation to incorporate long-term policy and goals for the planning requirements set forth in 3 V.S.A. § 3303.

Sec. 14. EFFECTIVE DATE

This act shall take effective on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for February 13, 2019, pages 162-175)

Reported favorably with recommendation of proposal of amendment by Senator MacDonald for the Committee on Finance.

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: By striking out Sec. 10, amending 30 V.S.A. § 202d, in its entirety

<u>Second</u>: In Sec. 13, information technology and telecommunications; governance structure; report, by adding a subsection (c) to read as follows:

(c) The review and report required by this section shall not impede or delay the State's work on the telecommunications plan, as required by 30 V.S.A. § 202d.

And by renumbering the remaining sections to be numerically correct.

(Committee vote: 5-0-2)

House Proposal of Amendment

S. 23

An act relating to increasing the minimum wage.

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

Sec. 1. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

(a)(1) An Except as otherwise provided pursuant to subdivision (B) of this subdivision (a)(1), an employer shall not employ any employee at a rate of less than \$9.15. Beginning on January 1, 2016, an employer shall not employ any employee at a rate of less than \$9.60. Beginning on January 1, 2017, an employer shall not employ any employee at a rate of less than \$10.00. Beginning on January 1, 2018, an employer shall not employ any employee at a rate of less than \$10.00. Beginning on January 1, 2018, an employer shall not employ any employee at a rate of less than \$10.00. Beginning on January 1, 2018, an employer shall not employ any employee at a rate of less than \$10.00. Beginning on January 1, 2018, and beginning \$10.78. Beginning on January 1, 2019 2020, and on each subsequent January 1, the minimum wage rate shall be increased by two and one quarter times the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or

successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, provided that the rate of increase shall not be more than five and one half percent, until the minimum wage is equal to or greater than \$15.00. On January 1 of the first year after the minimum wage rate reaches an amount that is equal to or greater than \$15.00 and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in . In no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest \$0.01.

(2) An employer in the hotel, motel, tourist place, and restaurant industry shall not employ a service or tipped employee at a basic wage rate less than one-half the minimum wage. As used in this subsection, "a service or tipped employee" means an employee of a hotel, motel, tourist place, or restaurant who customarily and regularly receives more than \$120.00 per month in tips for direct and personal customer service.

(3) If the minimum wage rate established by the U.S. government is greater than the rate established for Vermont <u>pursuant to subdivision (1) of this subsection</u> for any year, the minimum wage rate for that year shall be the rate established by the U.S. government.

* * *

(e)(1) A tip shall be the sole property of the employee or employees to whom it was paid, given, or left. An employer that permits patrons to pay tips by credit card shall pay an employee the full amount of the tip that the customer indicated, without any deductions for credit card processing fees or costs that may be charged to the employer by the credit card company.

(2) An employer shall not collect, deduct, or receive any portion of a tip left for an employee or credit any portion of a tip left for an employee against the wages due to the employee pursuant to subsection (a) of this section.

(3) This subsection shall not be construed to prohibit the pooling of tips among:

(A) service or tipped employees as defined pursuant to subsection (a) of this section; or

(B) service or tipped employees who are paid at least the federal minimum wage established pursuant to 29 U.S.C. § 206(a)(1) and non-supervisory employees who do not customarily and regularly receive more than \$120.00 per month in tips for direct and personal customer service.

(f)(1) Notwithstanding 2 V.S.A. § 20(d), on or before December 1, 2019, and on or before each subsequent December 1 until the minimum wage established pursuant to subdivision (a)(1) of this section reaches \$15.00, the Commissioner of Taxes shall submit a written report to the Governor and the General Assembly regarding whether the inflation-adjusted revenues from the sales tax imposed pursuant to 32 V.S.A. § 9771 and the use tax imposed pursuant to 32 V.S.A. § 9773 for the 12-month period ending on September 30 of that year have decreased by two percent or more relative to the revenues from the sales tax and use tax for the 12-month period ending on September 30 of the previous year.

(2) Notwithstanding subdivision (a)(1) of this section, the minimum wage rate established pursuant to subdivision (a)(1) shall be increased by the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1 or by five percent, whichever is smaller, on January 1 of the next calendar year if both of the following occur:

(A) the Commissioner of Taxes' report indicates that the inflationadjusted revenues from the sales tax imposed pursuant to 32 V.S.A. § 9771 and the use tax imposed pursuant to 32 V.S.A. § 9773 for the 12-month period ending on September 30 of that year have decreased by two percent or more relative to the revenues from the sales tax and use tax for the 12-month period ending on September 30 of the previous year; and

(B) the official State revenue estimate for the General Fund in the current or next fiscal year has been reduced by two percent or more.

Sec. 2. 21 V.S.A. § 383 is amended to read:

§ 383. DEFINITIONS

Terms used in this subchapter have the following meanings <u>As used in this</u> <u>subchapter</u>, unless a different meaning is clearly apparent from the language or context:

(1) "Commissioner," means the Commissioner of Labor or designee.

(2) "Employee," <u>means</u> any individual employed or permitted to work by an employer except:

* * *

(G) taxi-cab taxicab drivers;

(H) outside salespersons; and

(I) <u>secondary school</u> students <u>under 18 years of age</u> working during all or any part of the school year or regular vacation periods. <u>As used in this</u> <u>subdivision (2)(I), "regular vacation periods" does not include the period</u> between two successive academic years.

(3) "Occupation," <u>means</u> an industry, trade, ΘF business or branch thereof, or <u>a</u> class of work in which workers are gainfully employed.

(4) "Tip" means a sum of money gratuitously and voluntarily left by a customer for service, or indicated on a bill or charge statement, to be paid to a service or tipped employee for directly and personally serving the customer in a hotel, motel, tourist place, or restaurant. An employer-mandated service charge shall not be considered a tip.

Sec. 3. CHILD CARE FINANCIAL ASSISTANCE PROGRAM

(a) It is the intent of the General Assembly that investments and initiatives set forth in this section and Sec. 4 of this act are meant to complement the anticipated redesign of the Child Care Financial Assistance Program, which shall be monitored by the General Assembly.

(b) In fiscal year 2020, of the funds appropriated from the General Fund to the Department for Children and Families' Child Development Division, \$1,250,000.00 shall be used to restore the base for the Child Care Financial Assistance Program (CCFAP) and \$6,900,000.00 shall be used to adjust the sliding fee scale and reimbursement rates in CCFAP as follows:

(1) adjust the sliding fee scale of CCFAP to ensure that families whose gross income is up to 100 percent of the current federal poverty guidelines receive 100 percent of the available benefit and that families whose gross income is between 100 and 300 percent of the current federal poverty guidelines receive between 99 and 10 percent of the available financial assistance benefit, scaling between set eligibility levels as follows:

(A) 95 percent of the available financial assistance benefit for families at 125 percent of the current federal poverty guidelines;

(B) 75 percent of the available financial assistance benefit for families at 150 percent of the current federal poverty guidelines;

(C) 50 percent of the available financial assistance benefit for families at 200 percent of the current federal poverty guidelines; and

(D) 10 percent of the available financial assistance benefit for families at 300 percent of the current federal poverty guidelines; and

(2) align rates of reimbursement for preschool and school age children participating in CCFAP in fiscal year 2020 with the market rates reported on

the 2015 Vermont Market Rate Survey and maintain rates of reimbursement for infants and toddlers participating in CCFAP in fiscal year 2020 with the market rates reported on the 2017 Vermont Market Rate Survey.

Sec. 4. 33 V.S.A. § 3512(a)(4) is added to read:

(4) Beginning on January 1, 2025 and each subsequent year the minimum wage is increased thereafter, the Commissioner for Children and Families shall amend the Department for Children and Families' Child Care Financial Assistance Program to:

(A) adjust the sliding fee scale to correspond with each minimum wage increase required pursuant to 21 V.S.A. § 384(a)(1) in order to ensure that the benefit percentage at each new minimum wage level is not lower than the percentage applied under the former minimum wage; and

(B) adjust the rate of reimbursement paid to providers on behalf of families participating in the Child Care Financial Assistance Program in a manner that offsets the estimated increased cost of child care in Vermont resulting from an increase in the minimum wage required pursuant to 21 V.S.A. § 384(a)(1).

Sec. 5. INCREASES FOR EMPLOYEES OF CERTAIN MEDICAID-PARTICIPATING PROVIDERS AND INDEPENDENT DIRECT SUPPORT PROVIDERS; REPORT

(a) On or before December 15, 2019, the Secretary of Human Services, in consultation with the Joint Fiscal Office and relevant service providers, shall submit a written report to the House Committees on Appropriations, on General, Housing, and Military Affairs, on Health Care, and on Human Services and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Health and Welfare regarding the projected costs for fiscal years 2020 and 2021 of increasing Medicaid reimbursement rates to:

(1) Medicaid participating providers, including designated agencies, specialized service agencies, home health agencies, nursing homes, residential care homes, assisted living residences, and adult day agencies, by an amount necessary to facilitate the payment of wages to their employees who are providing services pursuant to the State Medicaid Program that are equal to at least the minimum wage set forth in 21 V.S.A. § 384; and

(2) independent direct support providers who are providing home- and community-based services pursuant to the State Medicaid Program to facilitate the payment of wages to those independent direct support providers that are equal to at least the minimum wage set forth in 21 V.S.A. § 384.

(b)(1) On or before August 15, 2019, the Secretary of Human Services shall request any documentation of wages and related costs that the Secretary determines to be necessary to develop the projections required pursuant to subsection (a) of this section from:

(A) Medicaid participating providers with employees who are providing services pursuant to the State Medicaid Program and earn wages that are at or near the minimum wage set forth in 21 V.S.A. § 384; and

(B) any fiscal services agency providing payroll services in relation to independent direct support providers who are providing home- and community-based services pursuant to the State Medicaid Program.

(2) Service providers and fiscal services agencies shall, on or before October 15, 2019, provide to the Secretary the documentation requested pursuant to subdivision (1) of this subsection.

(3) Any service provider that fails to provide the information requested by the Secretary pursuant to this subsection shall forfeit the right in fiscal years 2020 and 2021 to any increase in Medicaid reimbursement rates that is proposed pursuant to subsection (a) of this section.

Sec. 6. MINIMUM WAGE FOR EMPLOYERS PROVIDING BENEFITS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Minimum Wage for Employers Providing Benefits Study Committee to examine the possibility of creating a separate minimum wage rate for employers that provide certain benefits to their employees that would increase more slowly than the standard minimum wage.

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

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

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

(3) a representative of employers, who shall be appointed by the Speaker of the House;

(4) a representative of employees earning wages that are at or near the minimum wage, who shall be appointed by the Committee on Committees; and

(5) the Commissioner of Labor or designee.

(c) Powers and duties. The Committee shall study the possibility of creating a separate minimum wage rate for employers that provide certain benefits to their employees that would increase more slowly than the standard minimum wage, including the following topics:

(1) the experience of jurisdictions that have created a second minimum wage rate for employers that provide certain benefits to their employees that would increase more slowly than the standard minimum wage;

(2) the advantages and drawbacks of permitting an employer to qualify for a minimum wage rate that increases more slowly than the standard minimum wage by providing certain types of benefits, including health insurance, retirement, child care reimbursement, family and medical leave, and tuition reimbursement; and

(3) an appropriate minimum value of benefits that must be provided to qualify an employer for a second minimum wage rate that increases more slowly than the standard minimum wage.

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

(e) Report. On or before January 15, 2020, the Committee shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member from the House shall call the first meeting of the Committee to occur on or before September 15, 2019.

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

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

(4) The Committee shall cease to exist on January 31, 2020.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in his or her capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than four meetings.

(2) Other members of the Committee who are not otherwise compensated for their attendance at meetings shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than four meetings.

(3) Payments to members of the Committee authorized under this subsection shall be made from monies appropriated to the General Assembly.

Sec. 7. MINIMUM WAGE; ADJUSTMENT FOR INFLATION; REPORT

On or before January 15, 2023, the Office of Legislative Council and the Joint Fiscal Office shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding potential mechanisms for indexing the minimum wage established pursuant to 21 V.S.A. § 384 to inflation after 2024. In particular, the report shall:

(1) identify and examine mechanisms that other jurisdictions use to index their minimum wages to inflation and the potential benefits and disadvantages of each mechanism; and

(2) identify and examine any alternative mechanisms to index the minimum wage to inflation, including alternative measures of inflation, and the potential benefits and disadvantages of each mechanism.

Sec. 8. TIPPED AND STUDENT MINIMUM WAGE STUDY COMMITTEE; REPORT

(a) Creation. There is created the tipped and student minimum wage study committee to examine the effects of altering or eliminating the basic wage rate for tipped employees in Vermont and of eliminating the subminimum wage for secondary school students during the school year.

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

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

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

(3) the Commissioner of Labor or designee;

(4) the Commissioner for Children and Families or designee;

(5) one member representing employers in the food service or hospitality industry, appointed by the Speaker of the House; and

(6) one member representing tipped workers in the food service or hospitality industry, appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall study the effects of altering or eliminating the basic wage rate for tipped employees and of eliminating the subminimum wage for secondary school students during the school year, including the following issues:

(1) the impact in states that have eliminated their tipped wage on:

(A) jobs, prices, and the state economy; and

(B) the welfare of tipped workers, women, and working families with children;

(2) the impact in states that have increased their tipped wage during the last 10 years on:

(A) jobs, prices, and the state economy; and

(B) the welfare of tipped workers, women, and working families with children;

(3) the impact in states that have decoupled their tipped wage from the standard minimum wage during the last 10 years on:

(A) jobs, prices, and the state economy; and

(B) the welfare of tipped workers, women, and working families with children;

(4) the projected impact in Vermont of altering or eliminating the basic wage rate for tipped employees on:

(A) jobs, prices, and the State economy; and

(B) the welfare of tipped workers, women, and working families with children; and

(5) the projected impact in Vermont of eliminating the subminimum wage for secondary school students on jobs, prices, the State economy, and the welfare of individuals under 22 years of age.

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

(e) Report. On or before December 15, 2019, the Committee shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings and recommendations, if any, for legislative action related to Vermont's basic wage for tipped employees and subminimum wage for secondary school students.

(f) Meetings.

(1) The Commissioner of Labor shall call the first meeting of the Committee to occur on or before September 15, 2019.

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

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

(4) The Committee shall cease to exist on January 30, 2020.

(g) Compensation and reimbursement.

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

(2) Members of the Committee who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 9. MINIMUM WAGE FOR AGRICULTURAL WORKERS; WORKING GROUP; REPORT

(a) Creation. There is created the Agricultural Minimum Wage Working Group to examine the wage and hour laws for agricultural workers.

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

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

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

(3) The Secretary of Agriculture or designee; and

(4) The Commissioner of Labor or designee.

(c) Powers and duties. The Working Group shall study the wage and hour laws for agricultural workers, including the following issues:

(1) the overlapping legal requirements of the federal Fair Labor Standards Act and Vermont's wage and hour laws with respect to agricultural employees and employers;

(2) particular issues and challenges related to federal and State wage and hour laws that Vermont's agricultural employees and employers face; and

(3) how other states have addressed similar issues and challenges in their wage and hour laws.

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

(e) Report. On or before December 15, 2019, the Working Group shall submit a written report to the House Committees on Agriculture and on General, Housing, and Military Affairs and the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member from the House shall call the first meeting of the Working Group to occur on or before September 15, 2019.

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

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

(4) The Working Group shall cease to exist on January 30, 2020.

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

Sec. 10. LEGISLATIVE COUNCIL; DRAFT LEGISLATION

On or before January 15, 2020, the Office of Legislative Council shall prepare and submit a draft bill to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs that makes statutory amendments of a technical nature to modernize the statutory language of 21 V.S.A. chapter 5, subchapter 3. The draft bill shall also identify provisions of 21 V.S.A. chapter 5, subchapter 3 that may require amendment in order to eliminate out-of-date and obsolete provisions. The Office of Legislative Council shall

consult with the Commissioner of Labor to identify language requiring modernization and provisions that are out-of-date or obsolete.

Sec. 11. EFFECTIVE DATES

(a) In Sec. 2, 21 V.S.A. § 383, the amendments to subdivisions (2)(G) and (I) shall take effect on January 1, 2020. The remaining provisions of Sec. 2 shall take effect on July 1, 2019.

(b) The remaining sections of this act shall take effect on July 1, 2019.

House Proposal of Amendment

S. 37

An act relating to medical monitoring.

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

* * * Medical Monitoring * * *

Sec. 1. 12 V.S.A. chapter 219 is added to read:

CHAPTER 219. MEDICAL MONITORING

§ 7201. DEFINITIONS

As used in this chapter:

(1) "Disease" means any disease, illness, ailment, or adverse physiological or chemical change linked to exposure to a toxic substance.

(2) "Establishment" means any premises used for the purpose of carrying on or exercising any trade, business, profession, vocation, commercial or charitable activity, or governmental function.

(3) "Exposure" means ingestion, inhalation, or absorption through any body surface.

(4) "Facility" means all contiguous land, structures, other appurtenances, and improvements on the land where toxic substances are manufactured, processed, used, or stored. A facility may consist of several treatment, storage, or disposal operational units. A facility shall not include land, structures, other appurtenances, and improvements on the land owned by a municipality.

(5) "Large facility" means a facility:

(A) where an activity within a Standard Industrial Classification code of 10 through 14, 20 through 39, 40 through 42, 44 through 46, or 49 is conducted or was conducted; and (B)(i) where 10 or more full-time employees have been employed at any one time; or

(ii) that is owned or operated by a person who, when all facilities or establishments that the person owns or controls are aggregated, has employed 500 employees at any one time.

(6) "Medical monitoring" means a program of medical tests or procedures for the purpose of early detection of signs or symptoms of a latent disease resulting from exposure.

(7) "Operator" means a person who manages, conducts, or directs the operations of a facility.

(8) "Owner" means a person who owns or controls a facility. "Owner" shall not mean a person who without participating in the management of the facility holds indicia of ownership primarily to protect a security interest.

(9) "Person" means any individual; partnership; company; corporation; association; unincorporated association; joint venture; trust; municipality; the State of Vermont or any agency, department, or subdivision of the State; federal agency; or any other legal or commercial entity.

(10) "Release" means any act or omission that allows a toxic substance to enter the air, land, surface water, or groundwater.

(11) "Tortious conduct" or "tortious" means negligence, trespass, nuisance, product liability, or common law liability for ultra-hazardous or abnormally dangerous activity.

(12)(A) "Toxic substance" means any substance, mixture, or compound that may cause personal injury or disease to humans through ingestion, inhalation, or absorption through any body surface and that satisfies one or more of the following:

(i) the substance, mixture, or compound is listed on the U.S. Environmental Protection Agency Consolidated List of Chemicals Subject to the Emergency Planning and Community Right-To-Know Act, Comprehensive Environmental Response, Compensation and Liability Act, and Section 112(r) of the Clean Air Act;

(ii) the substance, mixture, or compound is defined as a "hazardous material" under 10 V.S.A. § 6602 or under rules adopted under 10 V.S.A. chapter 159;

(iii) testing has produced evidence, recognized by the National Institute for Occupational Safety and Health or the U.S. Environmental Protection Agency, that the substance, mixture, or compound poses acute or chronic health hazards;

(iv) the Department of Health has issued a public health advisory for the substance, mixture, or compound;

(v) the Secretary of Natural Resources has designated the substance, mixture, or compound as a hazardous waste under 10 V.S.A. chapter 159; or

(vi) exposure to the substance is shown by expert testimony to increase the risk of developing a latent disease.

(B) "Toxic substance" shall not mean:

(i) a pesticide when applied consistent with good practice; in conformity with federal, State, and local laws, rules, and regulations; and according to the manufacturer's instructions; or

(ii) ammunition or components thereof, firearms, air rifles, discharge of firearms or air rifles, or hunting or fishing equipment or components thereof.

<u>§ 7202. MEDICAL MONITORING FOR EXPOSURE TO TOXIC</u> <u>SUBSTANCES</u>

(a) A person without a present injury or disease shall have a cause of action for the remedy of medical monitoring against a person who is the owner or operator of a large facility from which a toxic substance was released if all of the following are demonstrated by a preponderance of the evidence:

(1) The person was exposed to the toxic substance as a result of tortious conduct by the owner or operator, or persons under the control of the owner or operator, who released the toxic substance.

(2) As a proximate result of the tortious exposure, the person has a greater risk of contracting a latent disease.

(3) Diagnostic testing is reasonably necessary. Testing is reasonably necessary if, shown by expert testimony, a physician would prescribe diagnostic testing because the person's increased risk of contracting the disease due to the exposure makes it reasonably necessary to undergo diagnostic testing different from what would normally be prescribed in the absence of the exposure.

(4) Medical tests or procedures exist to detect the latent disease.

(b) If the cost of medical monitoring is awarded, a court shall order the defendant found liable to pay the award to a court-supervised medical

monitoring program administered by one or more appropriate health professionals, including professionals with expertise in exposure to toxic substances or expertise with treating or monitoring the relevant latent disease or diseases.

(c) Upon an award of medical monitoring under subsection (b) of this section, the court shall award to the plaintiff reasonable attorney's fees and other litigation costs reasonably incurred.

(d)(1) This chapter shall be the exclusive remedy for a person without a present injury to bring a cause of action to seek medical monitoring due to exposure to toxic substance.

(2) Except as provided under subdivision (1) of this subsection, nothing in this chapter shall be deemed to preclude the pursuit of any other civil or injunctive remedy or defense available under statute or common law, including the right of any person to seek to recover for damages related to the manifestation of a latent disease. The remedies and defenses in this chapter are in addition to those provided by existing statutory or common law.

(e) This section shall not increase the rights and remedies available under 21 V.S.A. chapter 9 to an employee who suffers a personal injury by accident arising out of and in the course of employment, provided that 21 V.S.A. chapter 9 shall not limit the right of a person who has not suffered a personal injury by accident arising out of and in the course of employment to bring a cause of action for medical monitoring.

Sec. 2. [Deleted.]

* * * Hazardous Material Releases * * *

Sec. 3. 10 V.S.A. § 6615 is amended to read:

§6615. LIABILITY

(a) Subject only to the defenses set forth in subsections (d) and (e) of this section, the following persons shall be liable for abating a release or threatened release of hazardous material and the costs of investigation, removal, and remedial actions incurred by the State that are necessary to protect the public health or the environment:

(1) the owner or operator of a facility, or both;

(2) any person who at the time of release or threatened release of any hazardous material owned or operated any facility at which such hazardous materials were disposed of;

(3) any person who by contract, agreement, or otherwise arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment, of hazardous materials owned or possessed by such person, by any other person or entity, at any facility owned or operated by another person or entity and containing such hazardous materials; and

(4) any person who accepts or accepted any hazardous materials for transport to disposal or treatment facilities selected by such persons, from which there is a release, or a threatened release of hazardous materials shall be liable for; and

(A) abating such release or threatened release; and

(B) costs of investigation, removal, and remedial actions incurred by the State which are necessary to protect the public health or the environment.

(5) any person who manufactured for commercial sale a hazardous material and who knew or should have known that the material presented a threat of harm to human health or the natural environment.

* * *

(d)(1) There shall be no liability under this section for a person otherwise liable who can establish by a preponderance of the evidence that the release or threat of release of hazardous material and the resulting damages were caused solely by any of the following:

(A) An act of God.

(B) An act of war.

(C) An act or omission of a third party other than an employee or agent of the defendant, or other than one whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the defendant. If the sole contractual arrangement arises from a published tariff and acceptance for carriage by a common carrier by rail, for purposes of this section, there shall be considered to be no contractual relationship at all. This subdivision (d)(1)(C) shall only serve as a defense if the defendant establishes by a preponderance of the evidence:

(i) that the defendant exercised due care with respect to the hazardous material concerned, taking into consideration the characteristics of that hazardous material, in light of all relevant facts and circumstances; and

(ii) that the defendant took precautions against foreseeable acts or omissions of any such third party and the consequences that could foreseeably result from those acts or omissions.

(D) Any combination of subdivisions (A)-(C) of this subdivision (1).

(5) A person shall not be liable under subdivision (a)(5) of this section provided that the person demonstrates that he or she provided an adequate warning of the harm posed by the hazardous material known or which should have been known at the time the hazardous material was manufactured.

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(i) In an action brought by the Secretary under this section, a responsible person may implead, or in a separate action a responsible person may sue, another responsible person or persons and may obtain contribution or indemnification, except that a person who is solely liable pursuant to subdivision (a)(5) of this section shall not be able to implead or to sue a person pursuant to this subsection. A responsible person who has resolved its liability to the State under this section through a judicially approved settlement and a secured lender or fiduciary with whom the Secretary has entered into an agreement under subsection (h) of this section shall not be liable for claims for contribution or indemnification regarding matters addressed in the judicially approved settlement or in the agreement. Likewise, a person who has obtained a certificate of completion pursuant to subchapter 3 of this chapter shall not be liable for claims for contribution or indemnification regarding releases or threatened releases described in the approved corrective action plan, as amended. Such a settlement or agreement or certificate of completion does not discharge any other potentially responsible person unless its terms so provide, but it reduces the potential liability of other potentially responsible persons by the relief agreed upon. A secured lender or fiduciary with whom the Secretary has entered into an agreement under subsection (h) of this section may not seek contribution or indemnification on the basis of such agreement from any other potentially responsible person. In any action for contribution or indemnification, the rights of any person who has resolved its liability to the State shall be subordinate to the rights of the State.

Sec. 4. APPLICATION OF LIABILITY

Notwithstanding any contrary provision of 1 V.S.A. § 214, the amendment contained in 10 V.S.A. § 6615(a)(5) shall apply to any relevant release of a hazardous material regardless of the date of the relevant release, including releases that occurred prior to the effective date of 10 V.S.A. § 6615(a)(5).

* * * Effective Date * * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

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House Proposal of Amendment

S. 162

An act relating to promoting economic development.

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

* * * New Remote Worker Grant Program * * *

Sec. 1. 2018 Acts and Resolves No. 197, Sec. 1 is amended to read:

Sec. 1. NEW REMOTE WORKER GRANT PROGRAM

(a) As used in this section:

(1) "New remote worker" means an individual who:

(A) is a full-time employee of a business with its domicile or primary place of business within or 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) "Qualifying remote worker expenses" means actual costs a new remote worker incurs 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) The Agency of Commerce and Community Development shall design and implement the New Remote Worker Grant Program, which shall include a simple certification process to certify new remote workers and certify qualifying expenses for a grant under this section.

(2) A new remote worker may be eligible for a grant under the Program for qualifying remote worker expenses in the amount of not more than \$5,000.00 per year, not to exceed a total of \$10,000.00 per individual new remote worker over the life of the Program.

(3) The Agency shall award grants under the Program on a first-come, first-served basis, subject to available funding, as follows:

(A) not more than \$125,000.00 in calendar year 2019;

(B) not more than \$250,000.00 in calendar year 2020;

(C) not more than \$125,000.00 in calendar year 2021; and

(D) not more than \$100,000.00 per year in each subsequent calendar year, to the extent funding remains available.

(c) The Agency shall:

(1) adopt procedures for implementing the Program;

(2) promote awareness of the Program, including through coordination with relevant trade groups and by integration into the Agency's economic development marketing campaigns; and

(3) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the Program.

(d) On or before October 1, 2019, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the procedures adopted pursuant to subdivision (c)(1) of this section;

(2) the promotion and marketing of the Program pursuant to subdivision (c)(2) of this section; and

(3) any additional recommendations for qualifying remote worker expenses or qualifying workers that should be eligible under the Program, and any recommendations for the maximum amount of the grant.

* * * Vermont Employment Growth Incentive Program * * *

Sec. 2. REPEAL

32 V.S.A. § 3336 (enhanced incentive for workforce training) is repealed.

Sec. 3. VERMONT ECONOMIC PROGRESS COUNCIL; ECONOMIC DEVELOPMENT; STUDY

(a) The Agency of Commerce and Community Development, in consultation with the Vermont Economic Progress Council and other interested stakeholders, shall study the creation of statewide economic development tools that achieve the goals of our current economic development programs, including the Vermont Employment Growth Incentive Program, the Tax Increment Financing Program, and the Vermont Training Program. The study shall include options that do not utilize resources from the Education Fund and

options for how to sustain economic development in towns with both small and large populations.

(b) On or before January 15, 2020, the Agency shall submit a 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 with recommendations on the feasibility of the tools described in subsection (a) of this section, and if feasible, how they would be implemented.

* * * Permitting and State-Owned Airports * * *

Sec. 4. FINDINGS

The General Assembly finds:

(1) On January 15, 2019, the Secretary of Commerce and Community Development and the Secretary of Transportation updated the State's Economic Development and Economic Development Marketing Plans to incorporate the marketing of State-owned airports as an important tool for attracting and retaining businesses, enhancing workforce development, spearheading crucial technology advancements, and growing commerce essential to Vermont's future.

(2) On January 15, 2019, the Secretary of Transportation submitted to the General Assembly its Feasibility Evaluation of Electric Vehicle Charging Stations, Electric Aircraft Charging Stations, and Renewable Energy Generating Plants at State-Owned Airports Pursuant to Act 108 of 2018. The Evaluation noted that State-owned airports are suitable sites for electric vehicle charging stations and electric aircraft charging stations, and that solar photovoltaic installations can be compatible with airport operations.

Sec. 5. DEFINITIONS

As used in this act:

(1) "State-owned airport master permit" means all permits necessary to construct infrastructure, buildings, runway access, and related assets in support of general aviation and aviation-focused commercial and manufacturing enterprises at State-owned airports, excluding activities associated with runway expansion and infrastructure required for general airport operations. Permits included in the State-owned airport master permit include any applicable Act 250 permit, any applicable permits issued by the Agencies of Natural Resources and of Transportation, the Division of Fire Safety, the Natural Resources Board, and the Public Utility Commission. (2) "State-owned airport permit master plan" means a comprehensive plan to construct infrastructure, buildings, runway access, and related assets in support of general aviation and aviation-focused commercial and manufacturing enterprises at State-owned airports, excluding activities associated with runway expansion and infrastructure required for general airport operations. State-owned airport permit master plans may be developed by the Agency of Transportation, in consultation with the Agency of Commerce and Community Development, for the review and approval by the Agency of Natural Resources, the Department of Public Safety, the Natural Resources Board, and the Public Utility Commission prior to the submission of applications for permits in the State-owned airport master permit.

(3) "Renewable energy" has the same meaning as in 30 V.S.A. § 8002.

(4) "Renewable energy generating plant" means real and personal property, including any equipment, structure, or facility used for or directly related to the generation of electricity from renewable energy.

Sec. 6. APPLICATIONS FOR MASTER PERMITS

(a) The Agency of Transportation, in consultation with the Agency of Commerce and Community Development, is encouraged to obtain, as swiftly as practicable, all permits in the State-owned master airport permit necessary for growth, development, and facility upgrades at each State-owned airport. State-owned airport permit master plans shall include charging stations for electrified aircraft and, when practical, renewable energy generating plants that advance the State's preference to utilize all roof space for photovoltaic installations.

(b) In processing permits in the State-owned airport master permit sought by the Agency of Transportation, State agencies, departments, commissions, and boards may waive permit fees for all permits in the State-owned airport master permit provided that a State-owned airport permit master plan was reviewed and approved prior to the submission of any applications for permits in the State-owned master airport permit.

> * * * Delivery of Vermont Technical College Degree Programs at CTE Centers; Study; Pilot Programs * * *

Sec. 7. DELIVERY OF VERMONT TECHNICAL COLLEGE DEGREE PROGRAMS AT CAREER TECHNICAL EDUCATION CENTERS IN VERMONT; STUDY; PILOT PROGRAMS

(a) Study by Vermont Technical College. The Vermont Technical College (VTC) shall study how to best deliver all or a portion of fully accredited VTC associate degree programs at CTE centers in Vermont. The

study shall explore the viability of a new program to provide a locally convenient and financially affordable option to high school students and adult learners who want, while still enrolled with their CTE centers, to also enroll in a high-demand, high-skill, industry-specific associate degree offering. VTC shall collaborate with the CTE centers and the Agency of Education in conducting the study. In structuring the study, VTC shall consider:

(1) alignment of degree programs with workforce priority needs and career pathways identified by the Agency of Education;

(2) prevailing industry wages and gender equity in each identified career pathway;

(3) coherence with existing, State-supported postsecondary programs for secondary students, such as dual enrollment and early college programs under the flexible pathways laws, including potential impacts to, and alignment with, those programs;

(4) sustainable funding models, including costs for students, institutions, and adults;

(5) the financial risks of programmatic and funding model changes, with the goals of not negatively impacting the accreditation status or the financial status of any institution; and

(6) management of class scheduling and CTE partnerships to ensure access and programmatic success.

(b) Reports.

(1) On or before December 15, 2019, VTC shall submit a written report to the House and Senate Committees on Education and the State Board of Education with its findings and recommendations from the study required under subsection (a) of this section.

(2) If VTC recommends from its study that all or a portion of fully accredited VTC associate degree programs should be offered at CTE centers in Vermont, then VTC shall, in the fall 2020 semester, conduct up to two pilot programs that offer these degree programs in at least two CTE centers. If these pilot programs are conducted, on or before January 15, 2021, VTC shall submit a supplemental written report to the House and Senate Committees on Education and the State Board of Education with its findings and recommendations from the pilot programs.

* * * Workforce Training; Vermont Training Program; Weatherization * * *

Sec. 8. VERMONT TRAINING PROGRAM; WORKFORCE TRAINING ALLOCATIONS

(a) In an effort to promote access to training opportunities for Vermont small businesses, and to increase the resources available for employees to obtain credentials of value or apprenticeships, of the amounts appropriated to the Agency of Commerce and Community Development for the Vermont Training Program in fiscal year 2020:

(1) the Agency, working in partnership with the Department of Labor to identify appropriate opportunities, shall employ its best efforts to allocate 25 percent of Program funding to provide training that results in a credential of value or apprenticeship; and

(2) the Agency shall employ its best efforts to allocate 25 percent of Program funding to provide training for businesses with 50 or fewer employees.

(b) In its annual report submitted pursuant to 10 V.S.A. § 531(k) the Agency shall specifically address:

(1) whether it was able to achieve the allocations specified in subsection (a) of this section, and if not, the reasons therefor;

(2) the distribution of training funds by the number of employees of each business that benefitted from training;

(3) the distribution of training funds that resulted in an employee obtaining a credential of value or apprenticeship; and

(4) the extent to which the Program benefitted businesses with 50 or fewer employees.

Sec. 9. 10 V.S.A. § 531 is amended to read:

§ 531. THE VERMONT TRAINING PROGRAM

* * *

(d) In order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, the Secretary of Commerce and Community Development shall:

(1) consult with the Commissioner of Labor regarding whether the grantee has accessed, or is eligible to access, other workforce education and training resources;

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that, subject to the following:

(A) except for an award under an enhanced incentive for workforce training as provided in 32 V.S.A. § 3336, a grant for on-the-job training shall:

(i) for a business with 50 or fewer employees, either provide not more than 75 percent of wages for each employee in training or not more than 75 percent of trainer expense, but not both; and

(ii) for all other businesses, either provide not more than 50 percent of wages for each employee in training or not more than 50 percent of trainer expense, but not both, and further provided that; and

 (\underline{B}) training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.

* * *

(k) Annually on or before January 15, the Secretary shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs. In addition to the reporting requirements under section 540 of this title, the report shall identify:

(1) all active and completed contracts and grants;

(2) from among the following, the category the training addressed:

(A) preemployment training or other training for a new employee to begin a newly created position with the employer;

(B) preemployment training or other training for a new employee to begin in an existing position with the employer;

(C) training for an incumbent employee who, upon completion of training, assumes a newly created position with the employer;

(D) training for an incumbent employee who, upon completion of training, assumes a different position with the employer;

(E) training for an incumbent employee to upgrade skills;

(3) for the training identified in subdivision (2) of this subsection whether the training is <u>onsite</u> or classroom-based;

(4) the number of employees served;

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(5) the average wage by employer;

(6) any waivers granted;

(7) the identity of the employer, or, if unknown at the time of the report, the category of employer;

(8) the identity of each training provider;

(9) whether training results in a wage increase for a trainee, and the amount of increase; and

(10) the aggregated median wage of employees invoiced for training during the reporting period;

(11) the percentage growth in wages for all wage earners in the State during the reporting period; and

(12) the number, type, and description of grants for work-based learning programs and activities awarded pursuant to subsection (e) of this section.

Sec. 10. WORKFORCE TRAINING; WEATHERIZATION

(a) In fiscal year 2020 the Office of Economic Opportunity within the Department for Children and Families shall provide grant funding to the five Home Weatherization Assistance Programs for the purpose of recruiting and training individuals in the home weatherization industry.

(b) Grantees may use the funding for:

(1) recruiting Vermonters who are eligible for funding under the federal Workforce Innovation Opportunity Act;

(2) operations for weatherization training programs, including training coordinators across the State; and

(3) stipends and wage subsidies for training participants.

(c) The Home Weatherization Assistance Programs are also encouraged to apply for the federal Workforce Innovation Opportunity Act grant funds through the Department of Labor to supplement and enhance the weatherization training programs.

(d) On or before January 15, 2020, the Departments of Labor and for Children and Families shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with recommendations on best practices for recruiting, training, and retaining the weatherization workforce in this State. Sec. 11. 16 V.S.A. § 2846 is amended to read:

§ 2846. NONDEGREE ADVANCEMENT GRANTS

(a) The Corporation may establish grant programs an advancement grant program for residents pursuing nondegree education and training opportunities who do not meet the definition of student in subdivision 2822(3) of this title, and who may not meet the requirements of this subchapter.

(b) Nondegree grants <u>Advancement grants</u> may be used at institutions that are not approved postsecondary education institutions.

(c) The Corporation may adopt rules or establish policies, procedures, standards, and forms for nondegree advancement grants, including the requirements for applying for and using the grants and the eligibility requirements for the institutions where the grants may be used.

Sec. 12. 10 V.S.A. § 546 is added to read:

§ 546. STATE POSTSECONDARY ATTAINMENT GOAL

(a) It is the policy of the State of Vermont to:

(1) grow awareness of postsecondary pathways and the individual and public value of continued education after high school;

(2) expand postsecondary access so that students of all ages and backgrounds can pursue postsecondary education and training;

(3) increase postsecondary success by ensuring that Vermonters have the supports they need to complete a credential of value; and

(4) maximize partnerships across and within sectors to achieve State workforce development and education goals.

(b) In order to meet workforce and labor market demands, the State of Vermont shall take steps necessary to achieve a postsecondary attainment goal that not less than 70 percent of working-age Vermonters possess a degree or credential of value, as defined by the State Workforce Development Board, by the year 2025.

* * * Adult Career and Technical Education System * * *

Sec. 13. ADULT CTE SYSTEM

(a) Findings; purpose.

(1) Findings. The General Assembly finds:

(A) Like many rural states, Vermont faces demographic realities that have resulted in an historically low unemployment rate and created obstacles for employers that seek to hire and retain enough fully trained employees.

(B) Notwithstanding this high employer demand, due to rapidly changing technology and evolving business needs, potential employees may lack the particular skills and training necessary to qualify for available jobs.

(C) In order to assist employers and employees in matching demand to requisite skills, Vermont has a broad diversity of adult workforce education and training programs offered by multiple providers, including programs administered or funded by State government, educational institutions, business and industry, and private professionals.

(2) Purpose. Consistent with the goals and purposes of 2018 Acts and Resolves No. 189, pursuant to which the State Workforce Development Board and other stakeholders are currently engaged in planning the design and implementation of a fully integrated workforce development system, it is the purpose of the General Assembly to explore the creation of a fully integrated adult career and technical education system that:

(A) provides Vermonters throughout the State with high quality programs that are standardized, replicable, and offered with regularity and consistency;

(B) coordinates, or integrates where appropriate, the many programs and providers to maximize the efficient use of training resources; and

(C) features a governance structure that provides consistency across the system whenever appropriate, but also provides the flexibility necessary to respond to local and regional workforce demands.

(b) Adult CTE System.

(1) The Department of Labor, in collaboration with the Agency of Education, the Vermont State Colleges, and the Vermont Adult Technical Education Association, shall issue a request for proposals for consulting services, the purpose of which shall be to consider and report to the General Assembly on the design, implementation, and costs of an integrated adult career and technical education system that achieves the results specified in subdivision (a)(2) of this section.

(2) In performing his or her work, the consultant shall conduct a broad-based stakeholder engagement process to solicit input from interested parties, and State agencies and departments shall provide the consultant with necessary information and assistance within their relative areas of expertise.

(c) Report. On or before January 15, 2020 the Department of Labor shall submit a report on the work of the consultant selected and any recommendations for legislative action to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Workforce Recruitment; Military Base Recruitment * * *

Sec. 14. RELOCATION SUPPORT SYSTEM

(a) The Department of Labor shall:

(1) collaborate with key employers and nongovernmental organizations to ensure that appropriate expertise is available to program staff and individuals looking to enter Vermont's job market, through referrals or other information sharing mechanisms;

(2)(A) coordinate available information for each region that includes labor market information, housing and education information, recreation information, and other relevant resources; and

(B) make the information easily accessible for interested individuals to assist in aspects of preliminary decision making; and

(3) convene regional, multidisciplinary teams that:

(A) comprise partners with expertise from relevant sectors, including housing, transportation, education, health, child care, recreation, and economic development; and

(B) provide community-level knowledge, support, and services to best meet the needs of prospective employees.

(b) State agencies and State-funded programs shall coordinate with the Department to ensure that services and information that could assist a person in relocating to Vermont are made available through an integrated, employee-centered system.

Sec. 15. ON-BASE RECRUITMENT PILOT PROGRAM

(a) The Department of Labor shall work with the Vermont National Guard and public and private employers in health care, construction, manufacturing, business services, transportation, and human services to pilot an on-base recruitment effort that encourages service members separating from military service to relocate to Vermont.

(b) The Department shall coordinate with the Agency of Commerce and Community Development to direct available marketing and outreach funds to support targeted recruitment events held on military bases. (c) The Department shall provide limited organizational support to employers interested in participating in private-pay travel to military bases in conjunction with other employers, representatives of the Vermont National Guard, and State officials for the purpose of promoting employment and relocation to Vermont.

(d) Not more than \$25,000.00 in General Funds may be allocated to the Department to support staff time, supplies, necessary travel, and other related costs.

(e) On or before January 15, 2020, the Department shall report to the House Committees on Commerce and Economic Development and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations concerning implementation and outcomes of this pilot program.

* * * Workforce Training and Credentialing; Nurse Educators; New Americans; Workers with Barriers to Employment * * *

Sec. 16. OFFICE OF PROFESSIONAL REGULATION; REPORT

(a) The Office of Professional Regulation, in consultation with the Vermont Board of Nursing, Vermont State Colleges, the University of Vermont, Norwich University, and other interested stakeholders, shall review statutory, regulatory, and accreditation standards for nursing programs within the State and nationally with the purpose of identifying barriers to recruitment and retention of nurse educators in nursing education programs.

(b) The Office of Professional Regulation shall evaluate the appropriateness of the level of credential and experience currently required for nurse educators in clinical settings.

(c) On or before December 15, 2019, the Office of Professional Regulation shall report its findings, including recommendations for any statutory or regulatory changes to facilitate recruitment and retention of nurse faculty, to the House Committees on Commerce and Economic Development and on Government Operations and to the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations.

Sec. 17. STUDY; WORKFORCE DEVELOPMENT OPPORTUNITIES FOR REFUGEES, IMMIGRANTS, AND ASYLUM SEEKERS

(a) Creation. There is created a task force on workforce development opportunities for refugees, immigrants, and asylum seekers living in Vermont.

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

(1) the State Refugee Coordinator;

(2) a member with expertise in new American workforce development issues appointed by the Agency of Human Services Secretary;

(3) the executive director of AALV or designee;

(4) the president of Vermont's U.S. Committee for Refugees and Immigrants or designee;

(5) the director of CVOEO's financial futures program or designee;

(6) a representative of Burlington's Community Economic Development Office's Sustainability, Housing, and Economic Development department;

(7) two Vermont employers, one of whom is engaged in business in the agricultural sector and one of whom is engaged in business in another sector, with experience hiring and cultivating new American workers appointed by the Chair of the State Workforce Development Board;

(8) two members of Vermont's refugee, immigrant, and immigrant communities, one appointed by each of AALV and Vermont's U.S. Committee for Refugees and Immigrants;

(9) an appointee of the University of Vermont with research expertise in refugee and New American migration in Vermont;

(10) a member appointed by the Vermont Migrant Education Project;

(11) a member appointed by the Community Asylum Seekers Project; and

(12) a member appointed by Rutland Welcomes.

(c) Powers and duties. The task force shall study the following:

(1) recommendations identified in relevant studies and reports;

(2) cultural competency support needed in Vermont's employment settings;

(3) training, apprenticeship, and mentorship needs and opportunities;

(4) tools and supports needed for refugees to effectively apply preexisting educational and professional credentials in Vermont settings; and

(5) additional supports needed to ensure employment opportunities, including child care and transportation.

(d) Meetings.

(1) The State Refugee Coordinator shall call the first meeting of the task

force to occur on or before September 1, 2019.

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

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

(4) The task force shall meet not more than six times and shall cease to exist on January 15, 2020.

(e) Report. On or before December 1, 2019, the task force shall report to the House Committees on Commerce and Economic Development, on Government Operations, and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs, on Government Operations, and on Appropriations concerning its findings, recommendations for proposed legislation, and investments in order of priority.

Sec. 18. DEPARTMENT OF LABOR; FIDELITY BONDS

Of the amounts appropriated to the Department of Labor in fiscal year 2020 from the Workforce Education and Training Fund, the Department shall allocate not more than \$3,000.00 to purchase fidelity bonds through the Federal Bonding Program to provide insurance against theft or loss for insurers to hire workers with barriers to employment.

Sec. 19. REGISTRY OF EMPLOYERS

(a) The Department of Labor shall create and maintain on its website a registry of employers who accept applications and are willing to hire workers with barriers to employment, including workers in recovery from addiction and workers with past incarceration.

(b) On or before January 15, 2020, the Department shall report to the House Committees on Commerce and Economic Development and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations concerning the creation of the registry and the extent the registry assisted employers and employees with barriers to employment.

Sec. 20. CORRECTIONS; WORKFORCE TRAINING

(a)(1) On or before October 10, 2019, the Department of Corrections and the Department of Labor shall execute a memorandum of understanding regarding a standardized program of education and training for all new and existing probation and parole officers that includes components related to:

(A) minimizing barriers for offenders to obtaining and maintaining employment; and

(B) minimizing the impact of program and supervision requirements on the offender's employment, including monitoring and facilitating compliance with Department of Corrections case plan goals based on best practices and consistent with public safety.

(2) The Departments shall provide written notice when the memorandum of understanding is executed to the chairs of the House Committees on Commerce and Economic Development and on Corrections and Institutions and to the Senate Committees on Economic Development, Housing and General Affairs and on Institutions.

(3) The Departments shall ensure that all incumbent probation and parole officers receive the education and training under the program on or before July 1, 2020.

(b) The Department of Corrections shall collaborate with the Department of Motor Vehicles and other partners as necessary to ensure that a sentenced inmate is provided with at least one form of government-issued identification, not to include an inmate identification card, upon release from incarceration.

(c)(1) On or before August 15, 2019, the Departments of Corrections and Labor shall report to the Joint Legislative Justice Oversight Committee concerning the Departments' progress towards developing the memorandum of understanding as required by this section.

(2) On or before December 15, 2020, the Departments of Corrections and Labor shall report to the House Committees on Commerce and Economic Development and on Corrections and Institutions and to the Senate Committees on Economic Development, Housing and General Affairs and on Institutions concerning the implementation of this section.

* * * Vermont Talent Pipeline Management Project * * *

Sec. 21. VERMONT TALENT PIPELINE MANAGEMENT PROJECT

(a) The Vermont Talent Pipeline Management Project brings value to Vermont's workforce and economic development initiatives by:

(1) convening employers by sector to create industry specific partnerships and employer informed initiatives aimed at addressing skill gaps;

(2) engaging education partners to develop and align programs that meet employer and incumbent needs; and

(3) highlighting policy, practice, and funding challenges that prevent access to training or that inhibit advancement of workers within high need areas of Vermont's economy.

(b) The Vermont Talent Pipeline Management Project is encouraged to collaborate in Vermont's workforce and economic development systems by:

(1) organizing, convening, and maintaining employer collaboratives in key sectors of the economy, identified by available labor market information;

(2) broadly sharing competency and credential requirements learned from employer collaboratives, and specifically engaging training and education partners in the development of new or modification of existing programs; and

(3) using a continuous improvement process to ensure employer needs are met.

* * * International Trade and Development * * *

Sec. 22. INTERNATIONAL TRADE, EDUCATION, AND CULTURAL EXCHANGE

On or before December 15, 2019, the Agency of Commerce and Community Development shall review and report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs on effective mechanisms to collaborate with regional partners and form formal partnerships that will promote international trade, as well as educational and cultural exchanges, between and among Vermont, the New England states, and foreign nations.

- * * * Agency of Commerce and Community Development; Structure and Organization * * *
- Sec. 23. AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT; STRUCTURE AND ORGANIZATION; REPORT

On or before January 15, 2020, the Secretary of Commerce and Community Development shall review and report to the House Committees on Commerce and Economic Development and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations concerning one or more proposals to amend the structure and organization of the Agency in order to enhance its ability to achieve its purposes and perform its duties.

* * * Ski Tramways * * *

Sec. 24. 31 V.S.A. § 707 is amended to read:

§ 707. REGISTRATION AND FEES

* * *

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(e)(1) All fees collected under this section shall be credited to a special fund for the Department to be expended for carrying out its duties under this chapter and may also be expended as provided pursuant to subdivision (2) of this subsection.

(2) The Passenger Tramway Board may expend amounts that it determines to be appropriate from the special fund established pursuant to subdivision (1) of this subsection for the purpose of contributing to ski lift mechanic education, job training, and apprenticeship programs.

* * * State Workforce Development Board * * *

Sec. 25. 10 V.S.A. § 541a(d) is amended to read:

(d) Operation of Board.

(1) Member representation.

(A) A member of the State Board may send a designee that meets the requirements of subdivision (B) of this subdivision (1) to any State Board meeting who shall count toward a quorum and shall be allowed to vote on behalf of the Board member for whom he or she serves as a designee.

(B) Members of the State Board or their designees who represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority <u>or relevant subject matter expertise</u> within the organizations, agencies, or entities.

(C) The members of the Board shall represent diverse regions of the State, including urban, rural, and suburban areas.

(2) Chair. The Governor shall select a chair for the Board from among the business representatives appointed pursuant to subdivision (c)(18) of this section.

(3) Meetings. The Board shall meet at least three times annually and shall hold additional meetings upon call of the Chair.

(4) Work groups; task forces <u>Committees</u>; work groups; ad hoc <u>committees</u>. The Chair, in consultation with the Commissioner of Labor, may:

(A) assign one or more members <u>or their designees to standing</u> <u>committees, ad hoc committees, or</u> work groups to carry out the work of the Board; and

(B) appoint one or more members of the Board, or nonmembers of the Board, or both, to one or more task forces for a discrete purpose and duration to a standing committee, ad hoc committee, or work group and determine whether the individual serves as an advisory or voting member,

provided that the number of voting nonmembers on a standing committee shall not exceed the number of Board members or their designees.

(5) Quorum meetings; voting.

(A) A majority of the sitting members of the Board shall constitute a quorum, and to be valid any action taken by the Board shall be authorized by a majority of the members present and voting at any regular or special meeting at which a quorum is present.

(B) The Board may permit one or more members to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or audio-conferencing conference telephone call, by which all members participating may simultaneously or sequentially communicate with each other during the meeting. A member participating in a meeting by this means is deemed to be present in person at the meeting.

(C) The Board shall deliver electronically the minutes for each of its meetings to each member of the Board and to the Chairs of the House Committees on Education and on Commerce and Economic Development, and to the Senate Committees on Education and on Economic Development, Housing and General Affairs.

(D) The Board may adopt in its bylaws the quorum, membership, and procedural requirements for standing committees.

(6) Reimbursement.

(A) Legislative members of the Board shall be entitled to compensation and expenses as provided in 2 V.S.A. § 406.

(B) Unless otherwise compensated by his or her employer for performance of his or her duties on the Board, a nonlegislative member of the Board shall be eligible for per diem compensation of \$50.00 per day for attendance at a meeting of the Board, and for reimbursement of his or her necessary expenses, which shall be paid through funds available for that purpose under the Workforce Innovation and Opportunity Act of 2014.

(7) Conflict of interest. A member of the Board shall not:

(A) vote on a matter under consideration by the Board:

(i) regarding the provision of services by the member, or by an entity that the member represents; or

(ii) that would provide direct financial benefit to the member or the immediate family of the member; or

(B) engage in any activity that the Governor determines constitutes a conflict of interest as specified in the State Plan required under 29 U.S.C. § 3112 or 3113.

(8) Sunshine provision. The Board shall make available to the public, on a regular basis through open meetings, information regarding the activities of the Board, including information regarding the State Plan adopted pursuant to 29 U.S.C. § 3112 or 3113 and prior to submission of the State Plan to the U.S. Secretary of Labor, information regarding membership, and, on request, minutes of formal meetings of the Board.

* * * Appropriations * * *

Sec. 26. APPROPRIATIONS

The amounts appropriated from the General Fund in Sec. B.1101(23) of H.542 (2019) for economic development initiatives shall be allocated as follows:

(1) \$450,000.00 to the Agency of Commerce and Community Development as follows:

(A) \$225,000.00 for economic development marketing pursuant to its authority in 3 V.S.A. § 2476(c) to execute the State's core Economic Development Marketing Plan through paid, owned, and earned media, utilizing technology, data, and analysis tools; and

(B) \$225,000.00 to identify, recruit, and provide relocation assistance to workers, including:

(i) identifying target audiences;

(ii) targeting through digital and social media; and

(iii) implementing strategies that convert visitors to residents and awarding grants for regional partnerships to help recruitment efforts at the local and regional levels.

(2) \$1,145,000.00 to the Department of Labor as follows:

(A) \$275,000.00 to implement a relocation support system and provide services pursuant to Sec. 14 of this act; and

(B) \$870,000.00 for workforce development and training as follows:

(i) \$350,000.00 for grants to provide weatherization training pursuant to Sec. 10 of this act;

(ii) \$50,000.00 for a grant to the Community College of Vermont to purchase equipment to provide robotics training at its Rutland location; and (iii) \$470,000.00 to the workforce education and training fund created in 10 V.S.A. § 543 to expand opportunities for apprenticeships, training, and adult career and technical education, which may include funding to replicate in additional locations the robotics training program at the Rutland location of the Community College of Vermont.

* * * Effective Dates * * *

Sec. 27. EFFECTIVE DATES

This act shall take effect on July 1, 2019, except that Secs. 5–6 (State-owned airports) shall take effect on passage.

House Proposal of Amendment to Senate Proposal of Amendment

H. 13

An act relating to miscellaneous amendments to alcoholic beverage and tobacco laws

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

<u>First:</u> By striking out Sec. 3 in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. 7 V.S.A. § 64 is amended to read:

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

* * *

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

<u>Second:</u> after Sec. 45, tax on spirits and fortified wines, by inserting a Sec. 45a to read as follows:

Sec. 45a. TRANSFER TO GENERAL FUND

(a) In fiscal year 2020, a minimum of \$18,370,000.00 shall be transferred from the Liquor Control Enterprise Fund to the General Fund. The amount transferred pursuant to this subsection shall include any amounts transferred pursuant to the fiscal year 2020 annual budget bill.

(b) In fiscal year 2021, a minimum of \$18,740,000.00 shall be transferred from the Liquor Control Enterprise Fund to the General Fund.

<u>Third:</u> By striking out Secs. 46–47 and their respective reader assistance headings in their entireties and inserting in lieu thereof Secs. 46–51 and their respective reader assistance headings to read as follows:

* * * Retail Licenses and Permits * * *

Sec. 46. 7 V.S.A. § 223 is amended to read:

§ 223. THIRD-CLASS LICENSES

(a)(1) The Board of Liquor and Lottery may grant to a person who operates a hotel, restaurant, club, boat, or railroad dining car, or who holds a manufacturer's or rectifier's license, a third-class license if:

(1) the person files an application accompanied by the fee provided in section 204 of this title for the premises in which the business of the hotel, restaurant, club, or manufacturer or rectifier is carried on or for the boat or railroad dining car- $\frac{1}{2}$

(2) the local control commissioners have approved the application; and

(2)(3) The the applicant shall satisfy satisfies the Board that:

 (\underline{A}) the applicant is the bona fide owner or lessee of the premises, boat, or railroad dining car:

(B) except in the case of clubs, the premises, boat, or railroad dining car has adequate and sanitary space and equipment for preparing and serving meals to the public; and

(C) that it the premises, boat, or railroad dining car is operated for the purpose covered by the license.

* * *

(d)(1) Except as otherwise provided in subdivision subdivisions (2) and (3) of this subsection and section 271 of this title, a person who holds a third-class license shall purchase from the Board of Liquor and Lottery all spirits and fortified wines dispensed in accordance with the provisions of the third-class license and this title.

(2) For a third-class license issued for a dining car or boat, the licensee may procure outside the State of Vermont spirits and fortified wines that are sold pursuant to the license.

(3) For a third-class license that is issued to a licensed manufacturer or rectifier of spirits or fortified wines, the licensee shall not be required to purchase from the Board of Liquor and Lottery spirits and fortified wines that it has manufactured or rectified before selling them pursuant to its third-class license.

* * *

* * * Tasting and Event Permits * * *

Sec. 47. 7 V.S.A. § 252 is amended to read:

§ 252. SPECIAL EVENT PERMITS

* * *

(c)(1) A licensed manufacturer or rectifier may be issued no not more than $104 \ 10$ special event permits during a for the same physical location in a calendar year.

(2) Each manufacturer or rectifier planning to attend a single special event pursuant to this section may be listed on a single permit for the special event. However, each attendance at a special event shall count toward the manufacturer's or rectifier's annual limit of 104 special event permits.

Sec. 48. 7 V.S.A. § 253 is amended to read:

§ 253. FESTIVAL PERMITS

* * *

(b) <u>A festival permit holder shall be permitted to conduct an event that is</u> open to the public at which malt beverages, vinous beverages, fortified wines, spirits, or any combination of the four are served.

(c)(1) A festival permit holder shall require individuals attending the festival to pay an entry fee of at least \$5.00.

(2) Alcoholic beverages served pursuant to a festival permit shall be served in compliance with the following limitations:

(A) Malt beverages shall be served to individuals attending the festival in amounts equal to not more than 12 ounces at one time and not more than 60 ounces total at any one festival.

(B) Vinous beverages shall be served to individuals attending the festival in amounts equal to not more than five ounces at one time and not more than 25 ounces total at any one festival.

(C) Fortified wines shall be served to individuals attending the festival in amounts equal to not more than three ounces at one time and not more than 15 ounces total at any one festival.

(D) Spirits shall be served to individuals attending the festival in amounts equal to not more than one ounce at one time and not more than five ounces total at any one festival.

(E) For festivals at which a combination of malt beverages, vinous beverages, fortified wines, and spirits are served, an individual shall not be served a combined total of more than six standard drinks. As used in this subdivision (E), a "standard drink" means an alcoholic beverage containing 0.6 fluid ounces or 14 grams of pure ethyl alcohol.

(3) A festival permit holder shall ensure that the festival complies with all applicable requirements of this title and the rules of the Board.

 $(\underline{d})(1)$ A festival permit holder may purchase invoiced volumes of malt or vinous beverages directly from a manufacturer or packager licensed in Vermont, or a manufacturer or packager that holds a federal Basic Permit or Brewers Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

(2) The invoiced volumes of malt or vinous beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event.

(c)(c) A festival permit holder shall be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt or vinous beverages pursuant to section 421 of this title.

(d)(f) A person shall be granted no not more than four 10 festival permits per year, and each permit shall be valid for no not more than four consecutive days.

* * * Manufacturing and Distribution of Alcohol * * *

Sec. 49. 7 V.S.A. § 271 is amended to read:

§ 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

(a)(1) The Board of Liquor and Lottery may grant a manufacturer's or rectifier's license upon application and payment of the fee provided in section 204 of this title that permits the license holder to <u>operate a facility that</u> manufacture manufactures or rectify rectifies:

(1)(A) malt beverages;

(2)(B) vinous beverages and fortified wines; or

(3)(C) spirits and fortified wines.

(2) A manufacturer or rectifier shall obtain a separate license for each facility at which it manufactures or rectifies alcoholic beverages.

* * *

(d)(1) The Board of Liquor and Lottery may grant to a licensed manufacturer or rectifier a first-class license or a first- and a third-class license, or both, permitting the licensee to sell alcoholic beverages to the public at an establishment located at the manufacturer's premises or rectifier's licensed facility, provided the manufacturer or rectifier owns or has direct control over that establishment.

(2) For a <u>A licensed</u> manufacturer of malt beverages, the premises of the manufacturer may include may operate up to two licensed establishments pursuant to this subsection that are located at the licensed manufacturing facility or on the property that is owned by the licensee and is contiguous real estate of with the license holder parcel of land on which the licensed manufacturing facility is located, provided the manufacturer owns or has direct control over both establishments.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, a manufacturer or rectifier that, on July 1, 2019, is operating at a location separate from its licensed manufacturing facility an establishment for which it was granted a first-class license or a third-class license, or both, before July 1, 2019 may continue to operate that establishment, and the local control commissioners and the Board may annually renew the licenses in effect for that establishment on July 1, 2019.

(e) The Board of Liquor and Lottery may grant a licensed manufacturer of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer's premises of the licensed manufacturing facility.

(f)(1) A licensed manufacturer or rectifier may serve alcoholic beverages with or without charge at an event held on the premises of the licensee at the licensed manufacturing or rectifying facility or at a location on the property that is owned by the licensee and is contiguous real estate of the licensee with the parcel of land on which the licensed facility is located, provided the licensee at least five days before the event gives the Division written notice of the event, including details required by the Division.

* * *

Sec. 50. 7 V.S.A. § 271 is amended to read:

§ 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

* * *

(d)(1) The Board of Liquor and Lottery may grant to a licensed manufacturer or rectifier a first-class license or a third-class license, or both, permitting the licensee to sell alcoholic beverages to the public at an

establishment located at the manufacturer's or rectifier's licensed facility, provided the manufacturer or rectifier owns or has direct control over that establishment.

(2) A licensed manufacturer of malt beverages may operate up to two licensed establishments pursuant to this subsection that are located at the licensed manufacturing facility or on property that is owned by the licensee and is contiguous with the parcel of land on which the licensed manufacturing facility is located, provided the manufacturer owns or has direct control over both establishments.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, a manufacturer or rectifier that, on July 1, 2019, is operating at a location separate from its licensed manufacturing facility an establishment for which it was granted a first-class license or a third-class license, or both, before July 1, 2019 may continue to operate that establishment, and the local control commissioners and the Board may annually renew the licenses in effect for that establishment on July 1, 2019. [Repealed.]

* * *

* * * Effective Dates * * *

Sec. 51. EFFECTIVE DATES

(a) Sec. 47 (special event permits) and Sec. 50 (repeal of manufacturer grandfather provision) shall take effect on July 1, 2020.

(b) All remaining sections shall take effect on July 1, 2019

House Proposal of Amendment to Senate Proposal of Amendment

H. 543

An act relating to capital construction and State bonding

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

<u>First</u>: In Sec. 1, legislative intent, in subsection (a), by striking out " $\frac{62,125,628.00}{125,628.00}$ " and inserting in lieu thereof $\frac{62,488,128.00}{125,628.00}$

<u>Second</u>: In Sec. 2, State buildings, in subdivision (b)(4), by striking out "<u>\$500,000.00</u>" and inserting in lieu thereof <u>\$700,000.00</u>, in subdivision (c)(3), by striking out "<u>\$7,328,313.00</u>" and inserting in lieu thereof <u>\$6,790,813.00</u> and by striking out all after subsection (c) and inserting in lieu thereof the following:

(d) For the amount appropriated in subdivision (b)(4) of this section, the Commissioner of Buildings and General Services is authorized to use up to \$200,000.00 to assess relative costs and resource requirements for potential construction of a correctional facility that ranges in scale in order to accommodate the results of the Council of State Governments' study described in Sec. 28 of this act; provided, however, that the funds shall only become available after approval by the Joint Fiscal Committee and the Joint Legislative Justice Oversight Committee. On or before March 15, 2020, the Commissioner shall submit a copy of the assessment to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

Appropriation – FY 2020	\$20,323,423.00
<u>Appropriation – FY 2021</u>	\$21,325,813.00
Total Appropriation – Section 2	\$41,649,236.00

<u>Third</u>: In Sec. 5, commerce and community development, in subdivision (a)(2), by striking out "50,000.00" and inserting in lieu thereof 537,500.00 and by striking out all after subsection (d) and inserting in lieu thereof the following:

(e) The funds shall become available after the Agency notifies the Department that the remaining funds to complete the project have been secured.

<u>Appropriation – FY 2020</u>	<u>\$487,500.00</u>
<u>Appropriation – FY 2021</u>	\$300,000.00
Total Appropriation – Section 5	\$787,500.00

<u>Fourth</u>: In Sec. 11, clean water initiatives, in subdivision (f)(1), by striking out "<u>10 V.S.A. § 1389(a)(B)(ii)</u>" and inserting in lieu thereof <u>10 V.S.A. § 1389(a)(1)(B)(ii)</u>

<u>Fifth</u>: By striking out Sec. 17, Sergeant at Arms, in its entirety and inserting in lieu thereof the following:

Sec. 17. SERGEANT AT ARMS

(a) The following sums are appropriated in FY 2020 to the Sergeant at Arms for the following projects:

(1) stand-alone digital public address system: \$175,000.00

(2) chairs for Committee rooms: \$30,000.00

(b) The sum of \$175,000.00 is appropriated in FY 2021 to the Sergeant at Arms for a stand-alone digital public address system.

(c) The Sergeant at Arms shall issue a request for proposal for the project described in subdivisions (a)(1) and subsection (b) of this section.

<u>Appropriation – FY 2020</u>	\$205,000.00
Appropriation – FY 2021	<u>\$175,000.00</u>
Total Appropriation – Section 17	\$380,000.00

<u>Sixth</u>: In Sec. 27, State House space; short-term; assessment, in subsection (a), by inserting in the State House after "needs"

<u>Seventh</u>: By striking out Sec. 28, Council on State Governments; corrections; study, and inserting in lieu thereof the following:

Sec. 28. COUNCIL OF STATE GOVERNMENTS; CORRECTIONS; STUDY

(a) Intent. It is the intent of the General Assembly to work with the Council of State Governments (CSG) to assess the population trends and programming in the State's corrections system and that the State consider criminal justice reform strategies as part of the Justice Reinvestment II initiative. It is also the intent of the General Assembly that this assessment and initiative shall inform infrastructure needs for State correctional facilities.

(b) Study. The Legislative Branch shall contract with the Council of State Governments to work with the Executive, Legislative, and Judicial Branches and conduct a review of programming, transitional services, and population trends in Vermont's correctional facilities. The review may include an evaluation of the women's population in Vermont and the programming and services needed to meet their needs, the detention population, and barriers that exist to reducing the population.

<u>Eighth</u>: By striking out Sec. 29a, Woodside Juvenile Rehabilitation Center; report, in its entirety.

<u>Ninth</u>: By striking out Sec. 30, replacement of Middlesex secure residential recovery facility; intent, in its entirety and inserting in lieu thereof the following:

Sec. 30. REPLACEMENT OF MIDDLESEX SECURE RESIDENTIAL RECOVERY FACILITY

(a) Intent. To the extent that the Department of Disabilities, Aging, and Independent Living amends its rules pertaining to therapeutic community residences to allow secure residential recovery facilities to utilize emergency involuntary procedures and that these rules are identical to the rules adopted by the Department of Mental Health governing the use of emergency involuntary procedures in psychiatric inpatient units, it is the intent of the General Assembly that the State shall replace the Middlesex Secure Residential Recovery Facility by:

(1) constructing a physically secure State-owned secure residential recovery facility for up to an additional 16 beds that meets the security standards currently used at the Middlesex Secure Residential Recovery Facility; and

(2) exploring the placement of interim secure residential recovery beds or permanent beds that could be flexible to meet other potential therapeutic community residential uses as determined by the Department of Mental Health.

(b) State-owned Secure Residential Recovery Facility Proposal.

(1) On or before October 15, 2019, the Secretary of Human Services and the Commissioner of Buildings and General Services shall develop a proposal that expedites the closure of the Middlesex Secure Residential Recovery Facility and provides for construction of a 16-bed State-owned secure residential recovery facility described in subsection (a) of this section and shall present this proposal to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

(2) With approval of the Speaker of the House and the President Pro Tempore, as appropriate, the House Committee on Corrections and Institutions and the Senate Committee on Institutions may meet up to one time when the General Assembly is not in session to evaluate the proposal described in subdivision (1) of this subsection and make a recommendation on the site location to the Joint Fiscal Committee. The Committees shall notify the Commissioner of Buildings and General Services and the Secretary of Human Services prior to holding a meeting pursuant to this subsection. Committee members shall be entitled to receive a per diem and expenses as provided in 2 V.S.A. \$406.

(3) The Joint Fiscal Committee shall review the recommendation of the Committees described in subdivision (2) of this section at its September or November 2019 meeting. If the Joint Fiscal Committee so determines, it shall approve the proposal as recommended by the Committees.

(c) Interim Secure Residential Recovery Beds.

(1) Interim bed negotiations. On or before the August 15, 2019, the Commissioner of Mental Health shall conduct an analysis of mental health bed needs in residential programs at secure residential recovery facilities across the State. Based on this analysis, the Secretary of Human Services may commence negotiations for placement of eight interim beds in a secure residential recovery facility or permanent beds that could be flexible to meet other potential therapeutic community residential uses with a target a completion date for negotiations of December 1, 2019. The Secretary shall not execute an agreement without legislative approval.

(2) Report. On or before December 15, 2019, the Agency shall submit a report to the House Committees on Appropriations, on Corrections and Institutions, and on Health Care and to the Senate Committees on Appropriations, on Institutions, and on Health and Welfare on the status of negotiations based on the Department of Mental Health's analysis of bed needs. To the extent the Agency determines it is an appropriate location for an alternative to the Middlesex Secure Residential Recovery Facility, the report shall include an analysis of operating secure residential recovery beds at Rutland Regional Medical Center and Rutland Mental Health Services.

<u>Tenth</u>: In Sec. 33, amending 2018 Acts and Resolves No. 190, Sec. 21, in Sec. 33a, in subsection (b), in the second sentence, by striking out "<u>a State correctional facility</u>" and inserting in lieu thereof <u>the Department of Corrections</u>

<u>Eleventh</u>: In Sec. 38, amending 2017 Acts and Resolves No. 84, as amended by 2018 Acts and Resolves No. 190, Sec. 26, in Sec. 36b, by striking out "June 30, 2020" and inserting in lieu thereof January 1, 2020

CONFIRMATIONS

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

<u>Diane B. Snelling</u> of Hinesburg – Chair, Natural Resources Board – By Sen. Campion for the Committee on Natural Resources and Energy. (5/16/19)

<u>Julia S. Moore</u> of Middlesex – Secretary, Agency of Natural Resources – By Sen. Bray for the Committee on Natural Resources and Energy. (5/17/19)

Marie Audet of Bridport – Member, Vermont Housing and Conservation Board – By Sen. Brock for the Committee on Economic Development, Housing and General Affairs. (5/21/19) David Boulanger of Hinesburg – Member, State Labor Relations Board – By Sen. Brock for the Committee on Economic Development, Housing and General Affairs. (5/21/19)

John Davis of South Burlington – Chair, Vermont Economic Progress Council – By Sen. Brock for the Committee on Economic Development, Housing and General Affairs. (5/21/19)

Alex Farrell of Burlington – Commissioner, Vermont State Housing Authority – By Sen. Brock for the Committee on Economic Development, Housing and General Affairs. (5/21/19)

Kathleen Keenan of St. Albans – Member, Employment Security Board – By Sen. Brock for the Committee on Economic Development, Housing and General Affairs. (5/21/19)