

Journal of the House

Thursday, May 23, 2019

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

Devotional Exercises

Devotional exercises were conducted by Rep. Martin LaLonde of South Burlington.

Rules Suspended; Report of Committee of Conference Adopted

H. 529

The bill appearing on the Calendar for Notice, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to the Transportation Program and miscellaneous changes to laws related to transportation

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses respectfully reported that it met and considered the same and recommended the following:

Report of Committee of Conference

H. 529

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

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

H.529. An act relating to the transportation program and miscellaneous changes to laws related to transportation.

Respectfully reports that it has met and considered the same and recommends that House accede to the Senate's proposal of amendment and that the Senate proposal of amendment be further amended as follows:

First: By striking out Sec. 6, Municipal Mitigation Assistance Program, in its entirety and inserting in lieu thereof the following:

Sec. 6. SPENDING AUTHORITY IN THE MUNICIPAL MITIGATION ASSISTANCE PROGRAM

(a) Spending authority for grants in the Municipal Mitigation Assistance Program in the Agency of Transportation's Proposed Fiscal Year 2020 Transportation Program (Revised February 21, 2019) is decreased by \$800,000.00 in special funds from the Clean Water Fund.

(b) If the Agency's fiscal year 2019 maintenance of effort requirement is attained and toll credits are approved by the Federal Highway Administration in fiscal year 2020, then spending authority for grants in the Municipal Mitigation Assistance Program in the Agency of Transportation's Proposed Fiscal Year 2020 Transportation Program (Revised February 21, 2019) is increased by \$200,000.00 in transportation funds.

* * * Amendment to Transportation Program – Aid for Town Highways * * *

Sec. 6a. SPENDING AUTHORITY IN STATE AID FOR TOWN HIGHWAYS

If the Agency's fiscal year 2019 maintenance of effort requirement is attained and toll credits are approved by the Federal Highway Administration in fiscal year 2020, then spending authority in the Town Highway Aid Program in the Agency of Transportation's Proposed Fiscal Year 2020 Transportation Program (Revised February 21, 2019) is increased by \$680,416.64 in transportation funds.

* * * Amendment to Transportation Program – Maintenance * * *

Sec. 6b. SPENDING AUTHORITY IN THE MAINTENANCE PROGRAM

Spending authority in the Maintenance Program in the Agency of Transportation's Proposed Fiscal Year 2020 Transportation Program (Revised February 21, 2019) is increased by \$100,000.00 in transportation funds.

Second: In Sec. 9, 19 V.S.A. § 10g(h), in the last sentence, by striking out the words "when requested by the municipality or when the Agency and the municipality concur that the project no longer is necessary" and inserting in lieu thereof the words upon the request or concurrence of the municipality provided that notice of the cancellation is included in the Agency's annual proposed Transportation Program

Third: By adding a new section to be Sec. 9a and reader assistance heading before the reader assistance heading for Sec. 10 to read:

* * * Project Cancellations * * *

Sec. 9a. PROJECT CANCELLATIONS

(a) Pursuant to 19 V.S.A. § 10g(h) (legislative approval for cancellation of projects), the General Assembly approves cancellation of the following project within the Bike and Pedestrian Facilities Program: Colchester – Improvements to the Mill Pond/Severence Road intersection.

(b) Pursuant to 19 V.S.A. § 10g(h) (legislative approval for cancellation of projects), the General Assembly approves cancellation of the following projects within the Town Highway Bridge Program: Belvidere BO 1448(), Springfield BO 1442 (40), Woodstock BO 1444 ().

Fourth: In Sec. 11, addition of Shelburne – South Burlington project and spending authority, in subsection (a), by striking out the words “candidate list of the” and inserting in lieu thereof Agency of Transportation’s Proposed Fiscal Year 2020 Transportation Program (Revised February 2, 2019)

Fifth: In Sec. 17, 19 V.S.A. § 306(a), by striking out “§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS”

Sixth: In Sec. 20, study of methods to increase public transit ridership, by striking out “(c)” and inserting in lieu thereof (b) and by striking out “(d)” and inserting in lieu thereof (c)

Seventh: By adding a new section to be Sec. 20a and reader assistance heading before the reader assistance heading for Sec. 21 to read:

* * * Report on State-Owned Railroad Line

Between Montpelier and Barre * * *

Sec. 20a. REPORT ON STATE-OWNED RAILROAD LINE BETWEEN
MONTPELIER AND BARRE

(a) The Agency of Transportation shall deliver a written report on the following to the House and Senate Committees on Transportation on or before December 1, 2019:

(1) an itemized estimate of costs to upgrade the State-owned railroad line between Montpelier and Barre to meet commuter rail standards; and

(2) an estimate of the construction schedule should the General Assembly include the upgrades necessary to meet commuter rail standards in a future Transportation Program.

(b) The report shall be neutral regarding the type of passenger rail car to be operated on the State-owned railroad line between Montpelier and Barre.

Eighth: In Sec 33, 30 V.S.A. § 8002(16), by striking out the words “for profit” and inserting the word primarily before the words “supply electricity to”

Ninth: By striking out Sec. 34, vehicle incentive and emissions repair programs, in its entirety and inserting in lieu thereof the following:

Sec. 34. VEHICLE INCENTIVE AND EMISSIONS REPAIR PROGRAMS

(a) Vehicle incentive and emissions repair programs administration.

(1) The Agency of Transportation (Agency), in consultation with the Agency of Natural Resources, the Agency of Human Services, the Department of Public Service, Vermont electric distribution utilities that are offering incentives for PEVs, and the State's network of community action agencies, shall establish and administer the programs described in subsections (b) and (c) of this section.

(2) The Agency is authorized to spend \$2,000,000.00 as appropriated in the fiscal year 2020 budget on the two programs described in subsections (b) and (c) of this section.

(3) Subject to State procurement requirements, the Agency may retain a contractor or contractors to assist with marketing, program development, and administration of the two programs and up to \$150,000.00 of program funding may be set aside for this purpose.

(4) The Agency shall annually evaluate the two programs to gauge effectiveness and submit a written report on the effectiveness of the programs to the House and Senate Committees on Transportation, the House Committee on Energy and Technology, and the Senate Committee on Finance on or before the 31st day of December in each year that an incentive or repair voucher is provided through one of the programs.

(b) Electric vehicle incentive program. A new PEV purchase and lease incentive program for Vermont residents shall structure PEV purchase and lease incentive payments by income to help all Vermonters benefit from electric driving, including Vermont's most vulnerable. Specifically, the program shall:

(1) apply to both purchases and leases of new PEVs with an emphasis on creating and matching incentives for exclusively electric powered vehicles that do not contain an onboard combustion engine;

(2) provide incentives to Vermont households with low and moderate income at or below 160 percent of the State's prior five-year average Median Household Income (MHI) level;

(3) apply to manufactured PEVs with a Base Manufacturer's Suggested Retail Price (MSRP) of \$40,000.00 or less; and

(4) provide no less than \$1,100,000.00, of the initial \$2,000,000.00

authorization, in PEV purchase and lease incentives.

(c) High fuel efficiency vehicle incentive and emissions repair program. A used high fuel efficiency vehicle purchase incentive and emissions repair program for Vermont residents shall structure high fuel efficiency purchase incentive payments and emissions repair vouchers by income to help all Vermonters benefit from more efficient driving, including Vermont's most vulnerable. Specifically, the program shall:

(1) apply to purchases of used high fuel-efficient motor vehicles, which for purposes of this program shall be pleasure cars with a combined city/highway fuel efficiency of at least 40 miles per gallon or miles per gallon equivalent as rated by the Environmental Protection Agency when the vehicle was new, and repairs of certain vehicles that failed the on board diagnostic (OBD) systems inspection;

(2) provide vouchers through the State's network of community action agencies and base eligibility for the point-of-sale voucher on the same criteria used for income qualification for weatherization services through the Weatherization Program and eligibility for the point-of-repair vouchers on the same criteria used for income qualification for Low Income Home Energy Assistance Program (LIHEAP) through the State's Economic Services Division within the Department for Children and Families; and

(3) provide one of the following to qualifying individuals:

(A) a point-of-sale voucher of up to \$5,000.00 to assist in the purchase of a used high fuel-efficient motor vehicle that may require that a condition of the voucher be that if the individual is the owner of either a motor vehicle that failed the OBD systems inspection or a motor vehicle that is more than 15 years old and has a combined city/highway fuel efficiency of less than 25 miles per gallon as rated by the Environmental Protection Agency when the vehicle was new that the vehicle will be removed from operation and either donated to a nonprofit organization to be used for parts or destroyed; or

(B) a point-of-repair voucher to repair a motor vehicle that was ready for testing, failed the OBD systems inspection, requires repairs that are not under warranty, and will be able to pass the State's vehicle inspection once the repairs are made provided that the point-of-repair voucher is commensurate with the fair market value of the vehicle to be repaired and does not exceed \$2,500.00, with \$2,500.00 vouchers only being available to repair vehicles with a fair market value of at least \$5,000.00.

(d) Emissions repair training report. The Department of Labor, in consultation with the Department for Children and Families, the Agency, SerVermont, ReSOURCE, and the Vermont Adult Career & Technical

Education Association, shall evaluate whether to establish a program to provide vehicle repair services for income-eligible Vermonters whose primary vehicle was ready for testing, failed the OBD systems inspection, requires repairs that are not under warranty, and will be able to pass the State's vehicle inspection once the repairs are made and report back to the House and Senate Committees on Transportation, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs with recommendations on implementation and how to fund such a program on or before February 1, 2020.

Tenth: In Sec. 40, 29 V.S.A. § 903(g), in the second sentence, by inserting the words and provided that the vehicles are comparable and meet the State's needs after the words "whenever possible"

Eleventh: In Sec. 41, 29 V.S.A. § 903(g), in the second sentence, by inserting after the words "whenever possible" the following:

and provided that the vehicles are comparable and meet the State's needs

Twelfth: In Sec. 43, 19 V.S.A. § 38, in subsection (c), by striking out "no more than \$300,000.00 per grant" and inserting in lieu thereof shall not exceed \$300,000.00 per grant allocation

Thirteenth: In Sec. 44, 22 V.S.A. § 1222(a), in the first sentence, by striking out the number "15" and inserting in lieu thereof the number 16

Fourteenth: By striking out Sec. 45, rulemaking; immediate implementation, in its entirety and inserting in lieu thereof the following:

Sec. 45. RULEMAKING; IMMEDIATE IMPLEMENTATION

(a) Within 14 days after the effective date of this section, the Commissioner of Motor Vehicles shall file with the Secretary of State a proposed amended rule governing vehicle inspections in this State (Periodic Inspection Manual) that is consistent with amendments to 23 V.S.A. § 1222 in Sec. 44 of this act, with the effect that no motor vehicle that is more than 16 model years old will be required to undergo an on board diagnostic (OBD) systems inspection.

(b) On or before July 1, 2019, the Commissioner shall update the content of inspections conducted through the Automated Vehicle Inspection Program to exclude any requirements of the current Periodic Inspection Manual that are inconsistent with the amendments to 23 V.S.A. § 1222 in Sec. 44 of this act, with the effect that no motor vehicle that is more than 16 model years old will be required to undergo an OBD systems inspection.

(c) In the event that the Commissioner cannot update the content of

inspections conducted through the Automated Vehicle Inspection Program in accordance with subsection (b) of this section on or before July 1, 2019,

the Commissioner shall develop and implement a temporary work-around to go into effect no later than July 1, 2019 that ensures that no motor vehicle that is more than 16 model years old will be required to undergo an OBD systems inspection.

Fifteenth: In Sec. 46, vehicle feebate report, by striking out “Sec. 46. VEHICLE FEEBATE REPORT” and inserting in lieu thereof Sec. 46. VEHICLE FEEBATE AND VEHICLE INCENTIVE PROGRAMS FUNDING REPORT and by striking out the reader assistance heading and inserting in lieu thereof:

* * * Vehicle Feebate and Vehicle Incentive Programs Funding Report * * *

Sixteenth: By striking out Sec. 48, 10 V.S.A. § 503, in its entirety and inserting in lieu thereof the following:

Sec. 48. 10 V.S.A. § 503 is amended to read:

§ 503. PENALTY

A person who violates this chapter shall be ~~fin~~ed assessed a civil penalty of not more than \$100.00 or imprisoned not more than 30 days, or both \$50.00. Each day the violation continues shall be a separate offense.

Seventeenth: By striking out all after Sec. 49 and inserting in lieu thereof the following:

* * * Effective Dates * * *

Sec. 50. EFFECTIVE DATES

(a) This section and Secs. 1(b) (act definitions), 12 (BUILD grant), 13 (CRISI grant), 20 (public transit study), 20a (report on State-owned railroad line), 29 (plug-in electric vehicle definition), 30 (electric vehicle supply equipment definition), 33 (net metering), 34 (vehicle incentive and emissions repair programs), 35 (Public Utility Commission report), 36 (Agency of Agriculture, Food and Markets reporting), 39 (PUC jurisdiction), 44 (emissions inspections), 45 (emissions inspections implementation), 46 (vehicle feebate report), and 47 (weight-based annual registration report) shall take effect on passage.

(b) Secs. 31 (weights and measures definition) and 32 (electric vehicle supply equipment definition) shall take effect on the earlier of January 1, 2021 or six months after the National Institute of Standards and Technology adopts code on electric vehicle fueling systems.

(c) Sec. 41 (State vehicle fleet) shall take effect on July 1, 2021.

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

*RICHARD T. MAZZA
TIMOTHY R. ASHE
ANDREW J. PERCHLIK*

Committee on the part of the Senate

*CURTIS A. MCCORMACK
TIMOTHY R. CORCORAN
MOLLIE SULLIVAN BURKE*

Committee on the part of the House

Which was considered and adopted on the part of the House.

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

H. 13

Appearing on the Calendar for Notice, on motion of **Rep. McCoy of
Poultney**, the rules were suspended and House bill, entitled

An act relating to miscellaneous amendments to alcoholic beverage and
tobacco laws

Was taken up for immediate consideration.

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

In the *Third* proposal of amendment by striking out Sec. 48 in its entirety
and inserting in lieu thereof the following:

Sec. 48. [Deleted.]

Which proposal of amendment was considered and concurred in.

Recess

At ten o'clock and fifty-three minutes in the forenoon, the Speaker declared
a recess until the fall of the gavel.

At one o'clock and eighteen minutes in the afternoon, the Speaker called the
House to order.

Message from the Senate No. 68

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

Madam Speaker:

I am directed to inform the House that:

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

H. 135. An act relating to the authority of the Agency of Digital Services.

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

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

H. 63. An act relating to the time frame for return of unclaimed beverage container deposits.

And has concurred therein.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon Senate bills of the following titles:

S. 18. An act relating to consumer justice enforcement.

S. 73. An act relating to licensure of ambulatory surgical centers.

S. 134. An act relating to background investigations for State employees with access to federal tax information.

S. 160. An act relating to agricultural development.

And has accepted and adopted the same on its part.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 514. An act relating to miscellaneous tax provisions.

H. 525. An act relating to miscellaneous agricultural subjects.

And has accepted and adopted the same on its part.

Rules Suspended; Report of Committee of Conference Adopted

H. 525

Pending entrance of the bill on the Calendar for Notice, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to miscellaneous agricultural subjects

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses respectfully reported that it met and considered the same and recommended the following:

Report of Committee of Conference

H. 525

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

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

H.525. An act relating to miscellaneous agricultural subjects.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate's proposal of amendment and that the bill be further amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 6 V.S.A. § 648 is amended to read:

§ 648. INSPECTIONS

* * *

(g) For seeds sold in Vermont that contain genetically engineered material, the manufacturer or processor distributing such seed in Vermont shall report annually on January or before February 15 to the Secretary on forms supplied by the Secretary regarding sales during the previous calendar year.

(h) For agricultural seeds sold in Vermont, the manufacturer or processor distributing the seed in Vermont shall report annually on or before February 15 to the Secretary on forms supplied by the Secretary regarding the quantity of treated article seed and the quantity of untreated seed sold in Vermont during the previous calendar year.

* * * Dairy Operations * * *

Sec. 2. 6 V.S.A. § 2722 is amended to read:

§ 2722. APPLICATION

Applications shall be completely filled out and sworn to by the applicant or a partner or officer thereof and in case of renewal shall be filed with the Secretary on or before July 15 of each year. New handlers may apply for a license at any time. Renewal applications not received on or before

August 15 shall be assessed a late fee of \$100.00. The application for a handler's license shall provide the following information and such other information as the Secretary by regulation shall reasonably require:

* * *

* * * Raw Milk * * *

Sec. 3. 6 V.S.A. §§ 2777 and 2778 are amended to read:

§ 2777. STANDARDS FOR THE SALE OF UNPASTEURIZED (RAW) MILK

(a) Unpasteurized milk shall be sold directly from the producer to the consumer for personal consumption only and shall not be resold.

(b) Unpasteurized milk shall be sold only from the farm on which it was produced except when ~~delivery is arranged in conformance with sale or delivery off the farm is allowed under~~ section 2778 of this chapter. Unpasteurized milk shall not be sold or offered as free samples at any location other than on the farm on which the milk was produced.

(c) Unpasteurized milk operations shall conform to reasonable sanitary standards, including:

(1)(A) Unpasteurized milk shall be derived from healthy animals ~~which~~ that are subject to appropriate veterinary care, including rabies vaccination according to accepted vaccination standards established by the Agency.

(B) A producer shall ensure that all ruminant animals are tested for brucellosis and tuberculosis, according to accepted testing standards established by the Agency, prior to the sale of unpasteurized milk.

(C) A producer shall ensure that dairy animals entering the producer's milking herd, including those born on the farm, are tested for brucellosis and tuberculosis, according to accepted testing standards established by the Agency, prior to the animal's milk being sold to consumers, unless:

(i) The dairy animal has a negative U.S. Department of Agriculture approved test for brucellosis within 30 days prior to importation into the State, in which case a brucellosis test shall not be required;

(ii) The dairy animal has a negative U.S. Department of Agriculture approved tuberculosis test within 60 days prior to importation into the State, in which case a tuberculosis test shall not be required;

(iii) The dairy animal leaves and subsequently reenters the producer's herd from a state or Canadian province that is classified as

“certified free” of brucellosis and “accredited free” of tuberculosis or an equivalent classification, in which case a brucellosis or tuberculosis test shall not be required.

(D) A producer shall post test results and verification of vaccinations on the farm in a prominent place and make results available to customers and the Agency.

(d) Unpasteurized milk shall conform to the following production and marketing standards:

(1) Record keeping and reporting.

(A) A producer shall collect one composite sample of unpasteurized milk each day and keep the previous 14 days’ samples frozen. The producer shall provide samples to the Agency if requested.

(B) A producer shall maintain a current list of all customers, including addresses, telephone numbers, and, when available, e-mail addresses.

(C) The producer shall maintain a list of transactions for at least one year ~~which~~ that shall include customer names, the date of each purchase, and the amount purchased.

(2) Labeling. Unpasteurized (raw) milk shall be labeled as such, and the label shall contain:

(A) The date the milk was obtained from the animal.

(B) The name, address, zip code, and telephone number of the producer.

(C) The common name of the type of animal producing the milk, such as cattle, goat, sheep, or an image of the animal.

(D) The words “Unpasteurized (Raw) Milk. ~~Not pasteurized.~~ Keep Refrigerated.” on the container’s principal display panel, and these words shall be clearly readable in letters at least one-eighth inch in height and prominently displayed.

(E) The words ~~“This product has not been pasteurized and therefore may contain harmful bacteria that can cause illness particularly in children, elders, and persons with weakened immune systems and in pregnant women can cause illness, miscarriage, or fetal death, or death of a newborn.”~~ “Consuming raw unpasteurized milk may cause illness, particularly in children, seniors, persons with weakened immune systems, and pregnant women.” on the container’s principal display panel and clearly readable in letters at least one-sixteenth inch in height.

(3) Temperature. Unpasteurized milk shall be cooled to 40 degrees Fahrenheit or lower within two hours of the finish of milking and so maintained until it is obtained by the consumer. All farms shall be able to demonstrate to the Agency's inspector that they have the capacity to keep the amount of milk sold on the highest volume day stored and kept at 40 degrees Fahrenheit or lower in a sanitary and effective manner.

(4) Storage. An unpasteurized milk bulk storage container shall be cleaned and sanitized after each emptying. Each container shall be emptied within 24 hours of the first removal of milk for packaging. Milk may be stored for up to 72 hours, but all storage containers ~~must~~ shall be emptied and cleaned at least every 72 hours. Unless milk storage containers are cleaned and sanitized daily, a written log of dates and times when milking, cleaning, and sanitizing occur shall be posted in a prominent place and be easily visible to customers.

(5) Shelf life. Unpasteurized milk shall not be transferred to a consumer after four days from the date on the label.

(6) Customer inspection and notification.

(A) The producer shall provide the customer with the opportunity to tour the farm and any area associated with the milking operation. The producer shall permit the customer to return to the farm at a reasonable time and at reasonable intervals to reinspect any areas associated with the milking operation.

(B)(i) A sign, provided by the Agency of Agriculture, Food and Markets, that is 8 and one half inches by 11 inches in size with the words "Unpasteurized (Raw) Milk. ~~Not pasteurized.~~ Keep Refrigerated." and "This product has not been pasteurized and therefore may contain harmful bacteria that can cause illness particularly in children, elders, and persons with weakened immune systems and in pregnant women can cause illness, miscarriage, or fetal death, or death of a newborn." "Consuming raw unpasteurized milk may cause illness, particularly in children, seniors, persons with weakened immune systems, and pregnant women." shall be displayed prominently on the farm in a place where it can be easily seen by customers. The lettering shall be at least one inch in height and shall be clearly readable The text of the sign required under this subdivision shall be clearly visible and easily readable to consumers on the farm or at a farmers' market.

(ii) The Secretary of Agriculture, Food and Markets shall post a copy of the sign required under subdivision (6)(B)(i) of this section to the website of the Agency of Agriculture, Food and Markets for use by producers.

(e) A producer selling 87.5 or fewer gallons (350 quarts) of unpasteurized milk per week shall meet the requirements of subsections (a) through (d) of this section and shall sell unpasteurized milk ~~only~~ from the farm on which it was produced. A producer selling 87.5 or fewer gallons of unpasteurized milk may choose to meet the requirements of subsection (f) of this section, in which case the producer may deliver or sell in accordance with section 2778 of this title.

(f) A producer selling more than 87.5 gallons to 350 gallons (more than 350 to 1,400 quarts) of unpasteurized milk per week shall meet the requirements of subsections (a) through (d) of this section as well as the following standards:

(1) Inspection. The Agency shall annually inspect the producer's facility and determine that the producer is in compliance with the sanitary standards listed in subsection (c) of this section.

(2) Bottling. Unpasteurized milk shall be sold in containers ~~which~~ that have been filled by the producer. Containers shall be cleaned by the producer except that the producer may allow customers to clean their own containers only if each customer's container is labeled with the customer's name and address and the customers use their own containers. Producers shall ensure that only clean bottles are filled and distributed.

(3) Testing.

(A) A producer shall have unpasteurized milk tested twice per month by a U.S. Food and Drug Administration accredited laboratory using accredited lab approved testing containers. Milk shall be tested for the following and the results shall be below these limits:

(i) total bacterial (aerobic) count: 15,000 cfu l (cattle and goats);

(ii) total coliform count: 10 cfu l (cattle and goats); and

(iii) somatic cell count: 225,000 l (cattle); 500,000 l (goats).

(B) The producer shall ensure that all test results are forwarded to the Agency, by the laboratory, upon completion of testing or within five days of receipt of the results by the producer.

(C) The producer shall keep test results on file for one year and shall post results on the farm in a prominent place that is easily visible to customers. The producer shall provide test results to the farm's customers if requested.

(D) The Secretary shall issue a warning to a producer when any two out of four consecutive, monthly tests exceed the limits. The Secretary shall have the authority to suspend unpasteurized milk sales if any three out of five

consecutive, monthly tests exceed the limits until an acceptable sample result is achieved. The Secretary shall not require a warning to the consumer based on a high test result.

(4) Registration. Each producer operating under this subsection shall register with the Agency.

(5) Reporting. On or before March 1 of each year, each producer shall submit to the Agency a statement of the total gallons of unpasteurized milk sold in the previous 12 months.

(6) Off-farm sale and delivery. The sale and delivery of unpasteurized milk is permitted ~~and shall be in compliance with~~ as provided for under section 2778 of this title.

(g) The sale of more than 350 gallons (1,400 quarts) of unpasteurized milk in any one week is prohibited.

§ 2778. SALE OR DELIVERY OF UNPASTEURIZED (RAW) MILK

(a) ~~Delivery~~ Sale or delivery of unpasteurized milk off the farm is permitted only within the State of Vermont and only of milk produced by a producer meeting the requirements of subsection 2777(f) of this chapter.

(b) ~~Delivery~~ Sale or delivery of unpasteurized milk off the farm shall conform to the following requirements:

(1) ~~Delivery shall be to a customer who has purchased milk in advance either by a one-time payment or through a subscription. Milk is purchased in advance of delivery when payment is provided prior to delivery at the customer's home or prior to commencement of the farmers' market where the customer receives delivery. Vendors shall verbally inform each customer of the need to keep milk refrigerated.~~

(2) A producer may sell or deliver unpasteurized milk directly to the customer:

(A) at the customer's home or may deliver it to the customer's home when delivery is into a refrigerated unit at the customer's home if such unit is capable of maintaining the unpasteurized milk at 40 degrees Fahrenheit or lower until obtained by the customer; or

(B) at a farmers' market, as that term is defined in section 5001 of this title, where the producer is a vendor.

(3) During delivery or storage prior to sale, unpasteurized milk shall be protected from exposure to direct sunlight.

(4) During delivery or storage prior to sale, unpasteurized milk shall be kept at 40 degrees Fahrenheit or lower at all times.

(c) A producer may contract with another individual to deliver the unpasteurized milk in accordance with this section. The producer shall be jointly and severally liable for the delivery of the unpasteurized milk in accordance with this section.

(d) Prior to delivery or sale at a farmers' market under this section, a producer shall submit to the Agency of Agriculture, Food and Markets written or electronic notice of intent to deliver or sell unpasteurized milk at a farmers' market. The notice shall:

(1) include the producer's name and proof of registration;

(2) identify the farmers' market or markets where the producer will deliver milk; and

(3) specify the day or days of the week on which delivery or sale will be made at a farmers' market.

(e) A producer selling or delivering unpasteurized milk at a farmers' market under this section shall display the registration required under subdivision 2777(f)(4) of this title and the sign required under subdivision 2777(d)(6) on the farmers' market stall or stand in a prominent manner that is clearly visible to consumers.

* * * Farm-to-School; Local Food Grants * * *

Sec. 4. 6 V.S.A. § 4721 is amended to read:

§ 4721. LOCAL FOODS GRANT PROGRAM

(a) There is created in the Agency of Agriculture, Food and Markets the Roza McLaughlin Farm-to-School Program to execute, administer, and award local grants for the purpose of helping Vermont schools develop farm-to-school programs that will sustain relationships with local farmers and producers, enrich the educational experience of students, improve the health of Vermont children, and enhance Vermont's agricultural economy.

(b) A school, a school district, a consortium of schools, a consortium of school districts, ~~or a registered or licensed child care providers~~ provider, or an organization administering or assisting the development of farm-to-school programs may apply to the Secretary of Agriculture, Food and Markets for a grant award to:

(1) fund equipment, resources, training, and materials that will help to increase use of local foods in child nutrition programs;

(2) fund items, including local food products, gardening supplies, field trips to farms, gleanings on farms, and stipends to visiting farmers, that will help educators to use hands-on educational techniques to teach children about nutrition and farm-to-school connections;

(3) fund professional development and technical assistance, in partnership with the Agency of Education and farm-to-school technical service providers, to help teachers, child nutrition personnel, organizations administering or assisting the development of farm-to-school programs, and members of the farm-to-school community educate students about nutrition and farm-to-school connections and assist schools and licensed or registered child care providers in developing a farm-to-school program; and

(4) fund technical assistance or support strategies to increase participation in federal child nutrition programs that increase the viability of sustainable meal programs.

(c) The Secretaries of Agriculture, Food and Markets and of Education and the Commissioner of Health, in consultation with farmers, child nutrition staff, educators, organizations administering or assisting the development of farm-to-school programs, and farm-to-school technical service providers jointly shall adopt procedures relating to the content of the grant application and the criteria for making awards.

(d) The Secretary shall determine that there is significant interest in the school community before making an award and shall give priority consideration to schools, school districts, and registered or licensed child care providers that are developing farm-to-school connections and education, that indicate a willingness to make changes to their child nutrition programs to increase student access and participation, and that are making progress toward the implementation of the Vermont School Wellness Policy Guidelines developed by the Agency of Agriculture, Food and Markets, the Agency of Education, and the Department of Health, updated in June 2015 or of the successor of these guidelines.

(e) No award shall be greater than ~~\$15,000.00~~ 20 percent of the total annual amount available for granting except that a grant award to the following entities may, at the discretion of the Secretary of Agriculture, Food and Markets, exceed the cap:

(1) Farm-to-School service providers; or

(2) school districts or consortiums of school districts that completed merger under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46 on or before July 1, 2019,

provided that the grant is used for the purpose of expanding Farm-to-School projects to additional schools within the new school district.

* * * Agricultural Water Quality * * *

Sec. 5. 6 V.S.A. § 4802 is amended to read:

§ 4802. DEFINITIONS

As used in this chapter:

(1) “Agency” means the Agency of Agriculture, Food and Markets.

(2) “Farming” ~~shall have~~ has the same meaning as used in 10 V.S.A. § 6001(22).

(3) “Good standing” means a participant in a program administered under this chapter:

(A) does not have an active enforcement violation that has reached a final order with the Secretary; and

(B) is in compliance with all terms of a current grant agreement or contract with the Agency.

~~(3)~~(4) “Healthy soil” means soil that has a well-developed, porous structure, is chemically balanced, supports diverse microbial communities, and has abundant organic matter.

~~(4)~~(5) “Manure” means livestock waste in solid or liquid form that may also contain bedding, spilled feed, water, or soil.

~~(5)~~(6) “Secretary” means the Secretary of Agriculture, Food and Markets.

~~(6)~~(7) “Top of bank” means the point along the bank of a stream where an abrupt change in slope is evident, and where the stream is generally able to overflow the banks and enter the adjacent floodplain during an annual flood event. Annual flood event shall be determined according to the Agency of Natural Resources’ Flood Hazard Area and River Corridor Protection Procedure.

~~(7)~~(8) “Waste” or “agricultural waste” means material originating or emanating from a farm that is determined by the Secretary or the Secretary of Natural Resources to be harmful to the waters of the State, including: sediments; minerals, including heavy metals; plant nutrients; pesticides; organic wastes, including livestock waste, animal mortalities, compost, feed and crop debris; waste oils; pathogenic bacteria and viruses; thermal pollution; silage runoff; untreated ~~milkhouse~~ milk house waste; and any other farm waste as the term “waste” is defined in 10 V.S.A. § 1251(12).

~~(8)(9)~~ “Water” shall has have the same meaning as used in 10 V.S.A. § 1251(13).

Sec. 6. 6 V.S.A. § 4810a is amended to read:

§ 4810a. REQUIRED AGRICULTURAL PRACTICES; REVISION

(a) ~~On or before September 15, 2016, the~~ The Secretary of Agriculture, Food and Markets shall ~~file under 3 V.S.A. § 841 a final proposal of a rule amending~~ maintain the required agricultural practices in order to improve water quality in the State, assure practices on all farms eliminate adverse impacts to water quality, and implement the small farm certification program required by section 4871 of this title. At a minimum, the ~~amendments to the~~ required agricultural practices shall:

* * *

(b) ~~On or before January 15, 2018, the~~ The Secretary of Agriculture, Food and Markets shall ~~amend by rule~~ maintain the required agricultural practices in order to include requirements for reducing nutrient contribution to waters of the State from subsurface tile drainage. Upon adoption of requirements for subsurface tile drainage, the Secretary may require an existing subsurface tile drain to comply with the requirements of the RAPs for subsurface tile drainage upon a determination that compliance is necessary to reduce adverse impacts to water quality from the subsurface tile drain.

(c) The Secretary shall amend the required agricultural practices to include requirements for activities occurring in areas that are excluded from regulation by the Agency of Natural Resources under 10 V.S.A. § 902 because the area is used to grow food or crops in connection with farming activities.

Sec. 7. 6 V.S.A. § 4811 is amended to read:

§ 4811. POWERS OF SECRETARY

The Secretary of Agriculture, Food and Markets in furtherance of the purposes of this chapter may:

(1) Make, adopt, revise, and amend reasonable rules ~~which~~ that define practices described in section 4810 of this title as well as other rules deemed necessary to carry out the provisions of this chapter.

(2) Appoint assistants, subject to applicable laws, to perform or assist in the performance of any duties or functions of the Secretary under this chapter.

(3) Enter any lands, public or private, and review and copy any land management records as may be necessary to carry out the provisions of this chapter.

(4) Sign memorandums of understanding between agencies when the Secretary of Agriculture, Food and Markets agrees it is necessary for the success of the program.

(5) Solicit and receive federal or private funds.

(6) Cooperate fully with the federal government or other agencies in the operation of any joint federal-state programs concerning the regulation of agricultural non-point source pollution.

(7) Establish programs to improve agricultural water quality.

(8) Provide grants or contracts from agricultural water quality programs established under this chapter, or by the Secretary of Agriculture, Food and Markets for the purpose of providing technical and financial assistance in preventing agricultural pollution from entering groundwater and waters of the State, provided that the Secretary shall only use capital funding available to the Agency for water quality programs or projects that are eligible for capital assistance.

Sec. 8. 6 V.S.A. § 4820 is amended to read:

§ 4820. DEFINITIONS

As used in this subchapter:

* * *

(6) ~~“Good standing” means the participant:~~

~~(A) does not have an active enforcement violation that has reached a final order with the Secretary; or~~

~~(B) is in compliance with all terms of a current grant agreement or contract with the Agency. [Repealed.]~~

Sec. 9. 6 V.S.A. § 4828 is amended to read:

§ 4828. CAPITAL EQUIPMENT ASSISTANCE PROGRAM

(a) It is the purpose of this section to provide assistance to ~~contract applicators, nonprofit organizations, and farms~~ to purchase or use innovative equipment that will aid in the reduction of surface runoff of agricultural wastes to State waters, improve water quality of State waters, reduce odors from manure application, separate phosphorus from manure, decrease greenhouse gas emissions, and reduce costs to farmers.

(b) The capital equipment assistance program is created in the Agency of Agriculture, Food and Markets to provide ~~farms, nonprofit organizations, and custom applicators in Vermont~~ with State financial assistance for the purchase

of new or innovative equipment to improve manure application, separation of phosphorus from manure, or nutrient management plan implementation.

(c) Assistance under this section shall in each fiscal year be allocated according to the following priorities and as further defined by the Secretary:

~~(1) First priority. Priority shall be given to capital equipment to be used on farm sites that are serviced by custom applicators, multiple farms; equipment to be used for phosphorus reduction, separation, or treatment equipment providers; and projects managed by nonprofit organizations and projects that are located in descending order within the boundaries of:~~

- ~~(A)(1) the Lake Champlain Basin;~~
- ~~(B)(2) the Lake Memphremagog Basin;~~
- ~~(C)(3) the Connecticut River Basin; and~~
- ~~(D)(4) the Hudson River Basin.~~

~~(2) Next priority shall be given to capital equipment to be used at a farm site that is located in descending order within the boundaries of:~~

- ~~(A) the Lake Champlain Basin;~~
- ~~(B) the Lake Memphremagog Basin;~~
- ~~(C) the Connecticut River Basin; and~~
- ~~(D) the Hudson River Basin.~~

(d) An applicant for a State grant under this section to purchase or implement phosphorus ~~removal~~ reduction, separation, or treatment technology or equipment shall pay 10 percent of the total eligible project cost. The dollar amount of a State grant to purchase or implement phosphorus ~~removal~~ reduction, separation, or treatment technology or equipment shall be equal to the total eligible project cost, less 10 percent of the total as paid by the applicant, and shall not exceed \$300,000.00.

Sec. 10. 6 V.S.A. § 4989 is amended to read:

§ 4989. CERTIFICATION OF NUTRIENT MANAGEMENT PLAN
TECHNICAL SERVICE PROVIDERS

(a) ~~On or before July 1, 2019, the~~ The Secretary of Agriculture, Food and Markets shall adopt by rule a process by which a nutrient management technical service provider shall be certified to operate within the State. The certification process shall require a nutrient management technical service provider to complete eight hours of training over each five-year period regarding:

- (1) calculating manure and agricultural waste generation;
- (2) taking soil and manure samples;
- (3) identifying and creating maps of all natural resource features;
- (4) use of erosion calculation tools;
- (5) reconciling plans using records;
- (6) use of nutrient index tools; and

(7) requirements within the Required Agricultural Practices, Medium Farm Operation rules and general permit, and Large Farm Operation rules.

~~(b) Beginning on July 1, 2019, a nutrient management technical service provider shall not create a nutrient management plan for a farm unless certified by the Secretary of Agriculture, Food and Markets~~ Beginning 45 days after the effective date of the rule adopted by the Secretary of Agriculture, Food and Markets under subsection (a) of this section to regulate nutrient management technical service providers, a nutrient management technical service provider shall not create a nutrient management plan for a farm unless certified by the Secretary of Agriculture, Food and Markets.

* * * Environmental Stewardship Program * * *

Sec. 11. 6 V.S.A. chapter 215, subchapter 7A is added to read:

Subchapter 7A. Regenerative Farming

§ 4961. PURPOSE

The purposes of this subchapter are to:

- (1) enhance the economic viability of farms in Vermont;
- (2) improve the health and productivity of the soils of Vermont;
- (3) encourage farmers to implement regenerative farming practices;
- (4) reduce the amount of agricultural waste entering the waters of Vermont;
- (5) enhance crop resilience to rainfall fluctuations and mitigate water damage to crops, land, and surrounding infrastructure;
- (6) promote cost-effective farming practices;
- (7) reinvigorate the rural economy; and
- (8) help the next generation of Vermont farmers learn regenerative farming practices so that farming remains integral to the economy, landscape, and culture of Vermont.

§ 4962. DEFINITIONS

As used in this subchapter:

(1) “Certified Vermont Environmental Steward” means an owner or operator of a farm who has achieved the thresholds for the Vermont Environmental Stewardship Program to be certified as a farm that improves soil health and contributes to improving water quality.

(2) “Regenerative farming” means a series of cropland management practices that:

(A) contributes to generating or building soils and soil fertility and health;

(B) increases water percolation, increases water retention, and increases the amount of clean water running off farms;

(C) increases biodiversity and ecosystem health and resiliency; and

(D) sequesters carbon in agricultural soils.

§ 4963. REGENERATIVE FARMING; VERMONT ENVIRONMENTAL STEWARDSHIP PROGRAM

(a) Establishment of program. There is created within the Agency of Agriculture, Food and Markets the Vermont Environmental Stewardship Program (VESP) to provide technical and financial assistance to Vermont farmers seeking to implement regenerative farming practices to achieve certification as a Certified Vermont Environmental Steward.

(b) Program standards; application. The Secretary of Agriculture, Food and Markets shall establish by procedure standards for certification as a Certified Environmental Steward. Application for certification shall be made in the manner required by the Secretary of Agriculture, Food and Markets.

(c) Program services. The VESP shall provide the following services to farmers voluntarily seeking to transition to achieve certification as a Certified Vermont Environmental Steward:

(1) information and education regarding the requirements for certification, including the method, timeline, and process of certification;

(2) technical assistance in completing any required application for certification;

(3) technical assistance in developing plans and implementing practices to achieve certification from the VESP; and

(4) technical assistance in complying with the requirements of the VESP after a farm is certified.

(d) Financial assistance; eligibility. An owner or operator of a farm participating in the VESP shall be eligible for financial assistance from existing Agency of Agriculture, Food and Markets financial assistance programs for costs incurred in implementing any of the practices required for certification as a Certified Environmental Steward.

(e) Revocation of certification. The Secretary may, after due notice and hearing, revoke a certification issued under this section when the owner or operator of a certified farm fails to comply with the standards for certification established under subsection (b) of this section.

(f) Administrative penalty; falsely advertising. The Secretary may assess an administrative penalty of up to \$1,000.00 against the owner or operator of a farm who knowingly advertises as a Certified Environmental Steward when not certified by the Secretary.

Sec. 12. FUNDING VERMONT ENVIRONMENTAL STEWARDSHIP PROGRAM

In addition to the existing capital and noncapital financial assistance that may be available to a farmer from the Agency of Agriculture, Food and Markets, the Agency of Agriculture, Food and Markets separately may use funds available to the Agency and eligible for use for water quality programs or projects to provide noncapital financial incentives to Vermont farmers participating in the Vermont Environmental Stewardship Program to implement regenerative farming practices to achieve certification as a Certified Vermont Environmental Steward.

* * * Conservation Reserve Enhancement Program * * *

Sec. 13. 6 V.S.A. § 4829 is added to read:

§ 4829. CONSERVATION RESERVE ENHANCEMENT PROGRAM

(a) The Conservation Reserve Enhancement Program is created in the Agency of Agriculture, Food and Markets to provide the farms of Vermont with State or federal financial assistance for the implementation of alternative nutrient reduction practices that improve soil quality, improve nutrient retention, and reduce agricultural waste discharges. The Agency of Agriculture, Food and Markets may approve one or more of the following practices for participation in the program:

- (1) riparian forest buffers;
- (2) grassed waterways;
- (3) grassed filter strips; or

(4) other practices approved by the Secretary and administered through a memorandum of understanding with the Commodity Credit Corporation.

(b) Grant agreements entered into under this section shall at a minimum have a term of 15 years in duration and can include permanent easements.

(c)(1) The Agency of Agriculture, Food and Markets shall use capital funding available to the Agency and eligible for use for water quality programs or projects to provide financial assistance to Vermont farmers to complete practices approved by the Agency for participation in the program under subdivisions (a)(1)–(3) of this section.

(2) The Agency shall use noncapital funds eligible for use for water quality programs or projects to provide financial assistance to Vermont farmers to complete practices approved by the Agency for participation in the program under subdivision (a)(4) of this section.

* * * Agriculture Environmental Management Program * * *

Sec. 14. 6 V.S.A. § 4830 is added to read:

§ 4830. AGRICULTURAL ENVIRONMENTAL MANAGEMENT PROGRAM

(a) The Agricultural Environmental Management Program is created in the Agency of Agriculture, Food and Markets to provide the farms of Vermont with State financial assistance to alternatively manage their farmstead, cropland, and pasture in a manner that will address identified water quality concerns that, traditionally, would have been wholly or partially addressed through federal, State, and landowner investments in BMP infrastructure, in agronomic practices, or both. The Agency of Agriculture, Food and Markets may approve one or more of the following practices for participation in the program:

- (1) conservation easements;
- (2) land acquisition;
- (3) farm structure decommissioning;
- (4) site reclamation; or

(5) issue a grant as an in-lieu payment not to exceed \$200,000.00 as an alternative to the best management practice program implementation to otherwise address the same conservation issues for an equivalent or longer term.

(b) The Agency of Agriculture, Food and Markets shall use funds available to the Agency and eligible for use for water quality programs or projects to

provide financial assistance to Vermont farmers, provided that the Agency may use capital funds to provide financial assistance for practices approved under subdivisions (a)(1)–(4) of this section if the practice is:

(1) performed in conjunction with a term agreement of not less than 15 years in duration or a permanent easement protecting the investment; and

(2) abating a water quality resource concern on a farm; and

(3) the Agency may use capital funds to provide financial assistance for a practice approved under subdivision (a)(5) of this section only upon the approval of the State Treasurer.

* * * Emergency Environmental Remediation * * *

Sec. 15. 6 V.S.A. § 21 is amended to read:

§ 21. AUTHORITY TO ADDRESS PUBLIC HEALTH HAZARDS AND
FOOD SAFETY ISSUES

(a) As used in this section:

(1) “Adulterated” ~~shall have~~ has the same meaning as in 18 V.S.A. § 4059 and shall include adulteration under rules adopted under 18 V.S.A. chapter 82.

(2) “Emergency” means any natural disaster, weather-related incident, health- or disease-related incident, resource shortage, plant pest outbreak, accident, or fire that poses a threat or may pose a threat, as determined by the Secretary, to health, safety, the environment, or property in Vermont.

(3) “Farm” means a site or parcel on which farming is conducted.

(4) “Farming” ~~shall have~~ has the same meaning as in 10 V.S.A. § 6001(22).

(5) “Public health hazard” means the potential harm to the public health by virtue of any condition or any biological, chemical, or physical agent. In determining whether a health hazard is public or private, the Secretary shall consider at least the following factors:

(A) the number of persons at risk;

(B) the characteristics of the person or persons at risk;

(C) the characteristics of the condition or agent that is the source of potential harm;

(D) the availability of private remedies;

(E) the geographical area and characteristics thereof where the condition or agent that is the source of the potential harm or the receptors exists; and

(F) the policy of the Agency of Agriculture, Food and Markets as established by rule or procedure.

(6) "Raw agricultural commodity" means any food in its raw or natural state, including all fruits or vegetables that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing.

(7) "Secretary" means the Secretary of Agriculture, Food and Markets.

(b) The Secretary shall have the authority to:

(1) respond to and remediate incidences of mass animal death, agricultural structure fires, or other emergencies on a farm in order to prevent a public health hazard or protect the environment, including:

(A) Expending up to \$25,000.00 in funding from the Agency of Agriculture, Food and Markets' budget to remediate the issue when there are no other financial resources available, and the Secretary has determined the expenditure is necessary for either public health or the environment.

(B) The Secretary may attempt to recover monies expended under subdivision (b)(1)(A) of this subsection from the responsible party;

(2) condemn, confiscate, or establish restrictions on the use, sale, or distribution of adulterated raw agricultural commodities or animal feed; and

(3) cooperate with the Department of Health and other State and federal agencies regarding:

(A) the prevention or remediation of the adulteration of raw agricultural commodities, food, or animal feed on farms; and

(B) application of the FDA Food Safety Modernization Act, Pub. L. No. 111-353, to farms, farm products, or value-added products produced in the State.

* * * Slaughter Facilities; Records * * *

Sec. 16. 6 V.S.A. § 1152 is amended to read:

§ 1152. ADMINISTRATION; INSPECTION; TESTING; RECORDS

(a) The Secretary shall be responsible for the administration and enforcement of the ~~livestock disease control program~~ Livestock Disease Control Program. The Secretary may appoint the State Veterinarian to manage the ~~program~~ Program, and other personnel as are necessary for the sound administration of the ~~program~~ Program.

(b) The Secretary shall maintain a public record of all permits issued and of all animals tested by the Agency of Agriculture, Food and Markets under this chapter for a period of five years.

(c) The Secretary may conduct any inspections, investigations, tests, diagnoses, or other reasonable steps necessary to discover and eliminate contagious diseases existing in domestic animals in this State. The Secretary shall investigate any reports of diseased animals, provided there are adequate resources. In carrying out the provisions of this part, the Secretary or his or her authorized agent may enter any real estate, premises, buildings, enclosures, or areas where animals may be found for the purpose of making reasonable inspections and tests. A livestock owner or the person in possession of the animal to be inspected, upon request of the Secretary, shall restrain the animal and make it available for inspection and testing.

(d) The Secretary may contract and cooperate with the U.S. Department of Agriculture, other federal agencies or states, and accredited veterinarians for the control and eradication of contagious diseases of animals. The Secretary shall consult and cooperate, as appropriate, with the Commissioners of Fish and Wildlife and of Health regarding the control of contagious diseases.

(e) If necessary, the Secretary shall set priorities for the use of the funds available to operate the ~~program~~ Program established by this chapter.

(f) Any commercial slaughterhouse operating in the State shall maintain and retain for three years records of the number of animals slaughtered at the facility, the physical address of origination of each animal, the date of slaughter of each animal, and all official identification numbers of slaughtered animals. A commercial slaughterhouse shall make the records required under this subsection available to the Agency upon request.

(g) Records produced or acquired by the Secretary under this chapter shall be available to the public, except that:

(1) the Secretary may withhold from inspection and copying records that are confidential under federal law; and

(2) the Secretary may withhold or redact a record to the extent needed to avoid disclosing directly or indirectly the identity of individual persons, households, or businesses.

Sec. 17. 6 V.S.A. § 1470 is added to read:

§ 1470. RECORDS

(a) A commercial slaughter facility operating in the State shall maintain and retain for three years records of the number of animals slaughtered at the facility, the physical address of origination of each animal, the date of

slaughter of each animal, and all official identification numbers of slaughtered animals. A commercial slaughterhouse shall make the records required under this subsection available to the Agency upon request.

(b) Records produced or acquired by the Secretary under this chapter shall be available to the public for inspection and copying, except that:

(1) the Secretary may withhold from inspection and copying records that are confidential under federal law; and

(2) the Secretary may withhold or redact a record to the extent needed to avoid disclosing directly or indirectly the identity of individual persons, households, or businesses.

* * * Commercial Feed; Raw Milk * * *

Sec. 18. 6 V.S.A. § 329 is amended to read:

§ 329. RULES

(a) The Secretary is authorized to adopt rules establishing procedures or standards, or both, for product registration, labeling, adulteration, reporting, inspection, sampling, guarantees, product analysis, or other conditions necessary for the implementation and enforcement of this chapter. Where appropriate, the rules shall be consistent with the model rules developed by the Association of American Feed Control Officials and regulations adopted by the federal Food, Drug and Cosmetic Act (~~§~~ 21 U.S.C. § 301 et seq.).

(b) The official definitions of feed ingredients and official feed terms adopted by the Association of American Feed Control Officials and published in the official publication of that organization, together with any regulation promulgated pursuant to the authority of the federal Food, Drug and Cosmetic Act (~~§~~ 21 U.S.C. § 301 et seq.), relevant to the subject matter of this chapter, are hereby adopted as rules under this chapter, together with all subsequent amendments. The Secretary may, by rule, amend or repeal any rule adopted under this subsection.

(c) A person shall not manufacture or distribute raw milk as a commercial feed in the State for any species unless all of the following conditions are satisfied:

(1) the raw milk shall be decharacterized using a sufficient method to render it distinguishable from products packaged for human consumption;

(2) raw animal feed or pet food product shall be packaged in containers that are labeled “not for human consumption”;

(3) raw animal feed or pet food products shall not be stored or placed for retail sale with, or in the vicinity of, milk or milk products intended for human consumption; and

(4) notwithstanding any rule adopted under subsection (b) of this section to the contrary of the provisions of this subsection, the manufacture and distribution of raw animal feed or pet food products shall comply with the requirements of this chapter.

* * * Clean Water Fund Audit * * *

Sec. 19. 10 V.S.A. § 1389b is amended to read:

§ 1389b. CLEAN WATER FUND AUDIT

(a) On or before January 15, 2021, the Secretary of Administration shall submit to the House and Senate Committees on Appropriations, the Senate Committee on Finance, the House Committee on Ways and Means, the Senate Committee on Agriculture, the House Committee on Agriculture and Forestry, the Senate Committee on Natural Resources and Energy, and the House Committee on Natural Resources, Fish, and Wildlife a program audit of the Clean Water Fund. The audit shall include:

(1) a summary of the expenditures from the Clean Water Fund, including the water quality projects and programs that received funding;

(2) an analysis and summary of the efficacy of the water quality projects and programs funded from the Clean Water Fund or implemented by the State;

(3) an evaluation of whether water quality projects and programs funded or implemented by the State are achieving the intended water quality benefits;

(4) an assessment of the capacity of the Agency of Agriculture, Food and Markets to effectively administer and enforce agricultural water quality requirements on farms in the State; ~~and~~

(5) an assessment of the capacity of the Department of Environmental Conservation to effectively administer and enforce agricultural water quality requirements on farms in the State; and

(6) a recommendation of whether the General Assembly should authorize the continuation of the Clean Water Fund and, if so, at what funding level.

(b) The audit required by this section shall be conducted by a qualified, independent environmental consultant or organization with knowledge of the federal Clean Water Act, State water quality requirements and programs, the Lake Champlain Total Maximum Daily Load plan, and the program elements of the State clean water initiative.

(c) Notwithstanding provisions of section 1389 of this title to the contrary, the Secretary of Administration shall pay for the costs of the audit required under this section from the Clean Water Fund, established under section 1388 of this title.

* * * Pumpout Tank * * *

Sec. 20. 10 V.S.A. § 1979(b) is amended to read:

(b)(1) The Secretary shall approve the use of sewage holding and pumpout tanks for existing or proposed buildings or structures that are owned by a charitable, religious, or nonprofit organization when he or she determines that:

(A) the plan for construction and operation of the holding tank will not result in a public health hazard or environmental damage;

(B) a designer demonstrates that an economically feasible means of meeting current standards is significantly more costly than the construction and operation of sewage holding and pumpout tanks, based on a projected 20-year life of the project; and

(C) the design flows do not exceed 600 gallons per day or the existing or proposed building or structure shall not be used to host events on more than 28 days in any calendar year.

(2) Before constructing a holding tank permitted under this subsection, the applicant shall post a bond or other financial surety sufficient to finance maintenance of the holding tank for the life of the system, which shall be at least 20 years.

(3)(A) A permit issued under this subsection shall run with the land for the duration of the permit and shall apply to all subsequent owners of the property being served by the holding tank regardless of whether the owner is a charitable, religious, or nonprofit organization.

(B) All permit conditions, including the financial surety requirement of subdivision (2) of this subsection (b), shall apply to a subsequent owner.

(C) A subsequent owner shall not increase the design flows of the holding and pumpout tank system without approval from the Secretary.

* * * Wetlands * * *

Sec. 21. LEGISLATIVE STUDY COMMITTEE ON WETLANDS;
REPORT

(a) Creation. There is created the Legislative Study Committee on Wetlands to clarify State wetlands statutes and permitting under the statutes.

(b) Membership. The Legislative Study Committee on Wetlands shall be composed of the following members:

(1) two current members of the Senate Committee on Agriculture, who shall be appointed by the Committee on Committees;

(2) two current members of the Senate Committee on Natural Resources and Energy, who shall be appointed by the Committee on Committees;

(3) two current members of the House Committee on Agriculture and Forestry, who shall be appointed by the Speaker of the House; and

(4) two current members of the House Committee on Natural Resources, Fish and Wildlife, who shall be appointed by the Speaker of the House.

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

(d) Report. On or before January 15, 2020, the Legislative Study Committee on Wetlands shall submit a written report to the General Assembly to update and clarify the requirements for the regulation of wetlands under State statute. The Study Committee shall submit the report in the form of draft legislation and shall include:

(1) whether the definition of “wetlands” should be amended, including whether the definition of wetlands under State wetlands law should be based on objective criteria such as size or location;

(2) the standard by which the State shall review a permit application for the disturbance of a wetland or wetland buffer;

(3) proposed exemptions from regulation under State wetlands law for specific activities, including:

(A) whether land on which farming or a subset of farming is conducted should be excluded from the definition of “wetlands” subject to State regulation or should be exempt from wetlands permitting under State law; and

(B) whether the exemptions under State wetlands law should be consistent or similar to the exemptions under federal wetlands law; and

(4) proposed permitting fees for wetlands permits.

(f) Meetings.

(1) The Office of Legislative Council shall call the first meeting of the Legislative Study Committee on Wetlands to occur on or before August 1, 2019.

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

(3) A majority of the Legislative Study Committee on Wetlands shall constitute a quorum.

(4) The Legislative Study Committee on Wetlands shall cease to exist on January 15, 2020.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Legislative Study Committee on Wetlands 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.

Sec. 22. 3 V.S.A. § 2822(j) is amended to read:

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

* * *

(26) For individual conditional use determinations, for individual wetland permits, for general conditional use determinations issued under 10 V.S.A. § 1272, or for wetland authorizations issued under a general permit, an administrative processing fee assessed under subdivision (2) of this subsection and an application fee of:

(A) \$0.75 per square foot of proposed impact to Class I or II wetlands.

(B) \$0.25 per square foot of proposed impact to Class I or II wetland buffers.

* * *

(H) Maximum fee, for the construction of any water quality improvement project in any Class II wetland or buffer, \$200.00 per application. As used in this subdivision, "water quality improvement project" means projects specifically designed and implemented to reduce pollutant loading in accordance with the requirements of a Total Maximum Daily Load Implementation Plan or Water Quality Remediation Plan, or pursuant to a plan for reducing pollutant loading to a waterbody. These projects include:

(i) the retrofit of impervious surfaces in existence as of January 1, 2019 for the purpose of addressing stormwater runoff;

(ii) the replacement of stream-crossing structures necessary to improve aquatic organism passage, stream flow, or flood capacity;

(iii) construction of the following conservation practices on farms, when constructed and maintained in accordance with Natural Resources Conservation Service Conservation Practice Standards for Vermont and the Agency of Agriculture, Food and Markets' Required Agricultural Practices:

(I) construction of animal trails and walkways;

(II) construction of access roads;

(III) designation and construction of a heavy-use protection area;

(IV) construction of artificial wetlands; and

(V) the relocation of structures, when necessary, to allow for the management and treatment of agricultural waste, as defined in the Required Agricultural Practices Rule.

(I) Maximum fee for the construction of a permanent structure used for farming, \$5,000.00, provided that the maximum fee for waste storage facility or bunker silo shall be \$200.00 when constructed and maintained in accordance with Natural Resources Conservation Service Conservation Practice Standards for Vermont and the Agency of Agriculture, Food and Markets' Required Agricultural Practices.

Sec. 23. WETLAND SCIENTIST LICENSURE REQUIREMENTS

The Agency of Natural Resources shall commence a study of potential approaches to licensing and certifying qualified wetlands scientists, including developing a set of standard qualifications required for all professional wetland scientists. On or before January 1, 2024, the Agency shall submit a report to the Legislature summarizing its findings and providing recommendations for the development of a professional certification program for wetland scientists.

* * * Effective Dates * * *

Sec. 24. EFFECTIVE DATES

(a) This section and Secs. 22 (wetlands permit fees) and 23 (wetlands scientist licensing) shall take effect on passage.

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

*BRIAN P. COLLAMORE
ANTHONY POLLINA
ROBERT A. STARR*

Committee on the part of the Senate

*CAROLYN W. PARTRIDGE
RODNEY P. GRAHAM
TERRY E. NORRIS*

Committee on the part of the House

Which was considered and adopted on the part of the House.

Rules Suspended; Report of Committee of Conference Adopted

H. 514

Pending entrance of the bill on the Calendar for Notice, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to miscellaneous tax provisions

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

The Committee of Conference to which were referred the disagreeing votes of the two Houses respectfully reported that it met and considered the same and recommended the following:

Report of Committee of Conference

H. 514

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

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

H.514. An act relating to miscellaneous tax provisions.

Respectfully report that they have met and considered the same and recommend that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Miscellaneous Tax Proposals * * *

* * * Confidentiality of Tax Information; Tobacco Settlement Agreement * * *

Sec. 1. 32 V.S.A. § 3102(d) is amended to read:

(d) The Commissioner shall disclose a return or return information:

* * *

(8) to the Attorney General, the Data Clearinghouse established in the October 2017 Non-Participating Manufacturer Adjustment Settlement Agreement, which the State of Vermont joined in 2018, the National Association of Attorneys General, and counsel for the parties to the Agreement as required by the Agreement and to the extent necessary to comply with the Agreement and only as long as the State is a party thereto.

* * * Annual Calculation; Interest Rates * * *

Sec. 2. 32 V.S.A. § 3108(a) is amended to read:

(a) Not later than December 15 of each year, the Commissioner shall establish a an annual rate of interest applicable to tax overpayments ~~which that~~ shall be equal to the average prime rate charged by banks during the immediately preceding 12 months commencing on October 1 of the prior year, rounded upwards to the nearest quarter percent. ~~An annual rate thus established shall be converted to a monthly rate which shall be rounded upwards to the nearest 10th of a percent.~~ Not later than December 15 of each year, the Commissioner shall establish an annual ~~and monthly rates~~ rate of interest applicable to unpaid tax liabilities, which in each instance shall be equal to the annual ~~and monthly rates~~ rate established for tax overpayments plus 200 basis points. The rates established hereunder shall be effective on January 1 of the immediately following year. As used in this section, the term “prime rate charged by banks” shall mean the average predominate prime rate quoted by commercial banks to large businesses as determined by the Board of Governors of the Federal Reserve Board.

* * * Fee Waiver for Property Tax Appeals * * *

Sec. 3. 32 V.S.A. § 4461(a) is amended to read:

(a) A taxpayer or the ~~Selectboard~~ selectboard members of a town aggrieved by a decision of the board of civil authority under subchapter 1 of this chapter may appeal the decision of the board to either the Director or the Superior Court of the county in which the property is located. The appeal to the Superior Court shall be heard without a jury. The appeal to either the Director or the Superior Court shall be commenced by filing a notice of appeal pursuant to Rule 74 of the Vermont Rules of Civil Procedure, within 30 days ~~of~~ after entry of the decision of the board of civil authority. The date of mailing of notice of the board’s decision by the town clerk to the taxpayer shall be deemed the date of entry of the board’s decision. The town clerk shall transmit a copy of the notice to the Director or to the Superior Court as indicated in the notice and shall record or attach a copy of the notice in the grand list book. The entry fee for an appeal to the Director is \$70.00;

provided, however, that the Director may waive, reduce, or refund the entry fee in cases of hardship or to join appeals regarding the same parcel.

* * * Solar Energy Investment Income Tax Credit * * *

Sec. 4. 32 V.S.A. § 5822 is amended to read:

§ 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

* * *

(c) The amount of tax determined under subsection (a) of this section shall be:

(1) increased by 24 percent of the taxpayer's federal tax liability for the taxable year for the following:

(A) additional taxes on qualified retirement plans, including individual retirement accounts and medical savings accounts and other tax-favored accounts;

(B) ~~recapture of the federal investment tax credit and increased by 76 percent of the Vermont-property portion of the business solar energy investment tax credit component of the federal investment tax credit recapture for the taxable year attributable to the Vermont portion of the investment;~~

(C) tax on qualified lump-sum distributions of pension income not included in federal taxable income; and

(2) decreased by 24 percent of the reduction in the taxpayer's federal tax liability due to farm income averaging.

(d)(1) A taxpayer shall be entitled to a credit against the tax imposed under this section of 24 percent of each of the credits allowed against the taxpayer's federal income tax for the taxable year as follows: credit for people who are elderly or permanently totally disabled, investment tax credit attributable to the Vermont-property portion of the investment, and child care and dependent care credits.

(2) Any unused ~~business~~ solar energy investment tax credit under this section may be carried forward for ~~no~~ not more than five years following the first year in which the credit is claimed.

* * *

* * * Annual Link to Federal Statutes * * *

Sec. 5. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect on December 31, ~~2017~~ 2018, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 6. 32 V.S.A. § 7402(8) is amended to read:

(8) “Laws of the United States” means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2015~~ 2018. As used in this chapter, “Internal Revenue Code” ~~shall have~~ has the same meaning as “laws of the United States” as defined in this subdivision.

* * * Corporate Tax; Minimum Corporate Tax * * *

Sec. 7. 32 V.S.A. § 5832 is amended to read:

§ 5832. TAX ON INCOME OF CORPORATIONS

A tax is imposed for each calendar year, or fiscal year ending during that calendar year, upon the income earned or received in that taxable year by every taxable corporation, reduced by any Vermont net operating loss allowed under section 5888 of this title, such tax being the greater of:

* * *

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

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

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

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

(E) For C corporations with Vermont gross receipts greater than \$5,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$750.00.

* * * Corporate Tax; Apportionment * * *

Sec. 8. 32 V.S.A. § 5833 is amended to read:

§ 5833. ALLOCATION AND APPORTIONMENT OF INCOME

(a) If the income of a taxable corporation is derived from any trade, business, or activity conducted entirely within this State, the Vermont net income of the corporation shall be allocated to this State in full. If the income of a taxable corporation is derived from any trade, business, or activity conducted both within and outside this State, the amount of the corporation's Vermont net income ~~which~~ that shall be apportioned to this State, so as to allocate to this State a fair and equitable portion of that income, shall be determined by multiplying that Vermont net income by the arithmetic average of the following factors, with the sales factor described in subdivision (3) of this subsection double-weighted:

(1) The average of the value of all the real and tangible property within this State (A) at the beginning of the taxable year and (B) at the end of the taxable year (but the Commissioner may require the use of the average of such value on the 15th or other day of each month, in cases where he or she determines that such computation is necessary to more accurately reflect the average value of property within Vermont during the taxable year), expressed as a percentage of all such property both within and outside this State;

(2) The total wages, salaries, and other personal service compensation paid during the taxable year to employees within this State, expressed as a percentage of all such compensation paid whether within or outside this State;

(3) The gross sales, or charges for services performed, within this State, expressed as a percentage of such sales or charges whether within or outside this State.

(A) Sales of tangible personal property are made in this State if:

(i) the property is delivered or shipped to a purchaser, other than the ~~United States~~ U.S. government, who takes possession within this State, regardless of f.o.b. point or other conditions of sale; or

(ii) the property is shipped from an office, store, warehouse, factory, or other place of storage in this State; and

~~(A)~~(I) the purchaser is the ~~United States~~ U.S. government; or

~~(B)(II)~~ the corporation is not taxable in the State in which the purchaser takes possession. ~~Sales other than sales of tangible personal property are in this State if the income producing activity is performed in this State or the income producing activity is performed both in and outside this State and a greater proportion of the income producing activity is performed in this State than in any other state, based on costs of performance.~~

(B) Sales, other than the sale of tangible personal property, are in this State if the taxpayer's market for the sales is in this State. The taxpayer's market for sales is in this State:

(i) in the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State;

(ii) in the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State;

(iii) in the case of sale of a service, if and to the extent the service is delivered to a location in this State; and

(iv) in the case of intangible property:

(I) that is rented, leased, or licensed, if and to the extent the property is used in this State, provided that intangible property utilized in marketing a good or service to a consumer is "used in this State" if that good or service is purchased by a consumer who is in this State; and

(II) that is sold, if and to the extent the property is used in this State, provided that:

(aa) a contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is "used in this State" if the geographic area includes all or part of this State;

(bb) receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of such intangible property under subdivision (iv)(I) of this subdivision (B); and

(cc) all other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the receipts factor.

(C) If the state or states of assignment under subdivision (B) of this subsection cannot be determined, the state or states of assignment shall be reasonably approximated.

(D) If the taxpayer is not taxable in a state to which a receipt is assigned under subdivision (B) or (C) of this subsection, or if the state of

assignment cannot be determined under subdivision (B) of this subsection or reasonably approximated under subdivision (C) of this subsection, such receipt shall be excluded from the denominator of the receipts factor.

(E) The Commissioner of Taxes shall adopt regulations as necessary to carry out the purposes of this section.

(b) If the application of the provisions of this section does not fairly represent the extent of the business activities of a corporation within this State, the corporation may petition for, or the Commissioner may require, with respect to all or any part of the corporation's business activity, if reasonable:

- (1) ~~Separate~~ separate accounting;
- (2) ~~The~~ the exclusion or modification of any or all of the factors;
- (3) ~~The~~ the inclusion of one or more additional factors ~~which~~ that will fairly represent the corporation's business activity in this State; or
- (4) the employment of any other method to effectuate an equitable allocation and apportionment of the corporation's income.

* * * Corporate Tax; Report * * *

Sec. 9. REPORT

As part of the General Assembly's continuing effort to modernize Vermont's corporate income tax code and to foster economic development in the State, the Department of Taxes, with the assistance of the Joint Fiscal Office and the Office of Legislative Council, shall provide the General Assembly with a report, not later than December 15, 2019, analyzing the following issues related to Vermont's corporate income tax. The report shall:

- (1) identify and analyze any fiscal, legal, distributional, and administrative issues related to moving Vermont from its current apportionment formula under 32 V.S.A. § 5833 to a single sales factor;
- (2) evaluate the impact of the current exclusion of overseas business organizations from an affiliated group, and identify and analyze any fiscal, legal, distributional, and administrative issues related to eliminating that exclusion;
- (3) in consultation with the Vermont Banker's Association, compare the impact of the current bank franchise tax to the impact of a taxing regime where there is no bank franchise tax, and financial institutions pay the Vermont corporate tax based on Vermont's current apportionment factors with the market-based sourcing changes made in this act; and

(4) examine alternatives to Vermont's corporate income tax which could more accurately capture corporate economic activity within Vermont, focusing particularly on corporations who conduct business in the State, but who have little or no taxable income.

* * * Publicly Traded Partnerships * * *

Sec. 10. 32 V.S.A. § 5920(h) is amended to read:

(h)(1) Notwithstanding any provisions in this section, a publicly traded partnership as defined in 26 U.S.C. § 7704(b), that is treated as a partnership for the purposes of the Internal Revenue Code, is exempt from any income tax liability and any compliance and payment obligations under subsection subsections (b) and (c) of this section, if information required by the Commissioner under subdivision (2) of this subsection is provided by the due date of the partnership's return. This information includes the name, address, taxpayer identification number, and annual Vermont source of income greater than \$500.00 for each partner who had an interest in the partnership during the tax year. This information shall be provided to the Commissioner in an electronic format, according to rules or procedures adopted by the Commissioner.

(2) Publicly traded partnerships shall provide to the Commissioner in an electronic format, according to rules or procedures adopted by the Commissioner, an annual return that includes the name, address, taxpayer identification number, and other information requested by the Commissioner for each partner with Vermont source income in excess of \$500.00.

(3) A lower-tier pass-through entity of a publicly traded partnership may request from the Commissioner an exemption from the compliance and payment obligations specified in subsections (b) and (c) of this section. The request for the exemption must be in writing and contain:

(A) the name, the address, and the account number or federal identification number of each of the lower-tier pass-through entity's partners, shareholders, members, or other owners; and

(B) information that establishes the ownership structure of the lower-tier pass-through entity and the amount of Vermont source income.

(4) The Commissioner may request additional documentation before granting an exemption to a lower-tier pass-through entity. As used in this subsection, a "lower-tier pass-through entity" means a pass-through entity for purposes of the Internal Revenue Code, which can include a partnership, S corporation, disregarded entity, or limited liability company and which allocates income, directly or indirectly, to a publicly traded partnership.

The exemption under subdivision (3) of this subsection shall only apply to income allocated, directly or indirectly, to a publicly traded partnership.

(5) If granted, the exemption for the lower-tier pass-through entity shall be effective for three years following the date the exemption is granted. At the end of the three-year period, the lower-tier pass-through entity of a publicly traded partnership shall submit a new exemption request to continue the exemption. The Commissioner may revoke the exemption for the lower-tier pass-through entity if the Commissioner determines that the lower-tier pass-through entity is not satisfying its tax payment and reporting obligations to the State with respect to income allocated, directly or indirectly, to nonresident partners or members that are not publicly traded partnerships.

Sec. 11. 32 V.S.A. § 3102(e)(20) is added to read:

(20) To a publicly traded partnership as defined in subdivision 5920(h)(1) of this title and to lower-tier pass-through entities of a publicly traded partnership as defined in subdivision 5920(h)(4) of this title for the purpose of reviewing, granting, or denying exemption requests from the requirements of section 5920 of this title.

* * * Meals and Rooms; Resale * * *

Sec. 12. 32 V.S.A. § 9202(10)(D)(iii) is added to read:

(iii) Food or beverage purchased for resale, provided that at the time of sale the purchaser provides the seller an exemption certificate in a form approved by the Commissioner. However, when the food or beverage purchased for resale is subsequently resold, the subsequent purchase does not come within this exemption unless the subsequent purchase is also for resale and an exemption certificate is provided.

* * * Appeal to Superior Court; Security * * *

Sec. 13. 32 V.S.A. § 9275 is amended to read:

§ 9275. APPEALS

Any person aggrieved by the decision of the Commissioner upon petition provided for in section 9274 of this title may, within 30 days after notice thereof from the Commissioner, appeal ~~therefrom~~ to the Superior Court of any county in which ~~such~~ the person has a place of business subject to this chapter. ~~The appellant shall give security, approved by the Commissioner, conditioned to pay the tax levied, if it remains unpaid, with interest and costs. Such appeals shall be preferred cases for hearing on the docket of such Court. Such Court~~ The court may grant such relief as may be equitable and may order the State Treasurer to pay to the aggrieved taxpayer the amount of such relief with interest at the rate established pursuant to ~~32 V.S.A. § section~~ section 3108 of this title.

Upon all such appeals ~~which may be that are~~ denied, costs may be taxed against the appellant at the discretion of the ~~Court~~ court but no costs shall be taxed against the State.

Sec. 14. 32 V.S.A. § 9817 is amended to read:

§ 9817. REVIEW OF COMMISSIONER'S DECISION

(a) Any aggrieved taxpayer may, within 30 days after any decision, order, finding, assessment or action of the Commissioner made under this chapter, appeal to the Washington Superior Court or the Superior Court of the county in which the taxpayer resides or has a place of business. ~~The appellant shall give security, approved by the Commissioner, conditioned to pay the tax levied, if it remains unpaid, with interest and costs, as set forth in subsection (c) of this section.~~

* * *

~~(c) Irrespective of any restrictions on the assessment and collection of deficiencies, the Commissioner may assess a deficiency after the expiration of the period specified in subsection (a) of this section, notwithstanding that a notice of appeal regarding the deficiency has been filed by the taxpayer, unless the taxpayer, prior to the time the notice of appeal is filed, has paid the deficiency, has deposited with the Commissioner the amount of the deficiency, or has filed with the Commissioner a bond (which may be a jeopardy bond) in the amount of the portion of the deficiency (including interest and other amounts) in respect of which review is sought and all costs and charges which may accrue against the taxpayer in the prosecution of the proceeding, including costs of all appeals, and with surety approved by the Superior Court, conditioned upon the payment of the deficiency (including interest and other amounts) as finally determined and all costs and charges. If as a result of a waiver of the restrictions on the assessment and collection of a deficiency any part of the amount determined by the Commissioner is paid after the filing of the appeal bond, the bond shall, at the request of the taxpayer, be proportionately reduced. [Repealed.]~~

* * * Report * * *

Sec. 15. TAX DATA ANALYSIS

(a) The Department of Taxes, with the cooperation of other executive agencies, shall analyze how existing federal and State tax data could be used to identify opportunities for State executive agencies to maximize the eligibility of Vermonters for federal and State programs. For each opportunity, the Department shall identify:

(1) how existing tax data could be used to streamline eligibility criteria and application processes;

(2) any current restrictions on the use of federal and State tax data in the context of the opportunity; and

(3) any changes to current law or to current data practices that would be required to maximize the benefit to the Vermont beneficiary while ensuring taxpayer confidentiality.

(b) The Department of Taxes shall submit its analysis in the form of a report to the Senate Committee on Finance and the House Committee on Ways and Means no later than December 1, 2019.

* * * 529 Plans * * *

Sec. 16. 16 V.S.A. § 2876 is amended to read:

§ 2876. DEFINITIONS

As used in this subchapter, except where the context clearly requires another interpretation:

* * *

(5) “~~Postsecondary education costs~~” means the qualified costs of tuition and fees and other expenses for attendance at an ~~institution of postsecondary education, as defined in the Internal Revenue Code~~ approved postsecondary education institution.

(6) “~~Institution of postsecondary education~~” “Approved postsecondary education institution” means an ~~institution as defined in the Internal Revenue Code~~ a postsecondary education institution as defined in section 2822 of this title.

* * *

Sec. 17. 16 V.S.A. § 2879a(a) is amended to read:

(a) Any participant may cancel a participation agreement at will, and any return of funds from the participant’s account shall be subject to terms and conditions established by the Corporation, provided that any penalties levied as a result comply with the ~~Internal Revenue Code’s~~ provisions of the Internal Revenue Code or Title 32 relating to Investment Plans.

Sec. 18. 16 V.S.A. § 2879e is amended to read:

§ 2879e. CONSTRUCTION AND APPLICATION

This subchapter shall be construed liberally in order to effectuate its legislative intent. The purposes of this subchapter and all provisions of this

subchapter with respect to powers granted shall be broadly interpreted to effectuate such intent and purposes and not as to any limitation of powers. This subchapter shall be interpreted and enforced in a manner that shall achieve this public purpose in compliance with the applicable provisions of the Internal Revenue Code, except to the extent the Code is inconsistent with the provisions of 32 V.S.A. § 5825a.

Sec. 19. 32 V.S.A. § 5825a(b) is amended to read:

(b) A taxpayer who has received a credit under subsection (a) of this section shall repay to the Commissioner 10 percent of any distribution from a higher education investment plan account, which distribution is not ~~excluded from gross income in the taxable year under 26 U.S.C. § 529, as amended,~~ used exclusively for costs of attendance at an approved postsecondary education institution as defined in 16 V.S.A. § 2822(6), up to a maximum of the total credits received by the taxpayer under subsection (a) of this section minus any amount of repayment of such credits in prior tax years. Repayments under this subsection shall be subject to assessment, notice, penalty and interest, collection, and other administration in the same manner as an income tax under this chapter.

Sec. 20. REPORT ON NONPOSTSECONDARY USE OF HIGHER
EDUCATION INVESTMENT PLAN FUNDS

As far as practicable, the Vermont Student Assistance Corporation shall report the amount of assets withdrawn by participants from the Vermont Higher Education Investment Plan in the preceding calendar year for education costs other than postsecondary education costs, as well as the total amount of assets withdrawn by participants in the preceding calendar year, to the House Committee on Ways and Means and the Senate Committee on Finance annually on or before January 15.

Sec. 21. REPEAL

Sec. 20 (report) of this act shall be repealed on July 1, 2022.

* * * Education Property Tax * * *

* * * Definitions; Homestead; Nonhomestead * * *

Sec. 22. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(7) "Homestead":

(A) "Homestead" means the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual's domicile or owned and fully leased on April 1, provided the property is not leased for more than 182 days out of the calendar year, or for purposes of the renter property tax adjustment under subsection 6066(b) of this title, is rented and occupied by a resident individual as the individual's domicile.

* * *

(E)(i) A homestead also includes a dwelling on the homestead parcel owned by a farmer as defined under section 3752 of this title, and occupied as the permanent residence by a parent, sibling, child, grandchild of the farmer, or by a shareholder, partner, or member of the farmer-owner, provided that the shareholder, partner, or member owns more than 50 percent of the farmer-owner, including attribution of stock ownership of a parent, sibling, child, or grandchild.

(ii) A homestead further includes the principal dwelling of a widow or widower, provided the dwelling is owned by the estate of the deceased spouse and it is reasonably likely that the dwelling will pass to the widow or widower by law or valid will when the estate is settled.

* * *

* * * Definitions; Household Income * * *

Sec. 23. 32 V.S.A. § 6061 is amended to read:

§ 6061. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context requires otherwise:

* * *

(4)(A) "Household income" means modified adjusted gross income, but not less than zero, received in a calendar year by:

(A)(i) all persons of a household while members of that household; and

(B)(ii) the spouse of the claimant who is not a member of that household and who is not legally separated from the claimant in the taxable year as defined in subdivision (9) of this section, unless the spouse is at least 62 years of age and has moved to a nursing home or other care facility with no reasonable prospect of returning to the homestead.

(B) “Household income” does not mean:

(i) the modified adjusted gross income of the spouse or former spouse of the claimant, for any period that the spouse or former spouse is not a member of the household, if the claimant is legally separated or divorced from the spouse in the taxable year as defined in subdivision (9) of this section;

(ii) the modified adjusted gross income of the spouse of the claimant, if the spouse is subject to a protection order as defined in 15 V.S.A. § 1101(5) that is in effect at the time the claimant reports household income to the Department of Taxes.

(5) “Modified adjusted gross income” means “federal adjusted gross income”:

* * *

(C) Without the inclusion of: any gifts from nongovernmental sources other than those described in subdivision (B) of this subdivision (5); surplus food or other relief in kind supplied by a governmental agency; or the first \$6,500.00 of income earned by a full-time student who qualifies as a dependent of the claimant under the federal Internal Revenue Code; the first \$6,500.00 of income received by a person who qualifies as a dependent of the claimant under the Internal Revenue Code and who is the claimant’s parent or adult child with a disability; any income attributable to cancellation of debt; or payments made by the State pursuant to 33 V.S.A. chapters 49 and 55 for foster care, or payments made by the State or an agency designated in 18 V.S.A. § 8907 for adult foster care or to a family for the support of a person who is eligible and who has a developmental disability. If the Commissioner determines, upon application by the claimant, that a person resides with a claimant who has a disability or was at least 62 years of age as of the end of the year preceding the claim, for the primary purpose of providing attendant care services (as defined in 33 V.S.A. § 6321) or homemaker or companionship services, with or without compensation, which allow the claimant to remain in his or her home or avoid institutionalization, the Commissioner shall exclude that person’s modified adjusted gross income from the claimant’s household income. The Commissioner may require that a certificate in a form satisfactory to him or her be submitted which supports the claim.

* * *

* * * Reappraisals * * *

Sec. 24. 32 V.S.A. § 4041a(b) is amended to read:

(b) If the Director of Property Valuation and Review determines that a municipality's education grand list is at a common level of appraisal below 80 85 percent or above 115 percent, or has a coefficient of dispersion greater than 20, the municipality shall reappraise its education grand list properties. If the Director orders a reappraisal, the Director shall send the municipality written notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director, to develop a compliance plan, or both. If the Director accepts a proposed compliance plan submitted by the municipality, the Director shall not order commencement of the reappraisal until the municipality has had one year to carry out that plan.

* * * Common Level of Appraisal Districts * * *

Sec. 25. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

* * *

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. Tax Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

* * *

Sec. 26. 32 V.S.A. § 5403 is added to read:

§ 5403. ASSESSMENT DISTRICTS

(a) A municipality may vote at any regular or special meeting to merge with one or more other municipalities in the same unified union school district to create or join an assessment district for the purpose of standardized property valuation.

(b) All municipalities merged into an assessment district shall agree to implement standardized assessment procedures approved by the Commissioner. The Commissioner shall provide written guidance to municipalities relating to how they may receive approval under this subsection.

(c) A vote to merge with an assessment district shall be binding on a municipality for five years. After five years, a municipality may vote at any regular or special meeting to leave the assessment district, unless the assessment district has consolidated all administrative functions.

(d) All municipalities within an assessment district shall be treated as a single municipality for purposes of the equalization process established by section 5405 of this chapter.

(e) Municipalities within an assessment district shall maintain independent grand lists for municipal taxation, as well as independent processes for grievances, property valuation appeals, abatements, grand list filing, use value appraisal parcel management, reappraisal, and financial interaction with the Agency of Education, unless the Commissioner, in writing, authorizes the municipalities of an assessment district to consolidate all property valuation administrative functions.

Sec. 27. 32 V.S.A. § 5405 is amended to read:

§ 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY
TAX GRAND LIST AND COEFFICIENT OF DISPERSION

* * *

(g) The Commissioner shall provide to municipalities for the front of property tax bills the district homestead property tax rate before equalization, the nonresidential tax rate before equalization, and the calculation process that creates the equalized homestead and nonresidential tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

* * * Technical Correction * * *

Sec. 27a. 32 V.S.A. § 6066 is amended to read:

§ 6066. COMPUTATION OF ADJUSTMENT

(a) An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to an adjustment amount determined as follows:

* * *

(5) In no event shall the credit provided for in subdivision (3) or (4) of this subsection exceed the amount of the reduced property tax. The adjustments under ~~subdivisions (3) and~~ subdivision (4) of this subsection shall be calculated considering only the tax due on the first \$400,000.00 in equalized housesite value.

* * *

* * * Distribution of Property Tax Adjustments * * *

Sec. 28. 32 V.S.A. § 6066a is amended to read:

§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

(a) Annually, the Commissioner shall determine the property tax adjustment amount under section 6066 of this title, related to a homestead owned by the claimant. The Commissioner shall notify the municipality in which the housesite is located of the amount of the property tax adjustment for the claimant for homestead property tax liabilities, ~~on July 1 for timely filed claims and on November 1 for late claims filed by October 15~~ on a monthly basis. The tax adjustment of a claimant who was assessed property tax by a town ~~which~~ that revised the dates of its fiscal year, however, is the excess of the property tax ~~which~~ that was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year as determined under section 6066 of this title, related to a homestead owned by the claimant.

* * *

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the ~~November 1~~ notice sent by the Commissioner under subsection (a) of this section, issuance of ~~such~~ the corrected new bill does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid ~~current year~~ current-year taxes, interest, or penalties and no ~~past-year~~ past-year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

* * *

(g) ~~Annually, on August 1 and on November 1, the~~ The Commissioner of Taxes shall pay monthly to each municipality the amount of property tax adjustment of which the municipality was last notified ~~on July 1 for the August 1 transfer, or November 1 for the November 1 transfer,~~ related to municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

* * * Income Sensitivity * * *

Sec. 29. 32 V.S.A. chapter 154 is redesignated to read:

CHAPTER 154. HOMESTEAD PROPERTY TAX INCOME
SENSITIVITY ADJUSTMENT CREDIT

Sec. 30. 32 V.S.A. § 6061(1) is amended to read:

(1) “~~Adjustment Property tax credit~~” means an adjustment a credit of the prior tax year’s statewide or local share property tax liability or a homestead owner or renter credit, as authorized under section 6066 of this title, as the context requires.

Sec. 31. 32 V.S.A. § 6066 is amended to read:

§ 6066. COMPUTATION OF ADJUSTMENT PROPERTY TAX CREDIT

(a) An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to an adjustment a credit for the prior year’s homestead property tax liability amount determined as follows:

* * *

Sec. 32. 32 V.S.A. § 6066a is amended to read:

§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS CREDITS

(a) Annually, the Commissioner shall determine the property tax adjustment credit amount under section 6066 of this title, related to a homestead owned by the claimant, based on the prior taxable year’s income and crediting property taxes paid in the prior year. The Commissioner shall notify the municipality in which the housesite is located of the amount of the property tax adjustment credit for the claimant for homestead property tax liabilities, on July 1 for timely filed claims and on November 1 for late claims filed by October 15. The tax adjustment credit of a claimant who was assessed property tax by a town which revised the dates of its fiscal year, however, is the excess of the property tax which was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the

revised fiscal year as determined under section 6066 of this title, related to a homestead owned by the claimant.

* * *

Sec. 33. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Council shall make the following revisions throughout the statutes as needed for consistency with Secs. 29–32 of this act, as long as the revisions have no other effect on the meaning of the affected statutes:

- (1) replace “property tax adjustment” with “property tax credit”;
- (2) replace “adjustment” with “credit”; and
- (3) revisions that are substantially similar to those described in subdivisions (1) and (2) of this section.

* * * Use Value Appraisals * * *

* * * Definitions * * *

Sec. 34. 32 V.S.A. § 3752 is amended to read:

§ 3752. DEFINITIONS

As used in this subchapter:

* * *

(5) “Development” means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road, or other structure, or any mining, excavation, or landfill activity. “Development” also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, ~~ex-spouse in a divorce settlement~~, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then “development” shall not apply to any portion of the newly created parcel or parcels ~~which qualifies~~ that qualify for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the use value appraisal program. “Development” also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a

change in the parcel or use of the parcel in violation of the conservation management standards established by the Commissioner of Forests, Parks and Recreation. "Development" also means notification of the Director by the Secretary of Agriculture, Food and Markets under section 3756 of this title that the owner or operator of agricultural land or a farm building is violating the water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The term "development" shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

* * *

(10) "Owner" means the person who is the owner of record of any land or the lessee under a perpetual lease as defined in subsection 3610(a) of this title provided the term of the lease ~~exceeds~~ is for a minimum of 999 years exclusive of renewals. When enrolled land is mortgaged, the mortgagor shall be deemed the owner of the land for the purposes of this subchapter, until the mortgagee takes possession, either by voluntary act of the mortgagor or foreclosure, after which the mortgagee shall be deemed the owner.

* * *

* * * Insurance Taxes * * *

Sec. 35. 32 V.S.A. § 8557 is amended to read:

§ 8557. VERMONT FIRE SERVICE TRAINING COUNCIL

(a)(1) Sums for the expenses of the operation of training facilities and curriculum of the Vermont Fire Service Training Council not to exceed \$1,200,000.00 per year shall be paid to the Fire Safety Special Fund created by 20 V.S.A. § 3157 by insurance companies, ~~including surplus lines companies,~~ writing fire, homeowners multiple peril, allied lines, farm owners multiple peril, commercial multiple peril (fire and allied lines), private passenger and commercial auto, and inland marine policies on property and persons situated within the State of Vermont within 30 days after notice from the Commissioner of Financial Regulation of such estimated expenses. Captive companies shall be excluded from the effect of this section.

(2) The Commissioner shall annually, on or before July 1, apportion such charges among all such companies and shall assess them for the ~~same~~ charges on a fair and reasonable basis as a percentage of their gross direct written premiums on such insurance written during the second prior calendar

year on property situated in the State. The Department of Taxes shall collect all assessments under this section.

(3) An amount not less than \$100,000.00 shall be specifically allocated to the provision of what are now or formerly referred to as Level I, units I, II, and III (basic) courses for ~~entry level~~ entry-level firefighters.

(4) An amount not less than \$150,000.00 shall be specifically allocated to the Emergency Medical Services Special Fund established under 18 V.S.A. § 908 for the provision of training programs for emergency medical technicians, advanced emergency medical technicians, and paramedics.

(5) The Department of Health shall present a plan to the Joint Fiscal Committee ~~which~~ that shall review the plan prior to the release of any funds.

(b) All administrative provisions of chapter 151 of this title, including those relating to the collection and enforcement of the income tax by the Commissioner, shall apply to this section.

Sec. 36. 8 V.S.A. § 5034 is amended to read:

§ 5034. QUARTERLY REPORTS; SUMMARY OF EXPORTED
BUSINESS

On or before the end of each month next following each calendar quarter, each surplus lines broker shall file with the Commissioner of Taxes, on forms prescribed by him or her, a verified report of all surplus lines insurance transacted during the preceding calendar quarter.

Sec. 37. 8 V.S.A. § 5035 is amended to read:

§ 5035. SURPLUS LINES TAX

* * *

(b) At the time of filing his or her quarterly report with the Commissioner of Taxes, each surplus lines broker shall ~~file a duplicate report and~~ remit the premium tax due thereon to the Commissioner of Taxes.

~~(c) If the tax collectible by a surplus lines broker under this section is not paid within the time prescribed, it shall be recoverable in a suit brought by the Commissioner against the surplus lines broker and the surety on the bond filed under section 4800 of this title~~ The Commissioner of Taxes shall collect the tax imposed by this section. All administrative provisions of 32 V.S.A. chapter 151, including those relating to the collection and enforcement of the income tax by the Commissioner of Taxes, shall apply to this section.

Sec. 38. 8 V.S.A. § 5036 is amended to read:

§ 5036. DIRECT PLACEMENT OF INSURANCE

(a) Every insured and every self-insurer in this State for whom this is their home state who procures or causes to be procured or continues or renews insurance from any non-admitted insurer, covering a subject located or to be performed within this State, other than insurance procured through a surplus lines broker pursuant to this chapter, shall, before March 1 of the year after the year in which the insurance was procured, continued or renewed, file a written report with the Commissioner of Taxes on forms prescribed and furnished by the Commissioner of Taxes. The report shall show:

- (1) the name and address of the insured or insureds;
- (2) the name and address of the insurer or insurers;
- (3) the subject of the insurance;
- (4) a general description of the coverage;
- (5) the amount of premium currently charged for it; and
- (6) such additional pertinent information as may be reasonably requested by the Commissioner of Taxes.

* * *

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

~~(e) The tax shall be collectible from the insured by civil action brought by the Commissioner. All administrative provisions of 32 V.S.A. chapter 151, including those relating to the collection and enforcement of the income tax by the Commissioner of Taxes, shall apply to this section.~~

* * * Sales and Use Tax; Automotive Parts * * *

Sec. 39. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(12) Motor vehicle purchases and use taxed under chapter 219 of this title and the transactions exempted therefrom which are listed in section 8911

of this title. Provided, however, that notwithstanding subdivision 8911(5), construction, earthmoving, logging, and motorized equipment ~~which~~ that has not been registered as a motor vehicle is subject to tax under this chapter; and further provided that power take off and other auxiliary equipment on motor vehicles, whether attached prior to or subsequent to registration, is not exempt under this section. Motor vehicle parts purchased by a dealer registered under the provisions of 23 V.S.A. §§ 451–468 shall be exempt from the tax under this chapter when used to recondition a used motor vehicle owned by the dealer in its inventory for resale.

* * *

* * * Repeals * * *

Sec. 40. REPEALS

The following sections in Title 32 are repealed:

- (1) Section 5930z (business solar energy tax credit).
- (2) Section 8661 (taxation of electric generating plants).

* * * Effective Dates * * *

Sec. 41. EFFECTIVE DATES

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Secs. 4 (solar energy investment tax credit), 7 (minimum corporate income tax), 16–20 (Vermont higher education investment plan credit), and 41(1) (repeal of business solar energy tax credit) shall take effect retroactively on January 1, 2019 and apply to taxable years beginning on January 1, 2019 and thereafter.

(2) Notwithstanding 1 V.S.A. § 214, Secs. 5–6 (annual link-up to federal statutes) shall take effect retroactively on January 1, 2019 and apply to taxable years beginning on January 1, 2018 and thereafter.

(3) Sec. 8 (market-based sourcing) shall take effect on January 1, 2020, and apply to tax years starting after that date.

*ANN E. CUMMINGS
RANDOLPH D. BROCK
BRIAN A. CAMPION*

Committee on the part of the Senate

*SAMUEL R. YOUNG
SCOTT L. BECK
JAMES W. MASLAND*

Committee on the part of the House

Which was considered and adopted on the part of the House.

Recess

At one o'clock and thirty-one minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At four o'clock and four minutes in the afternoon, the Speaker called the House to order.

Message from the Senate No. 69

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

Madam Speaker:

I am directed to inform the House that:

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 527. An act relating to Executive Branch and Judicial Branch fees.

H. 536. An act relating to education finance.

And has accepted and adopted the same on its part.

House Resolution Adopted**H.R. 13**

House resolution, entitled

House resolution amending the Rules and Orders of the House of Representatives relating to bill draft request and approval deadlines in the second year of a biennium

Offered by: Committee on Rules

Resolved by the House of Representatives:

That Rule 40(b) of the Rules and Orders of the House of Representatives be amended to read:

(b) During the second year of the biennium:

(1) Except with the prior consent of the Committee on Rules, ~~no~~ a member may only introduce a bill into the House drafted in standard form ~~unless~~ if he or she:

(A) submits the request to the Office of Legislative Council on or before the ~~fifteenth day of January, and~~ first weekday of December;

(B) ~~does not request any changes to the bill contents after the Friday before the opening of session; and~~

(C) approves the bill for public release with any cosponsors on or before the last legislative day of January Wednesday in the second week of session.

* * *

Pending the question, Shall the resolution be adopted? **Rep. Browning of Arlington** moved to amend the resolution as follows:

By striking out all after the resolved clause and inserting in lieu thereof the following:

That Rule 40(b) of the Rules and Orders of the House of Representatives be amended to read:

(b) During the second year of the biennium:

(1) Except with the prior consent of the Committee on Rules, ~~no~~ a member may only introduce a bill into the House drafted in standard form unless if he or she:

(A) submits the request to the Office of Legislative Council on or before the ~~fifteenth day of January, and~~ Friday in the first week of session; and

(B) approves the bill for public release with any cosponsors on or before the last legislative day of January Friday in the third week of session.

* * *

Pending the question, Shall the resolution be amended as offered by Rep. Browning of Arlington? **Rep. Browning of Arlington** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the resolution be amended as offered by Rep. Browning of Arlington? was decided in the negative. Yeas, 23. Nays, 117.

Those who voted in the affirmative are:

Bancroft of Westford
Batchelor of Derby
Bates of Bennington
Brownell of Pownal
Browning of Arlington
Canfield of Fair Haven
Carroll of Bennington

Middletown Springs
Colburn of Burlington
Elder of Starksboro
Gregoire of Fairfield
Haas of Rochester
Hango of Berkshire
Leffler of Enosburgh

Rachelson of Burlington
Rosenquist of Georgia
Shaw of Pittsford
Smith of Derby
Smith of New Haven
Sullivan of Dorset
Toof of St. Albans Town

Chesnut-Tangerman of

Morrissety of Bennington

Yantachka of Charlotte

Those who voted in the negative are:

Ancel of Calais

Harrison of Chittenden

Notte of Rutland City

Anthony of Barre City

Hashim of Dummerston

Noyes of Wolcott

Austin of Colchester

Helm of Fair Haven

O'Brien of Tunbridge

Bartholomew of Hartland

Higley of Lowell

Ode of Burlington

Beck of St. Johnsbury

Hill of Wolcott

O'Sullivan of Burlington

Birong of Vergennes

Hooper of Montpelier

Page of Newport City

Bock of Chester

Hooper of Randolph

Pajala of Londonderry

Brennan of Colchester

Hooper of Burlington

Palasik of Milton

Briglin of Thetford

Houghton of Essex

Partridge of Windham

Brumsted of Shelburne

Howard of Rutland City

Patt of Worcester

Burditt of West Rutland

James of Manchester

Potter of Clarendon

Burke of Brattleboro

Jerome of Brandon

Pugh of South Burlington

Campbell of St. Johnsbury

Jessup of Middlesex

Quimby of Concord

Chase of Colchester

Jickling of Randolph

Redmond of Essex

Christensen of Weathersfield

Killacky of South Burlington

Rogers of Waterville

Christie of Hartford

Kimbell of Woodstock

Savage of Swanton

Coffey of Guilford

Kitzmiller of Montpelier

Scheu of Middlebury

Conlon of Cornwall

Kornheiser of Brattleboro

Scheuermann of Stowe

Conquest of Newbury

Krowinski of Burlington

Seymour of Sutton

Copeland-Hanzas of

LaClair of Barre Town

Sheldon of Middlebury

Bradford

LaLonde of South

Sibilia of Dover

Corcoran of Bennington

Burlington

Stevens of Waterbury

Cordes of Lincoln

Lanpher of Vergennes

Strong of Albany

Cupoli of Rutland City

Lefebvre of Newark

Sullivan of Burlington

Demrow of Corinth

Lippert of Hinesburg

Szott of Barnard

Dolan of Waitsfield

Long of Newfane

Taylor of Colchester

Donahue of Northfield

Macaig of Williston

Terenzini of Rutland Town

Donovan of Burlington

Marcotte of Coventry

Till of Jericho

Durfee of Shaftsbury

Martel of Waterford

Toleno of Brattleboro

Emmons of Springfield

Masland of Thetford

Toll of Danville

Fagan of Rutland City

Mattos of Milton

Townsend of South

Fegard of Berkshire

McCarthy of St. Albans City

Burlington

Feltus of Lyndon

McCormack of Burlington

Troiano of Stannard

Gamache of Swanton

McCoy of Poultney

Walz of Barre City

Gannon of Wilmington

McCullough of Williston

Webb of Shelburne

Gardner of Richmond

McFaun of Barre Town

White of Hartford

Giambatista of Essex

Morgan of Milton

Wood of Waterbury

Goslant of Northfield

Mrowicki of Putney

Yacovone of Morristown

Grad of Moretown

Myers of Essex

Young of Greensboro

Graham of Williamstown

Nicoll of Ludlow

Norris of Shoreham

Those members absent with leave of the House and not voting are:

Cina of Burlington

Town

Ralph of Hartland

Dickinson of St. Albans

Gonzalez of Winooski

Squirrell of Underhill

Dickinson of St. Albans

Murphy of Fairfax

Trieber of Rockingham

Thereupon the resolution was adopted.

**Rules Suspended; Senate Proposal of Amendment Concurred in
With a Further Amendment Thereto; Rules Suspended;
Bill Messaged to the Senate Forthwith**

H. 135

Pending entry on the Calendar for Notice, on motion of **Rep McCoy of Poultney**, the rules were suspended and House bill, entitled

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

Was taken up for immediate consideration.

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

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

And by renumbering the remaining sections to be numerically correct.

Second: By striking out new Sec. 12, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 12. 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.

(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.

Sec. 13. EFFECTIVE DATE

This act shall take effective on passage.

Pending the question Will the House concur in the Senate proposal of amendment? **Rep. Yantachka of Charlotte**, moved to concur in the Senate proposal of amendment with a further amendment thereto as follows:

By striking out Sec. 12, information technology and telecommunications; governance structure; report, in its entirety and by renumbering the remaining sections to be numerically correct.

Which was agreed to. Thereupon, on motion of **Rep. McCoy of Poultney**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Rules Suspended; Report of Committee of Conference Adopted

H. 527

Pending entrance of the bill on the Calendar for Notice, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to Executive Branch and Judicial Branch fees

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

The Committee of Conference to which were referred the disagreeing votes of the two Houses respectfully reported that it met and considered the same and recommended the following:

Report of Committee of Conference

H. 527

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

An act relating to Executive Branch and Judicial Branch fees.

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

H.527. An act relating to Executive Branch and Judicial Branch fees.

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

* * * Department of Financial Regulation * * *

* * * Financial and Related Services; Licensees * * *

Sec. 1. 8 V.S.A. 2102 is added to read:

§ 2102. APPLICATION FOR LICENSE

(a) Application for a license or registration shall be in writing, under oath, and in the form prescribed by the Commissioner, and shall contain the legal name, any fictitious name or trade name, and the address of the residence and place of business of the applicant, and if the applicant is a partnership or an association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality with street and number, if any, where the business is to be conducted and such further information as the Commissioner may require.

(b) At the time of making an application, the applicant shall pay to the Commissioner a fee for investigating the application and a license or registration fee for a period terminating on the last day of the current calendar year. The following fees are imposed on applicants:

(1) For an application for a lender license under chapter 73 of this title, \$1,000.00 as a license fee and \$1,000.00 as an application and investigation fee for the initial license. For each additional lender license from the same applicant, \$500.00 as a license fee and \$500.00 as an application and investigation fee.

(2) For an application for a lender license under chapter 73 of this title for a lender only making commercial loans, \$500.00 as a license fee and \$500.00 as an application and investigation fee.

(3) For an application for a mortgage broker license under chapter 73 of this title, other than a mortgage broker that meets each of the requirements of subdivisions (b)(4)(A)–(B) of this section, \$500.00 as a license fee and \$500.00 as an application and investigation fee.

(4) For an application for a mortgage broker license under chapter 73 of this title that meets each of the following requirements, \$250.00 as a license fee and \$250.00 as an application and investigation fee:

(A) the applicant is an individual sole proprietor; and

(B) no person, other than the applicant, shall be authorized to act as a mortgage broker under the applicant's license.

(5) For an application for a mortgage loan originator license under chapter 73 of this title, \$50.00 as a license fee and \$50.00 as an application and investigation fee.

(6) For an application for a sales finance company license under chapter 73 of this title, \$350.00 as a license fee and \$350.00 as an application and investigation fee.

(7) For an application for a loan solicitation license under chapter 73 of this title, \$500.00 as a license fee and \$500.00 as an application and investigation fee.

(8) For an application for any combination of lender license under chapter 73 of this title, mortgage broker license under chapter 73 of this title, loan solicitation license under chapter 73 of this title, or loan servicer license under chapter 85 of this title, \$1,500.00 as a license fee and \$1,500.00 as an application and investigation fee.

(9) For an application for a consumer litigation funding company registration under chapter 74 of this title, \$200.00 as a registration fee and \$300.00 as an application and investigation fee.

(10) For an application for a money transmission license under chapter 79 of this title, \$1,000.00 as a license fee, \$1,000.00 as an application and investigation fee, and \$25.00 as a license fee for each authorized delegate location.

(11) For an application for a check cashing and currency exchange license under chapter 79 of this title, \$500.00 as a license fee and \$500.00 as an application and investigation fee.

(12) For an application for a debt adjuster license under chapter 83 of this title, \$250.00 as a license fee and \$500.00 as an application and investigation fee.

(13) For an application for a loan servicer license under chapter 85 of this title, \$1,000.00 as a license fee and \$1,000.00 as an application and investigation fee.

Sec. 1a. 8 V.S.A. 2109 is added to read:

§ 2109. ANNUAL RENEWAL OF LICENSE

(a) On or before December 1 of each year, every licensee shall renew its license or registration for the next succeeding calendar year and shall pay to the Commissioner the applicable renewal of license or registration fee. At a

minimum, the licensee or registree shall continue to meet the applicable standards for licensure or registration. At the same time, the licensee or registree shall maintain with the Commissioner any required bond in the amount and of the character as required by the applicable chapter. The annual license or registration renewal fee shall be:

(1) For a lender license under chapter 73 of this title, \$1,200.00.

(2) For a lender license under chapter 73 of this title for a lender only making commercial loans, \$500.00.

(3) For a mortgage broker license under chapter 73 of this title, other than a mortgage broker that meets each of the requirements of subdivisions (4)(A)–(C) of this section, \$500.00.

(4) For a mortgage broker license under chapter 73 of this title that meets each of the following requirements, \$250.00:

(A) the mortgage broker license is held by an individual sole proprietor;

(B) no person, other than the individual sole proprietor, shall be authorized to act as a mortgage broker under this license; and

(C) the mortgage broker originated five or fewer loans within the last calendar year.

(5) For a mortgage loan originator license under chapter 73 of this title, \$100.00.

(6) For a sales finance company license under chapter 73 of this title, \$350.00.

(7) For a loan solicitation license under chapter 73 of this title, \$500.00.

(8) For any combination of lender license under chapter 73 of this title, mortgage broker license under chapter 73 of this title, loan solicitation license under chapter 73 of this title, or loan servicer license under chapter 85 of this title, \$1,700.00.

(9) For a consumer litigation funding company registration under chapter 74 of this title, \$200.00.

(10) For a money transmission license under chapter 79 of this title, \$1,000.00, plus an annual renewal fee of \$25.00 for each authorized delegate, provided that the total renewal fee of all authorized delegate locations shall not exceed \$3,500.00.

(11) For a check cashing and currency exchange license under chapter 79 of this title, \$500.00.

(12) For a debt adjuster license under chapter 83 of this title, \$250.00.

(13) For a loan servicer license under chapter 85 of this title, \$1,000.00.

* * * Insurance * * *

* * * Term of License * * *

Sec. 2. 8 V.S.A. § 4798 is amended to read:

§ 4798. TERM OF LICENSE

(a) Except as provided by ~~subsection~~ subsections (b) and (d) of this section, all licenses issued pursuant to this subchapter shall continue in force not longer than 24 months.

* * *

(d) Producer appointments shall expire as of 12:01 a.m. on the first day of June ~~of the odd-numbered year next~~ following the date of issuance. ~~Biennially~~ Annually, before the expiration of producer appointments, the Commissioner shall provide each insurer with an alphabetical appointment renewal list of the names for all of its producers in the State. Each insurer shall return the list and identify the producer appointments to be renewed in a manner and time specified by the Commissioner. Payment of the ~~biennial~~ annual producer appointment renewal fee, as specified in section 4800 of this title, shall be made in a manner and time specified by the Commissioner.

* * * License Requirements * * *

Sec. 3. 8 V.S.A. § 4800(2)(A) is amended to read:

(2)(A) All license applications shall be accompanied by a \$30.00 fee plus the applicable fees as follows:

* * *

(iii) Except as provided in subdivisions (I) and (II) of this subdivision, initial and biennial producer appointment fees for each qualification set forth in section 4813g of subchapter 1A of this chapter for resident and nonresident producers acting as agents of foreign insurers, ~~\$60.00~~ \$120.00:

(I) the Commissioner may charge one fee for a qualification in “property and casualty” insurance; and

(II) the Commissioner may charge one fee for a qualification in “life and accident and health or sickness” insurance.

(iv) Initial 24-month appointment and biennial renewal appointment fee for limited lines producers, ~~\$60.00~~ \$90.00.

(v) Initial 24-month license and biennial renewal fee for resident and nonresident adjusters, and appraisers licenses, ~~\$60.00~~ \$120.00, and public adjusters, \$200.00.

* * *

Sec. 3a. 8 V.S.A. § 4800(2)(A) is amended to read:

(2)(A) All license applications shall be accompanied by a \$30.00 fee plus the applicable fees as follows:

* * *

(iii) Except as provided in subdivisions (I) and (II) of this subdivision, initial and ~~biennial~~ annual producer appointment fees for each qualification set forth in section 4813g of subchapter 1A of this chapter for resident and nonresident producers acting as agents of foreign insurers, ~~\$120.00~~ \$60.00:

(I) the Commissioner may charge one fee for a qualification in “property and casualty” insurance; and

(II) the Commissioner may charge one fee for a qualification in “life and accident and health or sickness” insurance.

* * *

* * * Securities Act * * *

* * * Agents, Investment Advisers, Investment Adviser Representatives,
and Federal Covered Investment Advisors * * *

Sec. 4. 9 V.S.A. § 5410(b) is amended to read:

(b) The fee for an individual is ~~\$90.00~~ \$120.00 when filing an application for registration as an agent, ~~\$90.00~~ \$120.00 when filing a renewal of registration as an agent, and ~~\$90.00~~ \$120.00 when filing for a change of registration as an agent. If the filing results in a denial or withdrawal, the Commissioner shall retain the fee.

* * * Department of Fish and Wildlife * * *

* * * License Fees * * *

Sec. 5. 10 V.S.A. § 4255 is amended to read:

(a) Vermont residents may apply for licenses on forms provided by the Commissioner. Fees for each license shall be:

- | | |
|---------------------|-----------------------------------|
| (1) Fishing license | \$26.00 <u>\$28.00</u> |
| (2) Hunting license | \$26.00 <u>\$28.00</u> |

(3) Combination hunting and fishing license	\$42.00 <u>\$47.00</u>
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* * *

(b) Nonresidents may apply for licenses on forms provided by the Commissioner. Fees for each license shall be:

(1) Fishing license	\$52.00 <u>\$54.00</u>
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* * *

(4) Hunting license	\$100.00 <u>\$102.00</u>
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(5) Combination hunting and fishing license	\$138.00 <u>\$143.00</u>
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* * *

* * * Lifetime Licenses * * *

Sec. 6. 10 V.S.A. § 4279(f) is amended to read:

(f) Fees for lifetime licenses shall be the appropriate multiplication factor for the child's or adult's age multiplied by the fee for the appropriate license. Appropriate license fees are those in subdivisions 4255(a)(1), (2), and (3) of this title for residents and subdivisions 4255(b)(1), (4), and (5) of this title for nonresidents. Multiplication factors are as follows:

(1) for children under 1 year of age	6 <u>8</u>
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* * *

* * * Department of Labor * * *

* * * Workers' Compensation Fund * * *

Sec. 7. WORKERS' COMPENSATION RATE OF CONTRIBUTION

For fiscal year 2020, after consideration of the formula in 21 V.S.A. § 711(b) and historical rate trends, the General Assembly determines that the rate of contribution for the direct calendar year premium for workers' compensation insurance shall remain at the rate of 1.4 percent. The contribution rate for self-insured workers' compensation losses and workers' compensation losses of corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

* * * Department of Motor Vehicles * * *

* * * All-Terrain Vehicles * * *

Sec. 8. 23 V.S.A. § 3504(a) is amended to read:

(a) The registration fee for all-terrain vehicles other than as provided for in subsection (b) of this section is ~~\$35.00~~ \$45.00. Duplicate registration certificates may be obtained upon payment of \$6.00 to the Department.

* * * Department of Public Service and Public Utility Commission * * *

* * * Gross Receipts Tax * * *

Sec. 9. 30 V.S.A. § 22 is amended to read:

§ 22. TAX TO FINANCE DEPARTMENT AND COMMISSION

(a) For the purpose of maintaining the Department of Public Service and Public Utility Commission, including expenses related to maintaining an adequate engineering, legal, and administrative force in the Department of Public Service and paying all the expenses incident thereof, including rents, each person, partnership, association, or private or municipal corporation conducting a business subject to the supervision of the Department of Public Service and Public Utility Commission, including electric cooperatives, shall pay into the State Treasury on or before April 15 annually, in addition to the taxes now required by law to be paid, a tax, at the rate hereinafter named, according to the nature of the public service business engaged in by such person, partnership, association, or private or municipal corporation, based on the gross operating revenue received by such person, partnership, association, or private or municipal corporation in the conduct of such business in the State during the year next preceding, as shown by the annual report filed on or before such date with the Department of Public Service on the form prescribed by it and containing such information as may be necessary to enable the Department to determine the amount of the tax payable.

(1) The rate of tax for each type of public service company, for the purpose of maintaining the Department of Public Service, shall be the following:

(1)(A) for companies, cooperative, municipal or privately owned, generating, distributing, selling, or transmitting electric energy, ~~0.0050~~ 0.00320 of gross operating revenue;

(2)(B) for telephone companies, ~~0.0050~~ 0.003 of gross operating revenue or ~~\$500.00~~ \$300.00, whichever is greater;

(3)(C) for gas companies, ~~0.0030~~ 0.00320 of gross operating revenue;

(4)(D) for water companies, ~~0.001~~ 0.0006 of gross operating revenue or ~~\$5.00~~ \$3.00, whichever is greater;

(5)(E) for companies owning or operating a cable television system, ~~0.005~~ 0.003 of gross operating revenue or ~~\$25.00~~ \$15.00, whichever is greater,

\$25,000.00 of which shall be used each year by the Department for special planning functions relating to cable television systems;

~~(6)~~(F) for companies whose sole telephone business consists of owning customer-owned, coin-operated telephones with total annual revenues of less than \$5,000.00, the choice of either ~~0.0050~~ 0.003 of gross operating revenue from telephone revenues or the amount of ~~\$20.00~~ \$12.00; and

~~(7)~~(G) for all other companies named in section 203 of this title, ~~0.001~~ 0.0006 of gross operating revenues.

(2) The rate of tax for each type of public service company, for the purpose of maintaining the Public Utility Commission, shall be the following:

(A) for companies, cooperative, municipal or privately owned, generating, distributing, selling, or transmitting electric energy, 0.00205 of gross operating revenue;

(B) for telephone companies, 0.002 of gross operating revenue or \$200.00, whichever is greater;

(C) for gas companies, 0.00205 of gross operating revenue;

(D) for water companies, 0.0004 of gross operating revenue or \$2.00, whichever is greater;

(E) for companies owning or operating a cable television system, 0.002 of gross operating revenue or \$10.00, whichever is greater;

(F) for companies whose sole telephone business consists of owning customer-owned, coin-operated telephones with total annual revenues of less than \$5,000.00, the choice of either 0.002 of gross operating revenue from telephone revenues or the amount of \$8.00; and

(G) for all other companies named in section 203 of this title, 0.0004 of gross operating revenues.

(b) The ~~tax~~ taxes levied under this section shall not apply to sales of electrical power for resale.

~~(c) Of the revenue deposited into the special fund for the maintenance of engineering and accounting forces, 40 percent shall be allocated to the Public Utility Commission and 60 percent shall be allocated to the Department of Public Service. [Repealed.]~~

~~(d)(1) On June 30 of each year, any balance in the amount allocated to received by the Public Utility Commission from the special fund for the maintenance of engineering and accounting forces, after accounting for expenditures and encumbrances, in excess of 20 percent of the Commission's~~

allocation funds received by the Commission for that year shall be used in the manner provided by subdivision (3) of this subsection.

(2) On June 30 of each year, any balance in the amount allocated to received by the Department of Public Service from the special fund for the maintenance of engineering and accounting forces, after accounting for expenditures and encumbrances, in excess of 20 percent of the Department's allocation funds received by the Department for that year shall be used in the manner provided by subdivision (3) of this subsection.

* * *

* * * Certificates of Public Good for New Gas and Electric Purchases,
Investments, and Facilities * * *

Sec. 10. 30 V.S.A. § 248c is added to read:

§ 248c. FEES; DEPARTMENT OF PUBLIC SERVICE AND PUBLIC
UTILITY COMMISSION; PARTICIPATION IN CERTIFICATION
AND SITING PROCEEDINGS

(a) Establishment. This section establishes fees for the purpose of supporting the role of the Department of Public Service (Department) and the Public Utility Commission (Commission) in reviewing applications for in-state facilities under section 248 of this title. Companies that pay the gross receipts tax as provided in section 22 of this title shall not be subject to the fees established in this section.

(b) Payment. The applicant shall pay the fee into the State Treasury at the time the application for a certificate of public good is filed with the Commission in an amount calculated in accordance with this section. The fee shall be deposited into the gross revenue fund. Of the fees deposited into the gross revenue fund, 60 percent shall be allocated to the Department and 40 percent shall be allocated to the Commission.

(c) Definitions. As used in this section, "kW" and "plant capacity" have the same meaning as in section 8002 of this title.

(d) Electric and natural gas facilities. This subsection sets fees for applications under section 248 of this title.

(1) There shall be a registration fee of \$100.00 for each electric generation facility less than or equal to 50 kW in plant capacity, or for a rooftop project, or for a hydroelectric project filing a net metering registration, or for an application filed under subsection 248(n) of this title.

(2) There shall be a fee of \$25.00 for modifications for each electric generation facility less than or equal to 50 kW in plant capacity, or for a

rooftop project, or for a hydroelectric project filing a net metering registration, or for an application filed under subsection 248(n) of this title.

(3) There shall be a fee for electric generation facilities that do not qualify for the lower fees in subdivisions (1) and (2) of this subsection, calculated as follows:

(A) \$5.00 per kW; and

(B) \$100.00 for modifications.

(e) Report. On or before the third Tuesday of each annual legislative session, the Department and Commission shall jointly submit a report to the General Assembly by electronic submission. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to this report. The report shall list the fees collected and refunds approved, if any, under this section and under section 248d of this title during the preceding fiscal year.

Sec. 11. 30 V.S.A. § 248d is added to read:

§ 248d. FEE REFUND

If an applicant withdraws an application and seeks a fee refund, then a written request for an application fee refund shall be submitted to the Public Utility Commission (Commission) within 90 days of the withdrawal of the application.

(1) As used in this section, “agency” means the Agency of Natural Resources, the Department of Public Service, or the Commission.

(2) In the event that an application is withdrawn before any agency has filed comments expressing a position on any part of the application, filed testimony, or filed a stipulated agreement with the Commission in the context of a certificate of public good proceeding, the Commission shall, upon request of the applicant, refund 50 percent of the fee paid to each agency above the first \$100.00; however, in no instance shall the agency retain more than \$20,000.00.

(3) In the event that an application is withdrawn after any agency has filed comments expressing a position on any part of the application, filed testimony, or filed a stipulated agreement with the Commission in the context of a certificate of public good proceeding, the Commission shall, upon request of the applicant, refund 25 percent of the fee paid to each agency above the first \$100.00.

(4) Commission decisions regarding application fee refunds may be appealed to the Vermont Supreme Court.

(5) In no event may an application fee or a portion thereof be refunded after the Commission has issued a final decision on the merits of an application, whether the decision is to grant or deny the application in whole or in part.

(6) No interest will be due or payable on any money refunded under this section.

Sec. 12. EVALUATION OF FEES

The Department of Public Service (Department), in consultation with the Public Utility Commission (Commission), shall evaluate the feasibility of using billback mechanisms to recover the costs related to reviewing applications for in-state facilities under section 248 of this title for projects that produce five megawatts or more of electricity. The Department shall, on or before January 15, 2020, submit electronically a report to the House Committees on Ways and Means and on Energy and Technology and to the Senate Committee on Finance with their findings.

* * * Secretary of State * * *

* * * Professional Regulation * * *

Sec. 13. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

(a) In addition to the fees otherwise authorized by law, a board or adviser profession may charge the following fees:

* * *

(4) Continuing, qualifying, or prelicensing education course approval:

(A) Provider, \$100.00.

(B) Individual, \$25.00.

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(2) Application for licensure or certification, \$100.00, except application for:

* * *

(C) Application for real estate appraisers, \$275.00.

(D) Temporary real estate appraiser license, \$150.00.

(E) Appraisal management company registration, \$600.00.

* * *

(4) Biennial renewal, ~~\$200.00~~ \$240.00, except biennial renewal for:

* * *

(C) Physical therapists and assistants, ~~\$100.00~~ \$150.00.

* * *

(J) Appraisal management company registration, \$600.00.

(K) Radiologic therapist, radiologic technologist, nuclear medicine technologist, \$150.00.

(L) Certified alcohol and drug abuse counselor, certified apprentice addiction professional, and licensed alcohol and drug abuse counselor, \$225.00.

* * *

(6) Radiologic evaluation, \$125.00.

* * *

* * * Board of Public Accountancy * * *

Sec. 14. 26 V.S.A. § 56 is amended to read:

§ 56. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Application for license	\$ 75.00 <u>\$ 100.00</u>
(2) Biennial renewal of license	\$ 120.00 <u>\$ 220.00</u>
(3) Firm registration and biennial renewal of registration	\$ 120.00 <u>\$ 200.00</u>

* * *

(5) Firm biennial renewal of registration	<u>\$ 400.00</u>
---	------------------

(6) Sole proprietor firm biennial renewal of registration	<u>\$ 200.00</u>
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* * * Board of Dental Examiners * * *

Sec. 15. 26 V.S.A. § 662(a) is amended to read:

(a) Applicants and persons regulated under this chapter shall pay the following fees:

- (1) Application
 - (A) Dentist \$ ~~225.00~~ \$ 250.00
 - (B) Dental therapist \$ 185.00
 - (C) Dental hygienist \$ ~~150.00~~ \$ 175.00
 - (D) Dental assistant \$ ~~60.00~~ \$ 70.00
- (2) Biennial renewal
 - (A) Dentist \$ ~~355.00~~ \$ 575.00
 - (B) Dental therapist \$ ~~225.00~~ \$ 270.00
 - (C) Dental hygienist \$ ~~125.00~~ \$ 215.00
 - (D) Dental assistant \$ ~~75.00~~ \$ 90.00

* * * Board of Professional Engineering * * *

Sec. 16. 26 V.S.A. § 1176 is amended to read:

§ 1176. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

- (1) Application for engineering license or application to add additional specialty discipline \$ ~~80.00~~ \$ 100.00

* * *

- (3) Biennial license renewal \$ ~~100.00~~ \$ 150.00

* * *

* * * State Board of Nursing * * *

Sec. 17. 26 V.S.A. § 1577 is amended to read:

§ 1577. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

- (1) Nursing Assistants
 - (B) Biennial renewal \$ ~~45.00~~ \$ 55.00
- (2) Practical Nurses and Registered Nurses
 - (A) Application by exam \$ ~~60.00~~ \$ 75.00

- | | |
|---|---------------------------------------|
| (B) Registered nurse application <u>Application</u> by endorsement | \$ 150.00 |
| (C) Biennial renewal <u>for Practical Nurses</u> | \$ 140.00 <u>\$ 175.00</u> |
| (D) <u>Biennial renewal for Registered Nurses</u> | <u>\$ 190.00</u> |
- (3) Advanced Practice Registered Nurses
- | | |
|--|--------------------------------------|
| (A) Initial endorsement of advanced practice registered nurses | \$ 75.00 <u>\$ 100.00</u> |
| (B) Biennial renewal of advanced practice registered nurses | \$ 75.00 <u>\$ 125.00</u> |

* * * Board of Pharmacy * * *

* * * Licensing Fees * * *

Sec. 18. 26 V.S.A. § 2046 is amended to read:

§ 2046. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Initial application:

* * *

- | | |
|--------------------------------|---------------------------------------|
| (C) Institutional drug outlets | \$ 300.00 <u>\$ 400.00</u> |
| (D) Manufacturing drug outlet | \$ 300.00 <u>\$ 400.00</u> |
| (E) Wholesale drug outlet | \$ 600.00 <u>\$ 700.00</u> |

* * *

- | | |
|--------------------------------------|------------------|
| (H) <u>Outsourcing drug outlet</u> | <u>\$ 700.00</u> |
| (I) <u>Nuclear drug outlet</u> | <u>\$ 700.00</u> |
| (J) <u>Compounding drug outlet</u> | <u>\$ 700.00</u> |
| (K) <u>Home infusion drug outlet</u> | <u>\$ 700.00</u> |
| (L) <u>Third-party logistics</u> | <u>\$ 700.00</u> |
| (M) <u>Pharmacy interns</u> | <u>\$ 20.00</u> |

(2) Biennial renewal:

- | | |
|--------------------------------|---------------------------------------|
| (A) Pharmacists | \$ 100.00 <u>\$ 125.00</u> |
| (B) Retail drug outlets | \$ 300.00 <u>\$ 400.00</u> |
| (C) Institutional drug outlets | \$ 300.00 <u>\$ 500.00</u> |

(D) Manufacturing drug outlet	\$ 300.00 <u>\$ 500.00</u>
(E) Wholesale drug outlet	\$ 300.00 <u>\$ 500.00</u>

* * *

(H) Outsourcing drug outlet	<u>\$ 500.00</u>
(I) Nuclear drug outlet	<u>\$ 500.00</u>
(J) Compounding drug outlet	<u>\$ 500.00</u>
(K) Home infusion drug outlet	<u>\$ 500.00</u>
(L) Third-party logistics	<u>\$ 500.00</u>
(M) Pharmacy interns	<u>\$ 45.00</u>

* * *

* * * Wholesale Distributors and Manufacturers * * *

Sec. 19. 26 V.S.A. § 2076(c) is amended to read:

(c) If the Board determines it is necessary to inspect a certain premises under the same ownership more than once in any two-year period, the Board may charge a reinspection fee of ~~\$100.00~~ not more than \$500.00.

* * * Real Estate Commission * * *

Sec. 20. 26 V.S.A. § 2255 is amended to read:

§ 2255. FEES

(a) Applicants and persons regulated under this chapter shall pay the following fees:

(1) Application

(A) Broker license	\$ 50.00 <u>\$ 100.00</u>
(B) Salesperson license	\$ 50.00 <u>\$ 100.00</u>
(C) Brokerage firm registration	\$ 50.00 <u>\$ 200.00</u>
(D) Branch office registration	\$ 50.00 <u>\$ 200.00</u>

(2) Biennial renewal of broker or salesperson license ~~\$ 200.00~~ \$ 240.00

(3) Biennial brokerage firm or branch office registration renewal
~~\$ 200.00~~ \$ 400.00

* * *

* * * Board of Radiologic Technology * * *

Sec. 21. 26 V.S.A. § 2814 is amended to read:

§ 2814. FEES

Applicants and persons regulated under this chapter shall pay ~~the following~~ fees:

(1) Application for primary licensure	\$ 100.00
(2) Biennial renewal	
(A) Renewal of a single primary license	\$ 110.00
(B) Renewal of each additional primary license	\$ 15.00
(3) Initial competency endorsement under section 2804 of this title	\$ 100.00
(4) Biennial renewal of competency endorsement under section 2804 of this title	\$ 110.00
(5) Evaluation	\$ 125.00

those fees set forth in 3 V.S.A. § 125(b).

* * * Board of Allied Mental Health Practitioners * * *

* * * Clinical Mental Health Counselors * * *

Sec. 22. 26 V.S.A. § 3270a is amended to read:

§ 3270a. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Application for licensure	\$125.00 <u>\$150.00</u>
(2) Biennial renewal	\$150.00 <u>\$200.00</u>

* * * Board of Real Estate Appraisers * * *

Sec. 23. 26 V.S.A. § 3316 is amended to read:

§ 3316. LICENSING AND REGISTRATION FEES

~~Applicants and persons licensed under this chapter shall pay the following~~ fees:

(1) Application	\$125.00
(2) Initial license	\$150.00
(3) Biennial renewal	\$200.00

(4) Temporary license	\$150.00
(5) Prelicensing course review	\$100.00
(6) Continuing education course review	\$100.00
(7) Appraiser trainee annual registration	\$100.00
(8) Appraisal management company registration application	\$125.00
(9) Appraisal management company registration renewal	\$400.00

In addition to the fees otherwise authorized by law, the Director may charge the fees for professions regulated by the Director as set forth in 3 V.S.A. § 125(b).

* * * Board of Allied Mental Health Practitioners * * *

* * * Marriage and Family Therapists * * *

Sec. 24. 26 V.S.A. § 4041a is amended to read:

§ 4041a. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Application for licensure	\$125.00 <u>\$150.00</u>
(2) Biennial renewal	\$150.00 <u>\$250.00</u>

* * * Roster of Psychotherapists Who Are Nonlicensed and Noncertified * * *

Sec. 25. 26 V.S.A. § 4089a is amended to read:

§ 4089a. FEES

A person who seeks entry on the roster shall pay the following fees:

(1) Initial roster entry	\$75.00 <u>\$80.00</u>
(2) Biennial roster reentry	\$90.00 <u>\$150.00</u>

* * * Electrologists * * *

Sec. 26. 26 V.S.A. § 4412 is amended to read:

§ 4412. FEES

In addition to examination fees, applicants and licensees regulated under this chapter shall be subject to the fees set forth in 3 V.S.A. § 125(b) ~~and the following fees:~~

- ~~(1) Initial electrology office license \$100.00;~~

~~(2) Biennial office license renewal \$ 50.00.~~

* * * Judiciary * * *

* * * Supreme and Superior Courts * * *

Sec. 27. 32 V.S.A. § 1431 is amended to read:

§ 1431. FEES IN SUPREME AND SUPERIOR COURTS

* * *

(d) Prior to the entry of any subsequent pleading which sets forth a claim for relief in the Supreme Court or the Superior Court, there shall be paid to the clerk of the court for the benefit of the State a fee of \$120.00 for every ~~appeal~~, cross-claim, or third-party claim and a fee of \$90.00 for every counterclaim in the Superior Court in lieu of all other fees not otherwise set forth in this section. The fee for an appeal of a magistrate's decision or the appeal of a small claims decision in the Superior Court shall be \$120.00. The filing fee for civil suspension proceedings filed pursuant to 23 V.S.A § 1205 shall be \$90.00, which shall be taxed in the bill of costs in accordance with sections 1433 and 1471 of this title. This subsection does not apply to filing fees in the Family Division, except with respect to the fee for an appeal of a magistrate's decision.

(e) Prior to the filing of any postjudgment motion in the Civil, Criminal, or Environmental Division of the Superior Court, including motions to reopen civil suspensions and motions for sealing or expungement in the Criminal Division pursuant to 13 V.S.A. § 7602, or motions to reopen existing cases in the Probate Division of the Superior Court, there shall be paid to the clerk of the court for the benefit of the State a fee of \$90.00 except for small claims actions, and estates, and motions to confirm the sale of property in foreclosure. A filing fee of \$90.00 shall be paid to the clerk of the court for a civil petition for minor settlements.

* * *

* * * Probate Cases * * *

Sec. 28. 32 V.S.A. § 1434 is amended to read:

§ 1434. PROBATE CASES

(a) The following entry fees shall be paid to the Probate Division of the Superior Court for the benefit of the State, except for subdivisions (18) and (19) of this subsection, which shall be for the benefit of the county in which the fee was collected:

* * *

(26) Petitions for license to sell or convey real estate
 \$100.00

(27) Petition for license to sell or convey personal property \$100.00

* * *

(31) ~~Requests for findings regarding motor vehicle title pursuant to 23 V.S.A. § 2023(e)(2) \$50.00 [Repealed.]~~

(32) Petitions to obtain a birth order pursuant to 15C V.S.A. § 708(a) or § 804(a) \$100.00

(33) Petitions to appeal the State Registrar's denial of an application to amend a birth or death certificate pursuant to 18 V.S.A. § 5073(b) \$150.00

* * *

* * * Prescription Drug Cost Containment * * *

* * * Manufacturer Fees * * *

Sec. 29. 33 V.S.A. § 2004(a) is amended to read:

(a) Annually, each pharmaceutical manufacturer or labeler of prescription drugs that are paid for by the Department of Vermont Health Access for individuals participating in Medicaid, Dr. Dynasaur, or VPharm shall pay a fee to the Agency of Human Services. The fee shall be ~~4.5~~ 1.75 percent of the previous calendar year's prescription drug spending by the Department and shall be assessed based on manufacturer labeler codes as used in the Medicaid rebate program.

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

(a) Secs. 2 (insurance term of license) and 3a (insurance license requirements) shall take effect on June 1, 2021.

(b) Secs. 5 (Department of Fish and Wildlife license fees) and 6 (Department of Fish and Wildlife lifetime licenses) shall take effect on January 1, 2020.

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

*REBECCA A. BALINT
 BRIAN A. CAMPION
 MARK A. MACDONALD*

Committee on the part of the Senate

ROBIN P. SCHEU

*PATRICK M. BRENNAN
CYNTHIA M. BROWNING*

Committee on the part of the House

Which was considered and adopted on the part of the House.

Rules Suspended; Report of Committee of Conference Adopted

H. 536

Pending entrance of the bill on the Calendar for Notice, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to education finance

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses respectfully reported that it met and considered the same and recommended the following:

Report of Committee of Conference

H. 536

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

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

H.536. An act relating to education finance.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Definitions; Homestead; Nonhomestead * * *

Sec. 1. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(10) “~~Nonresidential~~ Nonhomestead property” means all property except:

* * *

Sec. 2. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Council shall make the following revisions throughout the statutes as needed for consistency with Sec. 1 of this act, as long as the revisions have no other effect on the meaning of the affected statutes:

(1) replace “nonresidential” with “nonhomestead” in Title 32 and Title 16; and

(2) make revisions that are substantially similar to those described in subdivision (1) of this subsection in other titles of the Vermont Statutes Annotated.

* * * Sales and Use Tax; Marketplace Facilitators * * *

Sec. 3. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

Unless the context in which they occur requires otherwise, the following terms when used in this chapter mean:

* * *

(9) “Vendor” means:

* * *

(J) A marketplace facilitator who has facilitated sales by marketplace sellers to destinations within this State of at least \$100,000.00, or totaling at least 200 individual sales transactions, during any 12-month period preceding the monthly period with respect to which that person’s liability for tax under this chapter is determined.

(K) A marketplace seller who has combined sales to a destination within this State and sales through a marketplace to a destination within this State of at least \$100,000.00, or totaling at least 200 individual sales transactions, during any 12-month period preceding the monthly period with respect to which that person’s liability for tax under this chapter is determined.

* * *

(14) “Persons required to collect tax” or “persons required to collect any tax imposed by this chapter” means every vendor of taxable tangible personal property or services, and every recipient of amusement charges. These terms also include marketplace facilitators with respect to retail sales made on behalf of a marketplace seller. These terms shall also include any officer or employee of a corporation or other entity or of a dissolved entity who as that officer or

employee is under a duty to act for the corporation or entity in complying with any requirement of this chapter.

* * *

(56) “Marketplace facilitator” means a person who contracts with marketplace sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the marketplace sellers products through a physical or electronic marketplace operated by the person and engages:

(A) directly or indirectly through one or more affiliated persons, in any of the following:

(i) transmitting or otherwise communicating the offer or acceptance between purchasers and marketplace sellers;

(ii) owning or operating the infrastructure, electronic or physical, or technology that brings purchasers and marketplace sellers together;

(iii) providing a virtual currency that purchasers are allowed or required to use to purchase products from marketplace sellers; or

(iv) software development or research and development activities related to any of the activities described in subdivision (B) of this subdivision (56), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person; and

(B) in any of the following activities with respect to the marketplace sellers products:

(i) payment processing services;

(ii) fulfillment or storage services;

(iii) listing products for sale;

(iv) setting prices;

(v) branding sales as those of the marketplace facilitator;

(vi) order taking;

(vii) advertising or promotion; or

(viii) providing customer service or accepting or assisting with returns or exchanges.

(57) “Marketplace seller” means a person who has an agreement with a marketplace facilitator and makes retail sales of tangible personal property, taxable services, or digital goods through a marketplace owned, operated, or controlled by a marketplace facilitator, even if the person would not be

required to collect and remit the sales tax had the sale not been made through the facilitated marketplace.

(58) "Marketplace" means the physical or electronic processes, systems, places, and infrastructure, including a website, through which a marketplace facilitator engages in any of the activities described in subdivision (56) of this section.

(59) "Affiliated person" means a person who, with respect to another person:

(A) has an ownership interest of more than five percent, whether direct or indirect, in the other person; or

(B) is related to the other person because a third person, or group of third persons who are affiliated persons with respect to each other, holds an ownership interest of more than five percent, whether direct or indirect, in the related persons.

Sec. 4. 32 V.S.A. § 9713 is added to read:

§ 9713. MARKETPLACE FACILITATORS AND MARKETPLACE SELLERS

(a) Marketplace facilitators shall collect and remit the sales tax on retail sales by marketplace sellers through a marketplace. Marketplace sellers shall collect and remit the sales tax on any retail sales within this State that are not made through a marketplace.

(b) A marketplace facilitator shall certify to its marketplace sellers that it will collect and remit the sales tax under this chapter on the sale of taxable items made through its marketplace. A marketplace seller that accepts a certification from a marketplace facilitator in good faith shall exclude sales made through the marketplace from its obligation as a vendor under this chapter.

(c) A marketplace facilitator is relieved from liability under this chapter if it can demonstrate to the Commissioner that its failure to collect the correct amount of tax was due to incorrect information given to the marketplace facilitator by the marketplace seller.

* * * Sales Tax; Veterinary Supplies * * *

Sec. 5. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(3) Agriculture feeds, seed, plants, baler twine, silage bags, agricultural wrap, sheets of plastic for bunker covers, liming materials, breeding and other livestock, semen breeding fees, baby chicks, turkey poults, agriculture chemicals other than pesticides, ~~veterinary supplies~~, and bedding; and fertilizers and pesticides for use and consumption directly in the production for sale of tangible personal property on farms, including stock, dairy, poultry, fruit and truck farms, orchards, nurseries, or in greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities for sale.

* * *

(53) Prescription drugs intended for animal use, and durable medical equipment and prosthetics intended for animal use, and veterinary supplies intended for animal use. As used in this subdivision, "prescription drugs intended for animal use" means a drug dispensed only by or upon the lawful written order of a licensed veterinarian, and "veterinary supplies" mean tangible personal property therapeutic in nature, not normally used absent illness or injury, and not intended for repeated usage.

* * * Statewide Education Property Tax Yields and Nonresidential Rate * * *

Sec. 6. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME
DOLLAR EQUIVALENT YIELD, AND NONRESIDENTIAL
RATE FOR FISCAL YEAR 2020

(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2020 only, the property dollar equivalent yield shall be \$10,648.00.

(b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2020 only, the income dollar equivalent yield shall be \$13,081.00.

(c) Notwithstanding any other provision of law, the nonresidential rate for fiscal year 2020 shall be \$1.594 per \$100.00 of equalized education property value under 32 V.S.A. § 5402(a)(1).

(d) Notwithstanding any other provision of law, when making recommendations for fiscal year 2021 under 32 V.S.A. § 5402b, the Commissioner shall disregard any undesignated surplus in the Education Fund.

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

- (a) This section shall take effect on passage.
- (b) Secs. 1–2 (nonhomestead) shall take effect on January 1, 2020 and apply to grand lists lodged after that date.
- (c) Secs. 3–4 (marketplace facilitators) shall take effect on June 1, 2019.
- (d) Sec. 5 (veterinary supplies) shall take effect July 1, 2019.
- (e) Sec. 6 (yields and nonresidential rate) shall take effect on July 1, 2019 and apply to fiscal year 2020.

*ANN E. CUMMINGS
MARK A. MACDONALD
BRIAN A. CAMPION*

Committee on the part of the Senate

*JANET ANCEL
WILLIAM P. CANFIELD
JOHANNAH L. DONOVAN*

Committee on the part of the House

Which was considered and adopted on the part of the House.

Adjournment

At five o'clock and fifty-six minutes in the evening, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at ten o'clock in the forenoon.