

Senate Calendar

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ACTION CALENDAR

CONSIDERATION POSTPONED UNTIL MARCH 24, 2021

Committee Bill for Second Reading

Favorable

S. 102.

An act relating to the regulation of agricultural inputs for farming.

By the Committee on Agriculture. (Senator Pollina for the Committee.)

Reported favorably by Senator MacDonald for the Committee on Natural Resources and Energy.

(Committee vote: 5-0-0)

Reported favorably by Senator MacDonald for the Committee on Finance.

(Committee vote: 7-0-0)

CONSIDERATION POSTPONED UNTIL MARCH 25, 2021

Second Reading

Favorable with Recommendation of Amendment

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 subdivision (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)

UNFINISHED BUSINESS OF TUESDAY, MARCH 23, 2021

Third Reading

S. 60.

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

Amendment to S. 60 to be offered by Senator Perchlik before Third Reading

Senator Perchlik moves to amend the bill as follows:

First: By striking out the Sec. 1 heading in its entirety and inserting in lieu thereof the following:

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

Second: In Sec. 1. 30 V.S.A. § 218d subsection (o), in subdivision (1)(C)(i), by striking out the word “plant” immediately preceding the word “additions”

Third: In Sec. 1. 30 V.S.A. § 218d subsection (o), in subdivision (1)(C)(i), by striking out the words “net plant capacity” and inserting in lieu thereof the words net asset

H. 315.

An act relating to COVID-19 relief.

Proposal of amendment to H. 315 to be offered by Senator Lyons before Third Reading

Senator Lyons moves to amend the Senate proposal of amendment as follows:

By adding a new section to be Sec. 14a to read as follows:

Sec. 14a. 18 V.S.A. § 1129(d) and (e) are amended to read:

(d) The Department may provide confidential registry information to health care provider networks serving Vermont patients, to the Vermont Health Information Exchange, and, with the approval of the Commissioner, to researchers who present evidence of approval from an institutional review board in accordance with 45 C.F.R. § 164.512.

(e) Prior to releasing confidential information pursuant to subsections (c) and (d) of this section, the Commissioner shall obtain from State registries, health care provider networks, the Vermont Health Information Exchange, and researchers a written agreement to keep any identifying information confidential and privileged.

**Proposal of amendment to H. 315 to be offered by Senator Kitchel before
Third Reading**

Senator Kitchel moves to amend the Senate proposal of amendment as follows:

First: By striking out Secs. 23 and 24 (annual link to federal statutes) in their entireties and inserting in lieu thereof:

Sec. 23. [Deleted.]

Sec. 24. TAXATION; ANNUAL LINK TO FEDERAL STATUTES;
TAX YEAR 2020

It is the intent of the General Assembly that this act shall include legislative language conforming the Vermont tax code under 32 V.S.A. §§ 5824 and 7402(8) to the statutes of the United States for taxable year 2020, and further, to make explicit in this act the incorporation or lack thereof of the federal income tax-related changes enacted on March 11, 2021 in the American Recovery Plan Act, Pub. L. No. 117-2.

Second: By striking out Sec. 33 (effective dates) in its entirety and inserting in lieu thereof:

Sec. 33. EFFECTIVE DATES

This act shall take effect on passage, except notwithstanding 1 V.S.A. § 214, Sec. 5 (mortgage assistance foreclosure assistance) shall take effect retroactively on January 1, 2021.

NEW BUSINESS

Third Reading

S. 3.

An act relating to competency to stand trial and insanity as a defense.

S. 51.

An act relating to the persons authorized to make contributions to candidates and political parties and to political committee names.

S. 62.

An act relating to creating a New Vermont Employee Incentive Program.

S. 66.

An act relating to electric bicycles.

S. 97.

An act relating to miscellaneous judiciary procedures.

**Committee Bills for Second Reading
Favorable with Recommendation of Amendment**

S. 100.

An act relating to universal school breakfast and lunch for all public school students and to creating incentives for schools to purchase locally produced foods.

By the Committee on Agriculture. (Sen. Starr for the Committee.)

Reported favorably by Senator Campion for the Committee on Education.

(Committee vote: 6-0-0)

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

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. TITLE

This act shall be known as “Meals for All.”

* * * Statutory Changes; Universal School Breakfast and Lunch * * *

Sec. 2. 16 V.S.A. chapter 27, subchapter 2 is amended to read:

Subchapter 2. School Food Programs

§ 1261a. DEFINITIONS

As used in this subchapter:

(1) “Food programs” means provision of food to persons under programs meeting standards for assistance under the National School Lunch Act, 42 U.S.C. § 1751 et seq. and in the Child Nutrition Act, 42 U.S.C. § 1779 et seq., each as amended.

(2) "School board" means the governing body of a school district responsible for the administration of a public school.

(3) "Independent school board" means a governing body responsible for the administration of a nonprofit independent school exempt from ~~United~~ States U.S. income taxes.

* * *

§ 1264. FOOD PROGRAM

(a)(1)(A) Each school board operating a public school shall cause to operate ~~within the school district~~ each school in the school district a food program that makes available a school lunch, as provided in the National School Lunch Act as amended, and a school breakfast, as provided in the National Child Nutrition Act as amended, to each attending student who qualifies for those meals under these Acts every school day. School districts shall maximize access to federal funds for the cost of the school breakfast and lunch program under the Community Eligibility Provision, Provision 2, or other provisions under these Acts.

(B) In addition, each school board operating a public school shall cause to operate within each school in the school district the same school lunch and the same school breakfast program made available to students who qualify for those meals under the National School Lunch Act and the National Child Nutrition Act, each as amended, to each attending student every school day at no charge.

(C) To the extent that costs are not reimbursed through federal or State funds or other sources, the cost of making available school lunches and breakfasts shall be borne by school districts.

* * *

(3) In operating its school breakfast and lunch program, a school district shall seek to achieve the highest level of student participation, which may include any or all of the following:

(A) providing breakfast meals that can be picked up by students;

(B) making breakfast available to students in classrooms after the start of the school day; and

(C) collaborating with the school's wellness community advisory council, as established under subsection 136(e) of this title, in planning school meals.

(4) Each school district shall request the parent or guardian of each student to complete the Household Income Form provided by the Agency of Education, which is used to determine a family's economic status to determine eligibility for various State and federal programs. This requirement shall not apply if the school district obtains equivalent information through another means.

* * *

(d) It is a goal of the State that by the year ~~2022~~ 2023 school boards operating a school lunch, breakfast, or summer meals program shall purchase at least 20 percent of all food for those programs from local producers.

(e)(1) On or before December 31, 2020 and annually thereafter, a school board operating a school lunch, breakfast, or summer meals program shall submit to the Agency of Education an estimate of the percentage of the cost of locally produced foods that were purchased by the school board for those programs that were locally produced foods during the one-year period ending on June 30 of that year.

* * *

§ 1265. EXEMPTION; PUBLIC DISCUSSION

~~(a) The school board of a public school district that wishes to be exempt from the provisions of section 1264 of this title may vote at a meeting warned and held for that purpose to exempt itself from the requirement to offer either the school lunch program or the school breakfast program, or both, for a period of one year.~~

~~(b) If a public school is exempt from offering a breakfast or lunch program, its school board shall conduct a discussion annually on whether to continue the exemption. The pending discussion shall be included on the agenda at a regular or special school board meeting publicly noticed in accordance with 1 V.S.A. § 312(c), and citizens shall be provided an opportunity to participate in the discussion. The school board shall send a copy of the notice to the Secretary and to the superintendent of the supervisory union at least ten days prior to the meeting. Following the discussion, the school board shall vote on whether to continue the exemption for one additional year.~~

~~(c) On or before the first day of November prior to the date on which an exemption voted under this section is due to expire, the Secretary shall notify the boards of the affected school district and supervisory union in writing that the exemption will expire.~~

~~(d) Following a meeting held pursuant to subsection (b) of this section, the school board shall send a copy of the agenda and minutes to the Secretary and the superintendent of the supervisory union.~~

~~(e) The Secretary may grant a supervisory union or a school district a waiver from duties required of it under this subchapter upon a demonstration that the duties would be performed more efficiently and effectively in another manner. [Repealed.]~~

Sec. 3. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(6) “Education spending” means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12), “education spending” shall not include:

* * *

(xii) Costs incurred by a school district or supervisory union to provide school breakfast and lunch under chapter 27 (transportation and board), subchapter 2 (school food programs) of this title.

* * *

* * * Federal Funds; Data Collection * * *

Sec. 4. 16 V.S.A. § 45 is added to read:

§ 45. FEDERAL FUNDS; DATA COLLECTION

(a) The Secretary of Education shall:

(1) define the term “student poverty” for the purpose of determining qualification for federal funds by school districts;

(2) establish what data should be collected by school districts to qualify for federal funds based on student poverty, the means by which the data should be collected, and the frequency of collection; and

(3) determine how this data shall be reported to the Agency of Education by school districts and the frequency of reporting.

(b) School districts shall collect data that is necessary to qualify for federal funds based on student poverty and report this data to the Agency of Education in accordance with subsection (a) of this section.

* * * Session Law; Universal School Breakfast and Lunch * * *

Sec. 5. SCHOOL MEALS CONSUMED DURING CLASS

A school district shall count time spent by students consuming school meals during class as instructional time.

Sec. 6. TRANSITION

On or before July 1, 2026, each school district shall comply with 16 V.S.A. chapter 27, subchapter 2, as amended by this act. Until the date upon which a school district complies with 16 V.S.A. chapter 27, subchapter 2, as amended by this act, 16 V.S.A. chapter 27, subchapter 2, as in effect on June 30, 2021, shall be in effect.

Sec. 7. AGENCY OF EDUCATION; STAFFING

The following two-year, limited-service position is created in the Agency of Education: one full-time, classified position specializing in the administration of school food programs. The position established in this section shall be transferred and converted from an existing vacant position in the Executive Branch of State government. There is appropriated to the Agency of Education from the American Rescue Plan Act of 2021 pursuant to Section 2001(f)(4), Pub. L. No. 117-2, for fiscal year 2022 the amount of \$100,000.00 for salary, benefits, and operating expenses.

* * * Effective Date * * *

Sec. 8. 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 universal school breakfast and lunch for all public school students.

(Committee vote: 7-0-0)

Without Recommendation

S. 124.

An act relating to miscellaneous utility subjects.

By the Committee on Natural Resources and Energy. (Sen. McCormack for the Committee)

Reported without recommendation by Senator Starr for the Committee on Appropriations.

(Committee vote: 7-0-0)

Second Reading

Favorable with Recommendation of Amendment

S. 13.

An act relating to the implementation of the Pupil Weighting Factors Report.

Reported favorably with recommendation of amendment by Senator Campion 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

(a) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of Education to undertake a study examining and evaluating the current formula used to weigh economically disadvantaged students, English language learners, and secondary-level students in Vermont for purposes of calculating equalized pupils. The study was also to consider whether new cost factors and weights should be included in the equalized pupil calculation.

(b) The findings from the Pupil Weighting Factors Report dated December 24, 2019 (Report), produced by a University of Vermont-led team of researchers, including national experts on student weighting, were stark, stating that “[n]either the factors considered by the [current] formula nor the value of the weights reflect contemporary educational circumstances and costs.” The Report also found that the current “values for the existing weights have weak ties, if any, with evidence describing the difference in the costs of educating students with disparate needs or operating schools in different contexts.”

(c) As a corrective to this situation, the major recommendations of the Report are straightforward, specifically that the General Assembly increase certain of the existing weights and that it add population density (rurality) as a new weighting factor, given the Report's finding that rural districts pay more to educate a student. However, given the statewide nature of Vermont's education funding system and the reality that any change in the weighting formula is complex due to its relationship to other educational policies and will produce fluctuations in tax rates across the State, the General Assembly has chosen to develop a phased approach to revising the weighting formula.

Sec. 2. TASK FORCE ON THE IMPLEMENTATION OF THE PUPIL WEIGHTING FACTORS REPORT

(a) Creation. There is created the Task Force on the Implementation of the Pupil Weighting Factors Report. The Task Force shall recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Pupil Weighting Factors Report dated December 24, 2019 (Report), produced by a University of Vermont-led team of researchers.

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

(1) a member of the Senate Committee on Finance, appointed by the Chair of the Committee;

(2) a member of the Senate Committee on Education, appointed by the Chair of the Committee;

(3) a member of the House Committee on Ways and Means, appointed by the Chair of the Committee;

(4) a member of the House Committee on Education, appointed by the Chair of the Committee;

(5) the Secretary of Education or designee; and

(6) the Chair of the State Board of Education or designee.

(c) Powers and duties. The Task Force shall recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Report, and shall:

(1) recommend which weighting factors to modify or create and their associated weights and whether any weights should be eliminated in lieu of categorical aid;

(2) consider use of categorical aid, including whether categorical aid should be used instead of some or all of the weighting factors and, if weighting factors are used, whether small schools grants, transportation aid, and other State grant funding targeted for a specific purpose should be adjusted or terminated;

(3) recommend how to ensure that school districts are using funding to meet education quality standards and improve student outcomes and opportunities;

(4) consider education property tax rates and the taxing capacity of school districts and how the Task Force's recommendations relate to the recommendations of the Vermont Tax Structure Commission Report dated February 8, 2021;

(5) recommend how to transition to the new weights or categorical aid to promote equity and ease the financial impact on school districts during the transition, including the availability and use of federal funding;

(6) recommend how tuition rates for non-operating school districts and career technical centers should be adjusted to account for the cost of educating students as reflected in the recommended weights or categorical aid;

(7) consider school funding formulas in other states and alternative models for school funding;

(8) consider the relationship between the recommended weights or categorical aid and the changes to special education funding under 2018 Acts and Resolves No. 173; and

(9) consider the impact of the recommended weights or categorical aid on the goals and outcomes of 1997 Acts and Resolves No. 60 and 2015 Acts and Resolves No. 46, each as amended.

(d) Consultant. The Task Force shall retain a consultant to assist it with executing its powers and duties. The consultant shall have expertise and experience in providing advice on Vermont's education funding and tax system and shall be nationally recognized in the field of education funding and tax systems.

(e) Collaboration. In performing its duties under this section, the Task Force shall collaborate with the Vermont Superintendents Association, the Vermont School Boards Association, the Vermont Council of Special Education Administrators, the Vermont Principals' Association, and the Vermont-National Education Association.

(f) Public meetings. The Task Force shall hold one or more meetings to share information and receive input from the public concerning its work, which may be part of or separate from its regular meetings.

(g) Report. On or before January 15, 2022, the Task Force shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with its action plan and proposed legislation.

(h) 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 12 times.

(i) Assistance. The Task Force shall have the:

(1) administrative assistance of the Agency of Education, which shall include organizing meetings and taking minutes;

(2) technical assistance of the Joint Fiscal Office, which shall include data analysis and computation;

(3) assistance from the consultant, which shall include assistance with executing its powers and duties as directed by the Task Force and writing the report required under subsection (g) of this section; and

(4) legal assistance from Legislative Counsel, which shall include legal advice and drafting proposed legislation.

(j) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 12 meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 3. REQUIREMENT FOR ADDITIONAL LEGISLATIVE ACTION

During the second year of the 2021–2022 biennium, the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance shall consider the action plan and legislation proposed by the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act. It is the intent of the General

Assembly that it pass legislation during the second year of the biennium that implements changes to how education is funded to ensure that all public school students have equitable access to educational opportunities. A positive vote of both the House and Senate, and approval by the Governor, would be required to implement these changes.

Sec. 4. APPROPRIATIONS

(a) The sum of \$10,800.00 is appropriated from the General Fund in fiscal year 2022 to the General Assembly for per diem and reimbursement of expenses for members of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

(b) The sum of \$150,000.00 is appropriated from the General Fund in fiscal year 2022 to the General Assembly for consultant expenses of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-0-0)

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

The Committee recommends that the bill be amended as recommended by the Committee on Education with the following amendments thereto:

First: In Sec. 2, Task Force on the Implementation of the Pupil Weighting Factors Report, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) Membership. The Task Force shall be a legislative task force and shall be composed of the following six members:

- (1) the Chair of the Senate Committee on Finance or designee;
- (2) the Chair of the Senate Committee on Education or designee;
- (3) the Chair of the House Committee on Ways and Means or designee;
- (4) the Chair of the House Committee on Education or designee;
- (5) the Secretary of Education or designee; and
- (6) the Chair of the State Board of Education or designee.

Second: In Sec. 2, Task Force on the Implementation of the Pupil Weighting Factors Report, by striking out subsection (i) in its entirety and inserting in lieu thereof the following:

(i) Assistance. The Task Force shall have the:

(1) administrative assistance from the Agency of Education, which shall include organizing meetings and taking minutes;

(2) technical assistance of the Joint Fiscal Office, which shall include contracting with, and overseeing the work of, the consultant and data analysis and computation;

(3) assistance from the consultant, which shall include assistance with executing the Task Force's powers and duties and writing the report required under subsection (g) of this section; and

(4) legal assistance from Office of Legislative Counsel, which shall include legal advice and drafting proposed legislation.

Third: In Sec. 4, appropriations, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) The sum of \$150,000.00 is appropriated from the General Fund in fiscal year 2022 to the Joint Fiscal Office for consultant expenses of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

(Committee vote: 7-0-0)

S. 25.

An act relating to miscellaneous cannabis regulation procedures.

Reported favorably with recommendation of amendment by Senator Sears 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:

* * * Town Vote on Retail Sales * * *

Sec. 1. 7 V.S.A. § 863 is amended to read:

§ 863. REGULATION BY LOCAL GOVERNMENT

(a)(1) Prior to a cannabis retailer or the retail portion of an integrated licensee operating within a municipality, the municipality shall affirmatively permit the operation of such cannabis establishments by majority vote of those present and voting by Australian ballot at an annual or special meeting warned for that purpose. A municipality may place retailers or integrated licensees, or both, on the ballot for approval.

* * *

(3) On March 8, 2023, any municipality that has not previously voted on the question of permitting the operation of cannabis establishments pursuant to subdivision (1) of this subsection shall be deemed to permit the operation of both cannabis retailers and integrated licensees.

* * *

* * * Cannabis Control Board Advisory Committee * * *

Sec. 2. 7 V.S.A. § 843 is amended to read:

§ 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

* * *

(c) Membership.

* * *

(4) A member may be removed only for cause by either the remaining members of the Commission or a two-thirds vote of the advisory committee in accordance with the Vermont Administrative Procedure Act. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and process for removal.

* * *

(h) Advisory committee.

(1) There is an advisory committee established within the Board that shall be composed of members with expertise and knowledge relevant to the Board's mission. The Board shall collaborate with the advisory committee on recommendations to the General Assembly. The advisory committee shall be composed of the following ~~12~~ 13 members:

(A) one member with an expertise in public health, appointed by the Governor;

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

(C) one member with an expertise in laboratory science or toxicology, appointed by the Governor;

(D) one member with an expertise in systemic social justice and equity issues, appointed by the Speaker of the House;

(E) one member with an expertise in ~~women~~ women- and minority-owned business ownership, appointed by the Speaker of the House;

(F) one member with an expertise in substance misuse prevention, appointed by the Senate Committee on Committees;

(G) one member with an expertise in the cannabis industry, appointed by the Senate Committee on Committees;

(H) one member with an expertise in business management or regulatory compliance, appointed by the Treasurer;

(I) one member with an expertise in municipal issues, appointed by the Treasurer;

(J) one member with an expertise in public safety, appointed by the Attorney General;

(K) one member with an expertise in criminal justice reform, appointed by the Attorney General; ~~and~~

(L) the Secretary of Natural Resources or designee; and

(M) one member appointed by the Vermont Cannabis Trade Association.

(2) Initial appointments to the advisory committee as provided in subdivision (1) of this subsection (h) shall be made on or before ~~May 1, 2021~~ April 1, 2021, and the Secretary of Agriculture, Food and Markets shall convene the first meeting on or before April 15, 2021.

* * *

* * * Advertising * * *

Sec. 3. 7 V.S.A. § 845 is amended to read:

§ 845. CANNABIS REGULATION FUND

* * *

(b) The Fund shall be composed of:

(1) all State application fees, annual license fees, renewal fees, advertising review fees, and civil penalties collected by the Board pursuant to chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title; and

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title.

* * *

Sec. 4. 2019 Acts and Resolves No. 164, Sec. 5 is amended to read:

Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND APPROPRIATIONS FOR FISCAL YEARS 2022 AND 2023; LAND USE, ENVIRONMENTAL, ENERGY, AND EFFICIENCY REQUIREMENTS OR STANDARDS; ADVERTISING; OUTREACH, TRAINING, AND EMPLOYMENT PROGRAMS; ONLINE ORDERING AND DELIVERY; ADDITIONAL TYPES OF LICENSES

(a) On or before April 1, 2021, the Executive Director of the Cannabis Control Board shall provide recommendations to the General Assembly on the following :

* * *

(2) State fees to be charged and collected in accordance with the Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by 32 V.S.A. § 605(d). The State fees submitted in accordance with this subdivision shall be projected to be sufficient to fund the duties of the Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible, the recommend fees shall include an amount to repay over a period, not greater than 10 years, to the General Fund any application of excise taxes to the Cannabis Regulation Fund made pursuant to Sec. 6c of this act.

(A) Application fees, initial annual license fees, and annual license renewal fees for each type of cannabis establishment license as provided in 7 V.S.A. § 846: cultivator, product manufacturer, wholesaler, retailer, testing laboratory, and integrated. If the Board establishes tiers within a licensing category, it shall provide a fee recommendation for each tier.

(B) Fee for a cannabis establishment identification card as provided in 7 V.S.A. § 884.

(C) Fee for advertisement review for a cannabis establishment licensee as provided in 7 V.S.A. § 865.

* * *

Sec. 5. 7 V.S.A. § 861 is amended to read:

§ 861. DEFINITIONS

As used in this chapter:

(1) “Advertise” means the publication or dissemination of an advertisement.

(2) “Advertisement” means any written or verbal statement, illustration, or depiction that is calculated to induce sales of cannabis or cannabis products, including any written, printed, graphic, or other material, billboard, sign, or other outdoor display, other periodical literature, publication, or in a radio or television broadcast, the Internet, or in any other media. The term does not include:

(A) any label affixed to any cannabis or cannabis product, or any individual covering, carton, or other wrapper of that container that constitutes a part of the labeling under provisions of these standards;

(B) any editorial or other reading material, such as a news release, in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any cannabis establishment, and that is not written by or at the direction of the licensee;

(C) any educational, instructional, or otherwise noncommercial material that is not intended to induce sales and that does not propose an economic transaction, but that merely provides information to the public in an unbiased manner; or

(D) a sign attached to the premises of a cannabis establishment that merely identifies the location of the cannabis establishment.

(3) “Affiliate” means a person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with another person.

~~(2)~~(4) “Applicant” means a person that applies for a license to operate a cannabis establishment pursuant to this chapter.

~~(3)~~(5) “Board” means the Cannabis Control Board.

~~(4)~~(6) “Cannabis” shall have the same meaning as provided in section 831 of this title.

~~(5)~~(7) “Cannabis cultivator” or “cultivator” means a person licensed by the Board to engage in the cultivation of cannabis in accordance with this chapter.

~~(6)~~(8) “Cannabis establishment” means a cannabis cultivator, wholesaler, product manufacturer, retailer, or testing laboratory licensed by the Board to engage in commercial cannabis activity in accordance with this chapter.

~~(7)~~(9) “Cannabis product” shall have the same meaning as provided in section 831 of this title.

~~(8)~~(10) “Cannabis product manufacturer” or “product manufacturer” means a person licensed by the Board to manufacture cannabis products in accordance with this chapter.

~~(9)~~(11) “Cannabis retailer” or “retailer” means a person licensed by the Board to sell cannabis and cannabis products to adults 21 years of age and older for off-site consumption in accordance with this chapter.

~~(10)~~(12) “Cannabis testing laboratory” or “testing laboratory” means a person licensed by the Board to test cannabis and cannabis products in accordance with this chapter.

~~(11)~~(13) “Cannabis wholesaler” or “wholesaler” means a person licensed by the Board to purchase, process, transport, and sell cannabis and cannabis products in accordance with this chapter.

~~(12)~~(14) “Chair” means the Chair of the Cannabis Control Board.

~~(13)~~(15) “Characterizing flavor” means a taste or aroma, other than the taste or aroma of cannabis, imparted either prior to or during consumption of a cannabis product. The term includes tastes or aromas relating to any fruit, chocolate, vanilla, honey, maple, candy, cocoa, dessert, alcoholic beverage, mint, menthol, wintergreen, herb or spice, or other food or drink or to any conceptual flavor that imparts a taste or aroma that is distinguishable from cannabis flavor but may not relate to any particular known flavor.

~~(14)~~(16) “Child-resistant packaging” means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance in the container within a reasonable time and not difficult for normal adults to use properly, but does not mean packaging that all children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.

~~(15)~~(17) “Controls,” “is controlled by,” and “under common control” mean the power to direct, or cause the direction or management and policies of a person, whether through the direct or beneficial ownership of voting securities, by contract, or otherwise. A person who directly or beneficially owns 10 percent or more equity interest, or the equivalent thereof, of another person shall be deemed to control the person.

~~(16)~~(18) “Dispensary” means a business organization licensed pursuant to chapter 37 of this title or 18 V.S.A. chapter 86.

~~(17)~~(19) “Enclosed, locked facility” means a building, room, greenhouse, outdoor fenced-in area, or other location that is enclosed on all sides and prevents cannabis from easily being viewed by the public. The

facility shall be equipped with locks or other security devices that permit access only by:

(A) Employees, agents, or owners of the cultivator, all of whom shall be 21 years of age or older.

(B) Government employees performing their official duties.

(C) Contractors performing labor that does not include cannabis cultivation, packaging, or processing. Contractors shall be accompanied by an employee, agent, or owner of the cultivator when they are in areas where cannabis is being grown, processed, packaged, or stored.

(D) Registered employees of other cultivators, members of the media, elected officials, and other individuals 21 years of age or older visiting the facility, provided they are accompanied by an employee, agent, or owner of the cultivator.

~~(18)~~(20) “Flavored oil cannabis product” means any oil cannabis product that contains an additive to give it a characterizing flavor.

~~(19)~~(21) “Integrated licensee” means a person licensed by the Board to engage in the activities of a cultivator, wholesaler, product manufacturer, retailer, and testing laboratory in accordance with this chapter.

~~(20)~~(22) “Municipality” means a town, city, or incorporated village.

~~(21)~~(23) “Person” shall include any natural person; corporation; municipality; the State of Vermont or any department, agency, or subdivision of the State; and any partnership, unincorporated association, or other legal entity.

~~(22)~~(24) “Plant canopy” means the square footage dedicated to live plant production and does not include areas such as office space or areas used for the storage of fertilizers, pesticides, or other products.

~~(23)~~(25) “Principal” means an individual vested with the authority to conduct, manage, or supervise the business affairs of a person, and may include the president, vice president, secretary, treasurer, manager, or similar executive officer of a business; a director of a corporation, nonprofit corporation, or mutual benefit enterprise; a member of a nonprofit corporation, cooperative, or member-managed limited liability company; and a partner of a partnership.

~~(24)~~(26) “Small cultivator” means a cultivator with a plant canopy or space for cultivating plants for breeding stock of not more than 1,000 square feet.

Sec. 6. 7 V.S.A. § 864 is added to read:

§ 864. ADVERTISING

(a) “Advertise” and “advertisement” have the same meaning as in section 861 of this title.

(b) A cannabis establishment advertisement shall not contain any statement or illustration that:

(1) is deceptive, false, or misleading;

(2) promotes overconsumption;

(3) represents that the use of cannabis has curative effects;

(4) offers a prize, award, or inducement for purchasing cannabis or a cannabis product, except that price discounts are allowed;

(5) offers free samples of cannabis or cannabis products;

(6) depicts a person under 21 years of age consuming cannabis or cannabis products; or

(7) is designed to be or has the effect of being particularly appealing to persons under 21 years of age.

(c) Cannabis establishments shall not advertise their products via any medium unless the licensee can show that not more than 15 percent of the audience is reasonably expected to be under 21 years of age.

(d) All advertisements shall contain health warnings adopted by rule by the Board in consultation with the Department of Health.

(e) All advertisements shall be submitted to the Board on a form or in a format prescribed by the Board, prior to the dissemination of the advertisement. The Board may:

(1) require a specific disclosure be made in the advertisement in a clear and conspicuous manner if the Board determines that the advertisement would be false or misleading without such a disclosure; or

(2) require changes that are necessary to protect the public health, safety, and welfare or consistent with dispensing information for the product under review.

(f) The Board may charge and collect fees for review of advertisements.

Sec. 7. 7 V.S.A. § 866(d) is added to read:

(d) In accordance with section 864 of this title, advertising by a cannabis establishment shall not depict a person under 21 years of age consuming cannabis or cannabis products or be designed to be or have the effect of being particularly appealing to persons under 21 years of age. Cannabis establishments shall not advertise their products via any medium unless the licensee can show that not more than 15 percent of the audience is reasonably expected to be under 21 years of age.

Sec. 8. 7 V.S.A. § 881 is amended to read:

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

(a) The Board shall adopt rules to implement and administer this chapter in accordance with subdivisions (1)-(7) of this subsection.

(1) Rules concerning any cannabis establishment shall include:

* * *

(P) disclosure or eligibility requirements for a financier, its owners and principals, and its affiliates, which may include:

(i) requirements to disclose information to a licensed establishment, the Board, or the Department of Financial Regulation;

(ii) a minimum age requirement and a requirement to conduct a background check for natural persons;

(iii) requirements to ensure that a financier complies with applicable State and federal laws governing financial institutions, licensed lenders, and other financial service providers; and

(iv) any other requirements, conditions, or limitations on the type or amount of loans or capital investments made by a financier or its affiliates, which the Board, in consultation with the Department of Financial Regulation, determines is necessary to protect the public health, safety, and general welfare; ~~and~~

(Q) policies and procedures for conducting outreach and promoting participation in the regulated cannabis market by diverse groups of individuals, including those who have been disproportionately harmed by cannabis prohibition; and

(R) advertising and marketing.

Sec. 9. 7 V.S.A. § 978 is added to read:

§ 978. ADVERTISING

(a) “Advertise” and “advertisement” have the same meaning as in section 861 of this title.

(b) A dispensary advertisement shall not contain any statement or illustration that:

(1) is deceptive, false, or misleading;

(2) promotes overconsumption;

(3) represents that the use of cannabis has curative effects;

(4) offers a prize, award, or inducement for purchasing cannabis or a cannabis product, except that price discounts are allowed;

(5) offers free samples of cannabis or cannabis products;

(6) depicts a person under 21 years of age consuming cannabis or cannabis products; or

(7) is designed to be or has the effect of being particularly appealing to persons under 21 years of age.

(c) Dispensaries shall not advertise their products via any medium unless the licensee can show that not more than 15 percent of the audience is reasonably expected to be under 21 years of age.

(d) All advertisements shall contain health warnings adopted by rule by the Board in consultation with the Department of Health.

(e) All advertisements shall be submitted to the Board on a form or in a format prescribed by the Board, prior to the dissemination of the advertisement. The Board may:

(1) require a specific disclosure be made in the advertisement in a clear and conspicuous manner if the Board determines that the advertisement would be false or misleading without such a disclosure; or

(2) require changes that are necessary to protect the public health, safety, and welfare or consistent with dispensing information for the product under review.

(f) The Board may charge and collect fees for review of advertisements.

* * * Cultivation * * *

Sec. 10. 2019 Acts and Resolves No. 164, Sec. 8 is amended to read:

Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS ESTABLISHMENTS

(a)(1) The cannabis plant, cannabis product, and useable cannabis possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86 shall no longer apply on and after February 1, 2022. A dispensary shall be permitted to cultivate cannabis and manufacture cannabis products for the purpose of transferring or selling such products to an integrated licensee on or after April 1, 2022 and engaging in the activities permitted by 7 V.S.A. chapter 33.

(2) On or before April 1, 2022, the Board shall begin accepting applications for integrated licenses.

(3) On or before May 1, 2022, the Board shall begin issuing integrated licenses to qualified applicants. An integrated licensee may begin selling cannabis and cannabis products transferred or purchased from a dispensary immediately. Between August 1, 2022 and October 1, 2022, 25 percent of cannabis flower sold by an integrated licensee shall be obtained from a licensed small cultivator, if available.

(b)(1) On or before April 1, 2022, the Board shall begin accepting applications for small cultivator licenses and testing laboratories. The initial application period shall remain open for 30 days. The Board may reopen the application process for any period of time at its discretion.

(2) On or before May 1, 2022, the Board shall begin issuing small cultivator and testing laboratories licenses to qualified applicants. Upon licensing, small cultivators shall be permitted to sell cannabis legally grown pursuant to the license to an integrated licensee and a dispensary licensed pursuant to 18 V.S.A. chapter 86 prior to other types of cannabis establishment licensees beginning operations.

(c)(1) On or before May 1, 2022, the Board shall begin accepting applications for all cultivator licenses. The initial application period shall remain open for 30 days. The Board may reopen the application process for any period of time at its discretion.

(2) On or before June 1, 2022, the Board shall begin issuing all cultivator licenses to qualified applicants.

(d)(1) On or before July 1, 2022, the Board shall begin accepting applications for product manufacturer licenses and wholesaler licenses. The initial application period shall remain open for 30 days. The Board may reopen the application process for any period of time at its discretion.

(2) On or before August 1, 2022, the Board shall begin issuing product manufacturer and wholesaler licenses to qualified applicants.

(e)(1) On or before September 1, 2022, the Board shall begin accepting applications for retailer licenses. The initial application period shall remain open for 30 days. The Board may reopen the application process for any period of time at its discretion.

(2) On or before October 1, 2022, the Board shall begin issuing retailer licenses to qualified applicants and sales of cannabis and cannabis products by licensed retailers to the public shall be allowed immediately.

* * * Social Equity * * *

Sec. 11. FEES; SOCIAL EQUITY

When reporting to the General Assembly regarding recommended fees for licensing cannabis establishments pursuant to Sec. 5 of the 2019 Acts and Resolves No. 164, the Cannabis Control Board shall propose a plan for reducing or eliminating licensing fees for individuals from communities that historically have been disproportionately impacted by cannabis prohibition or individuals directly and personally impacted by cannabis prohibition.

Sec. 12. 7 V.S.A. chapter 39 is added to read:

CHAPTER 39. CANNABIS SOCIAL EQUITY PROGRAMS

§ 986. DEFINITIONS

As used in this chapter:

(1) “Agency” means the Agency of Commerce and Community Development.

(2) “Board” means the Cannabis Control Board.

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

(a) There is established the Cannabis Business Development Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) The Fund shall comprise:

(1) three percent of gross sales made by integrated licensees prior to October 15, 2022, with a maximum contribution of \$50,000.00 per integrated licensee; and

(2) monies allocated to the fund by the General Assembly.

(c) The Fund shall be used for the following purposes:

(1) to provide low-interest rate loans and grants to social equity applicants to pay for ordinary and necessary expenses to start and operate a licensed cannabis establishment;

(2) to pay for outreach that may be provided or targeted to attract and support social equity applicants; and

(3) necessary costs incurred in administering the Fund.

(d) Amounts from loans that are repaid shall provide additional funding through the Fund.

§ 988. SOCIAL EQUITY LOANS AND GRANTS

The Agency of Commerce and Community Development shall establish a program using funds from the Cannabis Business Development Fund for the purpose of providing financial assistance, loans, grants, and outreach to social equity applicants.

Sec. 13. SOCIAL EQUITY APPLICANTS; CANNABIS CONTROL BOARD ADVISORY COMMITTEE

The Cannabis Control Board Advisory Committee, in consultation with the Board, shall develop criteria for social equity applicants for the purpose of obtaining social equity loans and grants from the Cannabis Business Development Fund pursuant to 7 V.S.A. chapter 39. The Board shall provide the criteria to the General Assembly not later than October 15, 2021.

Sec. 14. APPROPRIATION

In fiscal year 2022, \$500,000.00 is appropriated to the Cannabis Business Development Fund established pursuant to 7 V.S.A. § 987.

* * * Transfer of Medical Cannabis Program * * *

Sec. 15. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY

(a) On July 1, 2021, the following shall transfer from the Department of Public Safety to the Cannabis Control Board.

(1) the authority to administer the Medical Cannabis Registry and the regulation of cannabis dispensaries pursuant to 18 V.S.A. chapter 86;

(2) the cannabis registration fee fund established pursuant to 18 V.S.A. chapter 86; and

(3) the positions dedicated to administering 18 V.S.A. chapter 86.

(b) The Registry shall continue to be governed by 18 V.S.A. chapter 86 and the rules adopted pursuant to that chapter until 7 V.S.A. chapters 35 and 37 and the rules adopted by the Board pursuant to those chapters take effect on March 1, 2022 as provided in 2019 Acts and Resolves No. 164.

Sec. 16. REPEAL

Secs. 10 and 13 of 2019 Acts and Resolves No. 164 are repealed.

* * * Highway Safety * * *

Sec. 17. VERMONT CRIMINAL JUSTICE COUNCIL

Not later than July 1, 2021, the Vermont Criminal Justice Council shall report to the Joint Legislative Justice Oversight Committee regarding funding for the requirement that on or before December 31, 2021 all law enforcement officers receive a minimum of 16 hours of Advanced Roadside Impaired Driving Enforcement training as required by Sec. 20 of 2019 Acts and Resolves No. 164.

* * * Substance Misuse Prevention Funding * * *

Sec. 18. 32 V.S.A. § 7909 is added to read:

§ 7909. SUBSTANCE MISUSE PREVENTION FUNDING

(a) Thirty percent of the revenues raised by the cannabis excise tax imposed by section 7902 of this title, not to exceed \$10,000,000.00 per fiscal year, shall be used to fund substance misuse prevention programming.

(b) If any General Fund appropriations for substance misuse prevention programming remain unexpended at the end of a fiscal year, that balance shall be carried forward and shall only be used for the purpose of funding substance misuse prevention programming in the subsequent fiscal year.

(c) Any appropriation balance carried forward pursuant to subsection (b) of this section shall be in addition to revenues allocated for substance misuse prevention programming pursuant to subsection (a) of this section.

Sec. 19. REPEAL

2019 Acts and Resolves No. 164, Sec. 19 (substance misuse prevention funding) is repealed.

* * * Effective Date * * *

Sec. 20. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 3-1-1)

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

The Committee recommends that the bill be amended as recommended by the Committee on Judiciary with the following amendment thereto:

By striking out Sec. 14, appropriation, in its entirety and inserting in lieu thereof the following:

Sec. 14. TRANSFER AND APPROPRIATION

(a) In fiscal year 2022, \$500,000.00 is transferred from General Fund to the Cannabis Business Development Fund established pursuant to 7 V.S.A. § 987.

(b) In fiscal year 2022, \$500,000.00 is appropriated from the Cannabis Business Development Fund to the Agency of Commerce and Community Development to make grants pursuant to 7 V.S.A. § 987.

(Committee vote: 6-1-0)

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

The Committee recommends that the bill be amended as recommended by the Committee on Judiciary with the following amendments thereto:

First: By striking Sec. 4 in its entirety and inserting in lieu thereof the following:

Sec. 4. 2019 Acts and Resolves No. 164, Sec. 5 is amended to read:

Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND APPROPRIATIONS FOR FISCAL YEARS 2022 AND 2023; LAND USE, ENVIRONMENTAL, ENERGY, AND EFFICIENCY REQUIREMENTS OR STANDARDS; ADVERTISING; OUTREACH, TRAINING, AND EMPLOYMENT PROGRAMS; ONLINE ORDERING AND DELIVERY; ADDITIONAL TYPES OF LICENSES

(a) On or before April 1, 2021, the Executive Director of the Cannabis Control Board shall provide recommendations to the General Assembly on the following:

~~(1) Resources necessary for implementation of this act for fiscal years 2022 and 2023, including positions and funding. The Board shall consider utilization of current expertise and resources within State government and cooperation with other State departments and agencies where there may be an overlap in duties.~~

~~(2) State fees to be charged and collected in accordance with the Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by 32 V.S.A. § 605(d). The State fees submitted in accordance with this subdivision shall be projected to be sufficient to fund the duties of the Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible, the recommend fees shall include an amount to repay over a period, not greater than 10 years, to the General Fund any application of excise taxes to the Cannabis Regulation Fund made pursuant to Sec. 6c of this act.~~

~~(A) Application fees, initial annual license fees, and annual license renewal fees for each type of cannabis establishment license as provided in 7 V.S.A. § 846: cultivator, product manufacturer, wholesaler, retailer, testing laboratory, and integrated. If the Board establishes tiers within a licensing category, it shall provide a fee recommendation for each tier.~~

~~(B) Fee for a cannabis establishment identification card as provided in 7 V.S.A. § 884.~~

~~(3) Whether monies expected to be generated by State fees identified in subdivision (2) of this subsection are sufficient to support the statutory duties of the Board and whether any portion of the tax established pursuant to 32 V.S.A. § 7902 should be allocated to the Cannabis Regulation Fund to ensure these duties are met.~~

~~(4) Local fees to be charged and collected in accordance with the Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by 32 V.S.A. § 605(d). The Board shall recommend local fees that are designed to help defray the costs incurred by municipalities in which cannabis establishments are located.~~

* * *

Second: By adding a new Sec. 4a to read as follows:

Sec. 4a. CANNABIS CONTROL BOARD REPORT TO THE JOINT
FISCAL COMMITTEE; FEES

(a) On or before September 1, 2021, the Cannabis Control Board shall provide draft recommendations to the Joint Fiscal Committee for its approval on the following:

(1) State fees to be charged and collected in accordance with the Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by 32 V.S.A. § 605(d). The State fees submitted in accordance with this subdivision shall be projected to be sufficient to fund the duties of the Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible, the recommend fees shall include an amount to repay over a period, not greater than 10 years, to the General Fund any application of excise taxes to the Cannabis Regulation Fund made pursuant to Sec. 6c of the 2019 Acts and Resolves No. 164.

(A) Application fees, initial annual license fees, and annual license renewal fees for each type of cannabis establishment license as provided in 7 V.S.A. § 846: cultivator, product manufacturer, wholesaler, retailer, testing laboratory, and integrated. If the Board establishes tiers within a licensing category, it shall provide a fee recommendation for each tier.

(B) Fee for a cannabis establishment identification card as provided in 7 V.S.A. § 884.

(C) Fee for advertisement review for a cannabis establishment licensee as provided in 7 V.S.A. § 865.

(2) Whether monies expected to be generated by State fees identified in subdivision (1) of this subsection are sufficient to support the statutory duties of the Board and whether any portion of the tax established pursuant to 32 V.S.A. § 7902 should be allocated to the Cannabis Regulation Fund to ensure these duties are met.

(3) Local fees to be charged and collected in accordance with the Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by 32 V.S.A. § 605(d). The Board shall recommend local fees that are designed to help defray the costs incurred by municipalities in which cannabis establishments are located.

(b) Upon receiving the proposal, the Joint Fiscal Committee shall review the recommendations and provide feedback to the Board for any suggested changes.

(c) The Board shall revise the proposal, if necessary, to incorporate the Committee's recommendations and present a revised draft for approval to the Committee.

(d) Notwithstanding 32 V.S.A. § 603, the fees shall take effect upon approval of the Committee.

(e) Beginning on July 1, 2022, and every three years thereafter, all cannabis regulation fees shall be included in the annual consolidated Executive Branch fee report pursuant to 32 V.S.A. § 605.

(Committee vote: 7-0-0)

S. 33.

An act relating to project-based tax increment financing districts.

Reported favorably with recommendation of amendment by Senator Ram 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:

Sec. 1. 24 V.S.A. 1892(d) is amended to read:

(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district:

- (1) the City of Burlington, Downtown;
- (2) the City of Burlington, Waterfront;
- (3) ~~the Town of Milton, North and South~~ Town of Bennington;
- (4) ~~the City of Newport~~ City of Montpelier;
- (5) the City of Winooski;
- (6) ~~the Town of Colechester~~;
- ~~(7)~~ ~~the~~ Town of Hartford;
- ~~(8)~~(7) the City of St. Albans;
- ~~(9)~~(8) the City of Barre;
- ~~(10)~~(9) the Town of Milton, Town Core; and

(11)(10) the City of South Burlington.

Sec. 2. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
FINANCING DISTRICTS

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than ~~six~~ four districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the ~~six-district~~ four-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the six-district limit.

(D) The Council shall not approve more than one district in Bennington County and one district in Washington County.

* * *

Sec. 3. TAX INCREMENT FINANCING PROJECT DEVELOPMENT;
PILOT PROGRAM

(a) Definitions. As used in this section:

(1) “Committed” means pledged and appropriated for the purpose of the current and future payment of tax increment financing and related costs as defined in this section.

(2) “Coordinating agency” means any public or private entity from outside the municipality’s departments or offices and not employing the municipality’s staff, which has been designated by a municipality to administer and coordinate a district during creation, public hearing process, approval process, or administration and operation during the life of the district, including overseeing infrastructure development, real property development and redevelopment, assisting with reporting, and ensuring compliance with statute and rule.

(3) “Financing” means debt incurred, including principal, interest, and any fees or charges directly related to that debt, or other instruments or borrowing used by a municipality to pay for improvements and related costs for the approved project, only if authorized by the legal voters of the municipality in accordance with 24 V.S.A. § 1894. Payment for eligible related costs may also include direct payment by the municipality using the district increment. However, such anticipated payments shall be included in the vote by the legal voters of the municipality in accordance with subsection (f) of this section. If interfund loans within the municipality are used as the method of financing, no interest shall be charged. Bond anticipation notes may be used as a method of financing and may qualify as a municipality’s first incurrence of debt. A municipality that uses a bond anticipation note during the third or sixth year that a municipality may incur debt pursuant to subsection (f) of this section shall incur all permanent financing not more than one year after issuing the bond anticipation note.

(4) “Improvements” means the installation, new construction, or reconstruction of infrastructure that will serve a public purpose, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation. “Improvements” also means the funding of debt service interest payments for a period of up to five years, beginning on the date on which the first debt is incurred.

(5) “Legislative body” means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(6) “Municipality” means a city, town, or incorporated village.

(7) “Nexus” means the causal relationship that must exist between the improvements and the expected development and redevelopment in the TIF Project Zone or the expected outcomes in the TIF Project Zone.

(8) “Original taxable value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the project as of the creation date, provided that no parcel within the project shall be divided or bisected.

(9) “Project” means a public improvement, as defined in subdivision (4) of this subsection (a), with a total debt ceiling, including related costs, and principal and interest payments, of not more than \$5,000,000.00. A project must:

(A) clearly require substantial public investment over and above the normal municipal operating or bonded debt expenditures;

(B) only include public improvements that are integral to the expected private development; and

(C) meet one of the following four criteria:

(i) The development includes new or rehabilitated affordable housing, as defined in 24 V.S.A. § 4303.

(ii) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

(iii) The development will include at least one entirely new business or business operation or expansion of an existing business within the project, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the Department of Labor.

(iv) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

(10) “Related costs” means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the project, including reimbursement of sums previously advanced by the

municipality for those purposes. Related costs may not include direct municipal expenses such as departmental or personnel costs.

(11) “TIF project zone” means an area located within one or more active designations approved by the Vermont Downtown Development Board under 24 V.S.A. chapter 76A for the parcels in a municipality that have nexus to the project.

(b) Pilot program. Beginning on January 1, 2022 and ending on December 31, 2026, the Vermont Economic Progress Council is authorized to approve not more than 15 tax increment financing projects, provided that there shall be not more than one project per municipality.

(c) General authority. Under the pilot program established in subsection (b) of this section, a municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council pursuant to the process set forth in subsection (e) of this section to use tax increment financing for a project.

(d) Eligibility.

(1) A municipality is only authorized to apply for a project under this section if:

(A) the project will serve one or more active designations approved by the Vermont Downtown Development Board under 24 V.S.A. chapter 76A; and

(B) the proposed infrastructure improvements and the projected development or redevelopment are compatible with confirmed municipal and regional development plans and the project has clear local and regional significance for employment, housing, or transportation improvements.

(2) A municipality with an approved tax increment financing district as set forth in 24 V.S.A. 1892(d) is not authorized to apply for a project under this section.

(e) Approval process. The Vermont Economic Progress Council shall do all of the following to approve an application submitted pursuant to subsection (c) of this section:

(1)(A) Review each application to determine that the infrastructure improvements proposed to serve the project and the proposed development in the project would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the incremental tax revenues.

(B) The review shall take into account:

(i) the amount of additional time, if any, needed to complete the proposed development for the project and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(ii) how the proposed project components and size would differ, if at all, including, if applicable to the project, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303, without education property tax increment financing; and

(iii)(I) the amount of additional revenue expected to be generated as a result of the proposed project;

(II) the percentage of that revenue that shall be paid to the Education Fund;

(III) the percentage that shall be paid to the municipality; and

(IV) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the project.

(2) Process requirements. Determine that each application meets all of the following requirements:

(A) The municipality held public hearings and established a project.

(B) The municipality has developed a tax increment financing project plan, including a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements.

(f) Incurring indebtedness.

(1) A municipality approved under the process set forth in subsection (e) of this section may incur indebtedness against revenues to provide funding to pay for improvements and related costs for tax increment financing project development.

(2) Notwithstanding any provision of any municipal charter, the municipality shall only require one authorizing vote to incur debt through one instance of borrowing to finance or otherwise pay for the tax increment financing project improvements and related costs; provided, however, that a

municipality may present one or more subsequent authorization votes in the event a vote fails. The municipality shall be authorized to incur indebtedness only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned. The creation of the project shall occur at 12:01 a.m. on April 1 of the calendar year the municipal legislative body votes to approve the tax increment financing project plan.

(3) Any indebtedness shall be incurred within three years from the date of approval by the Vermont Economic Progress Council, unless the Vermont Economic Progress Council grants an extension of an additional three years pursuant to the substantial change process set forth in the 2015 TIF Rule; provided, however, that an updated plan is submitted prior to the three-year termination date of the project.

(g) Original taxable value. As of the date the project is approved by the legislative body of the municipality, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the project the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the project has increased or decreased relative to the original taxable value.

(h) Tax increments.

(1) In each year following the approval of the project, the lister or assessor shall include no more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the project is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year. In each year for which the assessed valuation exceeds the original taxable value, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the project that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. No more than the percentages established pursuant to subsection (i) of this section of the municipal and State education tax increments received with respect to the project and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing project account and in its official books and records until all capital indebtedness of the project has been fully paid. The final payment shall be

reported to the treasurer, who shall thereafter include the entire assessed valuation of the project in the assessed valuations upon which municipal and other tax rates are computed and extended and thereafter no taxes from the project shall be deposited in the project's tax increment financing account.

(2) Notwithstanding any charter provision or other provision, all property taxes assessed within a project shall be subject to the provision of subdivision (1) of this subsection. Special assessments levied under 24 V.S.A. chapters 76A or 87 or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the project and not for improvements within the district, as defined in subdivision (a)(3) of this section.

(3) Amounts held apart under subdivision (1) of this subsection shall only be used for financing and related costs as defined in subsection (a) of this section.

(i) Use of tax increment.

(1) Education property tax increment. For only debt incurred within the period permitted under subdivision (e)(3) of this section after approval of the project, up to 70 percent of the education tax increment may be retained for up to 20 years, beginning with the education tax increment generated the year in which the first debt incurred for the project financed in whole or in part with incremental education property tax revenue. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the 20-year retention period of the education tax increment.

(2) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (e)(3) of this section after approval of the project, not less than 85 percent of the municipal tax increment shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subdivision (1) of this subsection.

(3) The Vermont Economic Progress Council shall determine there is a nexus between the improvement and the expected development and redevelopment for the project and expected outcomes in the TIF Project Zone.

(j) Distribution. Of the municipal and education tax increments received in any tax year that exceed the amounts committed for the payment of the financing for improvements and related costs for the project, equal portions of each increment may be retained for the following purposes: prepayment of principal and interest on the financing, placed in a special account required by

subdivision (g)(1) of this section and used for future financing payments or used for defeasance of the financing. Any remaining portion of the excess municipal tax increment shall be distributed to the city, town, or village budget, in the proportion that each budget bears to the combined total of the budgets, unless otherwise negotiated by the city, town, or village, and any remaining portion of the excess education tax increment shall be distributed to the Education Fund.

(k) Information reporting. Every municipality with an approved project pursuant to this section shall:

(1) Develop a system, segregated for the project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section, including performance measures.

(2) Provide, as required by events, notification to the Vermont Economic Progress Council and the Department of Taxes regarding any tax increment financing development project debt obligations, public votes, or votes by the municipal legislative body immediately following such obligation or vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public in accordance with 24 V.S.A. § 1894(i).

(3) Annually:

(A) Ensure that the tax increment financing project account required by subdivision (h)(1) is subject to the annual audit prescribed in subsection (m) of this section. Procedures must include verification of the original taxable value and annual and total municipal and education tax increments generated, expenditures for debt and related costs, and current balance.

(B) On or before February 15 of each year, on a form prescribed by the Council, submit an annual report to the Vermont Economic Progress Council and the Department of Taxes, including the information required by subdivision (2) of this section if not already submitted during the year, all information required by subdivision (A) of this subdivision (3), and the information required by 32 V.S.A. § 5404a(i), including performance measures and any other information required by the Council or the Department of Taxes.

(l) Annual report. The Vermont Economic Progress Council and the Department of Taxes shall submit an annual report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means on or before April 1 each year. The report shall include the date of approval, a description of the project, the original taxable value of the

property subject to the project development, the scope and value of projected and actual improvements and developments in the TIF Project Zone, projected and actual incremental revenue amounts, and division of the increment revenue between project debt, the Education Fund, the special account required by subdivision (h)(1) and the municipal General Fund, projected and actual financing, and a set of performance measures developed by the Vermont Economic Progress Council, which may include outcomes related to the criteria for which the municipality applied and the amount of infrastructure work performed by Vermont firms.

(m) Audit; financial reports. Annually, until the year following the end of the period for retention of education tax increment, a municipality with an approved project under this section shall:

(1) on or before January 1, submit an annual report to the Vermont Economic Progress Council, which shall provide sufficient information for the Vermont Economic Progress Council to prepare its report required by subsection (i) of this section; and

(2) on or before April 1, ensure that the project is subject to the annual audit prescribed in 24 V.S.A. § 1681 or 1690. In the event that the audit is only subject to the audit under 24 V.S.A. § 1681, the Vermont Economic Progress Council shall ensure a process is in place to subject the project to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education tax increments generated, expenditures for debt and related costs, and current balance.

(n) Authority to issue decisions.

(1) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, is authorized to issue decisions to a municipality on questions and inquiries concerning the administration of projects, statutes, rules, noncompliance with this section, and any instances of noncompliance identified in audit reports conducted pursuant to subsection (m) of this section.

(2) The Vermont Economic Progress Council shall prepare recommendations for the Secretary prior to the issuance of a decision. As appropriate, the Council may prepare such recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position. The Secretary shall review the recommendations of the Council and issue a final written decision on each matter within 60 days of the

receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(o) The Vermont Economic Progress Council is authorized to adopt policies that are consistent with the 2015 TIF Rule, as may be modified by subsequent rule, to implement this section.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

(Committee vote: 5-0-0)

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

The Committee recommends that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: By striking out Sec. 2, 32 V.S.A. § 5404a, in its entirety and inserting in lieu thereof the following:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT FINANCING DISTRICTS

(a) A tax agreement or exemption shall affect the education property tax grand list of the municipality in which the property subject to the agreement is located if the agreement or exemption is:

* * *

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality's education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality's property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized nonhomestead rate for the tax year.

(2) Notwithstanding any other provision of law, if a municipality has entered into an agreement that reduces the municipality's education property tax liability under this chapter and the municipality establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality's

municipal and education tax increment shall be calculated based on the assessed value of the properties in the municipality's grand list and not on the stabilized value.

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than ~~six~~ four districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the ~~six-district~~ four-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the six-district limit.

(D) The Council shall not approve more than one district in Bennington County and one district in Washington County.

* * *

(4) In any year that the assessed valuation of real property in a district decreases in comparison to the original taxable value of the real property in a district, a municipality shall pay the amount equal to the tax calculated based on the original taxable value to the Education Fund.

* * *

(h) To approve utilization of incremental revenues pursuant to subsection (f) of this section:

* * *

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three of the following five criteria:

* * *

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. In the case of a brownfield, the Vermont Economic Progress Council is authorized to adopt rules pursuant to subsection (j) of this section to clarify what is a reasonable improvement, as defined in 24 V.S.A. § 1891, to remediate and stimulate the development or redevelopment in the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

* * *

Second: In Sec. 3, tax increment financing project development; pilot program, in subsection (a), in subdivision (2), by striking out “district” and inserting in lieu thereof project after “coordinate a” and “the life of a”, and by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) Pilot program. Beginning on January 1, 2022 and ending on December 31, 2026, the Vermont Economic Progress Council is authorized to approve a total of not more than 10 tax increment financing projects, with not more than three projects per year; provided, however, that there shall not be more than one project per municipality.

Third: By adding a new Sec. 4, 24 V.S.A. § 1891, to read as follows:

Sec. 4. 24 V.S.A. § 1891 is amended to read:

§ 1891. DEFINITIONS

When used in this subchapter:

* * *

(4) “Improvements” means the installation, new construction, or reconstruction of infrastructure that will serve a public purpose and fulfill the purpose of tax increment financing districts as stated in section 1893 of this subchapter, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation. “Improvements” also means the funding of debt service interest payments for a period of up to five years, beginning on the date in which the first debt is incurred.

* * *

(7) “Financing” means debt incurred, including principal, interest, and any fees or charges directly related to that debt, or other instruments or borrowing used by a municipality to pay for improvements in a tax increment financing district, only if authorized by the legal voters of the municipality in accordance with section 1894 of this subchapter. Payment for the cost of district improvements and related costs may also include direct payment by the municipality using the district increment. However, such payment is also subject to a vote by the legal voters of the municipality in accordance with section 1894 of this subchapter and, if not included in the tax increment financing plan approved under subsection 1894(d) of this subchapter, is also considered a substantial change and subject to the review process provided by subdivision 1901(2)(B) of this subchapter. If interfund loans within the municipality are used as the method of financing, no interest shall be charged. Bond anticipation notes may be used as a method of financing and may qualify as a district’s first incurrence of debt. A municipality that uses a bond anticipation note during the fifth year or tenth year that a district may incur debt pursuant to section 1894 of this title shall incur all permanent financing not more than one year after issuing the bond anticipation note.

* * *

Fourth: By adding a new Sec. 5, 24 V.S.A. § 1895, to read as follows:

Sec. 5. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

(a) Certification. As of the date the district is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district has increased or decreased relative to the original taxable value.

(b) Boundary of the district. Any parcel within a district shall be located wholly within the boundaries of a district. No adjustments to the boundary of a district are permitted after the approval of a tax increment financing district plan as described in section 1894 of this title.

And by renumbering the remaining section to be numerically correct.

(Committee vote: 6-1-0)

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)

Reported favorably by Senator Starr for the Committee on Appropriations.

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)

S. 79.

An act relating to improving rental housing health and safety.

Reported favorably with recommendation of amendment by Senator Clarkson 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:

* * * Department of Public Safety; Authority for Rental Housing
Health and Safety * * *

Sec. 1. 20 V.S.A. chapter 173 is amended to read:

CHAPTER 173. PREVENTION AND INVESTIGATION OF FIRES;
PUBLIC BUILDINGS; HEALTH AND SAFETY; ENERGY STANDARDS

* * *

Subchapter 2. Division of Fire Safety; Public Buildings; Building Codes;
Rental Housing Health and Safety; Building Energy Standards

* * *

§ 2729. GENERAL PROVISIONS; FIRE SAFETY; CARBON MONOXIDE

(a) A person shall not build or cause to be built any structure that is unsafe or likely to be unsafe to other persons or property in case of fire or generation and leakage of carbon monoxide.

(b) A person shall not maintain, keep or operate any premises or any part thereof, or cause or permit to be maintained, kept, or operated, any premises or part thereof, under his or her control or ownership in a manner that causes or is likely to cause harm to other persons or property in case of fire or generation and leakage of carbon monoxide.

(c) On premises under a person's control, excluding single family owner-occupied houses and premises, that person shall observe rules adopted under this subchapter for the prevention of fires and carbon monoxide leakage that may cause harm to other persons or property.

(d) Any condominium or multiple unit dwelling using a common roof, or row houses so-called, or other residential buildings in which people sleep, including hotels, motels, and tourist homes, excluding single family owner-occupied houses and premises, whether the units are owned or leased or rented, shall be subject to the rules adopted under this subchapter and shall be provided with one or more carbon monoxide detectors, as defined in 9 V.S.A. § 2881(3), properly installed according to the manufacturer's requirements.

§ 2730. DEFINITIONS

(a) As used in this subchapter, "public building" means:

* * *

(D) a building in which people rent accommodations, whether overnight or for a longer term, including "rental housing" as defined in subsection (f) of this section;

* * *

(2) Use of any portion of a building in a manner described in this subsection shall make the entire building a "public building" for purposes of this subsection. For purposes of this subsection, a "person" does not include an individual who is directly related to the employer and who resides in the employment-related building.

(b) The term "public building" does not include:

(1) An owner-occupied single family residence, unless used for a purpose described in subsection (a) of this section.

* * *

~~(4) A single family residence with an accessory dwelling unit as permitted under 24 V.S.A. § 4406(4)(D). [Repealed.]~~

* * *

(f) “Rental housing” means a “dwelling unit” as defined in 9 V.S.A. § 4451 and a “short-term rental” as defined in 18 V.S.A. § 4301.

§ 2731. RULES; INSPECTIONS; VARIANCES

(a) Rules.

(1) The Commissioner is authorized to adopt rules regarding the construction, health, safety, sanitation, and fitness for habitation of buildings, maintenance and operation of premises, and prevention of fires and removal of fire hazards, and to prescribe standards necessary to protect the public, employees, and property against harm arising out of or likely to arise out of fire.

* * *

(b) Inspections.

(1) The Commissioner shall conduct inspections of premises to ensure that the rules adopted under this subchapter are being observed and may establish priorities for enforcing these rules and standards based on the relative risks to persons and property from fire of particular types of premises.

(2) The Commissioner may also conduct inspections to ensure that buildings are constructed in accordance with approved plans and drawings.

(3) When conducting an investigation of rental housing, the Commissioner shall:

(A) issue a written inspection report on the unit or building that:

(i) contains findings of fact that serve as the basis of one or more violations;

(ii) specifies the requirements and timelines necessary to correct a violation;

(iii) provides notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and

(iv) provides notice in plain language that the landlord or agents of the landlord must have access to the rental unit to make repairs as ordered by the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

(B) provide a copy of the inspection report to the landlord, to the person who requested the inspection, and to any tenants who are affected by a violation:

(i) electronically, if the Department has an electronic mailing address for the person; or

(ii) by first-class mail, if the Department does not have an electronic mailing address for the person;

(C) if an entire building is affected by a violation, provide a notice of inspection, either directly to the individual tenants or posted in a common area, that specifies:

(i) the date of the inspection;

(ii) that violations were found and must be corrected by a certain date;

(iii) how to obtain a copy of the inspection electronically or by first-class mail; and

(iv) if the notice is posted in a common area, that the notice shall not be removed until authorized by the Commissioner;

(D) make the inspection report available as a public record.

(c) Fees. The following fire prevention and building code fees are established:

(1) The permit application fee for a construction plan approval shall be based on \$8.00 per each \$1,000.00 of the total valuation of the construction work proposed to be done for all buildings, but in no event shall the permit application fee exceed \$185,000.00 nor be less than \$50.00.

(2) When an inspection is required due to the change in use or ownership of a public building, the fee shall be \$125.00.

(3) The proof of inspection fee for fire suppression, alarm, detection, and any other fire protection systems shall be \$30.00.

(4) Three-year initial certificate of fitness and renewal fees for individuals performing activities related to fire or life safety established under subsection (a) of this section shall be:

(A) Water-based fire protection system design:

(i) Initial certification: \$150.00.

(ii) Renewal: \$50.00.

(B) Water-based fire protection system installation, maintenance, repair, and testing:

(i) Initial certification: \$115.00.

(ii) Renewal: \$50.00.

(C) Gas appliance installation, inspection, and service: \$60.00.

(D) Oil burning equipment installation, inspection, and service: \$60.00.

(E) Fire alarm system inspection and testing: \$90.00.

(F) Limited oil burning equipment installation, inspection, and service: \$60.00.

(G) Domestic water-based fire protection system installation, maintenance, repair, and testing:

(i) Initial certification: \$60.00.

(ii) Renewal: \$20.00.

(H) Fixed fire extinguishing system design, installation, inspection, servicing, and recharging:

(i) Initial certification: \$60.00.

(ii) Renewal: \$20.00.

(I) Emergency generator installation, maintenance, repair, and testing: \$30.00;

(J) Chimney and solid fuel burning appliance cleaning, maintenance, and evaluation: \$30.00.

(d) Permit processing. The Commissioner shall make all practical efforts to process permits in a prompt manner. The Commissioner shall establish time limits for permit processing as well as procedures and time periods within which to notify applicants whether an application is complete.

(e) Variances; exemptions. Except for any rules requiring the education module regarding the State's energy goals described in subdivision (a)(2) of this section, the Commissioner may grant variances or exemptions from rules adopted under this subchapter where strict compliance would entail practical difficulty, unnecessary hardship, or is otherwise found unwarranted, provided that:

- (1) any such variance or exemption secures the public safety and health;
- (2) any petitioner for such a variance or exemption can demonstrate that the methods, means, or practices proposed to be taken in lieu of compliance with the rule or rules provide, in the opinion of the Commissioner, equal protection of the public safety and health as provided by the rule or rules;
- (3) the rule or rules from which the variance or exemption is sought has not also been adopted as a rule or standard under 21 V.S.A. chapter 3, subchapters 4 and 5; and
- (4) any such variance or exemption does not violate any of the provisions of 26 V.S.A. chapters 3 and 20 or any rules adopted thereunder.

* * *

§ 2733. ORDERS TO REPAIR, REHABILITATE, OR REMOVE STRUCTURE

(a)(1) Whenever the ~~commissioner~~ Commissioner finds that premises or any part of them does not meet the standards adopted under this subchapter, the ~~commissioner~~ Commissioner may order it repaired or rehabilitated.

(2) If ~~it~~ the premises is not repaired or rehabilitated within a reasonable time as specified by the ~~commissioner~~ Commissioner in his or her order, the ~~commissioner~~ Commissioner may order the premises or part of them closed, if by doing so the public safety will not be imperiled; otherwise he or she shall order demolition and removal of the structure, or fencing of the premises.

(3) Whenever a violation of the rules is deemed to be imminently hazardous to persons or property, the ~~commissioner~~ Commissioner shall order the violation corrected immediately.

(4) If the violation is not corrected, the ~~commissioner~~ Commissioner may ~~then~~ order the premises or part of them immediately closed and to remain closed until the violation is corrected.

(b) Whenever a structure, by reason of age, neglect, want of repair, action of the elements, destruction, either partial or total by fire or other casualty or other cause, is so dilapidated, ruinous, decayed, filthy, unstable, or dangerous as to constitute a material menace or damage in any way to adjacent property, or to the public, and has so remained for a period of not less than one week, the ~~commissioner~~ Commissioner may order such structure demolished and removed.

(c) Orders issued under this section shall be served by certified mail with return receipt requested or in the discretion of the ~~commissioner~~ Commissioner, shall be served in the same manner as summonses are served

under the Vermont Rules of Civil Procedure promulgated by the ~~supreme court~~ Supreme Court, to all persons who have a recorded interest in the property recorded in the place where land records for the property are recorded, or who will be temporarily or permanently displaced by the order, including owners, tenants, mortgagees, attaching creditors, lien holders, and public utilities or water companies serving the premises.

§ 2734. PENALTIES

(a)(1) A person who violates any provision of this subchapter or any order or rule issued pursuant thereto shall be fined not more than \$10,000.00.

(2) The ~~state's attorney~~ State's Attorney of the county in which such violation occurs shall prosecute the violation and may commence a proceeding in the ~~superior court~~ Superior Court to compel compliance with such order or rule, and such court may make orders and decrees therein by way of writ of injunction or otherwise.

(b)(1) A person who fails to comply with a lawful order issued under authority of this subchapter in case of sudden emergency shall be fined not more than \$20,000.00.

(2) A person who fails to comply with an order requiring notice shall be fined \$200.00 for each day's neglect commencing with the effective date of such order or the date such order is finally determined if an appeal has been filed.

(c)(1) The ~~commissioner~~ Commissioner may, after notice and opportunity for hearing, assess an administrative penalty of not more than \$1,000.00 for each violation of this subchapter or any rule adopted under this subchapter.

(2) Penalties assessed pursuant to this subsection shall be based on the severity of the violation.

(3) An election by the ~~commissioner~~ Commissioner to proceed under this subsection shall not limit or restrict the ~~commissioner's~~ Commissioner's authority under subsection (a) of this section.

(d) Violation of any rule adopted under this subchapter shall be prima facie evidence of negligence in any civil action for damage or injury ~~which~~ that is the result of the violation.

* * *

§ 2736. MUNICIPAL ENFORCEMENT

(a)(1) The legislative body of a municipality may appoint one or more trained and qualified officials and may establish procedures to enforce rules and standards adopted under subsection 2731(a) of this title.

(2) After considering the type of buildings within the municipality, if the ~~commissioner~~ Commissioner determines that the training, qualifications, and procedures are sufficient, he or she may assign responsibility to the municipality for enforcement of some or all of these rules and standards.

(3) The ~~commissioner~~ Commissioner may also assign responsibility for enforcement of the rules of the access board adopted under section 2902 of this title.

(4) The ~~commissioner~~ Commissioner shall provide continuing review, consultation, and assistance as may be necessary.

(5) The assignment of responsibility may be revoked by the ~~commissioner~~ Commissioner after notice and an opportunity for hearing if the ~~commissioner~~ Commissioner determines that the training, qualifications, or procedures are insufficient.

(6) The assignment of responsibility shall not affect the ~~commissioner's~~ Commissioner's authority under this subchapter.

(b) If a municipality assumes responsibility under subsection (a) of this section for performing any functions that would be subject to a fee established under subsection 2731(a) of this title, the municipality may establish and collect reasonable fees for its own use, and no fee shall be charged for the benefit of the state State.

(c)(1) Subject to rules adopted under section 2731 of this title, municipal officials appointed under this section may enter any premises in order to carry out the responsibilities of this section.

(2) The officials may order the repair, rehabilitation, closing, demolition, or removal of any premises to the same extent as the ~~commissioner~~ Commissioner may under section 2732 of this title.

(d) Upon a determination by the ~~commissioner~~ Commissioner that a municipality has established sufficient procedures for granting variances and exemptions, such variances and exemptions may be granted to the same extent authorized under subsection 2731(b) of this title.

(e) The results of all activities conducted by municipal officials under this section shall be reported to the ~~commissioner~~ Commissioner periodically upon request.

(f) Nothing in this section shall be interpreted to decrease the authority of municipal officials under other laws, including laws concerning building codes and laws concerning housing codes.

* * *

§ 2738. FIRE PREVENTION AND BUILDING INSPECTION SPECIAL FUND

(a) The fire prevention and building inspection special fund revenues shall be from the following sources:

(1) fees relating to construction and inspection of public building and fire prevention inspections under section 2731 of this title;

(2) fees relating to boilers and pressure vessels under section 2883 of this title;

(3) fees relating to electrical installations and inspections and the licensing of electricians under 26 V.S.A. §§ 891-915;

(4) fees relating to cigarette certification under section 2757 of this title; and

(5) fees relating to plumbing installations and inspections and the licensing of plumbers under 26 V.S.A. §§ 2171-2199.

(b) Fees collected under subsection (a) of this section shall be available to the ~~department of public safety~~ Department of Public Safety to offset the costs of the ~~division of fire safety~~ Division of Fire Safety.

(c) The ~~commissioner of finance and management~~ Commissioner of Finance and Management may anticipate receipts to this fund and issue warrants based thereon.

* * *

* * * State Rental Housing Registry; Registration Requirement * * *

Sec. 2. 3 V.S.A. § 2478 is added to read:

§ 2478. STATE RENTAL HOUSING REGISTRY; HOUSING DATA

(a) The Department of Housing and Community Development, in coordination with the Division of Fire Safety, the Department of Health, the Enhanced 911 Board, and the Department of Taxes, shall create and maintain a registry of the rental housing in this State, which includes a “dwelling unit” as defined in 9 V.S.A. § 4451 and a “short-term rental” as defined in 18 V.S.A. § 4301.

(b) The Department of Housing and Community Development shall require for each unit that is registered the following data:

- (1) the name of the owner or landlord;
- (2) phone number, electronic mail, and mailing address of the landlord, as available;
- (3) location of the unit;
- (4) year built;
- (5) type of rental unit;
- (6) number of units in the building;
- (7) school property account number;
- (8) accessibility of the unit; and
- (9) any other information the Department deems appropriate.

(c) Upon request of the Department of Housing and Community Development, and at least annually, a municipal, district, or other local government entity that operates a rental housing health and safety program that requires registration of a rental housing unit and a fee for inclusion on the registry shall provide to the Department the data for each unit that is required pursuant to subsection (b) of this section.

(d) The registry, and data collected by the registry, shall be protected pursuant to 1 V.S.A. § 317 (c)(2) and may only be released to specifically designated persons who, in the discretion of the Department, shall use such data to further the public good. Registry data may not be disclosed to entities for the purposes of solicitation campaigns without express authority granted by the Department. Data about a specific unit may be disclosed to the owner or operator of the rental unit regulated by the registry for the purpose of informing the owner or operator of its registry status.

Sec. 3. 3 V.S.A. § 2479 is added to read:

§ 2479. RENTAL HOUSING REGISTRATION

(a) Except as provided in subsection (c) of this section, an owner of rental housing that is subject to 9 V.S.A. chapter 137 shall:

- (1) file with the Department of Taxes the landlord certificate required for the renter's rebate or the renter credit program; and
- (2) within 30 days of filing the certificate, register, provide the information required by subsection 2478(b) of this title, and pay to the Department of Housing and Community Development an annual registration

fee of \$35.00 per rental unit, unless the owner has within the preceding 12 months:

(A) registered the unit pursuant to subsection (b) of this section; or

(B) registered the unit with a municipal, district, or other local government entity that operates a rental housing health and safety program with a rental registry that complies with subsection 2478(b) of this title.

(b) Except as provided in subsection (c) of this section, an owner of a short-term rental, as defined in 18 V.S.A. § 4301, shall, annually, within 30 days of renting a unit, register with and pay to the Department of Housing and Community Development an annual registration fee of \$35.00 per rental unit, unless the owner has within the preceding 12 months:

(1) registered the unit pursuant to subsection (a) of this section; or

(2) registered the unit with a municipal, district, or other local government entity that operates a rental housing health and safety program with a rental registry that complies with subsection 2478(b) of this title.

(c)(1) An owner of a mobile home lot within a mobile home park who has registered the lot with the Department of Housing and Community Development and who does not own a mobile home on the lot is exempt from registering the lot pursuant to this section.

(2) An owner of a mobile home lot within a mobile home park who has registered the lot with the Department and who owns a mobile home on the lot that is available for rent or rented shall register the property with the Department and pay a fee equal to the fee required by subdivision (a)(2) of this section less any fee paid within the previous 12 months pursuant to 10 V.S.A. § 6254(c).

(3) An owner of a mobile home who rents the mobile home, whether located in a mobile home park, shall register pursuant to this section.

(d) An owner of rental housing who fails to register pursuant to this section shall pay a late registration fee of \$150.00 and may be subject to administrative penalties not to exceed \$5,000.00 for each violation.

* * * Positions Authorized * * *

Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

The Department of Public Safety is authorized to create five full-time, classified Inspector positions in order to conduct rental housing health and safety inspections and enforcement pursuant to 20 V.S.A. chapter 173, subchapter 2.

Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; POSITIONS

(a) The Department of Housing and Community Development is authorized to create one-and-a-half full-time classified positions to administer and enforce the registry requirements created in 3 V.S.A. § 2478 and one full-time classified position to enforce compliance with registry requirements.

(b) It is the intent of the General Assembly to fund the implementation of the provisions in this act from the registration fees collected by the Department of Housing and Community Development pursuant to 3 V.S.A. § 2479.

* * * Conforming Changes to Current Law Governing the Department of Health, State Board of Health, and Local Health Officials * * *

Sec. 6. 18 V.S.A. chapter 11 is amended to read:

CHAPTER 11. LOCAL HEALTH OFFICIALS

* * *

§ 602a. DUTIES OF LOCAL HEALTH OFFICERS

(a) A local health officer, within his or her jurisdiction, shall:

(1) ~~upon request of a landlord or tenant, or upon receipt of information regarding a condition that may be a public health hazard, conduct an investigation;~~

(2) enforce the provisions of this title, the rules promulgated, and permits issued thereunder;

(3) prevent, remove, or destroy any public health hazard; or mitigate any significant public health risk in accordance with the provisions of this title;

(4) in consultation with the Department, take the steps necessary to enforce all orders issued pursuant to chapter 3 of this title; and

(5) have the authority to assist the Division of Fire Safety in inspecting rental housing pursuant to 20 V.S.A. chapter 173, subchapter 2, provided that if the local health officer inspects a rental property without an inspector from the Division, the officer shall issue an inspection report in compliance with 20 V.S.A § 2731(b).

(b) Upon discovery of violation or a public health hazard or public health risk that involves a public water system, a food or lodging establishment, or any other matter regulated by Department rule, the local health officer shall immediately notify the Division of Environmental Health. Upon discovery of any other violation, public health hazard, or public health risk, the local health

officer shall notify the Division of Environmental Health within 48 hours of discovery of such violation or hazard and of any action taken by the officer.

§ 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS

~~(a)(1) When conducting an investigation of rental housing, a local health officer shall issue a written inspection report on the rental property using the protocols for implementing the Rental Housing Health Code of the Department or the municipality, in the case of a municipality that has established a code enforcement office.~~

~~(2) A written inspection report shall:~~

~~(A) contain findings of fact that serve as the basis of one or more violations;~~

~~(B) specify the requirements and timelines necessary to correct a violation;~~

~~(C) provide notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and~~

~~(D) provide notice in plain language that the landlord and agents of the landlord must have access to the rental unit to make repairs as ordered by the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

~~(3) A local health officer shall:~~

~~(A) provide a copy of the inspection report to the landlord and any tenants affected by a violation by delivering the report electronically, in person, by first class mail, or by leaving a copy at each unit affected by the deficiency; and~~

~~(B)(i) if a municipality has established a code enforcement office, provide information on each inspection according to a schedule and in a format adopted by the Department in consultation with municipalities that have established code enforcement offices; or~~

~~(ii) if a municipality has not established a code enforcement office, provide information on each inspection to the Department within seven days of issuing the report using an electronic system designed for that purpose, or within 14 days by mail if the municipality is unable to utilize the electronic system.~~

~~(4) If an entire property is affected by a violation, the local health officer shall post a copy of the inspection report in a common area of the property and include a prominent notice that the report shall not be removed until authorized by the local health officer.~~

~~(5) A municipality shall make an inspection report available as a public record.~~

~~(b)(1) A local health officer may impose a civil penalty of not more than \$200.00 per day for each violation that is not corrected by the date provided in the written inspection report, or when a unit is re-rented to a new tenant prior to the correction of a violation.~~

~~(2)(A) If the cumulative amount of penalties imposed pursuant to this subsection is \$800.00 or less, the local health officer, Department of Health, or State's Attorney may bring a civil enforcement action in the Judicial Bureau pursuant to 4 V.S.A. chapter 29.~~

~~(B) The waiver penalty for a violation in an action brought pursuant to this subsection is 50 percent of the full penalty amount.~~

~~(3) If the cumulative amount of penalties imposed pursuant to this subsection is more than \$800.00, or if injunctive relief is sought, the local health officer, Department of Health, or State's Attorney may commence an action in the Civil Division of the Superior Court for the county in which a violation occurred.~~

~~(c) If a local health officer fails to conduct an investigation pursuant to section 602a of this title or fails to issue an inspection report pursuant to this section, a landlord or tenant may request that the Department, at its discretion, conduct an investigation or contact the local board of health to take action.~~

[Repealed.]

* * *

* * * Transition Provisions * * *

Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION PROVISIONS

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

(1) Until the Commissioner of Public Safety adopts rules governing rental housing health and safety pursuant to 20 V.S.A. § 2731, the Department of Health, local officials authorized by law, and the Department of Public Safety have concurrent authority to enforce the Vermont Rental Housing Health Code adopted by the Department of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

(2) The Commissioner of Public Safety may immediately adopt a rule incorporating the Rental Housing Health Code without following the procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

(3) Except as provided in subdivision (2) of this subsection, the Commissioner of Public Safety shall comply with the requirements for general rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental housing health and safety.

(b) Upon the adoption of rules governing rental housing health and safety pursuant to the authority in 20 V.S.A. § 2731:

(1) the Department of Public Safety is the State government entity with primary authority to enforce State laws governing rental housing health and safety;

(2) the Department of Public Safety and local officials have concurrent authority to enforce State and local laws governing rental housing health and safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 173, subchapter 2; 24 V.S.A. chapters 83 and 123; and applicable municipal law; and

(3) the Department of Health, the State Board of Health, and local health officials have concurrent authority to enforce State and local laws governing public health hazards and public health risks, as those terms are defined in 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

* * * Vermont Housing Investments * * *

Sec. 8. VERMONT RENTAL HOUSING INVESTMENT PROGRAM;
PURPOSE

(a) Recognizing that Vermont's rental housing stock is some of the oldest in the country and that much of it needs to be updated to meet code requirements and other standards, the Vermont Rental Housing Investment Program is intended to incentivize private apartment owners to make significant improvements to both housing quality and weatherization by providing grants and forgivable loans that are matched in part by the property owner.

(b) The Program seeks to take the lessons learned from the successful Rehousing Recovery Program established with funds provided by the Federal CARES Act and implement them in a State-funded program.

Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

(a) Creation of program. The Department of Housing and Community Development shall design and implement a Vermont Rental Housing Investment Program, through which the Department shall award funding to

statewide or regional non-profit housing organizations, or both, to provide grants and forgivable loans to private landlords for the rehabilitation and weatherization of eligible rental housing units.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) Vacant. The unit has not been leased or occupied for at least 90 days prior to the date of application and remains unoccupied on the date of the award.

(3) Accessory dwelling. The unit is an accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords; and

(3) a grants and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed \$30,000 per unit.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project shall include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(e) Program requirements applicable to grants. For a grant awarded under the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection, a landlord shall lease the unit to a household that is exiting homelessness.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under the Program, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section:

(1) is subordinate to a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) is subordinate to a first mortgage on the property recorded after such filing.

* * * Appropriations * * *

Sec. 10. APPROPRIATIONS

(a) The amount of \$200,000.00 is appropriated from the General Fund to the Department of Housing and Community Development as one-time start-up funding to assist in creating the rental housing registry created in 3 V.S.A. § 2478 and to fund the positions authorized in Sec. 5 of this act.

(b) The amount of \$200,000.00 is appropriated from the General Fund to the Division of Fire Safety as one-time start-up funding for the positions authorized in Sec. 4 of this act.

(c) From the amounts collected from rental housing registration fees pursuant to 3 V.S.A. § 2479, the Commissioner of Finance and Management shall allocate:

(1) \$200,000.00 to the Department of Housing and Community Development to assist in creating the rental housing registry created in 3 V.S.A. § 2478 and to fund the positions authorized in Sec. 5 of this act; and

(2) \$345,691.00 to the Division of Fire Safety to assist in funding the positions authorized in Sec. 4 of this act.

(d) The amount of \$3,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development to provide grants and loans through the Vermont Rental Housing Investment Program created in 10 V.S.A. § 699.

* * * Effective Dates * * *

Sec. 11. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (DPS authority for rental housing health and safety).

(2) Sec. 2 (rental housing registry).

(3) Sec. 6 (conforming changes to Department of Health statutes).

(4) Sec. 7 (DPS rulemaking authority and transition provisions).

(b) The following sections take effect on July 1, 2021:

(1) Sec. 4 (DPS positions).

(2) Sec. 5 (DHCD positions);

(3) Secs. 8-9 (housing investment programs).

(4) Sec. 10 (appropriations).

(c) Sec. 3 (rental housing registration) shall take effect on January 1, 2022.

(Committee vote: 5-0-0)

Reported favorably by Senator Sirotkin for the Committee on Finance.

The Committee recommends that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs and when so amended ought to pass.

(Committee vote: 7-0-0)

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

The Committee recommends that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: In Sec. 3, in 3 V.S.A. § 2479, by adding a subsection (e) to read:

(e) The Department of Housing and Community Development shall maintain the registration fees collected pursuant to this section in a special fund entitled the Rental Housing Safety Special Fund, the proceeds of which the Department shall use:

(1) to hire authorized staff to administer the registry and registration requirements imposed in this section and in section 2478 of this title; and

(2) to provide funding to the Department of Public Safety to hire authorized staff to conduct inspections and regulate rental housing pursuant to 20 V.S.A. chapter 173, subchapter 2.

Second: By striking out Secs. 4-5 in their entireties and inserting in lieu thereof new Secs. 4 and 5 to read:

Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

(a) The Department of Public Safety is authorized to create five full-time, classified Inspector positions in order to conduct rental housing health and safety inspections and enforcement pursuant to 20 V.S.A. chapter 173, subchapter 2.

(b) In fiscal year 2022, the amount of \$200,000.00 is appropriated from the General Fund to the Department of Public Safety as one-time startup funding to hire one or more Inspector positions authorized pursuant to subsection (a) of this section.

(c) The Department may hire additional Inspectors authorized by this section to the extent funds become available from the Rental Housing Safety Special Fund created and maintained pursuant to 3 V.S.A. § 2479.

Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT; POSITIONS

(a) The Department of Housing and Community Development is authorized to create one full-time classified position and one half-time classified position to administer and enforce the registry requirements created in 3 V.S.A. § 2478.

(b) In fiscal year 2022, the amount of \$200,000.00 is appropriated from the General Fund to the Department of Housing and Community Development as one-time startup funding to hire one or more of the positions authorized pursuant to subsection (a) of this section.

(c) The Department may hire additional staff authorized by this section to the extent funds become available from the Rental Housing Safety Special Fund created and maintained pursuant to 3 V.S.A. § 2479.

Third: By striking out Secs. 8–10 and their reader assistance headings in their entirety and by renumbering the remaining section to be numerically correct.

Fourth: In the newly renumbered Sec. 10, effective dates, in subsection (b), by striking out subdivisions (2)–(4) in their entirety and inserting in lieu thereof (2) Sec. 5 (DHCD positions).

(Committee vote: 5-2-0)

**Amendment to S. 79 to be offered by Senators Balint, Brock, Clarkson,
Ram and Sirotkin**

Senators Balint, Brock, Clarkson, Ram and Sirotkin move to amend the bill as follows:

First: By striking out Sec. 9, 10 V.S.A. chapter 29, subchapter 3, in its entirety and inserting in lieu thereof Secs. 9–9a to read:

Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

(a) Creation of program.

(1) The Department of Housing and Community Development shall design and implement the Vermont Rental Housing Investment Program through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation and weatherization of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) Vacant. The unit has not been leased or occupied for at least 90 days prior to the date of application and remains unoccupied on the date of the award.

(3) Accessory dwelling. The unit is an accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grants and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed \$30,000 per unit.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project shall include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least monthly on its website.

(e) Program requirements applicable to grants. For a grant awarded under the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection, a landlord shall lease the unit to a household that is exiting homelessness.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under the Program, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 9a. REPORT

On or before February 15, 2022 the Department of Housing and Community Development shall report to the General Assembly concerning the design, implementation, and outcomes of the Vermont Housing Investment Program, including findings and any recommendations related to the amount of grant awards.

Second: In Sec. 11, effective dates, in subsection (b), by striking out subdivision (3) in its entirety and inserting in lieu thereof:

(3) Secs 8–9a (housing investment programs).

S. 101.

An act relating to promoting housing choice and opportunity in smart growth areas.

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

The Committee recommends that the bill be amended as follows:

First: In Sec. 11, 10 V.S.A. § 1983, in subdivision (a)(2)(A), by striking out the words: “that serves a single connection”

Second: In Sec. 11, 10 V.S.A. § 1983, in subdivision (a)(2)(B), by striking out the words: “that serves a single connection”

(Committee vote: 4-1-0)

Reported favorably by Senator Sirotkin for the Committee on Finance.

The Committee recommends that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs and when so amended ought pass.

(Committee vote: 7-0-0)

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

The Committee recommends that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: By striking out Sec. 3 (appropriation; municipal bylaw modernization) in its entirety.

Second: By striking out Sec. 4 (appropriation; training and permitting assistance) in its entirety.

Third: By striking out Sec. 6 (32 V.S.A. § 5930ee) in its entirety.

And by renumbering the remaining sections to be numerically correct.

(Committee vote: 7-0-0)

Amendment to S. 101 to be offered by Senator Terenzini

Senator Terenzini moves to amend the bill as follows:

By striking out (renumbered) Sec. 9, effective dates, and its reader assistance heading and inserting in lieu thereof the following:

* * * Act 250 Downtown Exemption * * *

Sec. 9. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

* * *

(27) “Mixed income housing” means a housing project in which the following apply:

~~(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:~~

~~(i) at least 15 percent of the housing units have a purchase price that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or~~

~~(ii) At the time of initial sale, at least 20 percent of the housing units have a purchase price that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits meet the requirements of affordable owner-occupied housing under subdivision (29)(A) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

~~(B) Rental housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of For not less than 15 years following the date that rental housing is initially placed in service, at least 20 percent of the housing units meet the requirements of affordable rental housing under subdivision (29)(B) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

* * *

(35) “Priority housing project” means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

~~(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, or designated growth center, or designated village center that is also a designated neighborhood development area under 24 V.S.A. chapter 76A; or~~

~~(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.~~

* * *

Sec. 10. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(o) If a designation pursuant to 24 V.S.A. chapter 76A is removed, subsection (a) of this section shall apply to any subsequent substantial change

to a ~~priority housing project~~ development or subdivision that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title or subsection (p) of this section on the basis of that designation.

~~(p)(1) No permit or permit amendment is required for any subdivision, development, or change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after May 28, 2002, remain below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title or a neighborhood development area designated pursuant to 24 V.S.A. § 2793e. Upon receiving notice and a copy of the permit issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(f), a previously issued permit for a development or subdivision located in a downtown development area or a neighborhood development area is extinguished.~~

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

* * *

~~(v) A permit or permit amendment shall not be required for a development or subdivision in a designated downtown development district for which the District Commission has issued positive findings and conclusions under section 6086b of this title on all the criteria listed in that section. A person shall obtain new or amended findings and conclusions from the District Commission under section 6086b of this title prior to commencement of a material change, as defined in the rules of the Board, to a development or subdivision for which the District Commission has issued such findings and conclusions. A person may seek a jurisdictional opinion under section 6007 of this title concerning whether such a change is a material change. [Repealed.]~~

* * *

Sec. 11. REPEALS

The following are repealed:

(1) 10 V.S.A. § 6083a(d) (neighborhood development area fees).

(2) 10 V.S.A. § 6086b (downtown development).

Sec. 12. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(f)(1) This subsection shall apply to a subdivision or development that:

(A) was previously permitted pursuant to 10 V.S.A. chapter 151;

(B) is located in a downtown development district or neighborhood development area designated pursuant to chapter 76A of this title; and

(C) has applied for a permit or permit amendment required by zoning regulations or bylaws adopted pursuant to this subchapter.

(2) The appropriate municipal panel reviewing a municipal permit or permit amendment pursuant to this subsection shall include conditions contained within a permit previously issued pursuant to 10 V.S.A. chapter 151 unless the panel determines that the permit condition pertains to any of the following:

(A) the construction phase of the project that has already been constructed;

(B) compliance with another State permit that has independent jurisdiction;

(C) federal or State law that is no longer in effect or applicable;

(D) an issue that is addressed by municipal regulation and the project will meet the municipal standards; or

(E) a physical or use condition that is no longer in effect or applicable, or that will no longer be in effect or applicable once the new project is approved.

(3) After issuing or amending a permit containing conditions pursuant to this subsection, the appropriate municipal panel shall provide notice and a copy of the permit to the Natural Resources Board.

(4) The appropriate municipal panel shall comply with the notice and hearing requirements provided in subdivision 4464(a)(1) of this title. In

addition, notice shall be provided to those persons requiring notice under 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

(5) The appropriate municipal panel’s decision shall be issued in accord with subsection 4464(b) of this title and shall include specific findings with respect to its determinations pursuant to subdivision (2) of this subsection.

(6) Any final action by the appropriate municipal panel affecting a condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall be recorded in the municipal land records.

Sec. 13. 24 V.S.A. § 2792(a) is amended to read:

(a) A “Vermont Downtown Development Board,” also referred to as the “State Board,” is created to administer the provisions of this chapter. The State Board shall be composed of the following members or their designees:

* * *

(12) The executive director of the Vermont Housing and Conservation Board or designee.

Sec. 14. 24 V.S.A. § 2793 is amended to read:

§ 2793. DESIGNATION OF DOWNTOWN DEVELOPMENT DISTRICTS

* * *

(b) Within 45 days of receipt of a completed application, the State Board shall designate a downtown development district if the State Board finds in its written decision that the municipality has:

(1) Demonstrated a commitment to protect and enhance the historic character of the downtown through the adoption of a design review district, through the adoption of an historic district, or through the adoption of regulations that adequately regulate the physical form and scale of development that the State Board determines substantially meet the historic preservation requirements in subdivisions 4414(1)(E) and (F) of this title, ~~or through the creation of a development review board authorized to undertake local Act 250 reviews of municipal impacts pursuant to section 4420 of this title.~~

* * *

(4) A housing element in its plan in accordance with subdivision 4382(10) of this title that achieves the purposes of subdivision 4302(11) of this title and that includes clear implementation steps for achieving mixed income housing, including affordable housing, a timeline for implementation, responsibility for each implementation step, and potential funding sources.

(5) Adopted one of the following to promote the availability of affordable housing opportunities in the municipality:

(A) inclusionary zoning as provided in subdivision 4414(7) of this title;

(B) a restricted housing trust fund with designated revenue streams;

(C) a housing commission as provided in section 4433 of this title; or

(D) impact fee exemptions or reductions for affordable housing as provided in section 5205 of this title.

(c) A designation issued under this section shall be effective for eight years and may be renewed on application by the municipality. The State Board also shall review a community's designation four years after issuance or renewal and may review compliance with the designation requirements at more frequent intervals. Any community applying for renewal shall explain how the designation under this section has furthered the goals of the town plan and shall submit an approved town plan map that depicts the boundary of the designated district. Beginning on July 1, 2023, any community under review or seeking renewal shall comply with subdivisions (b)(4) and (5) of this section. If at any time the State Board determines that the downtown development district no longer meets the standards for designation established in subsection (b) of this section, it may take any of the following actions:

(1) require corrective action;

(2) provide technical assistance through the Vermont Downtown Program;

(3) limit eligibility for the benefits established in section 2794 of this chapter without affecting any of the district's previously awarded benefits; or

(4) remove the district's designation without affecting any of the district's previously awarded benefits.

* * * Effective Date * * *

Sec. 15. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

NOTICE CALENDAR

Second Reading

Favorable

H. 81.

An act relating to statewide public school employee health benefits.

Reported favorably by Senator Perchlik for the Committee on Education.

(Committee vote: 5-0-1)

(For House amendments, see House Journal of February 16, 2021, pages 169-182)

Reported favorably by Senator Balint for the Committee on Appropriations.

(Committee vote: 7-0-0)

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission shall be fully and separately acted upon.

Joseph Flynn of South Hero – Secretary, Agency of Transportation – By Sen. Mazza for the Committee on Transportation. (3/19/21)

Wanda L. Minoli of Montpelier – Commissioner, Department of Motor Vehicles – By Sen. Ingalls for the Committee on Transportation. (3/19/21)

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 #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).