

Journal of the Senate

TUESDAY, MARCH 26, 2019

Pursuant to the Senate Rules, in the absence of the President, the Senate was called to order by the President *pro tempore*.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

The President *pro tempore* then led the members of the Senate in the pledge of allegiance.

Bill Referred to Committee on Finance

S. 162.

Senate bill of the following title, appearing on the Calendar for notice, and affecting the revenue of the state, under the rule was referred to the Committee on Finance:

An act relating to promoting economic development.

Joint Senate Resolution Adopted on the Part of the Senate

J.R.S. 20.

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Ashe,

J.R.S. 20. Joint resolution relating to weekend adjournment.

Resolved by the Senate and House of Representatives:

That when the two Houses adjourn on Friday, March 29, 2019, it be to meet again no later than Tuesday, April 2, 2019.

Joint Resolution Referred

J.R.S. 21.

Joint Senate resolution of the following title was offered, read the first time and is as follows:

By Senators Perchlik, Pearson and Pollina,

J.R.S. 21. Joint resolution to amend Rule 10 of the Joint Rules of the Senate and House of Representatives to require ranked choice voting in Joint Assembly elections.

Resolved by the Senate and House of Representatives:

That the General Assembly amends Rule 10 of the Joint Rules of the Senate and House of Representatives to read:

10. (a) Whenever a Joint Assembly is required to elect one or more persons to any office, the voting shall be by a ranked choice ballot, except that if there is only one candidate for any office, and if there is no objection, the Chair may put the question to the Joint Assembly by voice vote.

(b) If two or more offices are to be filled, each office will be voted upon and decided separately. If two or more vacancies for the same office are to be filled, nominations for all vacancies will be received before voting begins for the first vacancy, but each vacancy will be voted upon and decided separately. The Joint Assembly may limit the number and length of nominating and seconding speeches for each candidate.

(c)(1) ~~Election to any office is by a majority of the votes cast, exclusive of spoiled and blank ballots. After two votes have been taken for any vacancy without an election, all nominees except the two having the highest number of votes on the second ballot shall be withdrawn, and voting shall then continue until a candidate is elected. In no event shall the involuntary removal of nominees result in fewer than two nominees remaining in the contest.~~

(2) The ballot shall allow Joint Assembly members to rank a number of candidates that is equal to the number of candidates nominated for the office, with "1st choice" being the highest ranking; "2nd choice" being the second-highest ranking; and so on.

(3) If, after the first round of vote tabulation, no candidate has received a majority vote, the candidate with the fewest votes shall be defeated and the votes for that defeated candidate shall not be counted for that candidate and shall instead be added to the totals of each ballot's next-ranked candidate, as applicable, who has not been defeated.

(4) Vote tabulation shall proceed in such sequential rounds until one candidate receives a majority vote.

(d) The person who first nominated a candidate may withdraw that candidate's name at any time; a withdrawal may be complete or may be limited to one or more vacancies. A candidate for any office having more than one vacancy who is defeated for the first vacancy shall automatically be a

candidate for successive vacancies, unless the nomination is voluntarily withdrawn.

Thereupon, the President, in his discretion, treated the joint resolution as a bill and referred it to the Committee on Rules.

Bills Referred

House bills of the following titles were severally read the first time and referred:

H. 83.

An act relating to female genital cutting.
To the Committee on Judiciary.

H. 132.

An act relating to adopting protections against housing discrimination for victims of domestic and sexual violence.

To the Committee on Economic Development, Housing and General Affairs.

H. 351.

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

To the Committee on Finance.

H. 436.

An act relating to international wills.
To the Committee on Judiciary.

H. 523.

An act relating to miscellaneous changes to the State's retirement systems.
To the Committee on Government Operations.

H. 532.

An act relating to fiscal year 2019 budget adjustments.
To the Committee on Appropriations.

Bill Amended; Third Reading Ordered

S. 32.

Senator Pollina, for the Committee on Government Operations, to which was referred Senate bill entitled:

An act relating to the public financing of campaigns.

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following::

Sec. 1. 17 V.S.A. chapter 61, subchapter 5 is amended to read:

Subchapter 5. Public Financing Option

§ 2981. DEFINITIONS

As used in this subchapter:

(1) "Affidavit" means the Vermont campaign finance affidavit required under section 2982 of this ~~chapter~~ subchapter.

(2) "General election period" means the period beginning the day after the primary election and ending the day of the general election.

(3) "Primary election period" means the period beginning the day after primary petitions must be filed under section 2356 of this title and ending the day of the primary election.

(4) "Vermont campaign finance qualification period" means the period beginning ~~February 15 of each even-numbered year~~ at the start of the two-year general election cycle and ending on the date on which primary petitions must be filed under section 2356 of this title.

* * *

§ 2983. VERMONT CAMPAIGN FINANCE GRANTS; CONDITIONS

(a) A person shall not be eligible for Vermont campaign finance grants if, ~~prior to February 15 of the general election year during any two-year general election cycle~~ the Vermont campaign finance qualification period, he or she becomes a candidate ~~by announcing that he or she seeks an elected position as for~~ Governor or Lieutenant Governor ~~or~~ by accepting contributions totaling \$2,000.00 or more or by making expenditures totaling \$2,000.00 or more.

(b) A candidate who accepts Vermont campaign finance grants shall:

(1) not solicit, accept, or expend any contributions except qualifying contributions, Vermont campaign finance grants, and contributions authorized under section 2985 of this ~~chapter~~ subchapter, which contributions may be solicited, accepted, or expended only in accordance with the provisions of this subchapter;

(2) deposit all qualifying contributions, Vermont campaign finance grants, and any contributions accepted in accordance with the provisions of section 2985 of this ~~chapter~~ subchapter in a federally insured noninterest-bearing checking account; and

(3) not later than 40 days after the general election, deposit in the Secretary of State Services Fund, after all permissible expenditures have been paid, the balance of any amounts remaining in the account established under subdivision (2) of this subsection.

* * *

§ 2985. VERMONT CAMPAIGN FINANCE GRANTS; AMOUNTS;
TIMING

(a)(1) The Secretary of State shall make grants from the Secretary of State Services Fund in separate grants for the primary and general election periods to candidates who have qualified for Vermont campaign finance grants under this subchapter.

(2)(A) To cover any campaign finance grants to candidates who have qualified under this subchapter, the Secretary of State shall report to the Commissioner of Finance and Management, who shall anticipate receipts to the Services Fund and issue warrants to pay for those grants.

(B) The Commissioner shall report any such anticipated receipts and warrants issued under this subdivision to the Joint Fiscal Committee on or before December 1 of the year in which the warrants were issued.

(b)(1) ~~Whether~~ Except as provided in subdivision (2) of this subsection and subsection (c) of this section, whether a candidate has entered a primary or is an independent candidate, Vermont campaign finance grants shall be in the following amounts:

~~(1)~~(A) For Governor, \$150,000.00 in a primary election period and \$450,000.00 in a general election period, provided that the grant for a primary election period shall be reduced by an amount equal to the candidate's qualifying contributions.

~~(2)~~(B) For Lieutenant Governor, \$50,000.00 in a primary election period and \$150,000.00 in a general election period, provided that the grant for a primary election period shall be reduced by an amount equal to the candidate's qualifying contributions;

~~(3)~~(2) A candidate who is an incumbent of the office being sought shall be entitled to receive a grant in an amount equal to 85 percent of the amount listed in subdivision (1) ~~or (2)~~ of this subsection.

(c) In an uncontested general election and in the case of a candidate who enters a primary election and is unsuccessful in that election, an otherwise eligible candidate shall not be eligible for a general election period grant. However, such candidate may solicit and accept contributions and make expenditures as follows: contributions shall be subject to the limitations set

forth in subchapter 3 of this chapter, and expenditures shall be limited to an amount equal to the amount of the grant set forth in subsection (b) of this section for the general election for that office.

(d) Grants awarded in a primary election period but not expended by the candidate in the primary election period may be expended by the candidate in the general election period.

(e)(1) Vermont campaign finance grants for a primary election period shall be paid to qualifying candidates within the first 10 business days of the primary election period.

(2) Vermont campaign finance grants for a general election period shall be paid to qualifying candidates during the first 10 business days of the general election period.

§ 2985a. PRIMARY ELECTION PERIOD; PERMITTED ADVANCED
GENERAL ELECTION GRANT

(a) Notwithstanding the timing of grants set forth in subsection 2985(e) of this subchapter, a candidate who has received a campaign finance grant in a primary election period may also obtain and expend during the primary election period up to 25 percent of his or her general election period grant.

(b) The permitted general election period grant amount shall be distributed to the publicly financed primary candidate within three business days of the candidate's written request for such amount.

(c)(1) A publicly financed primary candidate who obtains a portion of his or her general election period grant under this section and who wins the primary shall be limited to the remaining balance of the general election grant amount during the general election period.

(2) A publicly financed candidate who obtains a portion of his or her general election period grant under this section and who is unsuccessful in the primary shall be required to deposit in the Secretary of State Services Fund an amount equal to that portion of the general election period grant not later than 40 days after the end of the two-year general election cycle.

* * *

Sec. 2. PUBLIC CAMPAIGN FINANCE STUDY COMMITTEE; REPORT

(a) Creation. There is created the Public Campaign Finance Study Committee to study and make recommendations regarding Vermont's current public campaign finance option.

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

(1) one current member of the Senate, who shall be appointed by the Committee on Committees and who shall be Co-Chair;

(2) one current member of the House of Representatives, who shall be appointed by the Speaker of the House and who shall be Co-Chair;

(3) the Secretary of State or designee;

(4) the Attorney General or designee; and

(5) the Executive Director of the State Ethics Commission or designee.

(c) Powers and duties. The Committee shall consult with interested stakeholders to study and make recommendations on Vermont's current public campaign finance option (Option), including the following issues:

(1) whether the structure of the Option is appropriate or whether Vermont should instead enact a different public campaign finance system, such as one based on vouchers as in the Seattle Democracy Voucher Program, or one that provides supplemental payments based on the amount of qualifying contributions as in the Maine Clean Election Act;

(2) if Vermont should retain the Option:

(A) whether the current qualifying contributions and grant amounts for candidates for Governor and Lieutenant Governor are appropriate;

(B) whether the Option should be extended to other offices and, if so, which offices and what the qualifying contributions and grant amounts should be for each office; and

(C) how it may be improved; and

(3) what the funding source should be for either the Option or any recommended substitute.

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

(e) Report. On or before December 1, 2019, the Committee shall report to the Senate and House Committees on Government Operations with its findings and any recommendations for legislative action. The report may be in the form of legislation.

(f) Meetings.

(1) The Co-Chairs shall call the first meeting of the Committee to occur on or before August 15, 2019.

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

(3) The Committee shall cease to exist on December 1, 2019.

(g) Compensation and reimbursement.

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

(2) Other members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings. These payments shall be made from monies appropriated to the member's appointing authority.

Sec. 3. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on December 11, 2020.

And that when so amended the bill ought to pass.

Senator Starr, for the Committee on Appropriations, to which the bill was referred, reported that the bill ought to pass when so amended.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

Third Reading Ordered**S. 146.**

Senate committee bill entitled:

An act relating to substance misuse prevention.

Having appeared on the Calendar for notice for one day, was taken up.

Senator McCormack, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill be amended as follows:

First: In Sec. 1, by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) to explore funding opportunities for the prevention of substance misuse prevention; and

Second: By striking out Sec. 8 in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. [Deleted.]

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

S. 164.

Senate committee bill entitled:

An act relating to miscellaneous changes to education law.

Having appeared on the Calendar for notice for one day, was taken up.

Senator Kitchel, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill be amended as follows:

First: In Sec. 3 (Task Force on Campus Sexual Harm) in subsection (b), by striking out the number “15” and inserting in lieu thereof the number 17

Second: In Sec. 3 (Task Force on Campus Sexual Harm) in subsection (b), by striking out subdivisions (10) and (11) in their entirety and inserting in lieu thereof four new subdivisions to be number (10) through (13) to read as follows:

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

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

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

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

Third: By striking out Sec. 4 (Delivery of Vermont Technical College Certificate and Degree Programs at Career Technical Education Centers in Vermont; Study; Pilot Program) and its reader assistance heading in its entirety.

And by renumbering the remaining section to be numerically correct.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

Bills Amended; Third Readings Ordered

S. 58.

Senator Pearson, for the Committee on Agriculture, to which was referred Senate bill entitled:

An act relating to the State hemp program.

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 6 V.S.A. chapter 34 is amended to read:

CHAPTER 34. HEMP

§ 561. FINDINGS; INTENT

(a) Findings.

* * *

(5) ~~The federal Agricultural Act of 2014, Pub. L. No. 113-79 authorized Section 10113 of the Agriculture Improvement Act of 2018, Pub. L. No. 115-334 authorizes the growing, cultivation, and marketing of industrial hemp, notwithstanding restrictions under the federal Controlled Substances Act, if certain criteria are satisfied under a U.S. Department of Agriculture approved State program.~~

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

§ 562. DEFINITIONS

As used in this chapter:

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

(2)(A) “Grow” means:

(i) planting, cultivating, harvesting, or drying of hemp; and

(ii) selling, storing, and transporting hemp grown by a grower.

(B) “Grow” may be used interchangeably with the word “produce.”

(3) “Grower” means a person who is registered with the Agency to produce hemp crops.

(4) “Hemp products” or “hemp-infused products” means all products made from hemp with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts, that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, food, fuel, paint, paper, construction materials, plastics, seed, seed meal, seed oil, and certified seed for

cultivation and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

~~(3)~~(5) “Hemp” or “industrial hemp” means the plant *Cannabis sativa* L. and any part of the plant, ~~whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis~~ including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp. “Hemp” shall be considered an agricultural commodity.

(6) “On-site process” means growing hemp and processing hemp or hemp products at the location where hemp is grown, provided that more than 50 percent of the hemp or hemp products processed at the location shall be grown at the registered location.

(7) “On-site processor” means a person registered with the Agency to on-site process hemp or hemp products.

(8) “Process” means the storing, drying, trimming, handling, compounding, or converting of a hemp crop by a processor for a single grower or multiple growers into hemp products or hemp-infused products. “Process” includes transporting, aggregating, or packaging hemp from a single grower or multiple growers.

(9) “Processor” means a person who is registered with the Agency to process hemp crops. A retail establishment selling hemp products or hemp-infused products is not a processor.

~~(4)~~(10) “Secretary” means the Secretary of Agriculture, Food and Markets.

§ 563. HEMP; AN AGRICULTURAL PRODUCT

Industrial hemp is an agricultural product that may be grown as a crop produced, possessed, marketed, and commercially traded in Vermont pursuant to the provisions of this chapter and section 10113 of the Agriculture Improvement Act of 2018, Pub. L. No. 115-334. The cultivation of industrial hemp shall be subject to and comply with the required agricultural practices adopted under section 4810 of this title.

§ 564. STATE HEMP PROGRAM; REGISTRATION; APPLICATION; ADMINISTRATION; PILOT PROJECT

~~(a) The Secretary shall establish a pilot program to research the growth, cultivation, and marketing of industrial hemp. Under the pilot program, the Secretary shall register persons who will participate in the pilot program through growing or cultivating industrial hemp. The Secretary shall certify the~~

~~site where industrial hemp will be cultivated by each person registered under this chapter. A person who intends to participate in the pilot program and grow industrial hemp shall register with the Secretary and submit on a form provided by the Secretary the following:~~

~~(1) the name and address of the person;~~

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

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

~~(b) The form provided by the Secretary pursuant to subsection (a) of this section shall include a notice statement that:~~

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

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

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

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

~~(d) The Secretary may assess an annual registration fee of \$25.00 for the performance of his or her duties under this chapter. The Secretary shall establish and administer a State Hemp Program to regulate the growing, processing, on-site processing, testing, and marketing of industrial hemp and hemp products in the State.~~

(b)(1) A person shall register annually with the Secretary as part of the State Hemp Program in order to grow, process, on-site process, or test hemp or hemp products in the State. A person shall apply for registration or renewal of a registration on a form provided by the Secretary. The application shall be

accompanied by the fee required under section 569 of this title. The application or renewal form shall include:

(A) the name and address of the person applying for or renewing a registration;

(B) whether the person is applying to grow, process, on-site process, or test hemp or hemp products;

(C) for a person applying as a grower:

(i) the location and acreage of all parcels where hemp will be grown;

(ii) a statement that the seeds obtained for planting are of a type and variety that do not exceed the federally defined tetrahydrocannabinol concentration level of hemp;

(D) for a person applying as a processor, the location of the processing site;

(E) for a person applying as an on-site processor:

(i) the location and acreage of all parcels where hemp will be grown;

(ii) a statement that the seeds obtained for planting are of a type and variety that do not exceed the federally defined tetrahydrocannabinol concentration level of hemp; and

(iii) a statement that no more than 50 percent of the hemp or hemp products processed at the location shall originate from or be grown at a location away from the registered location.

(F) for a person applying to test hemp or hemp products, the location of the site where testing will occur and any proof of certification required by the Secretary; and

(G) any additional information that the Secretary may require by rule.

(2) The Secretary may verify the information provided in the application or renewal form under subdivision (1) of this subsection and on any maps accompanying the application or renewal form and may request additional information in order to perform a review of an application for registration or renewal.

(c) The Secretary may deny an application for registration or renewal if the applicant:

(1) does not provide all the information requested on the application or renewal form;

(2) fails to submit the fee required under section 569 of this title;

(3) fails to submit additional information requested by the Secretary under subsection (a) of this section; or

(4) does not, as determined by the Secretary, satisfy the requirements of section 10113 of the Agriculture Improvement Act of 2018, Pub. L. No. 115-334 for participation in the Program.

(d) A person registered under this section may purchase or import hemp genetics from any state that complies with the federal requirements for the cultivation of industrial hemp.

(e) A person registered with the Secretary under this section to grow, process, on-site process, or test hemp crops or hemp products, shall allow the Secretary to inspect hemp crops, processing sites, or laboratories registered under the State Hemp Program. The Secretary shall retain tests and inspection information collected under this section for the purposes of research of the growth and cultivation of industrial hemp.

(f) The name and general location of a person registered under this section shall be available for inspection and copying under the Public Records Act, provided that all records produced or acquired by the Agency of Agriculture, Food and Markets related to the location of parcels where hemp will be grown, including coordinates, maps, and parcel identifiers, shall be confidential and shall not be disclosed for inspection and copying under the Public Records Act.

§ 566. RULEMAKING AUTHORITY

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

(1) require hemp to be tested during growth for tetrahydrocannabinol levels;

(2) authorize or specify the method or methods of testing hemp, including, where appropriate, the ratio of cannabidiol to tetrahydrocannabinol levels or a taxonomic determination using genetic testing; and

(3) ~~to require inspection and supervision of hemp during sowing, growing season, harvest, storage, and processing. The Secretary shall not adopt under this or any other section a rule that would prohibit a person to grow hemp based on the legal status of hemp under federal law;~~ and

(4) require labels or label information for hemp products in order to provide consumers with product content or source information or to conform with federal requirements.

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

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

* * *

§ 569. REGISTRATION FEES

(a) A person applying for a registration or renewal under section 564 of this title annually shall pay the following fees:

(1) for an application or renewal of registration to grow hemp for seed, grain crop, fiber, or textile: \$100.00;

(2) for an application or renewal of registration to grow hemp for floral material production, and viable seed, or cannabinoids, including Cannabidiolic Acid (CBDA), Cannabidiol (CBD), Cannabinol (CBN), Cannabigerol (CBG), Cannabichromene (CBD), or Tetrahydrocannabivarin (THCV) the following fee each year based on the number of acres planted:

<u>Acres of Hemp Grown for floral material or Cannabinoids</u>	<u>Fee</u>
<u>Less than 0.5</u>	<u>\$50.00</u>
<u>0.5 to 9.9</u>	<u>\$250.00</u>
<u>10 to 50</u>	<u>\$500.00</u>
<u>Greater than 50</u>	<u>\$1,500.00</u>

(3) for an application or renewal of registration to process floral material from hemp or manufacture of hemp-infused products: \$1,500.00;

(4) for an application or renewal of registration as a laboratory certified to conduct testing of hemp and hemp products as part of the Agency's cannabis control program: \$1,500.00; and

(5) for an application or renewal of registration as an on-site processor, twice the fee that on-site processor would pay under subdivision (2) of this subsection if applying solely to grow hemp for floral material production, and viable seed, or cannabinoid.

(b) A person registered to grow hemp for floral material production, and viable seed, or cannabinoids shall not grow more acres of hemp per year than the amount identified in a registration without first notifying the Secretary and paying the additional annual registration fee under subdivision (a)(2) of this section.

§ 570. STATE HEMP PROGRAM SPECIAL FUND

(a) There is created the State Hemp Program Special Fund to be administered by the Secretary of Agriculture, Food and Markets. The Fund shall consist of:

(1) appropriations or revenues dedicated for deposit into the Fund by the General Assembly;

(2) registration fees collected under this chapter; and

(3) gifts, donations, or other funds received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration.

(b) The Secretary of Agriculture, Food and Markets may use monies deposited in the Fund for the costs of personnel, program administration, testing, and other costs incurred by the Agency of Agriculture, Food and Markets in administration and implementation of the requirements of this chapter and in conducting industrial hemp research under this chapter.

(c) Notwithstanding the requirements of 32 V.S.A. § 588(3), interest earned by the Fund shall be retained in the Fund from year to year.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

And that when so amended the bill ought to pass.

Senator Pearson, for the Committee on Finance, to which the bill was referred, reported that the bill be amended as follows:

First: In Sec. 1 by striking out 6 V.S.A. § 569 (registration fees) in its entirety and inserting in lieu thereof the following:

§ 569. REGISTRATION FEES

(a) A person applying for a registration or renewal under section 564 of this title annually shall pay the following fees:

(1) for an application to grow less than 0.5 acres of hemp for personal use: \$25.00;

(2) for an application or renewal of registration to grow or process hemp seed for food oil production, grain crop, fiber, or textile: \$100.00;

(3) except as provided for in subdivision (4) of this subsection, for an application or renewal of registration to grow, process, or grow and process hemp commercially for floral material production, viable seed, or cannabinoids, including cannabidiolic acid (CBDA), cannabidiol (CBD), cannabinol (CBN), cannabigerol (CBG), cannabichromene (CBC), or tetrahydrocannabivarin (THCV), the following fee based on the greater of the number of acres planted or the weight of hemp or viable seed processed:

<u>Acres of Hemp Grown or Pounds of Hemp Processed or Viable Seed Cultivated Annually for Floral Material or Cannabinoids</u>	<u>Fee</u>
<u>Less than 0.5 acres or less than 500 pounds</u>	<u>\$100.00</u>
<u>0.5 to 9.9 acres or less than 10,000 pounds</u>	<u>\$500.00</u>
<u>10 to 50 acres or less than 50,000 pounds</u>	<u>\$1,000.00</u>
<u>Greater than 50 acres or greater than 50,000 pounds</u>	<u>\$3,000.00</u>

(4) for an application or renewal of registration to operate exclusively within an indoor facility in order to grow, process, or grow and process hemp commercially for floral material production, viable seed, or cannabinoids, including cannabidiolic acid (CBDA), cannabidiol (CBD), cannabinol (CBN), cannabigerol (CBG), cannabichromene (CBC), or tetrahydrocannabivarin (THCV): \$2,000.00; and

(5) for an application or renewal of registration as a laboratory certified to conduct testing of hemp and hemp products as part of the Agency's cannabis control program: \$1,500.00.

(b) A person registered to grow, process, or grow and process hemp for floral material production, viable seed, or cannabinoids shall not grow more acres of hemp per year than the amount identified in a registration without first notifying the Secretary and paying an additional registration fee if necessary under subsection (a) of this section.

Second: By striking out Sec. 2 (effective date) in its entirety and inserting in lieu thereof two new to be numbered Secs. 2 and 3 to read as follows:

Sec. 2. TRANSITION; COLLECTION OF REGISTRATION FEE

Beginning on January 1, 2020, the Secretary of Agriculture, Food and Markets shall initiate collection under 6 V.S.A. § 569 of the registration fees to grow hemp, process hemp, grow and process hemp, or operate a certified laboratory to test hemp in the State. Prior to January 1, 2020, the Secretary of Agriculture, Food and Markets shall collect a registration fee of \$25.00 for any registration under 6 V.S.A. chapter 34 (State Hemp Program).

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

And that when so amended the bill ought to pass.

Senator Starr, for the Committee on Appropriations, to which the bill was referred, reported that the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment of the Committee on Agriculture was amended as recommended by the Committee on Finance.

Thereupon, the pending question, Shall the bill be amended as recommended by the Committee on Agriculture, as amended?, was decided in the affirmative.

Thereupon, third reading of the bill was ordered.

S. 117.

Senator White, for the Committee on Judiciary, to which was referred Senate bill entitled:

An act relating to the therapeutic use of cannabis.

Reported recommending that the bill be amended by adding two new sections to be numbered Secs. 8 and 9 to read as follows:

Sec. 8. 18 V.S.A. § 4474n is added to read:

§ 4474n. USE OF U.S. FOOD AND DRUG ADMINISTRATION-
APPROVED DRUGS CONTAINING ONE OR MORE
CANNABINOIDS

(a) Upon approval by the U.S. Food and Drug Administration (FDA) of one or more prescription drugs containing one or more cannabinoids, the following activities shall be lawful in Vermont:

(1) the clinically appropriate prescription for a patient of an FDA-approved prescription drug containing one or more cannabinoids by a health

care provider licensed to prescribe medications in this State and acting within his or her authorized scope of practice;

(2) the dispensing, pursuant to a valid prescription, of an FDA-approved prescription drug containing one or more cannabinoids to a patient or a patient's authorized representative by a pharmacist or by another health care provider licensed to dispense medications in this State and acting within his or her authorized scope of practice;

(3) the possession and transportation of an FDA-approved prescription drug containing one or more cannabinoids by a patient to whom a valid prescription was issued or by the patient's authorized representative;

(4) the possession and transportation of an FDA-approved prescription drug containing one or more cannabinoids by a licensed pharmacy or wholesaler in order to facilitate the appropriate dispensing and use of the drug; and

(5) the use of an FDA-approved prescription drug containing one or more cannabinoids by a patient to whom a valid prescription was issued, provided the patient uses the drug only for legitimate medical purposes in conformity with instructions from the prescriber and dispenser.

(b) Upon approval by the U.S. Food and Drug Administration of one or more prescription drugs containing one or more cannabinoids, the Department of Health shall amend its rules to conform to the provisions of subsection (a) of this section.

Sec. 9. REPEAL

2017 Act and Resolves No. 62, Sec. 8 (use of U.S. Food and Drug Administration-approved drugs containing cannabidiol) is repealed.

And by renumbering the remaining section to be numerically correct.

And that when so amended the bill ought to pass.

Senator Pearson, for the Committee on Finance, to which the bill was referred, reported recommending that the bill be amended as follows:

First: By striking out Sec. 3, 18 V.S.A. § 4474a in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. 18 V.S.A. § 4474a is amended to read:

§ 4474a. REGISTRATION; FEES

(a) The Department shall collect a fee of \$50.00 for the application authorized by sections 4473 and 4474 of this title. The fees received by the

Department shall be deposited into a registration fee fund and used to offset the costs of processing applications under this subchapter.

(b) A registration card shall expire one year after the date of issue, ~~with the option of renewal, provided the patient submits.~~ A patient may renew his or her registration card as follows:

(1) A patient may submit a new application which is approved by to the Department of Public Safety, pursuant to section 4473 or 4474 of this title, and pays pay the fee required under subsection (a) of this section.

(2) If the medical verification form submitted by a patient pursuant to subdivision 4473(b)(2) of this chapter states that the debilitating medical condition is incurable, a patient who chooses to renew shall not be required to submit a new application but shall be required to pay the fee required under subsection (a) of this section.

Second: By adding a new section to be numbered Sec. 3a to read as follows:

Sec. 3a. DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety shall amend the medical verification form as necessary to implement Sec. 3 of this act.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of amendment of the Committee on Judiciary was agreed to.

Thereupon, the pending question, Shall the bill be amended as recommended by the Committee on Finance?, was decided in the affirmative.

Thereupon, third reading of the bill was ordered.

Proposal of Amendment; Third Reading Ordered

H. 39.

Senator Baruth, for the Committee on Education, to which was referred House bill entitled:

An act relating to the extension of the deadline of school district mergers required by the State Board of Education.

Reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. SCHOOL DISTRICT MERGERS; STATE BOARD OF
EDUCATION ORDER

(a) Statement of intent.

(1) 2017 Acts and Resolves No. 49 made “useful changes to the merger time lines” contained in 2015 Acts and Resolves No. 46 “without weakening or eliminating the Act’s fundamental phased merger and incentive structures and requirements.” Act 49 reemphasized this point by noting that “[n]othing in this act should be interpreted to suggest that it is acceptable for a school district to fail to take reasonable and robust action to seek to meet the goals of Act 46.”

(2) Similarly, nothing in this act, which permits a final extension of the deadline for mergers required by the State Board of Education, should be interpreted to weaken or undermine in any way the State Board’s final merger order of November 28, 2018 or to encourage delay for school districts that want to merge on July 1, 2019. Except as modified by this act, school districts remain under all obligations under Acts 46 and 49, whether or not they choose to delay the operational date of their merger.

(b) Definitions. As used in this section:

(1) “Default Articles” means the Default Articles of Agreement issued with the State Board Report.

(2) “Existing district” means a union school district created by vote of the electorate on or after July 1, 2014 into which a merging district is ordered by the State Board Order to merge.

(3) “Forming district” means a school district that is ordered by the State Board Order to merge with other forming districts to create a newly formed district.

(4) “Initial members” mean the initial members of the board of a newly formed district elected under Article 10 of the default articles.

(5) “Merging district” means a school district that is ordered by the State Board Order to merge into an existing district.

(6) “Newly formed district” means a union school district that is formed by the State Board Order by merging forming districts.

(7) “State Board Order” means the section of the State Board Report entitled “State Board of Education’s ‘order merging and realigning districts and supervisory unions where necessary pursuant to Act 46, Sec. 10(b).’”

(8) “State Board Report” means the “Final Report of the Decisions and Order on Statewide School District Merger Decisions Pursuant to Act 46,

Sections 8(b) and 10” issued by the State Board of Education dated November 28, 2018.

(c) Notwithstanding any provision of law to the contrary:

(1) Merger deadline extension.

(A) Except as provided in subdivisions (1)(B) and (C) of this subsection, the operational deadline for school district mergers under the State Board Order shall be on July 1, 2019 or July 1, 2020.

(i) For the mergers of forming districts into a newly formed district, the school board of the newly formed district, operating in accordance with the default articles, shall, on or before June 30, 2019, determine, by majority vote of the initial members representing a quorum, the operational date of merger.

(ii) For the merger of a merging district into an existing district, the school board of the existing district shall, on or before June 30, 2019, determine, by majority vote of members representing a quorum, the operational date of merger.

(B) The operational deadline for school district mergers under the State Board Order shall be on July 1, 2019 if the relevant board does not, on or before June 30, 2019, determine the operational date of the merger under subdivision (1)(A) of this subsection.

(C) The deadline for mergers that, in the State Board Order, are conditioned upon approval of voters of the existing district shall be as specified in the State Board Order.

(2) Default Articles. The Default Articles for each newly formed district that has an operational deadline of July 1, 2020 are amended as follows:

(A) by striking out the date “June 30, 2019” wherever it appears and inserting in lieu thereof the date “June 30, 2020”;

(B) by striking out the date “July 1, 2019” wherever it appears and inserting in lieu thereof the date “July 1, 2020”; provided, however, the date “July 1, 2019” shall not be changed in Article 9;

(C) by striking out the date “December 31, 2019” wherever it appears and inserting in lieu thereof the date “December 31, 2020”;

(D) by striking out the date “July 1, 2020” wherever it appears and inserting in lieu thereof the date “July 1, 2021”;

(E) by striking out the academic year “2019–2020” wherever it appears and inserting in lieu thereof the academic year “2020–2021”;

(F) by striking out the academic year “2020–2021” wherever it appears and inserting in lieu thereof the academic year “2021–2022”;

(G) by striking out the academic year “2021–2022” wherever it appears and inserting in lieu thereof the academic year “2022–2023”; and

(H) by striking out the fiscal year “2020” wherever it appears and inserting in lieu thereof the fiscal year “2021”.

(3) Small schools grant.

(A) If a forming district or merging district that merges under the State Board Order has an operational merger date of July 1, 2019, and that district was an “eligible school district” as defined in 16 V.S.A. § 4015, as in effect on June 30, 2019, that received a small schools support grant under that section in the fiscal year two years prior to the first fiscal year of merger, then the newly formed district or existing district, as applicable, shall receive an annual small schools support grant in an amount equal to the small schools support grant received by the forming district or merging district, as applicable, in the fiscal year two years prior to the first fiscal year of merger. If more than one forming district or merging district was an eligible school district and merged into the same newly formed district or existing district, as applicable, then the small schools support grant for the newly formed district or existing district, as applicable, shall be in an amount equal to the total combined small schools support grants the forming districts or the merging districts, as applicable, received in the fiscal year two years prior to the first fiscal year of merger.

(B) Payment of the grant under subdivision (3)(A) of this subsection shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following closure by the school district of a school that qualified the district for the grant; and further provided that if a school building that housed a school that qualified the district for the grant is closed in order to consolidate with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.

(4) Union school district budget.

(A) If the first budget of a newly formed district has not been approved by voters on or before June 30 for the 2020 or 2021 fiscal year, the Agency of Education shall authorize an amount of education spending for that newly formed district equal to:

(i) the cumulative education spending amount authorized by the most recently voter approved school budgets of the forming districts; multiplied by

(ii) the percentage that represents the average statewide increase from the prior fiscal year to the current fiscal year in school district education spending authorized by voter approved school district budgets, based on data received by the Agency of Education on or before June 14 of the prior fiscal year. As used in this subdivision (ii), for mergers under the State Board Order that are operational on July 1, 2019, the prior fiscal year shall be fiscal year 2019 and the current fiscal year shall be fiscal year 2020, and for mergers under the State Board Order that are operational on July 1, 2020, the prior fiscal year shall be fiscal year 2020 and the current fiscal year shall be fiscal year 2021.

(B) The amount authorized by the Agency of Education under subdivision (4)(A) of this subsection shall be the “education spending” of the newly formed district for the relevant fiscal year under 16 V.S.A. chapter 133.

(C) The school board of the newly formed district, operating in accordance with the default articles, shall determine how funds shall be expended in the relevant fiscal year under this subdivision (4). In addition, the school board of the newly formed district shall have the authority to expend any other funds received from other sources in the relevant fiscal year under this subdivision (4), including endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under 16 V.S.A. chapter 101.

Sec. 2. 16 V.S.A. § 4015 is amended to read:

§ 4015. SMALL SCHOOL SUPPORT

(a) In this section:

* * *

(2) “Enrollment” means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student. Students enrolled in prekindergarten programs shall not be counted.

* * *

Sec. 3. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 2 (small school support) shall take effect on July 1, 2019.

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Kitchel, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Education.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and pending the question, Shall the bill be amended as recommended by the Committee on Education?, Senator Baruth moved to amend the proposal of amendment of the Committee on Education in Sec. 1, subsection (c), by striking out subdivision (2) in its entirety and inserting in lieu thereof the following:

(2) Default Articles. The Default Articles for each newly formed district that has an operational deadline of July 1, 2020 are amended as follows:

(A) by striking out the date “June 30, 2019” wherever it appears and inserting in lieu thereof the date “June 30, 2020”;

(B) by striking out the date “July 1, 2019” wherever it appears and inserting in lieu thereof the date “July 1, 2020”; provided, however, the date “July 1, 2019” shall not be changed in Article 9 (Transitional Board);

(C) by striking out the date “December 31, 2019” wherever it appears and inserting in lieu thereof the date “December 31, 2020”;

(D) by striking out the date “July 1, 2020” wherever it appears and inserting in lieu thereof the date “July 1, 2021”;

(E) by striking out the academic year “2019–2020” wherever it appears and inserting in lieu thereof the academic year “2020–2021”;

(F) by striking out the academic year “2020–2021” wherever it appears and inserting in lieu thereof the academic year “2021–2022”;

(G) by striking out the academic year “2021–2022” wherever it appears and inserting in lieu thereof the academic year “2022–2023”;

(H) by striking out the fiscal year “2020” wherever it appears and inserting in lieu thereof the fiscal year “2021”, provided, however, the fiscal year shall not be changed in Article 9(D)(i) (Transitional Board; Specific Duties; First Draft of Proposed Budget) and Article 10(D)(iii)(b) (New Union

District Board of School Directors-Initial Members; Swearing-in and Assumption of Duties; Presentation of Proposed Budget);

(I) by striking out Article 9(D)(i) (Transitional Board; Specific Duties; First Draft of Proposed Budget) and Article 10(D)(iii)(b) (New Union District Board of School Directors-Initial Members; Swearing-in and Assumption of Duties; Presentation of Proposed Budget) in their entirety; and

(J) by making conforming changes to cross-referenced years in Article 14 (Amendments).

Which was agreed to.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Education, as amended?, Senators Kitchel, Baruth, Benning, Starr and Westman moved to amend the proposal of amendment of the Committee on Education, as amended, by striking out Sec. 2 in its entirety and inserting in lieu thereof the following:

Sec. 2. 16 V.S.A. § 4015 is amended to read:

§ 4015. SMALL SCHOOL SUPPORT

(a) ~~In~~ As used in this section:

* * *

(2) “Enrollment” means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student. Students enrolled in prekindergarten programs shall not be counted.

* * *

(f) In determining whether a school district is an eligible school district under subdivision (1)(B)(ii)(III) of subsection (a), under which the State Board considers a school’s student-to-staff ratio in assessing its operational efficiency, the State Board shall not count a person who works in a school as a member of that school’s staff if:

(1) the person is employed by another school district (the sending school district);

(2) the sending school district and the school district responsible for the school (the receiving school district) have a reciprocity agreement under which they share staff; and

(3) the person is working in the school in the receiving district under the reciprocity agreement to support a student from the sending school district who is receiving special education services.

Which was agreed to.

Thereupon, the proposal of amendment of the Committee on Education, as amended was agreed to, on a roll call, Yeas 26, Nays 3.

Senator Sears having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Benning, Bray, Brock, Campion, Clarkson, Cummings, Hardy, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Rodgers, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: Collamore, Hooker, McNeil.

The Senator absent or not voting was: Ashe (presiding).

Thereupon, third reading of the bill was ordered.

Adjournment

On motion of Senator Mazza, the Senate adjourned until ten o'clock and twenty-five minutes in the morning.