

Senate Calendar

WEDNESDAY, MARCH 17, 2021

SENATE CONVENES AT: 12:30 P.M.

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ACTION CALENDAR

NEW BUSINESS

Third Reading

S. 15.

An act relating to correcting defective ballots.

Amendment to S. 15 to be offered by Senator Parent before Third Reading

Senator Parent moves to amend the bill as follows:

First: In Sec. 3, 17 V.S.A. § 2680 (Australian ballot system; general), by striking out subsection (g) in its entirety and inserting in lieu thereof the following:

(g) Early and absentee voting. At the time the Australian ballots are available, which shall be not less than 20 days before the election, early and absentee voting shall be permitted in accordance with chapter 51, subchapter 6 of this title.

(1) The legislative body of a town, city, or village may vote to mail a ballot to all active registered voters in the town, city, or village.

(2) A school board may, after receiving the approval of the legislative body of each member town in the district, vote to mail its annual meeting ballot to all active registered voters in the district. In such case, the town clerk and election officials in the member towns shall be responsible for the mailing of the ballots but all costs associated with the mailing of ballots shall be borne by the school district.

(3) Any municipality that has voted to apply the Australian ballot system but did not vote to mail its annual or special meeting ballot to all active registered voters shall mail an absentee ballot request form to all active registered voters.

(4) Ballots shall be mailed not less than 20 days before the election or as soon as they are available.

(5) The mailing of ballots shall be conducted to the extent practicable in accordance with chapter 51, subchapter 6 of this title.

Second: By adding a new section to be Sec. 21a to read as follows:

Sec. 21a. VOTING ACCESS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Voting Access Study Committee to evaluate how to expand Vermonters' access to statewide and local elections.

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

(1) two current members of the House of Representatives, not from the same political party, who shall be appointed by the Speaker of the House;

(2) two current members of the Senate, not from the same political party, who shall be appointed by the Committee on Committees;

(3) four representatives of municipalities, appointed by the Secretary of State's office Elections Division, including a representative of the Vermont League of Cities and Towns and the Town Clerks Association;

(4) two members representing the interests of voters, appointed by the Speaker of the House;

(5) two members representing the interests of voters, appointed by the Committee on Committees; and

(6) the Director of the Secretary of State's Elections Division or designee.

(c) Powers and duties. The Committee shall study the ways Vermont can increase its residents' access to statewide and local elections, including examination of and recommendations on the following issues:

(1) whether Town Meeting Day should be moved to a weekend or made a State holiday;

(2) whether universal vote by mail should be required for municipalities that vote to apply an Australian ballot system;

(3) whether universal vote by mail should be expanded to include primary elections; and

(4) the impact vote by mail would have on:

(A) access to voting among those who have historically been disenfranchised and populations that have historically had low voter turnout;

(B) public satisfaction with the voting process; and

(C) the administration of elections.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Secretary of State's office and the Office of Legislative Counsel.

(e) Report. On or before December 15, 2022, the Committee shall submit a written report to the House and Senate Committees on Government Operations with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Director of the Secretary of State's Elections Division shall call the first meeting of the Committee to occur on or before August 15, 2021.

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

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

(4) The Committee shall cease to exist on December 15, 2022.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in his or her capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than eight meetings. These payments shall be made from monies appropriated to the General Assembly.

S. 107.

An act relating to confidential information concerning the initial arrest and charge of a juvenile.

Committee Bill for Second Reading

Favorable

S. 115.

An act relating to making miscellaneous changes in education laws.

By the Committee on Education. (Senator Chittenden for the Committee.)

Reported favorably by Senator Baruth for the Committee on Appropriations.

(Committee vote: 7-0-0)

Amendment to S. 115 to be offered by Senator Hardy

Senator Hardy moves to amend the bill in Sec. 11, 16 V.S.A. § 1432 (menstrual products), as follows:

First: In subsection (a), by striking out the words “the embarrassment of”

Second: In subsection (b), by striking out subdivision (1)(A) in its entirety and inserting in lieu thereof a new subdivision (A) to read as follows:

(A) a majority of gender-neutral bathrooms and bathrooms designated for female students that are generally used by students in any of grades five through 12; and

Third: In subsection (b), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) The school district or independent school, in consultation with the school nurse who provides services to the school, shall determine which of the gender-neutral bathrooms and bathrooms designated for female students to stock with menstrual products and which brands to use.

Second Reading

Favorable with Recommendation of Amendment

S. 1.

An act relating to extending the baseload renewable power portfolio requirement.

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

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO REQUIREMENT

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

(1) “Baseload renewable power” means a plant that generates electricity from renewable energy; that, during normal operation, is capable of taking all or part of the minimum load on an electric transmission or distribution system; and that produces electricity essentially continuously at a constant rate.

(2) “Baseload renewable power portfolio requirement” means ~~an annual average of 175,000 MWh~~ the actual output of baseload renewable power from an in-state woody biomass plant that was commissioned prior to September 30, 2009, has a nominal capacity of 20.5 MW, and was in service as of January 1, 2011.

(3) “Biomass” means organic nonfossil material of biological origin constituting a source of renewable energy within the meaning of subdivision 8002~~(17)~~(21) of this title.

(4) [Repealed.]

(b) Notwithstanding subsection 8004(a) and subdivision 8005~~(d)~~(c)(1) of this title, commencing November 1, 2012, ~~the electricity supplied by each Vermont retail electricity provider to its customers shall include~~ purchase the provider’s pro rata share of the baseload renewable power portfolio requirement, which shall be based on the total Vermont retail kWh sales of all such providers for the previous calendar year. The obligation created by this subsection shall cease on November 1, ~~2022~~ 2024.

* * *

Sec. 2. PUBLIC UTILITY COMMISSION ORDER EXTENSION

All decisions and orders of the former Public Service Board and the Public Utility Commission in the matter Investigation into the Establishment of a Standard-Offer Price for Baseload Renewable Power under the Sustainably Priced Energy Enterprise Development (SPEED) Program, Docket No. 7782, shall remain in full force and effect through October 31, 2024. For years 2023 and 2024, the purchase price shall be the levelized value determined in Docket No. 7782.

Sec. 3. BASELOAD RENEWABLE POWER PORTFOLIO REQUIREMENT; COLOCATION REPORT

On or before January 15, 2023, the owner of the baseload renewable power plant subject to 30 V.S.A. § 8009(b) shall report to the General Assembly on whether a project utilizing the excess thermal energy generated by the plant has been developed and is operational, or when a project utilizing the excess thermal energy generated by the plant will be operational.

Sec. 4. PLANT CLOSURE CONTINGENCY PLAN

On or before March 1, 2022, the Secretary of Commerce and Community Development in consultation with the Commissioner of Forests, Parks, and Recreation shall report to the Senate Committee on Finance and the House Committee on Energy and Technology a contingency plan to address how to

reduce the economic impacts that may occur if the baseload renewable power plant closes. The plan shall address how to remediate harm to the workforce impacted by the closure of the plant, the forestry industry, and forest health.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 7-0-0)

S. 10.

An act relating to extending certain unemployment insurance provisions related to COVID-19.

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

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Experience Rating Relief for Calendar Year 2020 * * *

Sec. 1. 21 V.S.A. § 1325 is amended to read:

§ 1325. EMPLOYERS' EXPERIENCE-RATING RECORDS;
DISCLOSURE TO SUCCESSOR ENTITY

(a)(1) The Commissioner shall maintain an experience-rating record for each employer. Benefits paid shall be charged against the experience-rating record of each subject employer who provided base-period wages to the eligible individual. Each subject employer's experience-rating charge shall bear the same ratio to total benefits paid as the total base-period wages paid by that employer bear to the total base-period wages paid to the individual by all base-period employers. The experience-rating record of an individual subject base-period employer shall not be charged for benefits paid to an individual under any of the following conditions:

* * *

(G) ~~The~~ Between March 15, 2020 and December 31, 2020, the individual voluntarily separated from that employer as provided by subdivision 1344(a)(2)(A) of this chapter for one of the following reasons:

* * *

(3)(A) Subject to the provisions of ~~subdivision~~ subdivisions (B) and (C) of this subdivision (a)(3), an employer shall be relieved of charges for benefits paid to an individual between March 15, 2020 and December 31, 2020 for a period of up to eight weeks with respect to benefits paid because:

(i) the employer temporarily ceased operation, either partially or completely, at the individual's place of employment in response to a request from a public health authority with jurisdiction that the employer cease operations because of COVID-19, in response to an emergency order or directive issued by the Governor or the President related to COVID-19, or because the employer voluntarily ceased operations due to the actual exposure of workers at that place of employment to COVID-19;

(ii) the individual becomes unemployed as a direct result of a state of emergency declared by the Governor or the President in relation to COVID-19 or an order or directive issued by the Governor or President in relation to COVID-19, including through a change or reduction in the employer's operation at the individual's place of employment that is a direct result of such a state of emergency, order, or directive; or

(iii) the employer has temporarily laid off the individual has been recommended or requested based on a recommendation or request by a medical professional or a public health authority with jurisdiction to that the individual be isolated or quarantined as a result of COVID-19, regardless of whether the individual has been diagnosed with COVID-19.

~~(B)(i) An~~ Unless extended by the Commissioner pursuant to subdivision (C) of this subdivision (a)(3), an employer shall only be eligible for relief be relieved of charges for up to eight weeks of benefits paid between March 15, 2020 and December 31, 2020 under the provisions of this subdivision (a)(3) if the employer rehires or offers to rehire the individual within a reasonable period of time after the employer resumes operations at the individual's place of employment, as determined by the Commissioner, or upon the completion of the individual's period of isolation or quarantine unless the Commissioner determines that:

(I) the employee was not separated from employment for one of the reasons set forth in subdivision (A) of this subdivision (a)(3); or

(II) the reason for the individual's separation from employment set forth in subdivision (A) of this subdivision (a)(3) no longer exists and the employer has failed to rehire or offer to rehire the individual without good cause.

(ii) If the Commissioner has cause to believe or receives an allegation or other information indicating that an employer may not be entitled to relief from charges pursuant to this subdivision (a)(3), the Commissioner shall examine the employer's records and any other documents and information necessary to determine if the employer is entitled to relief from charges pursuant to this subdivision (a)(3).

(C) The Commissioner may extend the period for which an employer shall be relieved of charges for benefits paid to employees pursuant to subdivision (A)(i) of this subdivision (a)(3) by an amount that the Commissioner determines to be appropriate in light of the terms of any applicable request from a local health official or the Commissioner of Health or any applicable emergency order or directive issued by the Governor or the President and any other relevant conditions or factors.

* * *

* * * Experience Rating Relief for Calendar Year 2021 * * *

Sec. 2. RELIEF FROM COVID-19-RELATED UNEMPLOYMENT BENEFIT CHARGES FOR CALENDAR YEAR 2021

(a) For calendar year 2021, an employer shall be relieved from charges against its unemployment insurance experience rating under 21 V.S.A. § 1325 for benefits paid because:

(1)(A) the individual voluntarily separated from employment with the employer for one of the reasons set forth in 21 V.S.A. § 1344(a)(2)(A)(ii)–(vi);

(B) the employer temporarily ceased operation, either partially or completely, at the individual's place of employment in response to a request from a public health authority with jurisdiction that the employer cease operations because of COVID-19, in response to an emergency order or directive issued by the Governor or the President related to COVID-19, or because the employer voluntarily ceased operations due to the actual exposure of workers at that place of employment to COVID-19;

(C) the individual became unemployed as a direct result of a state of emergency declared by the Governor or the President in relation to COVID-19 or an order or directive issued by the Governor or President in relation to COVID-19, including through a change or reduction in the employer's operation at the individual's place of employment that was a direct result of such a state of emergency, order, or directive; or

(D) the employer temporarily laid off the individual based on a recommendation or request by a medical professional or a public health authority with jurisdiction that the individual be isolated or quarantined as a result of COVID-19, regardless of whether the individual was diagnosed with COVID-19; and

(2)(A) the employer rehired or offered to rehire the employee within a reasonable time, not to exceed 30 days after the reason for the individual's separation from employment set forth in subdivision (1) of this subsection (a) no longer exists; or

(B) the employer demonstrates to the satisfaction of the Commissioner that it had good cause for failing to rehire or offer to rehire the employee within the time period set forth in subdivision (A) of this subsection (a)(2).

(b) On or before June 1, 2021, the Commissioner of Labor shall adopt procedures and an application form for employers to apply for relief from charges pursuant to subsection (a) of this section.

(c) The Commissioner shall not be required to initiate rulemaking pursuant to 3 V.S.A. § 831(c) in relation to any procedures adopted under subsection (b) of this section.

(d) On or before April 15, 2021, the Commissioner shall:

(1) submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a report summarizing the procedures and application form to be adopted pursuant to subsection (b) of this section; and

(2) commence a public outreach campaign to notify employers and employees of the requirements and procedures to obtain relief from charges under this section.

* * * Extension of Unemployment Insurance Related Sunset
from 2020 Acts and Resolves No. 91 * * *

Sec. 3. 2020 Acts and Resolves No. 91, Sec. 38(3) is amended to read:

(3) Secs. 32 and 33 shall take effect on ~~March 31, 2021~~ the first day of the calendar quarter following the calendar quarter in which the state of emergency declared in response to COVID-19 pursuant to Executive Order 01-20 is terminated, provided that if the state of emergency is terminated within the final 30 days of a calendar quarter, Secs. 32 and 33 shall take effect on the first day of the second calendar quarter following the calendar quarter in which the state of emergency is terminated.

* * * Implementation of Continued Assistance Act Provisions * * *

Sec. 4. TEMPORARY SUSPENSION OF CERTAIN REQUIREMENTS
FOR TRIGGERING AN EXTENDED BENEFIT PERIOD

For purposes of determining whether the State is in an extended benefit period during the period from November 1, 2020 through December 31, 2021, the Commissioner shall disregard the requirement in 21 V.S.A. § 1421 that no extended benefit period may begin before the 14th week following the end of a prior extended benefit period.

* * * Increased Unemployment Insurance Benefits * * *

Sec. 5. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

(a) Each eligible individual who is totally unemployed in any week shall be paid with respect to such a week a weekly benefit amount determined as provided in this section.

* * *

(e)(1) For benefit years beginning on January 3, 1988 and subsequent thereto, an individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 ~~38~~; provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed as provided in subsection (f) of this section.

(2)(A) In addition to the weekly benefit amount determined pursuant to subdivision (1) of this subsection, an individual shall be entitled to an additional weekly allowance of \$50.00 if the individual has one or more dependent children under 18 years of age.

(B) The provisions of subdivision (A) of this subdivision (2) shall not apply during the period from July 1, 2022 through June 30, 2023 if, on April 15, 2022, the balance of the Unemployment Insurance Trust Fund is either below \$90,000,000.00 or projected to drop below that amount on or before December 31, 2022.

* * *

Sec. 6. MAXIMUM WEEKLY BENEFIT FOR BENEFIT YEARS
BEGINNING JULY 1, 2021 AND JULY 1, 2022

(a) Notwithstanding any provision of 21 V.S.A. § 1338(f) to the contrary, the maximum weekly benefit for the benefit year beginning July 1, 2021 shall be \$637.00 plus the amount of any dependent allowance pursuant to 21 V.S.A. § 1338(e)(2).

(b) Notwithstanding any provision of 21 V.S.A. § 1338(f) to the contrary, the maximum weekly benefit for the benefit year beginning July 1, 2022 shall be equal to 57 percent of the State annual average weekly wage determined pursuant to 21 V.S.A. § 1338(g).

Sec. 7. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

(a) Each eligible individual who is totally unemployed in any week shall be paid with respect to such a week a weekly benefit amount determined as provided in this section.

* * *

(e)(1) For benefit years beginning on January 3, 1988 and subsequent thereto, an individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by ~~38~~ 45; provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed as provided in subsection (f) of this section.

* * *

* * * Unemployment Insurance Contribution Relief * * *

Sec. 8. UNEMPLOYMENT INSURANCE RATE SCHEDULE FOR
BENEFIT YEARS BEGINNING JULY 1, 2021 AND JULY 1, 2022

(a)(1) Notwithstanding any provision of 21 V.S.A. § 1326 to the contrary, the unemployment insurance contribution rate schedule for the benefit year beginning on July 1, 2021 shall remain at Schedule I.

(2) The provisions of this section shall not apply if, on April 15, 2021, the balance of the Unemployment Insurance Trust Fund is either below \$90,000,000.00 or projected to drop below that amount on or before December 31, 2021.

(b)(1) Notwithstanding any provision of 21 V.S.A. § 1326 to the contrary, the unemployment insurance contribution rate schedule for the benefit year beginning on July 1, 2022 shall increase to Schedule III.

(2) The provisions of this section shall not apply if, on April 15, 2022, the balance of the Unemployment Insurance Trust Fund is either below \$90,000,000.00 or projected to drop below that amount on or before December 31, 2022.

Sec. 9. UNEMPLOYMENT INSURANCE; BASE OF CONTRIBUTIONS
FOR 2022 AND 2023

(a)(1) Notwithstanding 21 V.S.A. § 1321(b), the base of contributions for calendar year 2022 shall be the same amount as for calendar year 2021.

(2) The provisions of this subsection shall not apply if, on October 15, 2021, the balance of the Unemployment Insurance Trust Fund is either below \$90,000,000.00 or projected to drop below that amount on or before December 31, 2021.

(b) Notwithstanding any provision of subsection (a) of this section or 21 V.S.A. § 1321(b) to the contrary, the base of contributions for calendar year 2023 shall be determined pursuant to 21 V.S.A. § 1321(b) as if the base of contributions for calendar year 2022 had been determined pursuant to 21 V.S.A. § 1321(b) rather than the provisions of subsection (a) of this section.

* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

(a)(1) Secs. 5 and 6 shall take effect on July 1, 2021.

(2) Sec. 7 shall take effect on July 1, 2022.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, Secs. 5, 6, and 7 shall not take effect at all if on April 15, 2021, the balance of the Unemployment Insurance Trust Fund is either below \$90,000,000.00 or projected to drop below that amount on or before December 31, 2021.

(b) This section and the remaining sections of this act shall take effect on passage.

(Committee vote: 4-1-0)

S. 16.

An act relating to the creation of the School Discipline Advisory Council.

Reported favorably with recommendation of amendment by Senator Hooker for the Committee on Education.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Nationally, millions of students are removed from the classroom each year for disciplinary reasons.

(2) U.S. Department of Education data reveals that in the 2013–2014 school year, of the 50 million students nationally enrolled in schools:

(A) 2.7 million received in-school suspensions;

(B) 1.6 million received one out-of-school suspension;

(C) 1.1 million received more than one out-of-school suspension; and

(D) 111,215 were expelled.

(3) Exclusionary discipline is used mostly in middle and high schools, and mostly for minor misconduct, according to the Council on State Governments' Justice Center.

(4) Students who are suspended are at significantly higher risk of academic failure, of dropping out of school, and of entering the juvenile justice system according to the Council on State Governments' Justice Center.

(5) Nationally, students of certain racial and ethnic groups and students with disabilities are disciplined at higher rates than their peers, beginning in preschool, as evidenced by 2013–2014 data from the U.S. Department of Education's Office for Civil Rights.

(A) Black students, representing approximately 15 percent of the U.S. student population, are suspended and expelled at a rate two times greater than White students, representing approximately 50 percent of the U.S. student population.

(B) Students with disabilities who have individualized education plans (IEPs) are more likely to be suspended than students without disabilities.

(6)(A) According to the Agency of Education's Report on Exclusionary Discipline Response, January 2017, for the 2015–2016 school year, 3,616 Vermont public school students were excluded, representing 4.7 percent of total enrollment.

(B) The Agency of Education found that students who are non-Caucasian, participate in the free and reduced lunch program, have Section 504 or IEP plans, male, or are English Learners are over-represented in terms of the number who experience exclusion and the number of incidents resulting in exclusion.

(C) Use of school discipline strategies, such as exclusionary discipline, restraint, seclusion, referral to law enforcement, and school-related arrest, varies widely throughout the State.

(7) Valuable data on school discipline in Vermont is largely unavailable and incomplete.

(A) Vermont does not publicly report any discipline data on the Agency of Education website, even if this data has been collected by schools and districts and reported to the Agency of Education.

(B) Some relevant data is not readily available from the Vermont Agency of Education, such as the total number of school days missed by students due to suspension or expulsion.

(C) Other relevant data is not maintained by the Vermont Agency of Education, such as data indicating whether students received educational services during suspensions, beyond federal requirements for certain students with disabilities.

(D) The public school discipline data that Vermont submitted to the U.S. Department of Education's Civil Rights Data Collection for the 2013–2014 school year, while available, is incomplete and may be inaccurate.

(8) More data on school discipline practices in Vermont is necessary to understand what strategies are effective and to encourage the adoption of these strategies at the local level.

Sec. 2. TASK FORCE ON SCHOOL EXCLUSIONARY DISCIPLINE REFORM; REPORT

(a) Creation. There is created the Task Force on School Exclusionary Discipline Reform. The Task Force shall make recommendations to end suspensions and expulsions for all but the most serious student behaviors and compile data regarding school discipline in Vermont public and approved independent schools in order to inform strategic planning, guide statewide and local decision making and resource allocation, and measure the effectiveness of statewide and local policies and practices.

(b) Membership. The Task Force shall be composed of the Secretary of Education and not more than 20 members appointed by the Secretary of Education, who shall be Vermont residents and a balanced representation of the following:

(1) educators;

(2) school administrators;

- (3) high school students;
- (4) special educators;
- (5) parents of students;
- (6) school board members; and
- (7) members of community groups working in the areas of racial justice and school discipline reform.

(c) Membership diversity. The Secretary shall seek, in making appointments to the Task Force, racial diversity in membership and shall include representation of public and approved independent schools, including therapeutic schools.

(d) Powers and duties. The Task Force shall make recommendations to end suspensions and expulsions for all but the most serious student behaviors and, taking into account the Vermont Youth Risk Behavior Survey issued by the Department of Health, shall perform the following tasks:

(1) review in-school services and availability of these services in various supervisory unions, approved independent schools, and regions of the State that are available to support students who would otherwise face exclusionary discipline;

(2) recommend additional or more uniform in-school services that should be available to:

(A) students who are under eight years of age where expulsion is not permitted under 16 V.S.A. § 1162 as amended by this act; and

(B) other students who would otherwise face exclusionary discipline;

(3) define the most serious behaviors that, after considering all other alternatives and supports, should remain eligible for suspension or expulsion;

(4) identify best practice procedures that minimize law enforcement contacts for students facing in-school or exclusionary discipline;

(5) compile, on a school-district and approved independent schools basis, the available data and the data collection processes regarding suspensions and expulsions and compile additional data necessary to inform the work of the Task Force, including:

(A) the total number of instances of expulsions and suspensions in each grade operated by the district or approved independent school;

(B) the total number of students in each grade operated by the district or approved independent school who were expelled or suspended and the

number of instances of expulsion or suspension, or both, for each student;

(C) the duration of each instance of expulsion and suspension;

(D) the infraction for which each expulsion and suspension was imposed; and

(E) each instance of referral to local law enforcement authorities or the juvenile justice system;

(6) recommend changes to the types of data collected and the data collection processes regarding suspensions and expulsions, as necessary, for the collection of all appropriate data related to school discipline; and

(7) review how other states address exclusionary discipline.

(e) Report. On or before November 30, 2021, the Task Force shall submit a written report to the House and Senate Committees on Education with its findings, addressing each of its duties under subsection (d), and any recommendations for legislative action. The Agency of Education shall share the report and any related insights and best practices with Vermont educators, school administrators, policymakers, agencies, and education and advocacy organizations, and shall post the report on its website.

(f) Meetings.

(1) The Secretary of Education shall call the first meeting of the Task Force to occur on or before August 1, 2021.

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

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

(4) The Task Force shall meet not more than six times.

(g) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Agency of Education.

(h) Compensation and reimbursement. Members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings of the Task Force.

Sec. 3. APPROPRIATION

The sum of \$15,000.00 is appropriated from the General Fund in fiscal year 2022 to the Agency of Education for per diem and reimbursement of expenses for members of the Task Force on School Exclusionary Discipline Reform created under Sec. 2 of this act and for expenses incurred by the Task Force in carrying out its duties.

Sec. 4. DATA COLLECTION; SECRETARY OF EDUCATION

(a) On or before the first meeting of the Task Force established in Sec. 2 of this act, the Secretary of Education shall collect and distribute to the members of the Task Force all readily available data on suspensions and expulsions from each Vermont public school and approved independent school in academic years 2013–2014 through 2018–2019, including the data specified in subdivision (d)(5) of Sec. 2.

(b) On or before July 1, 2022, the Secretary of Education and the State Board of Education shall incorporate the Task Force’s data collection and practices recommendations developed in subdivision (d)(6) of Sec. 2 of this act into their data collection rules and procedures and, to the extent permitted by 20 U.S.C. § 1232g (family educational and privacy rights) and any regulations adopted thereunder, shall require the collection of data as recommended by the Task Force beginning with the 2023–2024 school year.

Sec. 5. OUTCOME ANALYSIS

On or before January 15 of each year from 2025 to 2030, the Secretary of Education shall submit a written report to the House and Senate Committees on Education on suspensions and expulsions from each Vermont public school and approved independent school in the prior school year, including the data specified in subdivision (d)(5) of Sec. 2.

Sec. 6. 16 V.S.A. § 1162 is amended to read:

§ 1162. SUSPENSION OR EXPULSION OF STUDENTS

* * *

(d) Notwithstanding anything to the contrary in this chapter, a student enrolled in a public school who is under eight years of age shall not be expelled from the school; provided, however, that the school may expel the student if the student poses a threat of harm or danger to others in the school.

Sec. 7. REFERRALS OF TRUANCY TO THE STATE’S ATTORNEYS

(a) On or before September 1, 2021, each school district shall report to the Agency of Education the number of cases referred by the district or its staff to a State’s Attorney for truancy under 16 V.S.A. § 1127 or 33 V.S.A. § 5309, what mitigation techniques were used by the district to engage with families prior to each referral, and the result of each referral.

(b) On or before December 15, 2021, the Agency of Education shall collate the reports from school districts and report the results to the General Assembly.

Sec. 8. EFFECTIVE DATE

This act shall take effect on passage.

And that after passage the title of the bill be amended to read:

An act relating to the creation of the Task Force on School Exclusionary Discipline Reform.

(Committee vote: 5-1-0)

Reported favorably by Senator Balint for the Committee on Appropriations.

The Committee recommends that the bill be amended as recommended by the Committee on Education, and when so amended ought to pass.

(Committee vote: 6-0-1)

Amendment to the recommendation of amendment of the Committee on Education to S. 16 to be offered by Senators Campion, Balint, Hardy and Hooker

Senators Campion, Balint, Hardy and Hooker move to amend the recommendation of amendment of the Committee on Education as follows:

In Sec. 2, Task Force on Exclusionary Discipline Reform; report, by striking out subsection (d) in its entirety and inserting in lieu thereof the following:

(d) Powers and duties.

(1) The Task Force shall make recommendations to end suspensions and expulsions for all but the most serious student behaviors and, taking into account the Vermont Youth Risk Behavior Survey issued by the Department of Health, shall perform the following tasks:

(A) review in-school services and availability of these services in various supervisory unions, approved independent schools, and regions of the State that are available to support students who would otherwise face exclusionary discipline;

(B) recommend additional or more uniform in-school services that should be available to:

(i) students who are under eight years of age where expulsion is not permitted under 16 V.S.A. § 1162 as amended by this act; and

(ii) other students who would otherwise face exclusionary discipline;

(C) define the most serious behaviors that, after considering all other alternatives and supports, should remain eligible for suspension or expulsion;

(D) identify best practice procedures that minimize law enforcement contacts for students facing in-school or exclusionary discipline;

(E) compile, on a school-district and approved independent schools basis, the available data and the data collection processes regarding suspensions and expulsions and compile additional data necessary to inform the work of the Task Force, including:

(i) the total number of instances of expulsions and suspensions in each grade operated by the district or approved independent school;

(ii) the total number of students in each grade operated by the district or approved independent school who were expelled or suspended and the number of instances of expulsion or suspension, or both, for each student;

(iii) the duration of each instance of expulsion and suspension;

(iv) the infraction for which each expulsion and suspension was imposed;

(v) each instance of referral to local law enforcement authorities, the juvenile justice system, community justice center, State's Attorneys Offices, Department for Children and Families, or other juvenile justice-related authority;

(vi) each instance in which a civil, criminal, or juvenile citation was the consequence for a school-related infraction; and

(vii) each instance in which an excluded student received reeducational services, as well as the duration of reeducational services per day, per week, and per month;

(F) recommend changes to the types of data collected and the data collection processes regarding suspensions and expulsions, as necessary, for the collection of all appropriate data related to school discipline, including recommendations on the types of data collected and data collection processes to reflect the contribution of social determinants to instances of suspensions and expulsions; and

(G) review how other states address exclusionary discipline.

(2) All data specified in subdivision (1)(E) of this subsection shall be in disaggregated format by, at a minimum, the following subgroups and categories to the extent permitted by federal and State privacy laws and to the extent information is available:

- (A) White;
- (B) Black;
- (C) Hispanic;
- (D) American Indian/Alaskan Native;
- (E) Asian, Pacific Islander/Hawaiian Native;
- (F) low-income/free or reduced lunch;
- (G) Limited English Proficient or English Language Learner;
- (H) migrant status;
- (I) students receiving special education services;
- (J) students on educational plans under Section 504 of the Rehabilitation Act of 1973;
- (K) gender;
- (L) sexual orientation;
- (M) foster care status;
- (N) homeless status; and
- (O) grade level.

(3) All data specified in subdivision (1)(E) of this subsection shall be cross-tabulated by, at a minimum, the following subgroups and categories to the extent permitted by federal and State privacy laws and to the extent information is available:

- (A) school;
- (B) school district;
- (C) race;
- (D) low-income/free or reduced lunch;
- (E) Limited English Proficient or English Language Learner;
- (F) migrant status;
- (G) students receiving special education services;
- (H) students on educational plans under Section 504 of the Rehabilitation Act of 1973;
- (I) gender;
- (J) sexual orientation;

- (K) foster care status;
- (L) homeless status;
- (M) grade level;
- (N) behavior infraction code;
- (O) intervention applied, including restraint and inclusion; and
- (P) educational services provided.

S. 20.

An act relating to restrictions on perfluoroalkyl and polyfluoroalkyl substances and other chemicals of concern in consumer products.

Reported favorably with recommendation of amendment by Senator Lyons for the Committee on Health and Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * PFAS in Class B Firefighting Foam * * *

Sec. 1. 18 V.S.A. chapter 33 is added to read:

CHAPTER 33. PFAS IN FIREFIGHTING AGENTS AND EQUIPMENT
§ 1661. DEFINITIONS

As used in this chapter:

(1) “Class B firefighting foam” means chemical foams designed for flammable liquid fires.

(2) “Department” means the Vermont Department of Health.

(3) “Personal protective equipment” means clothing designed, intended, or marketed to be worn by firefighting personnel in the performance of their duties, designed with the intent for use in fire and rescue activities, and includes jackets, pants, shoes, gloves, helmets, and respiratory equipment.

(4) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component.

(5) “Manufacturer” means any person, firm, association, partnership, corporation, organization, joint venture, importer, or domestic distributor of firefighting agents or equipment. As used in this subsection, “importer” means the owner of the product.

(6) “Municipality” means any city, town, incorporated village, town fire district, or other political subdivision that provides firefighting services pursuant to general law or municipal charter.

(7) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

§ 1662. PROHIBITION OF CERTAIN CLASS B FIREFIGHTING FOAM

A person, municipality, or State agency shall not discharge or otherwise use for training purposes class B firefighting foam that contains intentionally added PFAS.

§ 1663. RESTRICTION ON MANUFACTURE, SALE, AND DISTRIBUTION; EXCEPTIONS

(a) A manufacturer of class B firefighting foam shall not manufacture, sell, offer for sale, or distribute for sale or use in this State class B firefighting foam to which PFAS have been intentionally added.

(b) Notwithstanding subsection (a) of this section, any manufacture, sale, or distribution of class B firefighting foam where the inclusion of PFAS is required by federal law, including the requirements of 14 C.F.R. 139.317 (aircraft rescue and firefighting: equipment and agents), as that section existed as of January 1, 2020, is allowed. In the event that applicable federal regulations change after that date to allow the use of alternative firefighting agents that do not contain PFAS, the Department shall adopt rules that restrict PFAS for the manufacture, sale, and distribution of firefighting foam for uses that are addressed by federal regulation.

§ 1664. SALE OF PERSONAL PROTECTIVE EQUIPMENT CONTAINING PFAS

(a) A manufacturer or other person that sells firefighting equipment to any person, municipality, or State agency shall provide written notice to the purchaser at the time of sale if the personal protective equipment contains PFAS. The written notice shall include a statement that the personal protective equipment contains PFAS and the reason PFAS are added to the equipment.

(b) The manufacturer or person selling personal protective equipment and the purchaser of the personal protective equipment shall retain the notice for at least three years from the date of the transaction. Upon request of the Department, a person, manufacturer, or purchaser shall furnish the notice or written copies and associated sales documentation to the Department within 60 days.

§ 1665. NOTIFICATION; RECALL OF PROHIBITED PRODUCTS

(a) A manufacturer of class B firefighting foam prohibited pursuant to section 1663 of this title shall notify, in writing, persons that sell the manufacturer's products in this State about the provisions of this chapter not less than one year prior to the effective date of the restrictions.

(b) A manufacturer that produces, sells, or distributes a class B firefighting foam prohibited pursuant to section 1663 of this title shall recall the product and reimburse the retailer or any other purchaser for the product.

§ 1666. CERTIFICATE OF COMPLIANCE

(a) The Department may request a certificate of compliance from a manufacturer of class B firefighting foam or firefighting personal protective equipment. A certificate of compliance attests that a manufacturer's product or products meet the requirements of this chapter.

(b) The Department shall assist other State agencies and municipalities to avoid purchasing or using class B firefighting foams to which PFAS have been intentionally added. The Department shall assist other State agencies, town fire districts, and other municipalities to give priority and preference to the purchase of personal protective equipment that does not contain PFAS.

§ 1667. PENALTIES

A violation of this chapter shall be deemed a violation of the Consumer Protection Act, 9 V.S.A. chapter 63. The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions, and private parties have the same rights and remedies as provided under 9 V.S.A. chapter 63, subchapter 1.

* * * PFAS, Phthalates, and Bisphenols in Food Packaging * * *

Sec. 2. 18 V.S.A. chapter 33A is added to read:

CHAPTER 33A. CHEMICALS OF CONCERN IN FOOD PACKAGING

§ 1671. DEFINITIONS

As used in this chapter:

(1) "Bisphenols" means any member of a class of industrial chemicals that contain two hydroxyphenyl groups. Bisphenols are used primarily in the manufacture of polycarbonate plastic and epoxy resins.

(2) "Department" means the Department of Health.

(3) "Food packaging" means a package that is designed for direct food contact, including a food or beverage product that is contained in a food

package or to which a food package is applied, a packaging component of a food package, and plastic disposable gloves used in commercial or institutional food service.

(4) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component.

(5) “Package” means a container providing a means of marketing, protecting, or handling a product and shall include a unit package, an intermediate package, and a shipping container. “Package” also means unsealed receptacles, such as carrying cases, crates, cups, pails, rigid foil and other trays, wrappers and wrapping films, bags, and tubs.

(6) “Packaging component” means an individual assembled part of a package, such as any interior or exterior blocking, bracing, cushioning, weatherproofing, exterior strapping, coatings, closures, inks, and labels.

(7) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” has the same meaning as in section 1661 of this title.

(8) “Phthalates” means any member of the class of organic chemicals that are esters of phthalic acid.

§ 1672. FOOD PACKAGING

(a) A manufacturer, supplier, or distributor shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a food package to which PFAS have been intentionally added in any amount.

(b) Pursuant to 3 V.S.A. chapter 25, the Department may adopt rules prohibiting a manufacturer, supplier, or distributor from selling or offering for sale or for promotional distribution a food package or the packaging component of a food package to which bisphenols have been intentionally added in any amount greater than an incidental presence.

(1) The Department may only prohibit a manufacturer, supplier, or distributor from selling or offering for sale or for promotional distribution a food package or the packaging component of a food package in accordance with this subsection if the Department has determined that a safer alternative is readily available in sufficient quantity and at a comparable cost and that the safer alternative performs as well as or better than bisphenols in a specific application of bisphenols to a food package or the packaging component of a food package.

(2) If the Department prohibits a manufacturer, supplier, or distributor from selling or offering for sale or for promotional distribution a food package or the packaging component of a food package in accordance with this

subsection, the prohibition shall not take effect until two years after the Department determines that a safer alternative to bisphenols is available.

(c) A manufacturer, supplier, or distributor shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a food package that includes inks, dyes, pigments, adhesives, stabilizers, coatings, plasticizers, or any other additives to which phthalates have been intentionally added in any amount greater than an incidental presence.

(d) This section shall not apply to the sale or resale of used products.

§ 1673. CERTIFICATE OF COMPLIANCE

A manufacturer subject to the prohibitions under this chapter shall develop a certificate of compliance under this section. A certificate of compliance attests that a manufacturer's product or products meet the requirements of this chapter. If the Department requests such a certificate, the manufacturer shall provide the certificate within 30 calendar days after the request is made.

§ 1674. RULEMAKING

Pursuant to 3 V.S.A. chapter 25, the Commissioner of Health shall adopt any rules necessary for the implementation, administration, and enforcement of this chapter.

* * * Rugs, Carpets, and Aftermarket Stain and Water Resistant
Treatments * * *

Sec. 3. 18 V.S.A. chapter 33B is added to read:

CHAPTER 33B. PFAS IN RUGS, CARPETS, AND AFTERMARKET STAIN AND WATER RESISTANT TREATMENTS

§ 1681. DEFINITIONS

As used in this chapter:

(1) "Aftermarket stain and water resistant treatments" means treatments for textile and leather consumer products used in residential settings that have been treated during the manufacturing process for stain, oil, and water resistance, but excludes products marketed or sold exclusively for use at industrial facilities during the manufacture of a carpet, rug, clothing, or shoe.

(2) "Department" means the Department of Health.

(3) "Intentionally added" means the addition of a chemical in a product that serves an intended function in the product component.

(4) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" has the same meaning as in section 1661 of this title.

(5) “Rug or carpet” means a thick fabric used to cover floors.

§ 1682. RUGS AND CARPETS

(a) A manufacturer, supplier, or distributor shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a residential rug or carpet to which PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 1683. AFTERMARKET STAIN AND WATER RESISTANT TREATMENTS

(a) A manufacturer, supplier, or distributor shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State aftermarket stain and water resistant treatments for rugs or carpets to which PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 1684. CERTIFICATE OF COMPLIANCE

A manufacturer subject to the prohibitions under this chapter shall develop a certificate of compliance under this section. A certificate of compliance attests that a manufacturer’s product or products meet the requirements of this chapter. If the Department requests such a certificate, the manufacturer shall provide the certificate within 30 calendar days after the request is made.

§ 1685. RULEMAKING

Pursuant to 3 V.S.A. chapter 25, the Commissioner shall adopt any rules necessary for the implementation, administration, and enforcement of this chapter.

* * * Ski Wax * * *

Sec. 4. 18 V.S.A. chapter 33C is added to read:

CHAPTER 33C. PFAS IN SKI WAX

§ 1691. DEFINITIONS

As used in this chapter:

(1) “Department” means the Department of Health.

(2) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component.

(3) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” has the same meaning as in section 1661 of this title.

(4) “Ski wax” means a lubricant applied to the bottom of snow runners, including skis and snowboards, to improve their grip and glide properties.

§ 1692. SKI WAX

(a) A manufacturer, supplier, or distributor shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State ski wax or related tuning products to which PFAS have been intentionally added in any amount.

(b) This section shall not apply to the sale or resale of used products.

§ 1693. CERTIFICATE OF COMPLIANCE

A manufacturer subject to the prohibitions under this chapter shall develop a certificate of compliance under this section. A certificate of compliance attests that a manufacturer’s product or products meet the requirements of this chapter. If the Department requests such a certificate, the manufacturer shall provide the certificate within 30 calendar days after the request is made.

§ 1694. RULEMAKING

Pursuant to 3 V.S.A. chapter 25, the Commissioner shall adopt any rules necessary for the implementation, administration, and enforcement of this chapter.

* * * Chemicals of High Concern to Children * * *

Sec. 5. 18 V.S.A. § 1773 is amended to read:

§ 1773. CHEMICALS OF HIGH CONCERN TO CHILDREN

(a) List of chemicals of high concern to children. The following chemicals or a member of a class of chemicals are designated as chemicals of high concern to children for the purposes of the requirements of this chapter:

* * *

(67) Perfluoroalkyl and polyfluoroalkyl substances, the class for fluorinated organic chemicals containing at least one fully fluorinated carbon atom or a chemical compound meant to replace perfluoroalkyl and polyfluoroalkyl substances that has similar chemical properties.

(68) Any other chemical designated by the Commissioner as a chemical of high concern to children by rule under section 1776 of this title.

* * *

* * * Effective Dates * * *

Sec. 6. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except that Secs. 1 (class B firefighting foam) and 5 (chemicals of high concern to children) shall take effect on July 1, 2022 and Secs. 2 (food packaging), 3 (rugs and carpets), and 4 (ski wax) shall take effect on July 1, 2023.

(Committee vote: 5-0-0)

S. 30.

An act relating to prohibiting possession of firearms at childcare facilities, hospitals, and certain public buildings.

Reported favorably with recommendation of amendment by Senator Baruth for the Committee on Judiciary.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 4023 is added to read:

§ 4023. POSSESSION OF FIREARMS IN HOSPITAL BUILDINGS
PROHIBITED

(a) A person shall not knowingly possess a firearm while within a hospital building.

(b) A person who violates this section shall be imprisoned for not more than one year or fined not more than \$1,000.00, or both.

(c) This section shall not apply to a firearm possessed by a federal law enforcement officer or a law enforcement officer certified as a law enforcement officer by the Vermont Criminal Justice Training Council pursuant to 20 V.S.A. § 2358, for legitimate law enforcement purposes.

(d) Notice of the provisions of this section shall be posted conspicuously at each public entrance to each hospital.

(e) As used in this section:

(1) “Firearm” has the same meaning as in subsection 4017(d) of this title.

(2) “Hospital” has the same meaning as in 18 V.S.A. § 1902.

Sec. 2. CAPITOL COMPLEX SECURITY ADVISORY COMMITTEE;
REPORT ON FIREARMS IN STATE HOUSE

On or before December 1, 2021, the Capitol Complex Security Advisory Committee shall report to the Joint Justice Oversight Committee on the regulation of firearms in the Capitol Complex as defined in 29 V.S.A. § 182. The report shall:

(1) summarize how the possession of firearms at the Capitol Complex is currently regulated, including pursuant to Rule 26 of the Joint Rules of the Senate and House of Representatives;

(2) describe situations when persons have impermissibly possessed firearms at the Capitol Complex in the past and how these situations are typically handled; and

(3) recommend whether and how the issue of firearms at the Capitol Complex should be addressed in legislation.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

And that after passage the title of the bill be amended to read:

An act relating to prohibiting possession of firearms within hospital buildings.

(Committee vote: 3-1-1)

S. 47.

An act relating to motor vehicle manufacturers and motor vehicle warranty or service facilities.

Reported favorably with recommendation of amendment by Senator Perchlik for the Committee on Transportation.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 9 V.S.A. § 4085(13) is amended to read:

(13) "New motor vehicle dealer" means any person engaged in the business of who holds, or held at the time a cause of action under this chapter accrued, a valid sales and service agreement, franchise, or contract granted by the manufacturer or distributor for the retail sale of said manufacturer's or distributor's new motor vehicles, is not affiliated by ownership or control with a franchisor, and is engaged in the business of any of the following with

respect to new motor vehicles or the parts and accessories for those new motor vehicles:

(A) selling, or leasing;

(B) offering to sell, or lease;

(C) soliciting, or advertising the sale or lease; or

(D) of new motor vehicles and who holds, or held at the time a cause of action under this chapter accrued, a valid sales and service agreement, franchise, or contract, granted by the manufacturer or distributor for the retail sale of said manufacturer's or distributor's new motor vehicles offering through a subscription or like agreement.

Sec. 2. 9 V.S.A. § 4085(18) is added to read:

(18) "Non-franchised zero emissions vehicle manufacturer" means a manufacturer that:

(A) only manufacturers zero-emission vehicles, including plug-in electric vehicles as defined in 23 V.S.A. § 4(85);

(B) only sells or leases directly to consumers new or used zero-emission vehicles that it manufactures or vehicles that have been traded in in conjunction with a new zero-emission vehicle sale;

(C) does not currently sell or lease, and has never sold or leased, motor vehicles in Vermont through a franchisee;

(D) has not sold or transferred a combined direct or indirect ownership interest of greater than 30 percent in such non-franchised zero emissions vehicle manufacturer to a franchisor, subsidiary, or other entity controlled by a franchisor or has not acquired a combined direct or indirect ownership interest of greater than 30 percent in a franchisor, subsidiary, or other entity controlled by a franchisor; and

(E) is a dealer registered pursuant to 23 V.S.A. chapter 7, subchapter 4.

Sec. 3. 9 V.S.A. § 4086(i) is amended to read:

(i) It is unlawful for a franchisor, manufacturer, factory branch, distributor branch, or subsidiary to own, operate, or control, either directly or indirectly, a motor vehicle warranty or service facility located in the State except:

(1) on an emergency or interim basis or;

(2) if no qualified applicant has applied for appointment as a dealer in a market previously served by a new motor vehicle dealer of that manufacturer's line-make; or

(3) if the manufacturer is a non-franchised zero emissions vehicle manufacturer that directly owns, operates, and controls the warranty or service facility.

Sec. 4. 9 V.S.A. § 4097 is amended to read:

§ 4097. MANUFACTURER VIOLATIONS

It shall be a violation of this chapter for any manufacturer defined under this chapter:

* * *

(8)(A) To compete with a new motor vehicle dealer ~~in the same line-make~~ operating under an agreement or franchise from the aforementioned manufacturer ~~in the relevant market area~~ in the State.

(B) For purposes of this subdivision (8), any manufacturer that is not a non-franchised zero-emission vehicle manufacturer, competes with a new motor vehicle dealer if it engages in the business of any of the following with respect to new motor vehicles or the retail sale of parts and accessories for those new motor vehicles:

(i) selling or leasing;

(ii) offering to sell or lease;

(iii) soliciting or advertising the sale or lease; or

(iv) offering through a subscription or like agreement.

(C) A manufacturer shall not, however, be deemed to be competing when operating a dealership either temporarily for a reasonable period, or in a bona fide retail operation that is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions.

* * *

Sec. 5. AMENDMENTS TO THE MOTOR VEHICLE
MANUFACTURERS, DISTRIBUTORS, AND DEALERS
FRANCHISING PRACTICES ACT; CREATION OF A DIRECT
SHIPPER LICENSE; REPORT

(a) It is the intent of the General Assembly to amend the Motor Vehicle Manufacturers, Distributors, and Dealers Franchising Practices Act, 9 V.S.A. chapter 108, in the 2021 Adjourned Session. Amendments may address facility requirements as regulated under 9 V.S.A. § 4096, warranty and predelivery obligations under 9 V.S.A. § 4086, potentially unreasonable standards contained in franchise agreements, and the protection of consumer data.

(b) Any persons that are interested in proposing amendments to the Motor Vehicle Manufacturers, Distributors, and Dealers Franchising Practices Act, 9 V.S.A. chapter 108, shall provide them to the Department of Motor Vehicles not later than December 1, 2021 through an e-mail address to be posted on the website for the Department of Motor Vehicles. Persons may also file proposals on the establishment of a direct shipper license to be administered by the Department of Motor Vehicles with the Department of Motor Vehicles not later than December 1, 2021, through the same e-mail address that is posted on the website for the Department of Motor Vehicles. To the extent practicable, entities should cooperate and file joint proposals.

(c) The Department of Motor Vehicles shall file a written report containing any proposals it receives under subsections (a) and (b) of this section and its own proposal, if it so chooses, on the creation and implementation of a direct shipper license with 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 not later than January 15, 2022.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.

And that after passage the title of the bill be amended to read:

An act relating to motor vehicle manufacturers, dealers, and warranty or service facilities.

(Committee vote: 5-0-0)

S. 60.

An act relating to allowing municipal and cooperative utilities to offer innovative rates and services.

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

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 30 V.S.A. § 218d(n) is added to read:

(n)(1) Notwithstanding subsection (a) of this section and sections 218, 225, 226, 227, and 229 of this title, a municipal company formed under local charter or under chapter 79 of this title and an electric cooperative formed under chapter 81 of this title shall be authorized to change its rates for service to its customers if the rate change is:

(A) applied to all customers equally;

(B) not more than two percent during any twelve-month period;

(C) cumulatively not more than 10 percent from the rates last approved by the Commission; and

(D) not going to take effect more than 10 years from the last approval for a rate change from the Commission.

(2) The municipal company or electric cooperative shall provide written notice of a rate change pursuant to this subsection to its customers, the Department of Public Service, and the Commission at least 45 days prior to implementing the rate change. Included with the submission shall be a rate analysis describing the rationale for the rate change. Unless an objection to the rate change is filed by the Department of Public Service with the Commission within 45 days of this notice or the Commission orders an investigation on its own motion, the municipal company or electric cooperative may implement the rate change.

(3) If the Department does not object to the change within 30 days, five persons adversely affected by the change may apply at their own expense to the Commission by petition alleging why the change is unreasonable and unjust and asking that the Commission investigate the matter and make such orders as justice and law require.

(4) A municipal company or electric cooperative shall be eligible to change its rates pursuant to this subsection only if it has received approval for a rate change from its governing body at a duly warned meeting held for such

purpose prior to filing its written notice with the Department and the Commission.

(5) The Commission shall establish, by rule or order, standards and procedures for implementing this subsection.

(o)(1) Notwithstanding subsections (a) and (n) of this section and sections 218, 225, 226, 227, and 229 of this title, a municipal company formed under local charter or under chapter 79 of this title and an electric cooperative formed under chapter 81 of this title shall be authorized to offer innovative rates or services to their customers as pilot programs without obtaining prior approval from the Commission if the rate or service:

(A) is designed to satisfy the requirements of subdivision 8005(a)(3) of this title or to advance the goals of the State Comprehensive Energy Plan;

(B) has a duration of 18 months or less; and

(C) shall not result in:

(i) plant additions of more than two percent of the municipal company's or electric cooperative's net plant capacity; or

(ii) an increase in the municipal company's or electric cooperative's overall cost-of-service by more than two percent.

(2) The municipal company or electric cooperative shall provide written notice of an innovative rate or service to its customers, the Department of Public Service, and the Commission at least 45 days prior to offering the innovative rate or service to its customers. Included with the submission shall be the terms and conditions of service. Unless an objection to the innovative rate or service is filed with the Commission within 45 days of this notice or the Commission orders an investigation on its own motion, the municipal company or electric cooperative may commence offering the innovative rate or service to its customers.

(3) The municipal company or electric cooperative shall provide written notice to the Department of Public Service and the Commission at least 45 days prior to the end of an innovative rate or service duration period with any proposed modifications to the terms and conditions. Unless an objection to the innovative rate or service is filed with the Commission within 45 days of this notice or the Commission orders an investigation on its own motion, the municipal company or electric cooperative may continue offering the innovative rate or service to its customers. The Commission may allow for the innovative rate or service to remain in effect pending the outcome of an investigation into the notice filing.

(4) The Commission may establish, by rule or order, standards and procedures for implementing and interpreting this section.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

(Committee vote: 7-0-0)

S. 88.

An act relating to insurance, banking, and securities.

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

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 8 V.S.A. § 2760b is amended to read:

§ 2760b. PROHIBITED ACTIVITIES

* * *

(c) No person or any other entity, other than a licensee, shall use the ~~title~~ titles “debt adjuster,” “budget planner,” “licensed debt adjuster,” or “licensed budget planner” or the ~~term terms~~ “debt adjuster,” “debt reduction,” or “budget planning,” or, in each case, words of similar import in any public advertisement, business card, or letterhead.

* * *

Sec. 2. 8 V.S.A. § 2102 is amended to read:

§ 2102. APPLICATION FOR LICENSE

* * *

(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:

* * *

(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. [Repealed.]~~

* * *

Sec. 3. 8 V.S.A. § 2109 is amended 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:

* * *

~~(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. [Repealed.]~~

* * *

Sec. 4. 8 V.S.A. § 2120(a)(4) is amended to read:

(4) If a licensee does not file its annual report on or before April 1, or within any extension of time granted by the Commissioner, the licensee shall pay to the Department ~~\$100.00~~ \$1,000.00 for each month or part of a month that the report is past due, beginning on the date that is five business days after April 1 or the last date of such extension, as applicable.

Sec. 5. 8 V.S.A. § 2405(a) shall be amended to read:

~~(a) Each independent trust company shall annually file a report on its financial condition with the Commissioner on or before February 15 for the preceding year ending December 31. The Commissioner may require reports from any independent trust company doing a trust business in this State, containing such information, including on its financial condition, at such times and in such format as the Commissioner may prescribe. The Commissioner may require additional reports from any independent trust company that is doing a trust business in this State. The Commissioner may accept a copy of any report from the primary regulator of the independent trust company if the Commissioner determines that the report is substantially similar to a report required under this section.~~

Sec. 6. 8 V.S.A. § 2105 is amended to read:

§ 2105. CONTENTS OF LICENSE; NONTRANSFERABLE

(a) A license shall state the address at which a licensee will conduct its business, shall state fully the name of the licensee, and, if the licensee is not an individual, shall state the date and place of its organization or incorporation.

(b) A mortgage loan originator license shall state fully the name of the individual, his or her sponsoring company, and the licensed location ~~at~~ to which he or she is ~~employed~~ assigned.

* * *

Sec. 7. 8 V.S.A. § 2122 is amended to read:

§ 2122. USE OF OTHER NAMES OR BUSINESS PLACES

(a) A licensee shall not conduct business or make a loan subject to regulation under this part under any other name or at any other place of business than as specified in its license.

(b) Mortgage loan originators and employees of licensees may work remotely through a licensed location without being physically present at such location, provided the mortgage loan originator or employee is assigned to a licensed location, is adequately supervised by the licensee, and the licensee and the mortgage loan originator or employee meet such additional conditions as the Commissioner may require.

(c) This section does not apply to a commercial loan made to a borrower located outside Vermont for use outside Vermont.

Sec. 8. 8 V.S.A. § 2201 is amended to read:

§ 2201. LICENSES REQUIRED

* * *

(b) A licensed mortgage loan originator shall register and maintain a valid unique identifier with the Nationwide Multistate Licensing System and Registry and shall be either:

(1) An employee actively employed at or assigned to a licensed location of, and supervised and sponsored by, only one licensed lender or licensed mortgage broker operating in this State.

(2) An individual sole proprietor who is also a licensed lender or licensed mortgage broker.

(3) An employee engaged in loan modifications employed at or assigned to a licensed location of, and supervised and sponsored by, only one third-party loan servicer licensed to operate in this State pursuant to chapter 85 of this title. As used in this subsection, “loan modification” means an adjustment or compromise of an existing residential mortgage loan. The term “loan modification” does not include a refinancing transaction.

* * *

Sec. 9. 8 V.S.A. § 4806 is amended to read:

§ 4806. ~~SURRENDER OF LICENSE; LOSS OR DESTRUCTION~~
~~SUSPENSION, REVOCATION, OR TERMINATION OF~~
LICENSE

* * *

~~(e) Upon suspension, revocation, or termination of a license, the licensee shall forthwith deliver it to the Commissioner by personal delivery or by mail. [Repealed.]~~

~~(d) Any licensee who ceases to maintain his or her residency in this State as defined in subdivision 4800(3) of this title, shall deliver his or her insurance license or licenses to the Commissioner by personal delivery or by mail within 30 days after terminating his or her residency. [Repealed.]~~

~~(e) The Commissioner may issue a duplicate license for any lost, stolen, or destroyed license issued pursuant to this subchapter upon an affidavit of the licensee prescribed by the Commissioner concerning the facts of the loss, theft, or destruction. [Repealed.]~~

Sec. 10. 8 V.S.A. § 23(a) is amended to read:

(a) This section shall apply to all persons licensed, authorized, or registered, or required to be licensed, authorized, or registered, under ~~Parts 2 and 4~~ of this title.

Sec. 11. 8 V.S.A. § 8301 is amended to read:

§ 8301. DEFINITIONS

As used in this chapter:

(1) “Adjusted risk based capital report” means a risk based capital report ~~which~~ that has been adjusted by the Commissioner in accordance with subsection 8302(e) of this title.

(2) “Commissioner” means the Commissioner of Financial Regulation.

(3) “Corrective order” means an order issued by the Commissioner specifying corrective actions ~~which~~ that the Commissioner has determined are required under this chapter.

(4) “Domestic insurer” means any insurance company organized in this State under subchapter 1 of chapter 101 of this title, any fraternal benefit society organized in this State under chapter 121 of this title, any health maintenance organization organized in this State under chapter 139 of this title, and any entity organized in this State under chapter 123 or 125 of this title.

(5) “Fraternal benefit society” means any insurance company licensed under chapter 121 of this title.

(6) “Foreign insurer” means any entity licensed to transact business in this State that is required to file a risk based capital statement in the state where the entity is domiciled.

(7) “Health maintenance organization” means any entity organized in the State under chapter 139 of this title.

~~(8)~~ “Life or health insurer” means ~~any an~~ an insurance company ~~who that~~ that insures lives or health as defined in subdivisions 3301(a)(1) and (2) of this title, ~~any health maintenance organization organized in this State under chapter 139 of this title, any an~~ an entity organized in this State under chapter 123 or 125 of this title, or a licensed property and casualty insurer writing only accident and health insurance.

~~(8)(9)~~ “NAIC” means the National Association of Insurance Commissioners.

~~(9)(10)~~ “Negative trend” means, with respect to a life or health insurer or fraternal benefit society, negative trend over a period of time as determined in accordance with the trend test calculation included in the life or fraternal risk based capital instructions.

~~(10)(11)~~ “Property and casualty insurer” means any insurance company ~~who that~~ that insures property or casualty as defined in subdivisions 3301(a)(3) and (7) of this title, but shall not include monoline mortgage guaranty insurers, financial guaranty insurers, ~~and or~~ or title insurers.

~~(11)(12)~~ “Risk based capital instructions” means the risk based capital report form and the related instructions adopted by the NAIC and approved by the Commissioner.

~~(12)~~(13) “Risk based capital level” means one of the following four levels: company action level risk based capital, regulatory action level risk based capital, authorized control level risk based capital, or mandatory control level risk based capital.

(A) “Company action level risk based capital” means, with respect to any insurer, the product of 2.0 and its authorized control level risk based capital.

(B) “Regulatory action level risk based capital” means, with respect to any insurer, the product of 1.5 and its authorized control level risk based capital.

(C) “Authorized control level risk based capital” means the number determined under the risk based capital formula in accordance with the risk based capital instructions.

(D) “Mandatory control level risk based capital” means, with respect to any insurer, the product of 0.70 and its authorized control level risk based capital.

~~(13)~~(14) “Risk based capital plan” means a comprehensive financial plan containing the elements specified in subsection 8303(b) of this title. If the Commissioner rejects the risk based capital plan and it is revised by the insurer, with or without the Commissioner’s recommendation, the plan shall be called the “revised risk based capital plan.”

~~(14)~~(15) “Risk based capital report” means the report required in section 8302 of this title.

~~(15)~~(16) “Total adjusted capital” means the sum of:

(A) the insurer’s statutory capital and surplus reported in the insurer’s annual statement under section 3561 of this title; and

(B) such other items, if any, as the risk based capital instructions may provide.

Sec. 12. 8 V.S.A. § 8302 is amended to read:

§ 8302. RISK BASED CAPITAL REPORT

* * *

(d) A property and casualty insurer's or health maintenance organization's risk based capital shall be determined in accordance with the formula set forth in the risk based capital instructions. The formula shall take into account and may adjust for the covariance between the following factors determined in each case by applying the factors in the manner set forth in the risk based capital instructions:

- (1) asset risk;
- (2) credit risk;
- (3) underwriting risk; and

(4) all other business risks and such other relevant risks as are set forth in the risk based capital instructions.

(e) If a domestic insurer files a risk based capital report ~~which~~ that in the judgment of the Commissioner is inaccurate, then the Commissioner shall adjust the risk based capital report to correct the inaccuracy and shall notify the insurer of the adjustment. The notice shall contain a statement of the reason for the adjustment. A risk based capital report adjusted by the Commissioner under this subsection shall be referred to as an "adjusted risk based capital report."

Sec. 13. 8 V.S.A. § 8303 is amended to read:

§ 8303. COMPANY ACTION LEVEL EVENT

(a) "Company action level event" means any of the following events:

(1) The filing of a risk based capital report by an insurer ~~which~~ that indicates that:

(A) the insurer's total adjusted capital is greater than or equal to its regulatory action level risk based capital but less than its company action level risk based capital;

(B) if in the case of a life or health insurer or a fraternal benefit society, the insurer or society has total adjusted capital ~~which~~ that is greater than or equal to its company action level risk based capital but less than the product of its authorized control level risk based capital and 3.0 and has a negative trend; or

(C) ~~if in the case of~~ a property and casualty insurer, the insurer has total adjusted capital ~~which that~~ is greater than or equal to its company action level risk based capital but less than the product of its authorized control level risk based capital and 3.0 and triggers the trend test determined in accordance with the trend test calculation included in the property and casualty risk based capital instructions; or

(D) in the case of a health maintenance organization, the insurer has total adjusted capital that is greater than or equal to its company action level risk based capital but less than the product of its authorized control level risk based capital and 3.0 and triggers the trend test determined in accordance with the trend test calculation included in the health risk based capital instructions.

(2) The notification by the Commissioner to the insurer of an adjusted risk based capital report that indicates an event in subdivision (1) of this subsection, provided the insurer does not challenge the adjusted risk based capital report under section 8307 of this title.

(3) If, under section 8307 of this title, an insurer challenges an adjusted risk based capital report that indicates the event in subdivision (1) of this subsection, the notification by the Commissioner to the insurer that the Commissioner has, after a hearing, rejected the insurer's challenge.

(b) An insurer shall prepare and submit to the Commissioner a risk based capital plan within 45 days of filing a risk based capital report or within 45 days of a final adjusted risk based capital report showing a company action level event. The risk based capital plan shall be a comprehensive financial plan and shall:

(1) ~~identify~~ Identify the conditions in the insurer ~~which that~~ contribute to the company action level event~~;~~;

(2) ~~contain~~ Contain proposals of corrective actions ~~which that~~ the insurer intends to take that would result in the elimination of the company action level event~~;~~;

(3) ~~provide~~ Provide projections of the insurer's financial results in the current year and at least the four succeeding years, both in the absence of proposed corrective actions and giving effect to the proposed corrective actions, including projections of statutory operating income, net income, capital, and surplus. The projections for both new and renewal business should include separate projections for each major line of business and separately identify each significant income, expense, and benefit component~~;~~;

(4) ~~identify~~ Identify the key assumptions impacting the insurer's projections and the sensitivity of the projections to the assumptions~~;~~; ~~and~~.

(5) ~~identify~~ Identify the quality of, and problems associated with, the insurer's business, including its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and use of reinsurance.

(c) The Commissioner shall notify the insurer whether the proposed risk based capital plan is approved within 60 days of its submission. If the Commissioner disapproves the plan, the notice shall set forth the reasons for the disapproval and may notify the insurer of revisions ~~which~~ that will render the risk based capital plan satisfactory to the Commissioner. Upon notice that a proposed plan is disapproved, the insurer shall prepare and submit a revised risk based capital plan within 45 days of the Commissioner's notice of disapproval or, if the Commissioner's notice of disapproval is appealed under section 8307 of this title, within 45 days of a Commissioner's determination adverse to the insurer.

(d) In the event of a notification by the Commissioner to an insurer that the insurer's risk based capital plan or revised risk based capital plan is unsatisfactory, the Commissioner may at the Commissioner's discretion, subject to the insurer's right to a hearing under section 8307 of this title, specify in the notification that the notification constitutes a regulatory action level event.

(e) Each domestic insurer required to file a risk based capital plan or revised risk based capital plan under this section shall file a copy of the plan with the insurance commissioner in any state in which the insurer is authorized to do business if:

(1) such state has a provision that is substantially similar to section 8308 of this title; ~~and~~ or

(2) the insurance commissioner of that state has notified the insurer of its request for the filing in writing. Plans required to be filed under this subdivision shall be filed ~~no~~ not later than the later of:

(A) 15 days after notice to file a copy of its risk based capital plan or revised risk based capital plan with the state; or

(B) the date on which the risk based capital plan or revised risk based capital plan is required to be filed under section 8304 of this title.

Sec. 14. 8 V.S.A. § 8307 is amended to read:

§ 8307. HEARINGS

Upon receipt of any notice required under ~~subsections~~ subsection 8302(e), 8303(c) ~~and~~ or (d), ~~and subdivisions~~ subdivision 8304(a)(4) ~~and~~ or (5), ~~and~~ or

subsection 8304(c) of this title, any insurer aggrieved by any action taken under those sections may appeal to the Commissioner within five days of receipt of notice of the action. The hearing shall be subject to 3 V.S.A. chapter 25. Upon receipt of the insurer's request for a hearing, the Commissioner shall set a date for the hearing, which date shall be ~~no~~ not less than 10 nor more than 30 days after the date of the insurer's request.

Sec. 15. 8 V.S.A. § 8308(a) is amended to read:

(a) All risk based capital reports, to the extent the information therein is not required to be set forth in a publicly available annual statement schedule, and risk based capital plans, including the results or report of any examination or analysis of an insurer performed pursuant hereto and any corrective order issued by the Commissioner pursuant to examination or analysis, with respect to any domestic insurer or foreign insurer ~~which~~ that are filed with the Commissioner, constitute information that might be damaging to the insurer if made available to its competitors, and therefore shall be kept confidential and privileged by the Commissioner. This information shall not be made available for public inspection and copying under the Public Records Act, shall not be subject to subpoena, shall not be subject to discovery, and shall not be admissible in evidence in any private civil action. However, the Commissioner is authorized to use the documents, materials, or other information for the purpose of enforcement actions taken by the Commissioner under this chapter or any other provision of the insurance laws of this State.

Sec. 16. 8 V.S.A. § 8312 is amended to read:

§ 8312. CONFIDENTIALITY OF RISK BASED CAPITAL REPORTS

All risk based capital reports concerning insurance companies that are not included in section 8308 of this title that are submitted to the Department by the ~~National Association of Insurance Commissioners~~ NAIC or by other states are confidential and ~~may~~ shall not be disclosed by the Department.

Sec. 17. 8 V.S.A. § 15a is amended to read:

§ 15a. INSURANCE REGULATORY SANDBOX; INNOVATION WAIVER; SUNSET.

* * *

(o) No new waivers or extensions shall be granted after July 1, ~~2021~~ 2023.

(p) This section shall be repealed on July 1, ~~2023~~ 2025.

Sec. 18. 9 V.S.A. § 5410 is amended to read:

§ 5410. FILING FEES

(a) A person shall pay a fee of \$300.00 when initially filing an application for registration as a broker-dealer and a fee of \$300.00 when filing a renewal of registration as a broker-dealer. A separate application in writing for branch office registration or renewal, accompanied by a filing fee of \$120.00 per branch office, shall be filed in the Office of the Commissioner in such form as the Commissioner may prescribe by any broker-dealer who transacts business in this State from any place of business located within this State. ~~If the filing results in a denial or withdrawal, the Commissioner shall retain the fee~~ The fee is nonrefundable.

(b) The fee for an individual is \$120.00 when filing an application for registration as an agent, \$120.00 when filing a renewal of registration as an agent, and \$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~~ The fee is nonrefundable.

(c) A person shall pay a fee of \$300.00 when filing an application for registration as an investment adviser and a fee of \$300.00 when filing a renewal of registration as an investment adviser. A separate application in writing for branch office registration or renewal, accompanied by a filing fee of \$120.00 per branch office, shall be filed in the Office of the Commissioner in such form as the Commissioner may prescribe by any investment adviser who transacts business in this State from any place of business located within the State. ~~If the filing results in a denial or withdrawal, the Commissioner shall retain the fee~~ The fee is nonrefundable.

(d) The fee for an individual is \$80.00 when filing an application for registration as an investment adviser representative, \$80.00 when filing a renewal of registration as an investment adviser representative, and \$80.00 when filing a change of registration as an investment adviser representative. ~~If the filing results in a denial or withdrawal, the Commissioner shall retain the fee~~ The fee is nonrefundable.

(e) A federal covered investment adviser required to file a notice under section 5405 of this title shall pay an initial fee of \$300.00 and an annual notice fee of \$300.00. A notice filing may be terminated by filing notice of such termination with the Commissioner. ~~If a notice filing results in a denial or withdrawal, the Commissioner shall retain the fee~~ The fee is nonrefundable.

Sec. 19. 8 V.S.A. § 4077 is added to read:

§ 4077. TERMINATION; COMPREHENSIVE MAJOR MEDICAL
POLICIES; GRACE PERIOD

(a) A comprehensive major medical insurance policy issued by a health insurance company, nonprofit hospital or medical service corporation, or health maintenance organization that insures employees, members, or subscribers for hospital and medical insurance on an expense-incurred, service, or prepaid basis shall:

(1) provide notice to the policyholder or other responsible party of any premium payment due on a policy at least 21 days before the due date; and

(2) provide a grace period of at least one month for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force and the issuer of the policy shall be liable for valid claims for covered losses incurred prior to the end of the grace period.

(b) If the issuer of a policy described in subsection (a) of this section does not receive payment by the due date, the issuer shall send a termination notice to the policyholder at least 21 days prior to termination notifying the policyholder that the issuer may terminate the policy if payment is not received by the termination date.

(c) The termination date of a policy described in subsection (a) of this section shall not be earlier than the day following the last day of the grace period set forth in subdivision (a)(1) of this section.

Sec. 20. 8 V.S.A. § 4089h is amended to read:

§ 4089h. CANCELLATION OR NONRENEWAL OF HEALTH
INSURANCE COVERAGE

(a) A Except as otherwise provided for comprehensive major medical insurance coverage in section 4077 of this chapter, a health insurer shall notify a policyholder of any premium payment due on a policy at least 21 days before the due date. If an insurer does not receive payment by the due date, an insurer shall send a termination notice to the policyholder notifying the policyholder that the insurer will terminate the policy effective on the due date if payment is not received within 14 days from the date of mailing of the termination notice. If an insurer does not receive payment within 14 days from the date of mailing of the termination notice an insurer may cancel coverage effective on the due date.

(b) As used in this section, “health insurer” means a health insurance company, a hospital or medical service corporation, or a health maintenance organization ~~which~~ that issues or renews any individual policy, service contract, or benefit plan in this State.

Sec. 21. 8 V.S.A. § 6002 is amended to read:

§ 6002. LICENSING; AUTHORITY

* * *

(b) No captive insurance company shall do any insurance business in this State unless:

(1) it first obtains from the Commissioner a license authorizing it to do insurance business in this State;

(2) its board of directors or committee of managers or, in the case of a reciprocal insurer, its subscribers’ advisory committee holds at least one meeting each year in this State;

(3) it maintains its principal place of business in this State; and

(4) it appoints a registered agent to accept service of process and to otherwise act on its behalf in this State; provided that whenever such registered agent cannot with reasonable diligence be found at the registered office of the captive insurance company, the ~~Secretary of State~~ Commissioner shall be an agent of such captive insurance company upon whom any process, notice, or demand may be served.

(c)(1) Before receiving a license, a captive insurance company shall:

(A) File with the Commissioner a ~~certified~~ copy of its organizational documents, ~~a statement under oath of its president and secretary showing its financial condition,~~ and any other statements or documents required by the Commissioner.

(B) Submit to the Commissioner for approval a description of the coverages, deductibles, coverage limits, and rates, together with such additional information as the Commissioner may reasonably require. In the event of any subsequent material change in any item in such description, the captive insurance company shall submit to the Commissioner for approval an appropriate revision and shall not offer any additional kinds of insurance until a revision of such description is approved by the Commissioner. The captive insurance company shall inform the Commissioner of any material change in rates within 30 days of the adoption of such change.

(2) Each applicant captive insurance company shall also file with the Commissioner evidence of the following:

(A) the amount and liquidity of its assets relative to the risks to be assumed;

(B) the adequacy of the expertise, experience, and character of the person or persons who will manage it;

(C) the overall soundness of its plan of operation;

(D) the adequacy of the loss prevention programs of its insureds; and

(E) such other factors deemed relevant by the Commissioner in ascertaining whether the proposed captive insurance company will be able to meet its policy obligations.

(3) Information submitted pursuant to this subsection shall be and remain confidential, and may not be made public by the Commissioner or an employee or agent of the Commissioner without the written consent of the company, except that:

(A) such information may be discoverable by a party in a civil action or contested case to which the captive insurance company that submitted such information is a party, upon a showing by the party seeking to discover such information that:

(i) the information sought is relevant to and necessary for the furtherance of such action or case;

(ii) the information sought is unavailable from other nonconfidential sources; and

(iii) a subpoena issued by a judicial or administrative officer of competent jurisdiction has been submitted to the Commissioner; provided, however, that the provisions of this subdivision (3) shall not apply to any risk retention group; and

(B) the Commissioner may, in the Commissioner's discretion, disclose such information to a public officer having jurisdiction over the regulation of insurance in another state, provided that:

(i) such public official shall agree in writing to maintain the confidentiality of such information; and

(ii) the laws of the state in which such public official serves require such information to be and to remain confidential.

* * *

(e) If the Commissioner is satisfied that the documents and statements that such captive insurance company has filed comply with the provisions of this chapter, and that such captive insurance company has been duly organized, the Commissioner may grant a license authorizing it to do insurance business in this State until April 1 thereafter, which license may be renewed.

Sec. 22. 8 V.S.A. § 6004 is amended to read:

§ 6004. MINIMUM CAPITAL AND SURPLUS; LETTER OF CREDIT

(a) ~~No captive insurance company shall be issued a license unless it~~ Prior to issuing any policies of insurance or entering into any contracts of reinsurance, each captive insurance company shall possess and thereafter maintain unimpaired paid-in capital and surplus of:

(1) in the case of a pure captive insurance company, not less than \$250,000.00;

(2) in the case of an association captive insurance company, not less than \$500,000.00;

(3) in the case of an industrial insured captive insurance company, not less than \$500,000.00;

(4) in the case of an agency captive insurance company, not less than \$500,000.00;

(5) in the case of a risk retention group, not less than \$1,000,000.00; and

(6) in the case of a sponsored captive insurance company, not less than \$100,000.00.

(b) The Commissioner may prescribe additional capital and surplus based upon the type, volume, and nature of insurance business transacted.

(c) Capital and surplus may be in the form of cash, marketable securities, a trust approved by the Commissioner and of which the Commissioner is the sole beneficiary, or an irrevocable letter of credit issued by a bank approved by the Commissioner. The Commissioner may reduce or waive the capital and surplus amounts required by this section pursuant to a plan of dissolution for the company approved by the Commissioner.

(d) Within 30 days after commencing business, each captive insurance company shall file with the Commissioner a statement under oath of its president and secretary certifying that the captive insurance company possessed the requisite unimpaired paid-in capital and surplus prior to commencing business.

Sec. 23. 8 V.S.A. § 6007 is amended to read:

§ 6007. REPORTS AND STATEMENTS

(a) Captive insurance companies shall not be required to make any annual report except as provided in this chapter.

(b) Prior to March 1 of each year, and prior to March 15 of each year in the case of pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, ~~or~~ industrial insured captive insurance companies, or agency captive insurance companies, each captive insurance company shall submit to the Commissioner a report of its financial condition, verified by oath of two of its executive officers. Each captive insurance company shall report using generally accepted accounting principles, statutory accounting principles, or international financial reporting standards unless the Commissioner requires, approves, or accepts the use of any other comprehensive basis of accounting, in each case with any appropriate or necessary modifications or adaptations thereof required or approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner. As used in this section, statutory accounting principles shall mean the accounting principles codified in the NAIC Accounting Practices and Procedures Manual. Upon application for admission, a captive insurance company shall select, with explanation, an accounting method for reporting. Any change in a captive insurance company's accounting method shall require prior approval. Except as otherwise provided, each risk retention group shall file its report in the form required by subsection 3561(a) of this title, and each risk retention group shall comply with the requirements set forth in section 3569 of this title. The Commissioner shall by rule propose the forms in which pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, and industrial insured captive insurance companies shall report. Subdivision 6002(c)(3) of this title shall apply to each report filed pursuant to this section, except that such subdivision shall not apply to reports filed by risk retention groups.

(c) Any pure captive insurance company, association captive insurance company, sponsored captive insurance company, ~~or~~ industrial insured captive insurance company, or agency captive insurance company may make written application for filing the required report on a fiscal year-end. If an alternative reporting date is granted:

- (1) the annual report is due 75 days after the fiscal year-end; and

(2) in order to provide sufficient detail to support the premium tax return, the pure captive insurance company, association captive insurance company, sponsored captive insurance company, or industrial insured captive insurance company shall file prior to March 15 of each year for each calendar year-end, pages 1, 2, 3, and 5 of the “Vermont Captive Insurance Company Annual Report - Short Form” verified by oath of two of its executive officers.

Sec. 24. 8 V.S.A. § 6034c is amended to read:

§ 6034c. ~~PROTECTED CELL CONVERSION INTO AN INCORPORATED PROTECTED CELL~~

(a)(1) Subject to the prior written approval of the Commissioner, on application of the sponsor and with the prior consent of each participant of the affected protected ~~cell~~ cells or as otherwise permitted pursuant to a participation agreement and the consent of each affected incorporated protected cell, a sponsored captive insurance company or a sponsored captive insurance company licensed as a special purpose financial insurance company may convert a ~~protected cell into an incorporated protected cell pursuant to the provisions of section 6034a of this title, without affecting the protected cell's assets, rights, benefits, obligations, and liabilities~~ one or more protected cells or incorporated protected cells into a:

(A) single protected cell or incorporated protected cell;

(B) new sponsored captive insurance company;

(C) new sponsored captive insurance company licensed as a special purpose financial insurance company;

(D) new special purpose financial insurance company;

(E) new pure captive insurance company;

(F) new risk retention group;

(G) new agency captive insurance company;

(H) new industrial insured captive insurance company; or

(I) new association captive insurance company.

(2) Any such conversion shall be subject to section 6031 and subchapters 1 and 4 of this chapter, as applicable, as well as to a plan or plans of operation approved by the Commissioner, without affecting any protected cell's or incorporated protected cell's assets, rights, benefits, obligations, and liabilities.

(b) Any such conversion shall be deemed for all purposes to be a continuation of the each such protected cell's or incorporated protected cell's existence together with all of its assets, rights, benefits, obligations, and liabilities, as ~~an~~ a new protected cell or incorporated protected cell of the, a licensed sponsored captive insurance company or, a sponsored captive insurance company licensed as a special purpose financial insurance company, a special purpose financial insurance company, a pure captive insurance captive, a risk retention group, an industrial insured captive insurance company, or an association captive insurance company, as applicable. Any such conversion shall be deemed to occur without any transfer or assignment of any such assets, rights, benefits, obligations, or liabilities and without the creation of any reversionary interest in, or impairment of, any such assets, rights, benefits, obligations, and liabilities.

(c) Any such conversion shall not be construed to limit any rights or protections applicable to any converted protected cell or incorporated protected cell and such sponsored captive insurance company or sponsored captive insurance company licensed as a special purpose financial insurance company under this subchapter or under subchapter 4 of this chapter, as applicable, that existed immediately prior to the date of any such conversion.

(d)(1) Any protected cell converting into an incorporated protected cell pursuant to this section, or converting into a new captive insurance company or risk retention group pursuant to this section, shall perform such conversion in accordance with:

(A) the provisions of 11A V.S.A. chapter 11 if the converted entity is to be a corporation;

(B) the provisions of 11 V.S.A. chapter 25, subchapter 10 if the converted entity is to be a limited liability company; or

(C) the provisions applicable to any other type of entity permissible under Vermont law if the converted entity is to be such an entity.

(2) As used in this subdivision, a protected cell that is not an incorporated protected cell shall be considered an "organization" as that term is defined in 11A V.S.A. § 11.01 and 11 V.S.A. § 4141; an "other insurer" as that term is defined in 8 V.S.A. § 6020; and an "entity" as that term is defined in 11C V.S.A. § 102.

Sec. 25. REPEAL

8 V.S.A. § 6034e is repealed.

Sec. 26. 8 V.S.A. § 6006(j) is amended to read:

(j) The provisions of chapter 101, subchapters 3 and 3A of this title, pertaining to mergers, consolidations, conversions, mutualizations, redomestications, and mutual holding companies, shall apply in determining the procedures to be followed by captive insurance companies in carrying out any of the transactions described therein, except that:

(1) If the shareholders, members, or policyholders of the captive insurance company have unanimously approved of the merger, the procedures set forth in section 6006a of this title shall apply.

(2) The Commissioner may, upon request of an insurer party to a merger authorized under this subsection, waive the requirement of subdivision 3424(6) of this title.

~~(2)~~(3) The Commissioner may waive the requirements for public notice and hearing or, in accordance with rules ~~which~~ that the Commissioner may adopt addressing categories of transactions, modify the requirements for public notice and hearing. If a notice of public hearing is required, but no one requests a hearing ten days before the day set for the hearing, then the Commissioner may cancel the hearing.

~~(3)~~(4) The provisions of subsections 3423(f) and (h) of this title shall not apply, and the Commissioner may waive or modify the requirement of subdivision 3423(b)(4) of this title, with respect to market value of a converted company as necessary or desirable to reflect applicable restrictions on ownership of companies formed under this chapter.

~~(4)~~(5) An alien insurer may be a party to a merger authorized under this subsection; provided that the requirements for a merger between a captive insurance company and a foreign insurer under section 3431 of this title shall apply to a merger between a captive insurance company and an alien insurer under this subsection. Such alien insurer shall be treated as a foreign insurer under section 3431 and such other jurisdictions shall be the equivalent of a state for purposes of section 3431.

~~(5)~~(6) The Commissioner may issue a certificate of general good to permit the formation of a captive insurance company that is established for the purpose of consolidating or merging with or assuming existing insurance or reinsurance business from an existing licensed captive insurance company. The Commissioner may, upon request of such newly formed captive insurance

company, waive or modify the requirements of subdivisions 6002(c)(1)(B) and (2) of this title.

~~(6)~~(7) The Commissioner may waive or modify application of the provisions of chapter 132 and chapter 101, subchapters 3 and 3A of this title and the provisions of Titles 11, 11A, and 11B in order to permit mergers of a non-insurer subsidiary of a captive insurance company with and into the captive insurance company or another of its subsidiaries without approval of the shareholders, members, or subscribers of such captive insurance company and without making available to the shareholders, members, or subscribers dissenters' rights otherwise made available in such a merger; provided, however, that the board of directors, managers, or subscribers' advisory committee of each of the merging entities shall approve such merger. The Commissioner may condition any such waiver or modification upon a good faith effort by the captive insurance company to provide notice of the merger to its shareholders, members, or subscribers.

Sec. 27. 8 V.S.A. § 6006a is added to read:

§ 6006a. MERGERS

(a) Any captive insurance company meeting the qualifications set forth in subdivision 6006(j)(1) of this title may merge with any other insurer, whether licensed in this State or elsewhere, in the following manner:

(1) The board of directors of each insurer shall, by a resolution adopted by a majority vote of the members of such board, approve a joint agreement of merger setting forth:

(A) the names of the insurers proposed to merge, and the name of the insurer into which they propose to merge, which is hereafter designated as the surviving company;

(B) the terms and conditions of the proposed merger and the mode of carrying the same into effect;

(C) the manner and basis of converting the ownership interests, if applicable, in other than the surviving insurer into ownership interests or other consideration, securities, or obligations of the surviving insurer;

(D) a restatement of such provisions of the articles of incorporation of the surviving insurer as may be deemed necessary or advisable to give effect to the proposed merger; and

(E) any other provisions with respect to the proposed merger as are deemed necessary or desirable.

(2) The resolution of the board of directors of each insurer approving the agreement shall direct that the agreement be submitted to a vote of the shareholders, members, or policyholders, as the case may be, of each insurer entitled to vote in respect thereof at a designated meeting thereof, or via unanimous written consent of such shareholders, members, or policyholders in lieu of a meeting. Notice of the meeting shall be given as provided in the bylaws, charter, or articles of association, or other governance document, as the case may be, of each insurer and shall specifically reflect the agreement as a matter to be considered at the meeting.

(3) The agreement of merger so approved shall be submitted to a vote of the shareholders, members, or policyholders, as the case may be, of each insurer entitled to vote in respect thereof at the meeting directed by the resolution of the board of directors of such company approving the agreement, and the agreement shall be unanimously adopted by the shareholders, members, or policyholders, as the case may be.

(4) Following the adoption of the agreement by any insurer, articles of merger shall be adopted in the following manner:

(A) Upon the execution of the agreement of merger by all of the insurers parties thereto, there shall be executed and filed, in the manner hereafter provided, articles of merger setting forth the agreement of merger, the signatures of the several insurers parties thereto, the manner of its adoption, and the vote by which adopted by each insurer.

(B) The articles of merger shall be signed on behalf of each insurer by a duly authorized officer, in such multiple copies as shall be required to enable the insurers to comply with the provisions of this subchapter with respect to filing and recording the articles of merger, and shall then be presented to the Commissioner.

(C) The Commissioner shall approve the articles of merger if he or she finds that the merger will promote the general good of the State in conformity with those standards set forth in section 3305 of this title. If he or she approves the articles of merger, he or she shall issue a certificate of approval of merger.

(5) The insurer shall file the articles of merger, accompanied by the agreement of merger and the certificate of approval of merger, with the Secretary of State and pay all fees as required by law. If the Secretary of State finds that they conform to law, he or she shall issue a certificate of merger and return it to the surviving insurer or its representatives. The merger shall take effect upon the filing of articles of merger with the Secretary of State, unless a later effective date is specified therein.

(6) The surviving insurer shall file a copy of the certificate of merger from the Secretary of State with the Commissioner.

(b) When such merger or consolidation has been effected as provided in this section:

(1) The several insurers parties to the agreement of merger shall be a single captive insurance company that shall be the surviving insurer a party to the agreement of merger into which it has been agreed the other insurers parties to the agreement shall be merged, which surviving insurer shall survive the merger.

(2) The separate existence of all of the insurers parties to the agreement of merger, except the surviving captive insurance company, shall cease.

(3) The single captive insurance company shall have all of the rights, privileges, immunities, and powers and shall be subject to all of the duties and liabilities of a captive insurance company organized under this chapter.

(4) The single captive insurance company shall possess all the rights, privileges, immunities, powers, and franchises of a public as well as of a private nature of each of the insurers so merged; and all property, real, personal, and mixed, and all debts due on whatever account, including subscriptions to shares of capital stock, and all other choses in action and all and every other interest, of or belonging to or due to each of the insurers so merged shall be taken and deemed to be transferred to and vested in such single captive insurance company without further act or deed; and the title to any real estate, or any interest therein, under the laws of this State vested in any such insurers shall not revert or be in any way impaired by reason of the merger.

(5) The single captive insurance company shall be responsible and liable for all the liabilities and obligations of each of the insurers so merged in the same manner and to the same extent as if the single insurer had itself incurred the same or contracted therefor; and any claim existing or action or proceeding pending by or against any of the insurers may be prosecuted to judgment as if the merger had not taken place. Neither the rights of creditors nor any liens upon the property of any insurers shall be impaired by the merger, but such liens shall be limited to the property upon which they were liens immediately prior to the time of the merger unless otherwise provided in the agreement of merger.

(6) The articles of association or other governing document of the surviving captive insurance company shall be supplanted and superseded to the extent, if any, that any provision or provisions of the articles are restated in the

agreement of merger as provided in subsection (a) of this section, and such articles of association or other governing document shall be deemed to be thereby and to that extent amended.

(c)(1) In the case of a merger between a domestic and a foreign or alien insurer, the articles of merger shall be regarded as executed by the proper officers of said foreign or alien insurer when such officers are duly authorized to execute same through such action on the part of the directors, shareholders, members, or policyholders, as the case may be, of said foreign or alien insurer as may be required by the laws of the state where the same is incorporated, and upon execution, the articles of merger shall be submitted to the Insurance Commissioner or other officer at the head of the insurance department of the jurisdiction where such foreign or alien insurer is domiciled. No merger shall take effect until it has been approved by the insurance official of the jurisdiction where the foreign or alien insurer is domiciled nor until a certificate of his or her approval has been filed with the Commissioner, provided that such submission to and approval by the proper official of the other jurisdiction shall not be required unless the same are required by the laws of the foreign or alien jurisdiction. Provided, further, that the domestic captive insurance company involved in the merger shall not through anything contained in this section be relieved of any of the procedural requirements enumerated elsewhere in this section.

(2) A merger between a domestic and a foreign or alien captive insurance company shall not take effect unless and until the surviving captive insurance company, if such is a foreign or alien insurer, files with the Commissioner a power of attorney appointing the Commissioner the attorney for service of the foreign or alien insurer, upon whom all lawful process against the insurers may be served. Said power of attorney shall be irrevocable if the foreign or alien insurer has outstanding in this State any contract of insurance, or other obligation whatsoever, and shall by its terms so provide. Service upon the Commissioner shall be deemed sufficient service upon the insurer.

Sec. 28. 8 V.S.A. § 6006b is added to read:

§ 6006b. REDOMESTICATION

(a) Any foreign or alien insurer that qualifies for licensure as a captive insurance company in this State may redomesticate to this State by complying with all of the requirements of law relative to the organization and licensing of a captive insurance company and by filing with the Secretary of State its articles of association, charter, or other organization document, together with appropriate amendments thereto adopted in accordance with the laws of this

State bringing such articles of association, charter, or other organizational document into compliance with the laws of this State, along with a certificate of general good issued by the Commissioner and a filing fee per section 3440 of this title. An insurer becoming a domestic captive insurance company through this redomestication process shall pay to the Commissioner such fees as would otherwise be payable by a captive insurance company organizing and becoming licensed or transacting business in this State. The Commissioner may issue a conditional license prior to the effective date of the redomestication in order to facilitate the transaction and provide notice of approval of the transaction to the outgoing jurisdiction. The domestic insurer shall be entitled to the necessary or appropriate certificates and licenses to continue its business and to transact business in this State and shall be subject to the authority and jurisdiction of this State. No insurer redomesticating into this State as a captive insurance company need merge, consolidate, transfer assets, or otherwise engage in any other reorganization, other than as specified in this section.

(b) Upon the approval of and compliance with such conditions as may be imposed by the Commissioner, any captive insurance company may transfer its domicile, in accordance with the laws thereof, to any other state or jurisdiction and upon such a transfer shall cease to be a domestic captive insurance company, and its corporate or other legal existence in this State shall cease upon the filing of articles of redomestication with the Secretary of State, or upon such later date if a delayed effective date is specified in the articles of redomestication, accompanied by a certificate of approval of redomestication issued by the Commissioner and proof of acceptance of the insurer by the Secretary of State or analogous officer of the jurisdiction to which the captive insurance company is redomesticating, and upon payment to the Secretary of State of a filing fee per section 3438 of this title. Said articles of redomestication shall contain, at a minimum, the following information:

(1) the name, organizational form, date of formation, and jurisdiction of formation of the redomesticating entity;

(2) the jurisdiction to which the redomesticating entity will be transferring its domicile and its name following the redomestication date;

(3) the registered office and agent of the redomesticating entity following the redomestication date; and

(4) a statement that the redomestication has been approved by the appropriate vote of the shareholders or other owners of the redomesticating entity.

(c) Upon redomestication in accordance with this section, the foreign or alien insurer shall become a captive insurance company organized under the laws of this State and have all the rights, privileges, immunities, and powers, and be subject to all applicable laws, duties, and liabilities, of domestic insurers of the same type. Such captive insurance company shall possess all rights that obtained prior to the redomestication to the extent permitted by the laws of this State, and shall be responsible and liable for all the liabilities and obligations that obtained prior to the redomestication. The certificate of authority, agents, appointments and licenses, rates, and other items that the Commissioner allows, in his or her discretion, that are in existence at the time any insurer transfers its corporate domicile to this or any other state or jurisdiction by redomestication pursuant to this section shall continue in full force and effect upon such transfer. All outstanding policies of any transferring insurer shall remain in full force and effect.

Sec. 29. 8 V.S.A. § 6053(1) is amended to read:

(1) Notice of operations and designation of ~~Secretary of State Commissioner~~ as agent. Before offering insurance in this State, a risk retention group shall submit to the Commissioner:

(A) a statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, charter date, its principal place of business, and such other information, including information on its membership, as the Commissioner of this State may require to verify that the risk retention group is qualified under subdivision 6051(11) of this title;

(B) a copy of its plan of operations and feasibility study and revisions of such plan or study submitted to the state in which the risk retention group is chartered and licensed; provided, however, that the provision relating to the submission of a plan of operation or feasibility study shall not apply with respect to any line or classification of liability insurance which:

(i) was defined in the Product Liability Risk Retention Act of 1981 before October 27, 1986; and

(ii) was offered before such date by any risk retention group which had been chartered and operating for not less than three years before such date; and

(iii) the risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required by subsection 6052(b) of this

title at the time that such revision has become effective in its chartering state; and

(C) a statement of registration, for which a filing fee shall be determined by the Commissioner, which designates the ~~Secretary of State~~ Commissioner as its agent for the purpose of receiving service of legal documents or process.

* * *

Sec. 30. 8 V.S.A. § 6056(b) is amended to read:

(b) The purchasing group shall register with and designate the ~~Secretary of State~~ Commissioner as its agent solely for the purpose of receiving service of legal documents or process, except for any groups exempted under 15 U.S.C. § 3903(e). Service shall be effected in the manner provided in section 3383 of this title.

Sec. 31. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 7-0-0)

NOTICE CALENDAR

Committee Bill for Second Reading

S. 124.

An act relating to miscellaneous utility subjects.

By the Committee on Natural Resources and Energy. (Senator Bray for the Committee.)

Second Reading

Favorable with Recommendation of Amendment

S. 48.

An act relating to Vermont's adoption of the interstate Nurse Licensure Compact.

Reported favorably with recommendation of amendment by Senator Hardy for the Committee on Health and Welfare.

The Committee recommends that the bill be amended as follows:

In Sec. 1, 26 V.S.A. chapter 28, subchapter 5, by striking out section 1648 in its entirety and inserting in lieu thereof a new section 1648 to read as follows:

§ 1648. ADMINISTRATION OF THE NURSE LICENSURE COMPACT

(a) The Vermont State Board of Nursing shall have the power to:

(1) oversee the administration and enforcement of the Nurse Licensure Compact within the State of Vermont;

(2) recover from a nurse practicing under the provisions of the Nurse Licensure Compact the cost of investigation and disposition of a case resulting in adverse action taken against that nurse;

(3) establish fees to offset the costs associated with administering this subchapter; and

(4) conduct a background check, prior to issuing a multistate license under the provisions of the Nurse Licensure Compact, that includes a fingerprint-based check of State and federal criminal history databases, as authorized by 28 C.F.R. § 20.33.

(b) The Executive Director of the Vermont State Board of Nursing or designee shall be the administrator (State Administrator) of the Nurse Licensure Compact for the State of Vermont pursuant to subdivision 1647g(b)(1) of this chapter.

(c) The State Administrator shall promptly, and prior to a vote of the Commission, notify the Commissioner of Finance and Management if the Commission proposes to pledge the credit of the State of Vermont under subdivision 1647g(h)(3) of this subchapter or in any way proposes to impose liability on the State of Vermont for an amount equal to or in excess of \$100,000.00.

(d) The Vermont State Board of Nursing may:

(1) adopt rules necessary to implement and enforce the provisions of this subchapter within the State of Vermont; and

(2) take disciplinary action against the practice privilege of a nurse practicing within the State of Vermont under the provisions of the Nurse Licensure Compact, which may include disciplinary action based on disciplinary action taken against the nurse's license by another party state to the Nurse Licensure Compact.

(e) Nothing in this subchapter shall supersede or abridge State labor laws.

(Committee vote: 5-0-0)

Reported favorably by Senator Hardy for the Committee on Finance.

The Committee recommends that the bill be amended as recommended by the Committee on Health and Welfare and when so amended, ought to pass.

(Committee vote: 7-0-0)

Favorable with Proposal of Amendment

H. 315.

An act relating to COVID-19 relief.

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

The Committee recommends 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:

* * * Federal Funding, Administration * * *

Sec. 1. FEDERAL FUNDS; ANTICIPATED RECEIPTS

(a) To the extent that appropriations in this act are made from federal funds provided by the American Rescue Plan Act of 2021 (ARPA), including state holding funds that are established as a result of the ARPA, the Commissioner of Finance and Management is authorized, to make expenditures in anticipation of receipts as necessary. The Commissioner shall immediately notify the House and Senate Appropriations Committees, or the Joint Fiscal Committee through the Joint Fiscal Office when the General Assembly is not in session, if any such expenditure is later deemed impermissible by subsequent federal guidance.

(b) The appropriations in this act from funds provided by ARPA of 2021 shall carry forward from fiscal year 2021 until expended.

**Sec. 2. REMAINING CORONAVIRUS RELIEF FUNDS;
CARRYFORWARD, REVERSION, AND APPLICATION**

(a) To the extent that Coronavirus Relief Fund (CRF) spending authority made through appropriation or approval of the Joint Fiscal Committee remains available as of June 30, 2021, any amounts necessary to pay for expenditures that have been obligated but not paid out as of June 30, 2021 shall carry forward to fiscal year 2022.

(b) Prior to the close of fiscal year 2021, the Commissioner of Finance and Management is authorized to revert all unobligated CRF appropriations to the State CRF. In fiscal year 2021, the total amount of CRF reverted under this

subsection shall be appropriated to the Department of Corrections for eligible costs and the same amount of general funds appropriated to the Department of Corrections shall be reverted.

(c) The Commissioner shall report to the House and Senate Committees on Appropriations on or before June 1, 2021 with estimates of each of the following: CRF carryforward need, CRF reversions, and total CRF appropriation to the Department of Corrections and the General Fund reversion from Department of Corrections anticipated on or before June 30, 2021 as authorized under this section. The report shall also include a brief description of the degree to which FEMA funding applications and awards are impacting these estimates. The Commissioner shall provide a final report on these amounts to the Joint Fiscal Committee at its meeting in July 2021.

* * * Commerce and Community Development; Targeted Business Grants * * *

Sec. 3. GAP ECONOMIC RECOVERY GRANTS; FISCAL YEAR 2021 ONE-TIME APPROPRIATION

(a) Appropriation.

(1)(A) In fiscal year 2021, the amount of \$10,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Agency of Commerce and Community Development to provide gap economic recovery grants to eligible businesses pursuant to this act.

(B) Of this amount, the Agency shall work with community partners to allocate \$1,000,000.00 for eligible businesses owned by Vermonters who are members of underrepresented communities that have historically experienced unequal access to State economic benefits and services or suffered discrimination due to race, gender, socioeconomic status, citizenship status, disability status, or other similar factors.

(2) The Agency may use not more than five percent of the appropriated funds for the costs of administration, including technical assistance and guidance concerning potential eligibility for federal programs.

(b) Eligibility. To be eligible for a grant, a business shall meet the following criteria:

(1) The business is domiciled or has its primary place of business in Vermont.

(2) The business is organized and operated:

(A) on a for-profit basis, including a sole proprietor, partnership, limited liability company, business corporation, cooperative, or mutual benefit enterprise; or

(B) on a nonprofit or low-profit basis, including a mutual benefit corporation, public benefit corporation, and a low-profit limited liability company.

(3) The business submits a written plan that demonstrates that the business will use grant funds for business-related operations and economic recovery and that:

(A) the business is open at the time of application; or

(B) the business is closed due to the COVID-19 public health emergency but has a good-faith plan to reopen within 60 days of receiving the grant award and will use grant funds for reopening.

(4) The business suffered an economic loss due to the COVID-19 public health emergency and has filed a 2020 tax return that demonstrates a tax loss.

(5) At the time the business submits its application to the Agency, the business demonstrates that it has not received prior COVID-19-related State assistance and:

(A) the business has applied for the forgivable loans and grants made available through the Paycheck Protection Program, the Economic Injury Disaster Relief Advance program, or other COVID-19-related business financial assistance programs created by, or as modified by, the Consolidated Appropriations Act of 2021, P.L. 116-260, but was denied assistance because the business does not meet the eligibility criteria for any program; or

(B) the business has not applied for any such assistance based on a determination by a financial institution or other participating lender, an attorney, an accountant, or another qualified financial professional that the business is not eligible for such assistance because the business does not meet the eligibility criteria for any program.

(6) The business is in compliance with current State health and safety protocols established by Executive Order.

(c) Amount of grant. A grant shall not exceed the lesser of:

(1) the loss demonstrated on the business's 2020 tax return;

(2) three times the eligible business's fixed monthly expenses for commercial mortgage or rent, insurance, electricity, heat, water, sewer service, telecommunications service, and Internet service; or

(3) \$150,000.00.

(d) Grant administration; use of funds; future grant awards. Any amounts that remain unspent through the program shall revert to the Agency of Commerce and Community Development for purposes of supplementing any future economic recovery grant program established prior to January 1, 2022, and if no program is established, then to the General Fund.

(e) Guidelines. Not later than 10 days after the effective date of this act, the Agency shall publish guidelines governing the implementation of the program, which at minimum shall:

(1) establish application award procedures, and a timeline for accepting applications and awarding grants;

(2) establish standards to determine whether an eligible business has its primary place of business in Vermont;

(3) establish standards for the use of grant funds for the purpose of business-related economic recovery;

(4) establish procedures to ensure that grant awards comply with the requirements of this section and that the State maintains adequate records to demonstrate compliance with this section;

(5) establish procedures to prevent, detect, and mitigate fraud, waste, error, and abuse; and

(6) establish procedures to ensure that grant applicants comply with State and federal employment and labor laws.

(f) Reporting. The Agency shall submit two reports to the House Committees on Appropriations and on Commerce and Economic Development and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs detailing the implementation of this section, including specific information concerning the amount, identity, and demographic information of grant recipients, which shall be publicly available:

(1) an initial report following the 30-day approval period specified in subdivision (d)(1) of this section; and

(2) a final report not later than 30 days after program funds are exhausted.

(g) Auditing; compliance. The Agency shall include in all grant awards standard audit provisions, substantially similar to the audit provisions included pursuant to administrative bulletins 3.5 and 5.0, that provide that records pertaining to grant awards shall be retained and remain subject to audit and

inspection by the Agency and the State Auditor of Accounts for a period of time specified by the Agency.

(h) Recapture. The Agency shall include in all grant awards standard recapture provisions, which shall include that a grant award may be subject to recapture if a recipient is found to be ineligible for the award or to have used an award for an ineligible purpose, consistent with the guidelines the Agency adopts pursuant to subsection (e) of this section.

Sec. 3a. AMERICAN RESCUE PLAN ACT OF 2021;
FUTURE BUSINESS GRANT AWARDS

The Agency of Commerce and Community Development and other relevant Executive Branch agencies and departments shall consult and coordinate in a timely manner with legislative policy committees of jurisdiction through the Office of Legislative Counsel and the Joint Fiscal Office in the development of proposals for future distributions of funds for business recovery through the American Rescue Plan Act of 2021.

Sec. 3b. VERMONT MICROBUSINESS DEVELOPMENT FUNDING

The sum of \$500,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund in fiscal year 2021 to Department for Children and Families, Office of Economic Opportunity, to be granted to the Community Action Agencies for the Statewide Community Action Network's Economic Micro Business Recovery Assistance for the COVID-19 Epidemic (EMBRACE) to assist the Vermont microbusiness owners impacted by COVID-19.

* * * Housing and Homeowner Assistance * * *

Sec. 4. VERMONT HOUSING AND CONSERVATION BOARD,
HOUSING AND FACILITIES

The sum of \$10,000,000.00 of General Fund is appropriated to the Vermont Housing and Conservation Board in fiscal year 2021, which the Board shall use, in part through grants to nonprofit housing partners and service organizations, for housing and facilities necessary to provide safe shelter to lower-income and at-risk populations. These funds are intended to be expended as expeditiously as possible on projects ready to proceed in 2021 and designed to meet immediate housing needs.

Sec. 5. HOMEOWNER; MORTGAGE ASSISTANCE FORECLOSURE
PREVENTION

The sum of \$5,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Homeowner Assistance Fund in fiscal year 2021 to the

Department of Housing and Community Development for a grant to the Vermont Housing Finance Agency to provide financial and technical assistance to stabilize low- and moderate-income homeowners and prevent home foreclosures for Vermont families. To the extent permitted by federal law and guidance, these funds may be used to provide mortgage assistance retroactively to January 1, 2021.

* * * Human Services, Mental Health and Health Care * * *

Sec. 6. DEPARTMENT OF MENTAL HEALTH; EMERGENCY
OUTREACH SERVICES GRANTS

The sum of \$300,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Mental Health in fiscal year 2021 for grants to peer-led and impacted member-led organizations for emergency outreach services to address COVID-19-related needs. Of these funds, the Department shall allocate \$150,000.00 to a mental health peer-support organization and \$150,000.00 to an organization supporting the needs of LGBTQ youths.

Sec. 7. DEPARTMENT OF MENTAL HEALTH; HOUSING

The sum of \$4,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Mental Health in fiscal year 2021 to make existing housing and community-based service facilities providing mental health services more accessible, safe, and compliant with the Americans with Disabilities Act or to expand capacity in community settings. The Department shall select the projects in consultation with the Agency of Human Services Secretary's Office, the Department of Disabilities, Aging, and Independent Living, and representatives of the designated agencies, specialized service agencies, and peer organizations. The grants shall be awarded to organizations that demonstrate the greatest ability to respond immediately to the need for housing and shall be for projects that will not require additional State funds for operating costs in future years. At least one grant shall be awarded to a peer-run or peer-directed housing organization. The Department of Mental Health shall partner with the Agency of Human Services Secretary's Office and the Department of Disabilities, Aging, and Independent Living to include as potential grant candidates all designated and specialized service agencies that provide developmental and mental health services.

Sec. 8. DEPARTMENT OF MENTAL HEALTH; CASE MANAGEMENT SERVICES

The sum of \$850,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Mental Health in fiscal year 2021 to provide funds to the mental health designated agencies to enable them each to hire an additional case manager to provide case management services to Vermont residents who may not previously have been part of an agency's caseload but whose lives have been significantly disrupted by the COVID-19 pandemic and who are now urgently in need of these agencies' supports. Agencies have the flexibility to identify where the targeted need exists within their agency, across all programs. The purpose funded in this section is limited to addressing the impacts related to the COVID-19 pandemic and not intended to create an ongoing funding commitment.

Sec. 9. DEPARTMENT OF MENTAL HEALTH; WORKFORCE TRAINING AND WELLNESS SUPPORTS

The sum of \$150,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Mental Health in fiscal year 2021 for training and wellness supports for frontline health care workers to help them meet Vermont residents' current mental health needs, such as training for emergency department personnel responding to an increased demand for crisis services as a result of the COVID-19 pandemic and training on trauma-informed and trauma-specific care for mental health professionals responding to the surge in mental health treatment needs. These workers would also benefit from wellness supports as they continue to care for people in crisis while experiencing their own stress, anxiety, and trauma as a result of the pandemic.

Sec. 10. SUPPORTS FOR NEW AMERICANS, REFUGEES, AND IMMIGRANTS

(a) The sum of \$700,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Agency of Human Services in fiscal year 2021 for distribution in equal amounts to the Association of Africans Living in Vermont and the U.S. Committee for Refugees and Immigrants' Vermont Refugee Resettlement Program for various purposes related to COVID-19, including:

(1) interpretation and translation services related to COVID-19, including accessing testing and vaccines;

(2) purchasing laptops and providing digital literacy for households to ensure that children can attend school remotely, that families can access telehealth services, and that adult family members can find employment;

(3) providing case management services related to an increased need related to housing assistance, workforce development, and employment coaching; and

(4) providing navigation of Reach Up, 3SquaresVT, and other public assistance programs following job losses.

Sec. 11. GRANTS TO REACH UP PARTICIPANTS

The sum of \$1,300,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department for Children and Families in fiscal year 2021 for the purposes of distributing monies to families participating in the Reach Up program. These funds shall be distributed in a manner similar to the distribution funds made to the population under 2020 Acts and Resolves No. 136, Sec. 15.

Sec. 12. VERMONT FOOD BANK

(a) The sum of \$1,376,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund in fiscal year 2021 to the Agency of Human Services' Central Office to be granted to the Vermont Food Bank to pay the costs of the Vermont Farmers to Families Food Box Program for the months of January and February 2021.

(b) The sum of \$82,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund in fiscal year 2021 to the Agency of Human Services' Central Office to be granted to the Vermont Food Bank for statewide provision of diapers to families in need.

Sec. 13. GRANT TO THE ASSOCIATION FOR THE BLIND AND VISUALLY IMPAIRED

(a) The sum of \$100,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Disabilities, Aging, and Independent Living in fiscal year 2021 to be granted to the Vermont Association for the Blind and Visually Impaired for a technology training program for older Vermonters who experience decreased vision and blindness and others who are blind or visually impaired to address social isolation resulting from social distancing.

Sec. 14. GREEN MOUNTAIN CARE BOARD; DEPARTMENT OF HEALTH; HEALTH CARE DISPARITIES; DATA COLLECTION AND ANALYSIS

(a) The sum of \$66,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2021 to provide the State share pursuant to 18 V.S.A. § 9374(h) for updates to the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES) to improve data collection related to health equity.

(b) The sum of \$134,000.00 is appropriated from the General Fund to the Department of Health in fiscal year 2021 for collection and analysis of demographic data, including race and ethnicity data, regarding Vermont residents who experience health disparities.

* * * Education * * *

Sec. 15. SCHOOL INDOOR AIR QUALITY GRANT PROGRAM

(a) Appropriation. In fiscal year 2021, \$15,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund for the Pre-K–12 Education Pandemic - School Indoor Air Quality Grant Program established in 2020 Acts and Resolves No. 120, Sec. A.51. This appropriation may be adjusted if the Commissioner of Finance and Management determines that federal FEMA funds will be awarded for this purpose. The funds authorized by this section shall be either granted by the Agency of Education or paid to Efficiency Vermont to carry out the duties listed in 2020 Acts and Resolves No. 120, Sec. A.51(e). Efficiency Vermont is authorized to use up to \$250,000.00 of the \$15,000,000.00 appropriated under this section for direct labor costs.

(b) Authorization. Efficiency Vermont shall require that any school that receives a grant through the School Indoor Air Quality Grant Program established in 2020 Acts and Resolves No. 120, Sec. A.51 authorize Efficiency Vermont to release the school name and grant amount in any report requested by the General Assembly.

(c) Reporting. Upon expenditure of the funds, the Agency of Education shall report to the House and Senate Committees on Appropriations on the specific uses of the funds appropriated in subsection (a) of this section on or before March 15, 2022.

Sec. 16. EDUCATION SERVICES; FEDERAL FUNDS APPROPRIATIONS

In fiscal year 2021 and to be carried forward, appropriations are made to the Agency of Education from federal funds for Elementary and Secondary School Relief (ESSR) funds provided in the American Rescue Plan Act of 2021 Section 2001(f) as follows:

(1) Literacy Training. \$3,000,000.00 for the Agency of Education to provide grants to supervisory districts and supervisory unions, on behalf of their member school districts, to provide professional development for teachers in methods of teaching literacy.

(A) The Agency shall administer the grant program and determine which supervisory districts and supervisory unions are eligible and the amount to be granted to each applicant based on its assessment of the relative need for this funding, taking into account the following factors across applicants:

(i) literacy assessments of students;

(ii) the number of literacy instructors per enrolled students;

(iii) the percentage of students eligible for free or reduced-priced meals;

(iv) the percentage of students who are English language learners;

(v) discrepancies in outcome data on literacy for students from historically underserved populations, including, to the extent that data is available in compliance with privacy laws, students who are Black, Indigenous, and Persons of Color and students on individualized education programs; and

(vi) the extent to which teacher professional development is integrated with a multitiered system of supports.

(B) There is established one limited service position, Education Programs Manager, within the Agency of Education for the literacy training program established by this section. The Agency of Education may utilize funds appropriated in this subdivision (1) for this position.

(2) Student Mental Health. \$500,000.00 to fund collaboration with the Department of Mental Health and Health programs in schools to educate parents and school faculty on the signs of depression and suicide and to provide information and resources for assistance.

(3) Truancy. \$1,000,000.00 to provide services to school districts and supervisory unions to address the needs of students who have been truant during the pandemic and integrate them into a supportive school culture.

(4) Afterschool and Summer Programs. \$4,000,000.00 that shall be transferred to the Department for Children and Families – Child Development Division to be distributed to the Afterschool for All program. These funds shall be used for grants to afterschool and summer programs that fulfill requirements specified in American Rescue Plan Act of 2021 pursuant to Section 2001(f)(2) and (3).

(5) Summer Meals: In fiscal year 2021 and to be carried forward, \$5,500,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Agency of Education to ensure that children and families have access to nutritious foods throughout the summer. This appropriation may be adjusted if the Commissioner of Finance and Management determines that federal FEMA funds will be awarded for this purpose.

Sec. 17. PRACTICAL NURSE; WORKFORCE FUNDING

(a) The sum of \$1,400,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Vermont State Colleges to open 40 to 45 seats in the Practical Nurse Program in partnership with skilled nursing facilities across the State to upskill existing staff to achieve certification as a Practical Nurse. These funds may be used as follows:

(1) Up to \$500,000.00 for administrative and start-up costs for Vermont Technical College.

(2) Up to \$260,000.00 in incentive payments in the amount of \$6,000.00 per student to offset lost income during enrollment in the Program.

(3) All remaining funds are allocated for tuition payments for required prerequisite courses at Community College of Vermont and for the Practical Nurse Program at Vermont Technical College.

(b) To be eligible to participate in the program, a skilled nursing facility shall provide an incentive match in the amount of \$4,000.00 per student during enrollment in the Program.

Sec. 18. WORKFORCE UPSKILL OPPORTUNITY

(a) The sum of \$3,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Vermont State Colleges to provide up to two free classes in the summer or fall of 2021 and spring 2022 at any of the Vermont State Colleges for any Vermont resident who is seeking to transition to a new career or to enhance the resident's job skills.

(b) The sum of \$1,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the University of Vermont to provide up to two free classes in summer or fall of 2021 and spring 2022 for any Vermont resident who is seeking to transition to a new career or to enhance the resident's job skills.

Sec. 19. RECENT HIGH SCHOOL GRADUATES; ADVANCEMENT OPPURTUNITY

(a) The sum of \$2,800,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Vermont Student Assistance Corporation (VSAC) to provide up to two free class in the summer or fall of 2021 and spring 2022 at any of the Vermont State Colleges for any Vermont 2020 or 2021 high school graduate to enhance the graduate's work or academic skills. VSAC may provide a stipend of \$200.00 per student per class for transportation, books, or other class or attendance-related costs, and may allocate up to \$100,000.00 for the cost of administering this program.

* * * Reserve for Retirement Related Obligations * * *

Sec. 20. PENSION AND OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS; LONG-TERM PLAN

(a) In fiscal year 2021, the amount of \$20,000,000.00 in General Fund monies is hereby reserved to be part of pension funding initiatives and prefunding of other postemployment benefits (OPEB).

(b) On or before May 30, 2021, the General Assembly and the Administration, in collaboration with the Treasurer and interested parties, shall develop a long-term plan to address pension and OPEB liabilities. The funds reserved in subsection (a) of this section are available for an appropriation as part of this long-term funding initiative.

* * * Public Service; Broadband * * *

Sec. 21. BROADBAND ALLOCATIONS AND APPROPRIATIONS

(a) Coronavirus Relief Fund (CRF) Authorization and Allocation: Notwithstanding any other provision of law to the contrary, the Department of Public Service is authorized to use \$3,200,000.00 of the unobligated balance remaining from the CRF appropriated to the Department for broadband programs in 2020 Acts and Resolves No. 137 as follows:

(1) \$1,600,000.00 shall be allocated for additional assistance under the COVID-Response Line Extension Customer Assistance Program established in 2020 Acts and Resolves No. 137, Sec. 13. The customer costs eligible for

financial assistance under this Program shall include costs for associated equipment such as routers and modems; and

(2) \$1,600,000.00 shall be allocated to extend the COVID-Response Temporary Broadband Lifeline Program established in 2020 Acts and Resolves No. 137, Sec. 13(d) for the covered period beginning on March 1, 2021 and extending until such funds are depleted. The subsidy under this Program may be used for the provision of broadband service and connected devices.

(b) The sum of \$1,800,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Public Service as follows:

(1) \$1,600,000.00 for the COVID-Response Connected Community Resilience Program established in 2020 Acts and Resolves No. 137, Sec. 14, and for a broadband infrastructure program to assist CUDs with preconstruction costs and general support services; and

(2) \$200,000.00 to fund the following:

(A) one or more limited-term employment positions to provide outreach, technical assistance, and other support services to communications union districts;

(B) restoration of the Vermont Relay Conference Captioning (RCC) service for remote conference calling service for the deaf or hard of hearing; and

(C) Wi-Fi hotspot license renewals.

* * * Natural Resources and Agriculture * * *

Sec. 22. NATURAL RESOURCES AND AGRICULTURE

(a) In fiscal year 2021, funds are appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund as follows:

(1) \$3,000,000.00 to the Agency of Agriculture, Food and Markets for the Working Lands Program. Of these funds, \$500,000.00 is allocated for a grants related to slaughter, meat processing and meat processing training proposals.

(2) \$10,000,000.00 to the Agency of Natural Resources for the following:

(A) \$5,000,000.00 to the Department of Forests, Parks and Recreation for the Vermont Outdoor Recreation Economic Collaborative (VOREC); and

(B) \$5,000,000.00 to the Vermont Agency of Natural Resources' Central Office for investments to improve recreational infrastructure and access on State lands and to fund repairs and improvements to Vermont's trail network on both private and public land.

(b) In fiscal year 2021, funds are appropriated from the General Fund as follows:

(1) \$14,000,000.00 to the Department of Environmental Conservation for brownfield remediation and environmental clean-up and related administrative costs; and

(2) \$250,000.00 to the Agency of Agriculture for continuation of work in soil conservation practice and payment for ecosystem services including the costs of the task force established by 2019 Acts and Resolves No. 83.

* * * Taxation; Annual Link to Federal Statutes * * *

Sec. 23. 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, ~~2019~~ 2020, 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. 24. 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, ~~2019~~ 2020. As used in this chapter, "Internal Revenue Code" has the same meaning as "laws of the United States" as defined in this subdivision.

* * * Technical Assistance * * *

Sec. 25. PROVISION OF TECHNICAL ASSISTANCE SERVICES TO LOCAL EDUCATION AGENCIES

(a) The sum of \$2,800,000.00 of Federal Elementary and Secondary Education Relief Funding is appropriated to the Agency of Education to fund a contract or contracts, for the period of award through December 2023, to provide support for Local Educational Agencies (LEAs) including charter schools that are LEAs, in their utilization of Federal Elementary and Secondary School Emergency Relief Funds and with assistance in utilization of other federal funds received through the various federal budget processes.

(b) Specifically, the contractor or contractors shall assist the LEAs with activities:

(1) to address learning loss by supporting the implementation of evidence-based interventions;

(2) to address the disproportionate impact of the coronavirus on the student subgroups described in section 1111(b)(2)(B)(xi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)(B)(xi)), students experiencing homelessness, and children and youth in foster care;

(3) to aid LEAs with planning and implementation to effectively use these federal funds for other areas of need consistent with state and federal law and regulations; including but not limited to facilities improvements and technological needs.

(4) to aid LEAs in prioritizing activities that will effectively use these federal funds without creating an ongoing funding demand.

(5) to assist in fund reporting and to provide other guidance to ensure that the funds are used in accordance with federal law and regulations within the time period allowed by law.

(c) The Agency may go through a bidding process or is authorized to award a sole source contract consistent with 3 V.S.A. § 3026 to the University of Vermont.

Sec. 26. PROVISION OF TECHNICAL ASSISTANCE SERVICES TO LOCAL GOVERNMENTS

(a) The sum of \$950,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Agency of Commerce and Community Development to be granted as follows:

(1) \$650,000.00 to the Vermont League of Cities and Towns (VLCT), to be used through State fiscal year 2024, to establish a support program for the use of federal funds received under 42 U.S.C. 801 Sec. 603, the Coronavirus Local Fiscal Recovery Fund. The VLCT shall use these resources to work with local governments to facilitate the local communities' efforts to:

(A) respond to the public health emergency with respect to COVID-19 and its negative economic impacts;

(B) assist with fund reporting, accountability, transparency, and usage technical assistance where necessary;

(C) provide for other guidance to ensure that 42 U.S.C. 801 Sec. 603 funds are used in accordance with federal law and regulations; and

(D) provide guidance; model templates and policies; and training on ARP compliant finance and program management.

(2) \$300,000 to one or more regional planning commissions, to be used through state fiscal year 2024, to establish and implement a capacity to assist local communities with specific project management needs in expending federal funds received under 42 U.S.C. 801 Sec. 603. The Regional Planning Entities shall use these resources to work with local governments to facilitate the local communities' efforts to:

(A) identify needs and top priorities for designing and building projects that are consistent with state and federal law; implement existing State, regional and local plans; and do not duplicate investments made by other federal recovery funds;

(B) respond to inquiries on eligibility and to facilitate local discussions among stakeholders on specific projects; and

(C) provide other assistance as needed from local communities in coordination with the VLCT.

* * * Other Miscellaneous Amendments * * *

Sec. 27. VERMONT CENTER FOR CRIME VICTIM SERVICES

The amount of \$27,500.00 is appropriated from the General Fund in fiscal year 2021 to the Vermont Center for Crime Victim Services for a grant to the Burlington Community Justice Center for the St. Joseph's Orphanage Restorative Inquiry.

Sec. 28. AUDIT OF SHERIFFS' USE OF STATE PAID DEPUTIES

The amount of \$25,000.00 is appropriated from the General Fund in fiscal year 2021 to the Vermont State Auditor to contract for up to five audits of the use of State paid deputies by county sheriffs during the state of emergency in calendar year 2020.

Sec. 29. HEALTHCARE WAIVERS: LEGISLATIVE CAPACITY

The Joint Fiscal Office is authorized to use available legislative appropriations including carryforward funds to engage a consultant to assist the legislative health care and fiscal committees on the policy and fiscal implications and opportunities related to the Global Commitment waiver and All Payer agreement renewals with Center for Medicaid and Medicare Services.

Sec. 30. 2020 Acts and Resolves No. 154, Sec. B.1123.1 is amended to read:

Sec. B.1123.1 FISCAL YEAR 2021 YEAR-END CLOSEOUT TRANSFERS

(a) At the close of fiscal year 2021, after the application of the provisions of 32 V.S.A. § 308(b), and before the application of 32 V.S.A. § ~~308(e)~~ 308c up to \$5,000,000 of any remaining unreserved and undesignated end of fiscal year 2021 General Fund surplus shall be allocated as follows:

* * *

Sec. 31. 2020 Acts and Resolves No. 154, Sec. B.330 as amended by 2021 Acts and Resolves No. 3 (Budget Adjustment Act) Sec. 25 is further amended to read:

Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants

Grants	<u>19,375,620</u>	<u>19,375,620</u>
Total	19,375,620	19,375,620
Source of funds		
General fund	7,454,782	7,454,782
Federal funds	7,748,373	7,148,466
Global Commitment fund	4,172,465	<u>4,772,372</u>
Total	19,375,620	19,375,620

Sec. 32. 2020 Acts and Resolves No. 154, Sec. B.346, as amended by 2021 Acts and Resolves No. 3, Sec. 30, is further amended to read:

Sec. B.346 Total human services

Source of funds		
General fund	977,495,760	977,495,760
Special funds	116,403,523	116,403,523
Tobacco fund	25,088,208	25,088,208
State health care resources fund	17,078,501	17,078,501
Federal Coronavirus Relief Fund	17,774,276	17,774,276
Federal funds	1,471,852,944	1,471,253,037
Global Commitment fund	1,592,184,231	1,592,784,138
Internal service funds	1,930,685	1,930,685
Interdepartmental transfers	46,869,842	46,869,842
Permanent trust funds	<u>25,000</u>	<u>25,000</u>
Total	4,266,702,970	4,266,702,970

* * * Effective Dates * * *

Sec. 33. EFFECTIVE DATES

This act shall take passage, except that, notwithstanding 1 V.S.A. § 214:

(1) Sec. 5 (mortgage assistance foreclosure assistance) shall take effect retroactively on January 1, 2021; and

(2) Secs. 23 and 24 (annual link to federal statutes) shall take effect retroactively on January 1, 2021 and apply to taxable years beginning on and after January 1, 2020.

(Committee vote: 7-0-0)

(For House amendments, see House Journal for February 25, 2021, page 261.)

NOTICE OF JOINT ASSEMBLY

March 25, 2021 - 10:30 A.M. - House Chamber - Retention of two Superior Judges and three Magistrates.

JFO NOTICE

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3):

JFO #3038 - \$40,000 to the VT Agency of Commerce and Community Development from the Chittenden County Regional Planning Commission. ACCD is a sub-grantee of the Chittenden County Regional Planning Commission and is awarded a maximum of \$40,000; original funds are from the U.S. Economic Development Administration. Funds will be used for work related to the West Central Vermont Comprehensive Economic Development Strategy project.

[JFO received 2/18/2021]

JFO #3039 - \$1,000,000 to the VT Dept of Public Safety from the U.S. Dept of Justice to develop and implement approaches to address a range of criminal justice system problems. The majority of funds will be awarded as sub-grants to organizations with expertise in this subject matter.

[JFO received 3/3/2021]

JFO #3040 - Two (2) limited service positions, both Financial Manager I, to ensure financial record compliance for the anticipated \$200 million in COVID-19 related public assistance awards to the VT Agency of Human Services from the Federal Emergency Management Agency. Positions will be funded through previously approved JFO grant #3015. *[Note: Grant #3015 is a public assistance grant to reimburse eligible costs borne by state, local and non-profit entities in the COVID-19 emergency response – further info can be found here: https://ljfo.vermont.gov/custom_reports/grants/default.html]*

[JFO received 3/8/2021, expedited review requested on 3/9/2021]

JFO #3041 - \$100,000 to the VT Dept. of Fish and Wildlife from Ducks Unlimited to fund a 25-year stewardship of 136 acres in Addison County. The land was donated by Ducks Unlimited with the condition that the Department perform stewardship duties. The yearly projected cost in materials and staff time is \$4,000.

[JFO received 3/08/2021]

JFO #3042 - \$50,000 to the VT Judiciary from the State Justice Institute to secure consulting services of the National Center for State Courts to advise on the creation of an Access and Resource Center (ARC) which would serve self-represented parties and others looking for support navigating the justice process. *[Note: The budget materials include a \$5,000 Judiciary cash match and \$20,000 of in-kind match.]*

[JFO received 3/08/2021]

FOR INFORMATION ONLY

CROSSOVER DATES

The Joint Rules Committee established the following Crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 12, 2021**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by Friday March 12, 2021.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 19, 2021**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (the general Appropriations bill (“The Big Bill”), the Transportation Capital bill, the Capital Construction bill and the Fee/Revenue bills.