

Senate Calendar

THURSDAY, APRIL 22, 2021

SENATE CONVENES AT: 1:00 P.M.

TABLE OF CONTENTS

Page No.

ACTION CALENDAR

UNFINISHED BUSINESS OF APRIL 21, 2021

House Proposal of Amendment

S. 88 An act relating to insurance, banking, and securities.....1166

NEW BUSINESS

Third Reading

H. 128 An act relating to limiting criminal defenses based on victim identity..... 1194

Second Reading

Favorable

H. 199 An act relating to validating legal instruments used in connection with the conveyance of real estate
Judiciary Report - Sen. Nitka 1195

Favorable with Proposal of Amendment

H. 145 An act relating to amending the standards for law enforcement use of force
Judiciary Report - Sen. Benning1195

House Proposal of Amendment

S. 53 An act relating to exempting feminine hygiene products from the Vermont Sales and Use Tax.....1196

NOTICE CALENDAR

Second Reading

Favorable with Proposal of Amendment

- H. 18** An act relating to sexual exploitation of children
Judiciary Report - Sen. White 1204
- H. 171** An act relating to the governance and financing of Vermont's child
care system
Health and Welfare Report - Sen. Lyons 1206
- H. 433** An act relating to the Transportation Program and miscellaneous
changes to laws related to transportation
Transportation Report - Sen. Mazza 1218

ORDERED TO LIE

- 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..... 1243

CONCURRENT RESOLUTIONS FOR NOTICE

- S.C.R. 4** (For text of Resolution, see Addendum to Senate Calendar for
April 22, 2021)..... 1243
- H.C.R. 45 - 51** (For text of Resolutions, see Addendum to House
Calendar for April 22, 2021)..... 1243

ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF WEDNESDAY, APRIL 21, 2021

House Proposal of Amendment

S. 88

An act relating to insurance, banking, and securities.

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

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

§ 2760b. PROHIBITED ACTIVITIES

* * *

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

* * *

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

§ 2102. APPLICATION FOR LICENSE

* * *

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

* * *

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

* * *

Sec. 3. 8 V.S.A. § 2109 is amended to read:

§ 2109. ANNUAL RENEWAL OF LICENSE

(a) On or before December 1 of each year, every licensee shall renew its license or registration for the next succeeding calendar year and shall pay to the Commissioner the applicable renewal of license or registration fee. At a minimum, the licensee or registree shall continue to meet the applicable standards for licensure or registration. At the same time, the licensee or registree shall maintain with the Commissioner any required bond in the amount and of the character as required by the applicable chapter. The annual license or registration renewal fee shall be:

* * *

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

* * *

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

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

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

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

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

§ 2105. CONTENTS OF LICENSE; NONTRANSFERABLE

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

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

* * *

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

§ 2122. USE OF OTHER NAMES OR BUSINESS PLACES

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

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

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

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

§ 2201. LICENSES REQUIRED

* * *

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

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

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

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

* * *

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

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

* * *

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

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

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

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

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

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

§ 8301. DEFINITIONS

As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 8302. RISK BASED CAPITAL REPORT

* * *

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

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

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

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

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

§ 8303. COMPANY ACTION LEVEL EVENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 8307. HEARINGS

Upon receipt of any notice required under ~~subsections~~ subsection 8302(e), 8303(c) ~~and or~~ (d), ~~and subdivisions~~ subdivision 8304(a)(4) ~~and or~~ (5), ~~and or~~ subsection 8304(c) of this title, any insurer aggrieved by any action taken under those sections may appeal to the Commissioner within five days of receipt of notice of the action. The hearing shall be subject to 3 V.S.A. chapter 25. Upon receipt of the insurer's request for a hearing, the Commissioner shall set a date for the hearing, which date shall be ~~no~~ not less than 10 nor more than 30 days after the date of the insurer's request.

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

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

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

§ 8312. CONFIDENTIALITY OF RISK BASED CAPITAL REPORTS

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

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

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

* * *

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

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

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

§ 5410. FILING FEES

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 4089h. CANCELLATION OR NONRENEWAL OF HEALTH
INSURANCE COVERAGE

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

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

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

§ 6002. LICENSING; AUTHORITY

* * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * *

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

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

§ 6004. MINIMUM CAPITAL AND SURPLUS; LETTER OF CREDIT

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

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

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

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

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

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

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

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

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

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

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

§ 6007. REPORTS AND STATEMENTS

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

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

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

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

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

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

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

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

(A) single protected cell or incorporated protected cell;

(B) new sponsored captive insurance company;

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

(D) new special purpose financial insurance company;

(E) new pure captive insurance company;

(F) new risk retention group;

(G) new agency captive insurance company;

(H) new industrial insured captive insurance company; or

(I) new association captive insurance company.

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

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

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

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

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

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

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

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

Sec. 25. REPEAL

8 V.S.A. § 6034e is repealed.

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

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

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

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

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

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

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

~~(5)~~(6) The Commissioner may issue a certificate of general good to permit the formation of a captive insurance company that is established for the purpose of consolidating or merging with or assuming existing insurance or reinsurance business from an existing licensed captive insurance company. The Commissioner may, upon request of such newly formed captive insurance company, waive or modify the requirements of subdivisions 6002(c)(1)(B) and (2) of this title.

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

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

§ 6006a. MERGERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) The single captive insurance company shall be responsible and liable for all the liabilities and obligations of each of the insurers so merged in the same manner and to the same extent as if the single insurer had itself incurred the same or contracted therefor; and any claim existing or action or proceeding pending by or against any of the insurers may be prosecuted to judgment as if the merger had not taken place. Neither the rights of creditors nor any liens

upon the property of any insurers shall be impaired by the merger, but such liens shall be limited to the property upon which they were liens immediately prior to the time of the merger unless otherwise provided in the agreement of merger.

(6) The articles of association or other governing document of the surviving captive insurance company shall be supplanted and superseded to the extent, if any, that any provision or provisions of the articles are restated in the agreement of merger as provided in subsection (a) of this section, and such articles of association or other governing document shall be deemed to be thereby and to that extent amended.

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

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

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

§ 6006b. REDOMESTICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) the risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required by subsection 6052(b) of this title at the time that such revision has become effective in its chartering state; and

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

* * *

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

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

Sec. 31. 8 V.S.A. chapter 110 is added to read:

CHAPTER 110. DENTAL INSURANCE

§ 4121. DEFINITIONS

As used in this chapter:

(1) “Covered individual” means an individual covered under a dental insurance plan or a health insurance plan.

(2) “Covered service” means a dental service for which reimbursement is available under a covered individual’s dental insurance plan or health insurance plan or for which reimbursement would be available but for the application of contractual limitations such as deductibles, co-payments, coinsurance, waiting periods, annual or lifetime maximums, frequency limitations, alternative benefit payments, or other limitations.

(3) “Dental insurance plan” means a stand-alone dental plan or policy that provides coverage for dental services separately from a health insurance plan.

(4) “Dental insurer” means any health or dental insurance company, including a nonprofit dental service corporation, that offers a dental insurance plan for sale.

(5) “Dentist” means an individual licensed to practice dentistry under 26 V.S.A. chapter 12.

(6) “Health insurance plan” means any individual or group health insurance policy, any hospital or medical service corporation or health maintenance organization subscriber contract, or any other health benefit plan offered, issued, or renewed for any person in this State by a health insurer. The term does not include benefit plans providing coverage for a specific disease or other limited benefit coverage.

(7) “Health insurer” has the same meaning as in 18 V.S.A. § 9402.

§ 4122. FEES FOR COVERED DENTAL SERVICES

(a) No dental insurer, health insurer, or other similar entity that covers dental services and is subject to regulation by the Department of Financial Regulation, and no contract or participating provider agreement with a dentist, shall require, directly or indirectly, that a dentist who is a participating provider provide dental services to a covered individual at a fee set by, or subject to the approval of, the insurer or other regulated entity unless the dental services are covered services.

(b) No person providing third-party administrator services shall make available to any customers a plan that sets dental fees for providers in its provider network for any dental services other than covered services.

(c) Fees for covered services shall be set in good faith and shall not be nominal.

(d) The Commissioner of Financial Regulation shall enforce the provisions of this section pursuant to the Commissioner’s authority under this title.

Sec. 32. 18 V.S.A. § 9422 is added to read:

§ 9422. CREDIT CARD PAYMENTS OPTIONAL FOR PROVIDERS

(a) As used in this section:

(1) “Credit card payment” means a type of electronic funds transfer in which a health insurer or its contracted vendor issues a single-use series of numbers associated with payment for health care services delivered by a health care provider and chargeable for a predetermined dollar amount and in which the health care provider is responsible for processing the payment using a credit card terminal or Internet portal. The term includes virtual or online

credit card payments in which no physical credit card is presented to the health care provider and the single-use credit card number expires upon payment processing.

(2) “Health care provider” has the same meaning as in section 9402 of this title.

(3) “Health insurer” means an insurance company that provides health insurance as defined in 8 V.S.A. § 3301(a)(2), a nonprofit hospital or medical service corporation, a managed care organization, a health maintenance organization, and, to the extent permitted under federal law, any administrator of an insured, self-insured, or publicly funded health care benefit plan offered by a public or private entity, as well as any entity offering a policy for specific disease, accident, injury, hospital indemnity, dental care, disability income, long-term care, or other limited benefit coverage.

(b) A health insurer or its contracted vendor shall not require a health care provider, including a dentist or ambulance service provider, to accept reimbursement by credit card payment unless the health care provider has affirmatively elected to receive payments in this manner. If a health care provider, including a dentist or ambulance service provider, does not affirmatively elect to receive reimbursement by credit card payment, the health insurer or its contracted vendor shall make payments to the provider in another manner.

Sec. 33. 8 V.S.A. § 3750(d)(1)(C)(iii) is amended to read:

(iii) Where the resulting interest rate is not less than ~~one~~ 0.15 percent.

Sec. 33a. REPORT; MINIMUM NONFORFEITURE INTEREST RATE

On or before January 15, 2022, the Commissioner of Financial Regulation shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Finance a report containing his or her findings and recommendations regarding Sec. 33 of this act, which decreases the current statutory minimum nonforfeiture interest rate applicable to individual deferred annuities from 1 percent to 0.15 percent.

Sec. 34. SEPARATING THE INDIVIDUAL AND SMALL GROUP
HEALTH INSURANCE MARKETS FOR PLAN YEAR 2022

(a) Purpose. The purpose of this section is to allow for separate individual and small group health insurance markets for plan year 2022 in light of the increased opportunities for federal premium assistance available through the American Rescue Plan Act of 2021, Pub. L. No. 117-2, to eligible households purchasing qualified health benefit plans in the individual market.

(b) Definitions. As used in this section, “health benefit plan,” “registered carrier,” and “small employer” have the same meanings as in 33 V.S.A. § 1811.

(c) Separate plans and community rating. Notwithstanding any provision of 33 V.S.A. § 1811 to the contrary, for plan year 2022, a registered carrier shall:

(1) offer separate health benefit plans to individuals and families in the individual market and to small employers in the small group market;

(2) apply community rating in accordance with 33 V.S.A. § 1811(f) to determine the premiums for the carrier’s plan year 2022 individual market plans separately from the premiums for its small group market plans; and

(3) file premium rates with the Green Mountain Care Board pursuant to 8 V.S.A. § 4062 separately for the carrier’s individual market and small group market plans.

Sec. 35. EFFECTIVE DATES; APPLICATION

This act shall take effect on passage, except that:

(1) Sec. 31 (8 V.S.A. chapter 110; dental insurance) shall take effect on January 1, 2022 and shall apply to all contracts and participating provider agreements between a dental insurer or third-party administrator and a dentist that are entered into on or after that date and to all dental insurance plans issued on and after January 1, 2022 on such date as a dental insurer offers, issues, or renews the plan, but in no event later than January 1, 2023;

(2) Sec. 32 (18 V.S.A. § 9422; credit card payments optional for providers) shall take effect on January 1, 2022; and

(3) Sec. 33 (8 V.S.A. § 3750(d)(1)(C)(iii); minimum nonforfeiture interest rate for individual deferred annuities) shall take effect on July 1, 2022.

NEW BUSINESS

Third Reading

H. 128.

An act relating to limiting criminal defenses based on victim identity.

Second Reading

Favorable

H. 199.

An act relating to validating legal instruments used in connection with the conveyance of real estate.

Reported favorably by Senator Nitka for the Committee on Judiciary.

(Committee vote: 5-0-0)

(No House amendments)

Favorable with Proposal of Amendment

H. 145.

An act relating to amending the standards for law enforcement use of force.

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

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

First: By striking out Sec. 4, 13 V.S.A. § 2305, in its entirety and inserting in lieu thereof the following:

Sec. 4. 13 V.S.A. § 2305 is amended to read:

§ 2305. JUSTIFIABLE HOMICIDE

If a person kills or wounds another under any of the circumstances enumerated below, he or she shall be guiltless:

(1) in the just and necessary defense of ~~his or her~~ the person's own life or the life of ~~his or her husband, wife~~ the person's spouse, parent, child, ~~brother, sister, master, mistress, servant~~ sibling, guardian, or ward; or

(2) if the person reasonably believed that he or she was in imminent peril and that it was necessary to repel that peril with deadly force, in the forceful or violent suppression of a person attempting to commit murder, sexual assault, aggravated sexual assault, burglary, or robbery, ~~with force or violence~~; or

(3) in the case of a ~~civil officer; or a military officer or private soldier~~ when lawfully called out to suppress riot or rebellion, or to prevent or suppress invasion, or to assist in serving legal process, in suppressing opposition against him or her in the just and necessary discharge of his or her duty law enforcement officer as defined in 20 V.S.A. § 2351(a) using force in

compliance with 20 V.S.A. § 2368(b)(1)–(2), and (5) or deadly force in compliance with 20 V.S.A. § 2368(c)(1)–(4) and (6).

Second: In Sec. 8, effective dates, in subsection (b), by striking out the word “September” and inserting in lieu thereof the word October

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 17, 2021, pages 355-361.)

House Proposal of Amendment

S. 53

An act relating to exempting feminine hygiene products from the Vermont Sales and Use Tax.

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

First: Before Sec. 1, exemption statutory purpose, by inserting a reader assistance heading to read as follows:

* * * Sales and Use Tax; Feminine Hygiene Products * * *

Second: By striking out Sec. 3, effective date, in its entirety and inserting in lieu thereof:

* * * Corporate Income Tax * * *

Sec. 3. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

~~The following definitions shall apply throughout this chapter unless the context requires otherwise~~ As used in this chapter:

* * *

(22) “Affiliated group” means a group of two or more corporations in which more than 50 percent of the voting stock of each member corporation is directly or indirectly owned by a common owner or owners, either corporate or noncorporate, or by one or more of the member corporations, but shall exclude ~~overseas business organizations or~~ foreign corporations and corporations taxable under 8 V.S.A. § 6014.

(23) “Unitary business” means one or more related business organizations engaged in business activity both within and outside the State among which there exists a unity of ownership, operation, and use; or an interdependence in their functions.

(24) ~~“Overseas business organization” means a business organization that ordinarily has 80 percent or more of its payroll and property outside the 50 states and the District of Columbia. [Repealed.]~~

* * *

Sec. 4. 32 V.S.A. § 5832(2)(C)–(E) are amended to read:

(C) For C corporations with Vermont gross receipts from \$0–~~\$2,000,000.00~~ \$100,000.00, the greater of the amount determined under subdivision (1) of this section or ~~\$300.00~~ \$250.00; or

(D) For C corporations with Vermont gross receipts from \$100,001.00–\$1,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$500.00; or

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

(F) For C corporations with Vermont gross receipts from ~~\$2,000,001.00–\$5,000,000.00~~ \$5,000,001.00–\$300,000,000.00, the greater of the amount determined under subdivision (1) of this section or ~~\$500.00~~ \$6,000.00; or

~~(E)~~(G) For C corporations with Vermont gross receipts greater than ~~\$5,000,000.00~~ \$300,000,000.00, the greater of the amount determined under subdivision (1) of this section or ~~\$750.00~~ \$100,000.00.

Sec. 5. 32 V.S.A. § 5833 is amended to read:

§ 5833. ALLOCATION AND APPORTIONMENT OF INCOME

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

(1) ~~The average of the value of all the real and tangible property within this State (A) at the beginning of the taxable year and (B) at the end of the taxable year (but the Commissioner may require the use of the average of such value on the 15th or other day of each month, in cases where he or she~~

determines that such computation is necessary to more accurately reflect the average value of property within Vermont during the taxable year), expressed as a percentage of all such property both within and outside this State;

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

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

~~(A)(1) Sales of tangible personal property are made in this State if;~~

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

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

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

~~(II) the corporation is not taxable in the State in which the purchaser takes possession.~~

~~(B)(2) Sales, other than the sale of tangible personal property, are in this State if the taxpayer's market for the sales is in this State. The taxpayer's market for sales is in this State:~~

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

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

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

~~(iv)(D) in the case of intangible property:~~

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

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

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

~~(bb)~~(II) receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of such intangible property under subdivision ~~(iv)~~(I)(D)(i) of this subdivision ~~(B)~~(2); and

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

~~(C)~~(3) If the state or states of assignment under subdivision ~~(B)~~(2) of this subsection cannot be determined, the state or states of assignment shall be reasonably approximated.

~~(D)~~(4) If the taxpayer is not taxable in a state to which a receipt is assigned under subdivision ~~(B)~~(2) or ~~(C)~~(3) of this subsection, or if the state of assignment cannot be determined under subdivision ~~(B)~~(2) of this subsection or reasonably approximated under subdivision ~~(C)~~(3) of this subsection, such receipt shall be excluded from the denominator of the receipts factor.

~~(E)~~(5) The Commissioner of Taxes shall adopt regulations as necessary to carry out the purposes of this section.

(6) A taxable corporation subject to apportionment under this section shall report to the Commissioner of Taxes:

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

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

* * *

Sec. 6. 32 V.S.A. § 5862(d) is amended to read:

(d) A taxable corporation which that is part of an affiliated group engaged in a unitary business shall be treated as a single taxpayer and shall file a group return containing the combined net income of the affiliated group and such other informational returns as the Commissioner shall require by rule. A unitary combined return shall include the income and apportionment factors of any taxable corporation incorporated in the United States or formed under the laws of any state, the District of Columbia, or any territory or possession of the United States and in a unitary relationship with the taxpayer. The income, gain, or losses from members of a combined group shall be combined to the extent allowed under the Internal Revenue Code for consolidated filing as if the combined group was a consolidated filing group, provided that a state tax credit shall not be combined and shall be limited to the member to which the credit is attributed.

Sec. 7. TRANSITION FROM JOYCE TO FINNIGAN METHOD

(a) For taxable years beginning on and after January 1, 2022, for purposes of determining whether sales are in Vermont and are included in the numerator of the sales apportionment factor, if the activities of any member of a unitary group create nexus with this State, then sales of tangible personal property into Vermont from outside the State by all members of the unitary group shall be included in the Vermont sales factor numerator.

(b) For taxable years beginning on January 1, 2022 and before January 1, 2023:

(1) If any member of a unitary group is taxable in another state, then sales of tangible personal property from a Vermont location into that state by any member of the unitary group shall be excluded from the Vermont sales factor numerator.

(2) If no member of a unitary group is taxable in another state, then sales of tangible personal property from a Vermont location into that state by all members of the unitary group shall be included in the Vermont sales factor numerator.

Sec. 8. RULEMAKING; REPORT

The Department of Taxes shall adopt rules relating to the unitary combined reporting requirements imposed under this act. The rules required under this section shall include a change from the *Joyce* to the *Finnigan* approach to applying Vermont jurisdiction to corporations within a unitary group. The Department shall report to the House Committee on Ways and Means and the Senate Committee on Finance, on or before January 15, 2023, on the

Department's proposed rules and any recommendations for legislation with respect to unitary combined reporting.

* * * Sales and Use Tax; Prewritten Computer Software * * *

Sec. 9. 32 V.S.A. § 9701(60) is added to read:

(60) "Vendor-hosted prewritten computer software" means prewritten computer software that is accessed through the Internet or a vendor-hosted server or platform, including where possession of the software is maintained by the vendor or a third party, regardless of:

(A) the method of delivery or transfer, including whether any downloading occurs;

(B) whether the access is permanent or temporary; and

(C) whether the charge for the right of access and for the service is on a per use, per user, per license, subscription, or some other basis.

Sec. 10. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this State. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

* * *

(7) tangible personal property to an advertising agency for its use in providing advertising services or creating advertising materials for transfer in conjunction with the delivery of advertising service; ~~or~~

(8) specified digital products transferred electronically to an end user regardless of whether for permanent use or less than permanent use and regardless of whether or not conditioned upon continued payment from the purchaser; or

(9) vendor-hosted prewritten computer software and the right to access and use vendor-hosted prewritten computer software to perform data processing services.

Sec. 11. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property or telecommunications service has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this State, except as otherwise exempted under this chapter:

* * *

(4) specified digital products transferred electronically to an end user; ~~and~~

(5) telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service; and

(6) vendor-hosted prewritten computer software and the right to access and use vendor-hosted prewritten computer software to perform data processing services.

Sec. 12. REPEAL

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

* * * Fees * * *

Sec. 13. 9 V.S.A. § 5302(f) is amended to read:

(f) Investment companies subject to 15 U.S.C. § 80a-1 et seq. shall pay to the Commissioner an initial notice filing fee of \$2,000.00 and an annual renewal fee of ~~\$1,500.00~~ \$1,750.00 for each portfolio or class of investment company securities for which a notice filing is submitted.

* * * Income Tax; Military Retirement Exclusion * * *

Sec. 14. 32 V.S.A. § 5811(21)(B) is amended to read:

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

* * *

(iii) recapture of State and local income tax deductions not taken against Vermont income tax; ~~and~~

(iv) the portion of federally taxable benefits received under the federal Social Security Act that is required to be excluded under section 5830e of this chapter; ~~and~~

(v) [Reserved.]

(vi) the first \$10,000.00 of federally taxable U.S. military retirement pay; and

* * *

Sec. 15. 32 V.S.A. § 5813(y) is added to read:

(y) The statutory purpose of the exclusion of the first \$10,000.00 of federally taxable U.S. military retirement pay in subdivision 5811(21)(B)(vi) of this title is to recognize the military service of Vermonters who derive part of their income from military retirement pay.

* * * Effective Dates * * *

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except:

(1) Secs. 3 (80/20 rule definitions), 4 (minimum corporate income tax), 5 (single sales factor and repeal of throwback), and 6–7 (Finnigan method and 80/20 rule) shall take effect on January 1, 2022 and apply to taxable years beginning on and after January 1, 2022.

(2) Secs. 9–12 (prewritten computer software) shall take effect on June 1, 2022.

(3) Notwithstanding 1 V.S.A. § 214, Secs. 14–15 (military retirement exemption) shall take effect on January 1, 2021 and shall apply to taxable years beginning on and after January 1, 2021.

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

An act relating to tax changes affecting corporations, menstrual products, military retirement income, and prewritten computer software, and investment security company fees.

NOTICE CALENDAR
Second Reading
Favorable with Proposal of Amendment
H. 18.

An act relating to sexual exploitation of children.

**Reported favorably with recommendation of proposal of amendment
by Senator White for the Committee on Judiciary.**

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

Sec. 1. 13 V.S.A. § 2821 is amended to read:

§ 2821. DEFINITIONS

As used in this chapter:

(1) “Child” means any person under 16 years of age.

(2) “Sexual conduct” means any of the following:

(A) any conduct involving contact between the penis and the vulva, the penis and the penis, the penis and the anus, the mouth and the penis, the mouth and the anus, the vulva and the vulva, or the mouth and the vulva;

(B) any intrusion, however slight, by any part of a person’s body or any object into the genital or anal opening of another with the intent of arousing, appealing to, or gratifying the lust, passions, or sexual desire of any person;

(C) any intentional touching, not through the clothing, of the genitals, anus, or breasts of another with the intent of arousing, appealing to, or gratifying the lust, passions, or sexual desire of any person;

(D) masturbation;

(E) bestiality; ~~or~~

(F) sadomasochistic abuse for sexual purposes; or

(G) any simulation of the conduct described in subdivisions (2)(A)–(F) of this section.

* * *

(7)(A) “Simulation” means the explicit depiction of any conduct described in subdivisions (2)(A)–(F) of this section that:

(i) involves a child as defined in subdivision (1) of this section;
(ii) creates the appearance of such conduct; and
(iii) exhibits naked genitals, buttocks, or breasts below the top of the areola.

(B) “Simulation” does not include paintings, drawings, or nonvisual or written descriptions of sexual conduct.

(C) “Simulation” applies only to conduct.

Sec. 2. 13 V.S.A. § 2638 is added to read:

§ 2638. IMMUNITY FROM LIABILITY

(a) As used in this section:

(1) “Human trafficking” has the same meaning as in section 2651 of this title.

(2) “Prostitution” has the same meaning as in section 2631 of this title.

(b) A person who, in good faith and in a timely manner, reports to law enforcement that the person is a victim of or a witness to a crime that arose from the person’s involvement in prostitution or human trafficking shall not be cited, arrested, or prosecuted for a violation of the following offenses:

(1) section 2632 of this title (prostitution);

(2) section 2601a of this title (prohibited conduct);

(3) 18 V.S.A. § 4230(a)(1)–(3) (cannabis possession);

(4) 18 V.S.A. § 4231(a)(1) and (2) (cocaine possession);

(5) 18 V.S.A. § 4232(a)(1) and (2) (LSD possession);

(6) 18 V.S.A. § 4233(a)(1) and (2) (heroin possession);

(7) 18 V.S.A. § 4234(a)(1) and (2) (depressant, stimulant, and narcotic drugs possession);

(8) 18 V.S.A. § 4234a(a)(1) and (2) (methamphetamine possession);

(9) 18 V.S.A. § 4235(b)(1) (hallucinogenic drugs possession); and

(10) 18 V.S.A. § 4235a(a)(1) (Ecstasy possession).

(c) The immunity provisions of this section apply only to the use and derivative use of evidence gained as a proximate result of the person reporting to law enforcement that the person is a victim of or a witness to a crime that arose from the person’s involvement in prostitution or human trafficking and

do not preclude prosecution of the person on the basis of evidence obtained from an independent source.

(d) A person who qualifies for immunity pursuant to subsection (b) or (c) of this section shall not be subject to the provisions of 18 V.S.A. chapter 84, subchapter 2 concerning property subject to forfeiture, except that prima facie contraband shall be subject to forfeiture.

(e) Except in cases of reckless or intentional misconduct, law enforcement shall be immune from liability for citing or arresting a person who is later determined to qualify for immunity under this section.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

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

An act relating to sexual exploitation of children and limited immunity from liability for a person reporting a crime.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for February 4, 2021, pages 129-130.)

H. 171.

An act relating to the governance and financing of Vermont's child care system.

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

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

* * * Legislative Intent * * *

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly:

(1) that immediate investments are necessary to support Vermont's economy, ensure that all families with young children have affordable access to high-quality child care and early education, and that Vermont's early childhood educators are fairly compensated and well supported; and

(2) to continue and build upon the five-year redesign of the Child Care Financial Assistance Program that began in fiscal year 2020.

* * * Child Care Financial Assistance Program * * *

Sec. 2. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period.

(2) ~~The subsidy authorized by this subsection shall be on a sliding scale basis. The scale shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the current federal poverty guidelines. The upper income limit of the fee scale shall be neither less than 200 percent of the current federal poverty guidelines nor more than 100 percent of the State median income, adjusted for the size of the family. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 150 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 350 percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by the subsection.~~ The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.

* * *

Sec. 3. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

* * *

(c)(1) The payment schedule established by the Commissioner may reimburse providers in accordance with the results of the most recent Vermont Child Care Market Rate Survey.

(2) The payment schedule shall include reimbursement rate caps tiered in relation to provider ratings in the Vermont STARS program. The lower limit of the reimbursement rate caps shall be not less than the 50th percentile of all reported rates for the same provider setting in each rate category.

Sec. 4. APPROPRIATION AND LEGISLATIVE INTENT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM

(a) In fiscal year 2022, \$5,529,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for the purpose of implementing Secs. 2 and 3 of this act.

(b) It is the intent of the General Assembly that:

(1) consideration be made in fiscal years 2023 through 2026 to progressively adjust the upper income limit of the Child Care Financial Assistance Program fee scale each year; and

(2) the co-payment at the upper limit of the income eligibility scale for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income.

* * * Bright Futures Information System * * *

Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM; MODERNIZATION PLAN

(a) Funds for the modernization of the Bright Futures Information System are located within the Technology Modernization Reserve.

(b)(1) On or before October 1, 2021, the Department for Children and Families' Child Development Division shall make every reasonable effort to achieve full functionality of the first module of the modernized Bright Futures Information System.

(2) On or before August 1, 2021, the Department for Children and Families' Child Development Division shall convene and consult with a Bright Futures Information System end-user group, composed of child care providers, eligibility specialists from community child care support agencies, families participating in the Child Care Financial Assistance Program, and any other relevant stakeholders. The Division shall provide periodic updates to the end-user group regarding the Division's progress in completing the modernization project and any successes or challenges identified once the modernized Bright Futures Information System is operational. The Division shall actively seek advice and feedback from the end-user group regarding the modernized Bright Futures Information System. The end-user group shall be dissolved following full functionality of all components of the modernized Bright Futures Information System.

* * * Workforce Supports * * *

Sec. 6. 33 V.S.A. chapter 35, subchapter 5 is added to read:

Subchapter 5. Workforce

§ 3541. SCHOLARSHIPS FOR CURRENT EARLY CHILDHOOD PROVIDERS

(a) There is established a need-based scholarship program for individuals employed by a regulated, privately operated center-based child care program or family child care home while acquiring credits in early childhood development or that are related directly to working with children from birth through eight years of age.

(b) The Department of Children and Families may contract for the administration of the program set forth in subsection (a) of this section and adopt policies, procedures, and guidelines necessary for its implementation.

(c) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(d) An individual shall not simultaneously participate in the scholarship program set forth in this section and the student loan repayment assistance program set forth in section 3543 of this title.

§ 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD PROVIDERS

(a)(1) There is established a need-based scholarship program for individuals pursuing a college degree in early childhood education or early childhood special education. The scholarship program shall provide financial assistance up to the full cost of tuition for an eligible individual.

(2) An eligible individual shall:

(A) attend a Vermont college or university at least part-time;

(B) be pursuing an associates or bachelor's degree in early childhood education or early childhood special education; and

(C) commit to working in a regulated, privately operated center-based child care program or family child care home in Vermont for years equal to those in which scholarship monies are sought under this section.

(b)(1) The Department for Children and Families shall adopt policies, procedures, and guidelines necessary for implementation of the program described in subsection (a) of this section.

(2) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c)(1) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(2) An eligible individual who does not work the required number of years in a regulated, privately operated center-based child care program or family child care home in Vermont after completion of the individual's degree program shall repay scholarship monies received under this section commensurate with the balance of the eligible individual's time commitment.

(d) An individual shall not simultaneously participate in the scholarship program set forth in this section and the student loan repayment assistance program set forth in section 3543 of this title.

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program for the purpose of providing student loan repayment assistance to any individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A) work in a privately operated center-based child care program or in a family child care home that is regulated by the Division for at least an average of 30 hours per week for 48 weeks of the year;

(B) receive an annual salary of not more than \$50,000.00; and

(C) have earned an associates or bachelor's degree with a major concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

(3) To participate in the program set forth in this section, an eligible individual shall submit to the Department for Children and Families documentation expressing the individual's intent to work in a regulated, privately operated center-based child care program or family child care home for at least the 12 months following the annual loan repayment award notification. A participant may receive up to \$4,000.00 annually in student loan repayment assistance, which shall be distributed by the Department in four allotments. The Department shall distribute at least one-quarter of the individual's total annual benefit after the individual has completed three months of employment in accordance with the program. The remainder of an

individual's total annual benefit shall be distributed by the Department every three months after the initial payment.

(b)(1) The Department shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

(2) Student loan repayments shall be available pursuant to this section on a first-come, first-served basis until appropriated funds are depleted.

(3) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c) An individual shall not simultaneously participate in the student loan repayment assistance program set forth in this section and either of the scholarship programs set forth in section 3541 or 3542 of this title.

Sec. 7. APPROPRIATION AND EVALUATION; EARLY CHILDHOOD WORKFORCE PROGRAMS

(a) In fiscal year 2022:

(1) \$300,000.00 is appropriated to the Department for Children and Families' Child Development Division for the current early childhood provider scholarship program established pursuant to 33 V.S.A. § 3541.

(2) \$400,000.00 is appropriated to the Department for Children and Families for the prospective early childhood provider scholarship program established pursuant to 33 V.S.A. § 3542.

(3) \$1,800,000.00 is appropriated to the Department for Children and Families for the student loan repayment assistance program established pursuant to 33 V.S.A. § 3543.

(b) On or before October 1, 2025, the Department for Children and Families' Child Development Division, in consultation with stakeholders, shall submit a report to the House Committees on Commerce and Economic Development and on Human Services and to the Senate Committees on Economic Development, Housing, and General Affairs and on Health and Welfare:

(1) evaluating the effectiveness of the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 at recruiting and retaining providers in Vermont's child care and early learning system; and

(2) recommending whether the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 shall be repealed in accordance with Sec. 8 of this act, retained and funded in their current state, or retained with amendment.

Sec. 8. REPEALS

(a) 33 V.S.A. § 3541(d) (reference to student loan repayment assistance program) is repealed on July 1, 2026.

(b) 33 V.S.A. § 3542 (scholarships for prospective early childhood providers) is repealed on July 1, 2026.

(c) 33 V.S.A. § 3543 (student loan repayment assistance program) is repealed on July 1, 2026.

* * * Building Bright Futures' Powers and Duties * * *

Sec. 9. 33 V.S.A. § 4603 is amended to read:

§ 4603. POWERS AND DUTIES

The Council established by section 4602 of this title shall have the following powers and duties necessary and appropriate to effectuating the purposes of this chapter:

(1) Advise the Administration and General Assembly on:

(A) the status and needs of the early care, health, and education system by conducting a review of the status of young children in Vermont and the care, health, and education services and systems that support them; and

(B) planning related to and the administration and operation of Vermont's child care system.

* * *

(3) Develop an early care, health, and education system plan for Vermont to serve as the basis for policy and funding recommendations, which shall reflect the growing diversity of Vermont's children and families.

* * *

(12) Convene members of the child care community, medical community, education community, business community, and other organizations, as well as State agencies serving young children, to ensure that families receive quality services in the most efficient and cost-effective manner.

* * *

* * * Recommendations on the American Rescue Plan Act of 2021 * * *

Sec. 10. RECOMMENDATIONS; AMERICAN RESCUE PLAN ACT OF 2021; CHILD CARE DEVELOPMENT BLOCK GRANT

(a) Purpose and membership. The Department for Children and Families, in coordination with Building Bright Futures, shall convene a child care working group composed of mutually agreed to stakeholders that reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color. Members of this working group shall include a representative from both the House Committee on Human Services and the Senate Committee on Health and Welfare, as well as individuals representing a range of employer and business interests, families, child care and afterschool providers, child welfare advocates, and consultation with any other individuals necessary to make recommendations for most effectively utilizing Child Care Development Block Grant funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to meet the immediate and future child care needs of Vermonters.

(b) Powers and duties. The working group shall make recommendations to the General Assembly to ensure that the use of the ARPA Child Care Development Block Grant is fully utilized. The working group shall consider the following priorities but need not be limited to consideration of the listed priorities:

(1) bridge funding necessary to ensure that the co-payment for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income;

(2) bridge funding to expand the Child Care Financial Assistance Program to families whose incomes are up to 400 percent of the current federal poverty level;

(3) funding necessary to complete the child care and early childhood education systems analysis and financing studies pursuant to Sec. 14 of this act;

(4) funding necessary to implement the child care workforce support programs established in 33 V.S.A. chapter 35, subchapter 5;

(5) increased access to high-quality infant care;

(6) access to high-quality, affordable child care for culturally and racially diverse families;

(7) support and assistance to stabilize regulated, privately operated center-based child care programs and family child care homes; and

(8) the identification of any statutory or regulatory barriers to using the ARPA funds to address the immediate and future child care needs of Vermonters.

(c) Report. On or before November 30, 2021, the Department for Children and Families shall submit a written report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare containing the working group's recommendations.

(d) Meetings.

(1) The Commissioner for Children and Families or designee and the Executive Director of Building Bright Futures shall call the first meeting of the working group and shall serve as Co-Chairs.

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

(3) The working group shall cease to exist on December 1, 2021.

Sec. 11. RECOMMENDATIONS; AMERICAN RESCUE PLAN ACT OF 2021; CHILD CARE STABILIZATION GRANTS

(a) Purpose and membership. The Department for Children and Families, in coordination with Building Bright Futures, shall convene a child care working group composed of mutually agreed to stakeholders that reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color. Members of this working group shall include a representative from both the House Committee on Human Services and the Senate Committee on Health and Welfare, child care and afterschool providers, and consultation with any other individuals necessary to make recommendations for most effectively utilizing Child Care Stabilization Grants funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to meet the immediate and future child care needs of Vermonters.

(b) Powers and duties. The working group shall make recommendations to ensure that the use of the ARPA Child Care Stabilization Grants funding is fully utilized in a timely manner.

(c) Report and approval. On or before September 1, 2021, the Department shall submit a written report with the working group's recommendations to the Chairs of the House Committee on Human Services and the Senate Committee on Health and Welfare or their designees. The Chairs or their designees shall review the report and recommend to the Joint Fiscal Committee whether or not to approve the report's recommendations. After review of the report and the recommendations of the Chairs or their designees, the Joint Fiscal Committee

shall approve the report's recommendation, disapprove the report's recommendation, or direct the Department to amend and resubmit the report to the Chairs by a date certain. Upon approval by the Joint Fiscal Committee, the Department shall distribute funds according to the report's recommendations.

(d) Meetings.

(1) The Commissioner for Children and Families or designee and the Executive Director of Building Bright Futures shall call the first meeting of the working group and shall serve as Co-Chairs.

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

(3) The working group shall cease to exist on January 1, 2022.

* * * Studies and Reports * * *

Sec. 12. REPORT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ENROLLMENT MODEL

On or before July 1, 2022, the Department for Children and Families' Child Development Division shall submit to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare analyses addressing the costs and policy implications associated with moving from an attendance-based model to an enrollment-based model in the Child Care Financial Assistance Program.

Sec. 13. CHILD CARE AND EARLY CHILDHOOD EDUCATION
SYSTEMS ANALYSIS STUDY

(a)(1) On or before September 1, 2021, Building Bright Futures shall develop and issue a request for proposals to select an independent consulting entity with expertise in the field of child care and early childhood education to provide an analysis and recommendations on Vermont's child care and early education systems for children from birth through five years of age. The development of the request for proposals and selection of an independent consulting entity shall be done in consultation with the Chairs of the House Committee on Human Services and the Senate Committee on Health and Welfare or their designees.

(2) On or before July 1, 2022, the independent consulting entity shall submit the analysis and recommendations to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the following:

(A) existing child care and early childhood education systems and administrative stakeholders and structures, including functions that are currently not staffed or understaffed;

(B) emerging system needs;

(C) stakeholder engagement in decision-making processes and State plan development;

(D) mechanisms to strengthen system oversight and leverage current system strengths;

(E) identification of existing needs and challenges;

(F) ensuring data driven accountability for improvement of the current well-being and future outcomes of children and families; and

(G) ensuring that an antiracist approach is utilized in modifying existing policies and procedures and creating new policies and procedures.

(b) All findings and recommendations provided pursuant to this section shall:

(1) be divided by birth through five years of age and six years of age through 12 years of age; and

(2) rely on the work and advice provided pursuant to Sec. 10 of this act.

(c) As used in this section, “child care and early childhood education” means programming provided at a center-based child care program or family child care home regulated by the Department for Children and Families’ Child Development Division that serves children from birth through 12 years of age.

(d) In fiscal year 2022, \$200,000.00 is appropriated to the Department for Children and Families from the General Fund for the purpose of enabling Building Bright Futures to contract with an independent consulting entity pursuant to this section.

Sec. 14. CHILD CARE AND EARLY CHILDHOOD EDUCATION FINANCING STUDY

(a) On or before July 1, 2022, the Joint Fiscal Office shall contract with an economist or independent consulting entity with expertise in the field of child care and early childhood education to evaluate the economic impacts of and potential funding mechanisms to adjusting Vermont’s existing child care system regulated pursuant to 33 V.S.A. chapter 35 for children from birth through five years of age with consideration given to the intersection of and impacts on child care for children from six years of age through 12 years of age in alignment with the recommendations of the Universal Afterschool Task Force established pursuant to 2020 Acts and Resolves No. 154, Sec. B.1120.1. The work of the economist or independent consulting entity shall be governed by the following goals:

(1) that a family does not spend more than 10 percent of its gross annual income on child care;

(2) that child care providers receive compensation that is commensurate with peers in other fields; and

(3) the utilization of a cost of care model versus a market rate model in the Child Care Financial Assistance Program.

(b)(1) On or before December 1, 2022, the consultant shall submit preliminary results to the Joint Fiscal Office and to the Chairs of the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare.

(2) On or before January 15, 2023, the consultant shall submit to the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare multiple financing options for public and private funding sources, including a final report that:

(A) projects the costs of expanding the State's child care benefit to more families in accordance with this section, requiring commensurate pay for providers, and utilizing cost of care in the Child Care Financial Assistance Program and the feasibility of implementing each policy in Vermont, both separately and jointly; and

(B) identifies and determines the feasibility of implementing stable, long-term funding sources to finance an affordable, high-quality early child care system for children from birth through five years of age.

* * * Federal Funding, Administration * * *

Sec. 15. FEDERAL FUNDS; ANTICIPATED RECEIPTS

(a) To the extent that appropriations in this act are made from federal funds provided by the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA), including State holding funds that are established as a result of the ARPA, the Commissioner of Finance and Management is authorized to make expenditures in anticipation of receipts as necessary. In the event monies received by the State under ARPA cannot be used for their designated purpose, appropriations shall instead be made from the General Fund.

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

* * * Effective Dates * * *

Sec. 16. EFFECTIVE DATES

(a) This section and Secs. 10 (recommendations; American Rescue Plan Act of 2021; Child Care Development Block Grant) and 11 (recommendations; American Rescue Plan Act of 2021; Child Care Stabilization Grants) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2021, except that Secs. 2 (Child Care Financial Assistance Program; eligibility) and 3 (payment to providers) shall take effect on October 1, 2021.

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

An act relating to child care systems and financing.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 24, 2021, pages 450-474.)

H. 433.

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

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

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

* * * Transportation Program Adopted as Amended; Definitions * * *

Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

(a) The Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program appended to the Agency of Transportation's proposed fiscal year 2022 budget, as amended by this act, is adopted to the extent federal, State, and local funds are available.

(b) As used in this act, unless otherwise indicated:

(1) "Agency" means the Agency of Transportation.

(2) "Electric bicycle" means a bicycle equipped with fully operable pedals, a saddle or seat for the rider, and an electric motor of less than 750 watts.

(3) “Electric vehicle supply equipment (EVSE)” has the same meaning as in 30 V.S.A. § 201.

(4) “Plug-in electric vehicle (PEV),” “plug-in hybrid electric vehicle (PHEV),” and “battery electric vehicle (BEV)” have the same meanings as in 23 V.S.A. § 4(85).

(5) “Secretary” means the Secretary of Transportation.

(6) “TIB funds” means monies deposited in the Transportation Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

(7) The table heading “As Proposed” means the Proposed Transportation Program referenced in subsection (a) of this section; the table heading “As Amended” means the amendments as made by this act; the table heading “Change” means the difference obtained by subtracting the “As Proposed” figure from the “As Amended” figure; and the terms “change” or “changes” in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net “Change” in the applicable table heading.

(c) In the Agency of Transportation’s Proposed Fiscal Year 2022 Transportation Program for Town Highway Aid, the value “\$26,017,744” is struck and “\$27,105,769” is inserted in lieu thereof to correct a typographic error.

* * * Summary of Transportation Investments * * *

Sec. 2. FISCAL YEAR 2022 TRANSPORTATION INVESTMENTS
INTENDED TO REDUCE TRANSPORTATION-RELATED
GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL
USE, AND SAVE VERMONT HOUSEHOLDS MONEY

This act includes the State’s fiscal year 2022 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money in furtherance of the policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive Energy Plan and to satisfy the Executive and Legislative Branches’ commitments to the Paris Agreement climate goals. In fiscal year 2022, these efforts will include the following:

(1) Park and Ride Program. This act provides for a fiscal year expenditure of \$5,220,233.00, which will fund three park and ride construction projects, including the creation of two new park and ride facilities; the design of two additional park and ride facilities scheduled for construction in future fiscal years; and paving projects for existing park and ride facilities. This year’s Park and Ride Program will create 226 new State-owned spaces. Specific additions and improvements include:

- (A) Berlin (Exit 6)—Design for 62 spaces;
- (B) Berlin (Exit 7)—Construction of 34 new spaces;
- (C) Manchester—Design for 50 spaces;
- (D) Williamstown-Northfield (Exit 5)—Construction of 50 new spaces; and
- (E) Williston—Construction of 142 new spaces.

(2) Bike and Pedestrian Facilities Program. This act, in concert with 2020 Acts and Resolves No. 139, Sec. 12(b)(1), provides for a fiscal year expenditure, including local match, of \$21,180,936.00, which will fund 27 bike and pedestrian construction projects; two new pedestrian bridge installations; and 12 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years. The construction projects include the creation, improvement, or rehabilitation of walkways, sidewalks, shared-use paths, bike paths, and cycling lanes. In addition to the Lamoille Valley Rail Trail, which will run from Swanton to St. Johnsbury, projects are funded in Arlington, Bennington, Brattleboro, Chester, Colchester-Essex, Dover, East Montpelier, Enosburg Falls, Hartford, Hartland, Hinesburg, Jericho, Johnson, Lincoln, Middlebury, Moretown, Plainfield, Poultney, Proctor, Richford, Rutland City, Shelburne, South Burlington, Springfield, St. Albans City, Swanton, Underhill, Vergennes, Waitsfield, Waterbury, Williston, Wilmington, and Winooski. This act also provides State funding for some of Local Motion’s operation costs to run the Bike Ferry on the Colchester Causeway, which is part of the Island Line Trail; funding for the small-scale municipal bicycle and pedestrian grant program for projects to be selected during the fiscal year; and funding for bicycle and pedestrian education activities being conducted through a grant to Local Motion.

(3) Transportation Alternatives Program. This act provides for a fiscal year expenditure of \$5,567,868.00, including local funds, which will fund 22 transportation alternatives construction projects and 20 transportation alternatives design, right-of-way, or design and right-of-way projects. Of these 42 projects, seven involve environmental mitigation related to clean water, stormwater, or both clean water and stormwater concerns, and nine involve bicycle and pedestrian facilities. Projects are funded in Bennington, Bridgewater, Bridport, Burlington, Castleton, Chester, Colchester, Derby, Duxbury, East Montpelier, Enosburg, Essex, Essex Junction, Fair Haven, Fairfax, Franklin, Granville, Hartford, Hyde Park, Jericho, Montgomery, Newfane, Norwich, Pittsford, Proctor, Rutland Town, South Burlington, St. Albans City, St. Johnsbury, Vergennes, Warren, Wilmington, and Winooski.

(4) Public Transit Program.

(A) Sec. 24 of this act expresses the General Assembly’s intent that all public transit, both rural and urban, be operated on a zero-fare basis in fiscal year 2022, as practicable and, in the case of urban routes, as approved by the governing body of the transit agency, with monies for public transit from the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (CARES Act); the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260; and the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA).

(B) Sec. 25 of this act requires the Agency to review and implement coordinated intermodal connections, to the extent practicable, to ensure efficient and accessible intermodal transportation opportunities in Vermont and support the cross promotion of intermodal connections.

(C) Sec. 27 of this act requires the Agency to prepare a long-range plan that outlines the costs, timeline, training, maintenance, and operational actions required to move to a fully electric public transportation fleet.

(D) This act also authorizes \$45,821,522.00 in funding for public transit uses throughout the State, which is an 11.1 percent increase over fiscal year 2021 levels and a 24.4 percent increase over fiscal year 2020 levels. Included in the authorization are:

(i) Go! Vermont, with an authorization of \$793,400.00. This authorization supports the promotion and use of carpools and vanpools.

(ii) Vermont Kidney Association Grant, with an authorization of \$50,000.00. This authorization supports the transit needs of Vermonters in need of dialysis services.

(iii) Opioid Treatment Pilot, with an authorization of \$84,064.00. This authorization supports the transit needs of Vermonters in need of opioid treatment services.

(5) Rail Program. This act authorizes \$36,780,019.00, including local funds, for intercity passenger rail service and rail infrastructure throughout the State, including modifications to the Burlington Vermont Rail Systems railyard to accommodate overnight servicing to facilitate New York City–Burlington rail service.

(6) Transformation of the State Vehicle Fleet. The Department of Buildings and General Services, which manages the State Vehicle Fleet, currently has 25 PHEVs and two BEVs in the State Vehicle Fleet. In fiscal year 2022, the Department of Buildings and General Services expects to add 12 additional PHEVs and eight additional BEVs to the fleet.

(7) Electric vehicle supply equipment. In furtherance of the State's goal to increase the presence of EVSE in Vermont:

(A) Sec. 22 of this act authorizes up to \$1,000,000.00 to the Interagency EVSE Grant Program for a pilot program for EVSE at multi-unit affordable housing and multi-unit dwellings owned by a nonprofit; and

(B) Sec. 23 of this act sets a State goal to have a level 3 EVSE charging port available to the public within five miles of every exit of the Dwight D. Eisenhower National System of Interstate and Defense Highways within the State and 50 miles of another level 3 EVSE charging port available to the public along a State highway and requires the annual filing of an up-to-date map showing the locations of all level 3 EVSE available to the public within the State with the House and Senate Committees on Transportation until this goal is met.

(8) Vehicle incentive programs and expansion of the PEV market.

(A) Incentive Program for New PEVs and partnership with Drive Electric Vermont. Sec. 10 of this act authorizes:

(i) up to an additional \$250,000.00 for the Agency to continue and expand the Agency's public-private partnership with Drive Electric Vermont to support the expansion of the PEV market in the State; and

(ii) at least \$3,000,000.00 for PEV purchase and lease incentives under the Incentive Program for New PEVs, which is the State's program to incentivize the purchase and lease of new PEVs, and capped administrative costs.

(B) MileageSmart. Sec. 13 of this act authorizes up to \$750,000.00 for purchase incentives under MileageSmart, which is the State's used high-fuel-efficiency vehicle incentive program, and capped administrative costs.

(C) Emissions repairs. Sec. 18 of this act authorizes up to \$375,000.00 for emissions repair vouchers and capped startup and administrative costs.

(D) Replace Your Ride Program. Sec. 20 of this act creates a new program to be known as the Replace Your Ride Program, which will be the State's program to incentivize Vermonters to remove older low-efficiency vehicles from operation and switch to modes of transportation that produce fewer greenhouse gas emissions, and authorizes up to \$1,500,000.00 for incentives under the Program and capped startup and administrative costs.

(E) Electric bicycle incentives. Sec. 21 of this act authorizes up to \$50,000.00 for \$200.00 incentives for the purchase of an electric bicycle.

(9) PEV rate design. Sec. 26 of this act requires the State’s electric distribution utilities to implement PEV rates for public and private EVSE not later than June 30, 2024.

(10) Transportation equity framework. Sec. 35 of this act requires the Agency, in consultation with the State’s 11 Regional Planning Commissions (PRCs), to complete and report back on a comprehensive analysis of the State’s existing transportation programs and develop a recommendation on a transportation equity framework that can be used to advance mobility equity, which is a transportation system that increases access to mobility options, reduces air pollution, and enhances economic opportunity for Vermonters in communities that have been underserved by the State’s transportation system. As part of this analysis, the RPCs are required to engage in a targeted public outreach process.

* * * Highway Maintenance * * *

Sec. 3. HIGHWAY MAINTENANCE

Within the Agency of Transportation’s Proposed Fiscal Year 2022 Transportation Program for Maintenance, spending is amended as follows:

<u>FY22</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Personal Services	45,339,790	45,339,790	0
Operating Expenses	57,902,709	57,902,709	0
Grants	277,000	277,000	0
Total	103,519,499	103,519,499	0
<u>Sources of funds</u>			
State	92,516,712	87,191,712	-5,325,000
Federal	10,902,787	16,227,787	5,325,000
Interdepartmental Transfer	100,000	100,000	0
Total	103,519,499	103,519,499	0

* * * Bridge 61; Program Development; Town Highway Bridges * * *

Sec. 4. BRIDGE 61 IN SPRINGFIELD, VT

(a) Within the Agency of Transportation’s Proposed Fiscal Year 2022 Transportation Program, the following project is moved from Program Development to Town Highway Bridges: Springfield BF 1034(49).

(b) Authorized spending for Springfield BF 1034(49) is not modified in any way.

* * * Repeal of U.S. Route 4 Permit * * *

Sec. 5. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly not to repeal 23 V.S.A. § 1432(c), pursuant to Secs. 6 and 36(b) of this act, until the Agency of Transportation:

(1) works with the Town of Woodstock to identify safety concerns related to tractor trailers traveling through the Town on U.S. Route 4; and

(2) incorporates improvements it determines, in its sole authority, are feasible within the town highway right-of-way and scope of work for Woodstock NH PC21(5) within the Agency's Proposed Fiscal Year 2022 Transportation Program for Program Development—Paving.

(b) The project identified as Woodstock NH PC21(5) is expected to be completed during the summer 2021 construction season and there is no projected fiscal year 2023 funding for the project included in the Proposed Fiscal Year 2022 Transportation Program, so having the repeal of 23 V.S.A. § 1432(c) be effective on January 1, 2022 should provide sufficient time for the Agency to work with the Town to design and complete the project identified as Woodstock NH PC21(5) and the Town to make any additional improvements that it deems necessary.

Sec. 6. 23 V.S.A. § 1432(c) is amended to read:

~~(c) Operation on U.S. Route 4. Notwithstanding any other law to the contrary, vehicles with a trailer or semitrailer that are longer than 68 feet but not longer than 75 feet may be operated with a single or multiple trip overlength permit issued at no cost by the Department of Motor Vehicles or, for a fee, by an entity authorized in subsection 1400(d) of this title on U.S. Route 4 from the New Hampshire state line to the junction of VT Route 100 south, provided the distance from the kingpin of the semitrailer to the center of the rearmost axle group is not greater than 41 feet. [Repealed.]~~

* * * Federal Infrastructure Funding * * *

Sec. 7. FEDERAL INFRASTRUCTURE FUNDING

(a) Notwithstanding Sec. 1 of this act; 2020 Acts and Resolves No. 121, Sec. 1; 19 V.S.A. § 10g(n); and 32 V.S.A. § 706, if a federal infrastructure bill or other federal legislation that provides for infrastructure funding is enacted that provides Vermont with additional federal funding for transportation-related projects, the Secretary, with approval from the Joint Transportation

Oversight Committee pursuant to subdivision (c)(2) of this section, is authorized to exceed federal monies spending authority in the Fiscal Year 2021 and Fiscal Year 2022 Transportation Programs and to obligate and expend federal monies and up to \$2,000,000.00 in State Transportation Fund monies on development and evaluation for additional projects that meet federal eligibility and readiness criteria and have been evaluated through the Agency's prioritization process but are not in the Fiscal Year 2021 or Fiscal Year 2022 Transportation Program.

(b) Nothing in subsection (a) of this section shall be construed to authorize the Secretary to obligate or expend:

(1) State TIB funds above amounts authorized in the Fiscal Year 2021 or Fiscal Year 2022 Transportation Program; or

(2) State Transportation Fund monies if the Agency does not:

(A) expect to accept and obligate federal monies pursuant to subsection (a) of this section in an amount sufficient to cover the additional expenditure of State Transportation Fund monies; and

(B) expect the projects for which State Transportation Fund monies are used to eventually be eligible for funding entirely through federal monies.

(c)(1) The Agency shall promptly report the obligation or expenditure of monies under the authority of this section to the House and Senate Committees on Transportation and to the Joint Fiscal Office while the General Assembly is in session.

(2)(A) Consistent with 19 V.S.A. § 12b(c), the Agency shall promptly report any changes in the availability of federal funds and the anticipated obligation or expenditure of monies under the authority of this section to the Joint Fiscal Office, the Joint Fiscal Committee, and the Joint Transportation Oversight Committee.

(B) If the Joint Transportation Oversight Committee disapproves of the anticipated obligation or expenditure of monies under the authority of this section, it shall provide notice of that disapproval, and an explanation of the basis for the disapproval, to the Agency within 30 calendar days following receipt of the report of the anticipated expenditure.

(C) If the Joint Transportation Oversight Committee disapproves of an anticipated obligation or expenditure of monies under subdivision (B) of this subdivision (2), the Agency may revise and resubmit for further consideration.

(D) If the Joint Transportation Oversight Committee does not disapprove of the anticipated obligation or expenditure of monies under the authority of this section within 30 calendar days of receipt of the report of the anticipated obligation or expenditure or receipt of a revised submittal, then the anticipated obligation or expenditure is deemed approved.

(d) Subsections (a) and (b) of this section shall continue in effect until February 1, 2022.

* * * Town Highway Structures and
Class 2 Town Highway Roadway Programs * * *
* * * Fiscal Year 2022 * * *

Sec. 8. TOWN HIGHWAY STRUCTURES AND CLASS 2 TOWN
HIGHWAY ROADWAY PROGRAMS IN FISCAL YEAR 2022

Within the Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program for Town Highway Structures and Town Highway Class 2 Roadway, collective spending between the two programs is amended by increasing the total authorization for the two programs combined by \$3,000,000.00 in one-time Transportation Fund monies. The Agency shall determine, based on municipal need, how to distribute the increased authorization between the two programs.

* * * Fiscal Year 2021 * * *

Sec. 9. TOWN HIGHWAY STRUCTURES AND CLASS 2 TOWN
HIGHWAY ROADWAY PROGRAMS IN FISCAL YEAR 2021

Notwithstanding any other provision of law, in fiscal year 2022, the Agency is authorized to reimburse, subsequent to performance of the work, municipalities for projects awarded a grant under the Town Highway Structures and Class 2 Town Highway Roadway Programs for costs incurred during fiscal year 2021.

* * * One-Time Transportation Fund Monies Authorizations for
Electrification of the Transportation Sector * * *
* * * Incentive Program for New PEVs; Partnership with Drive Electric * * *

Sec. 10. INCENTIVE PROGRAM FOR NEW PEVS; PARTNERSHIP WITH
DRIVE ELECTRIC VERMONT

(a) The Agency is authorized to spend up to \$3,250,000.00 in one-time Transportation Fund monies in fiscal years 2021 and 2022 combined on the Incentive Program for New PEVs established in 2019 Acts and Resolves No. 59, Sec. 34, as amended, and its partnership with Drive Electric Vermont with:

(1) Up to \$250,000.00 of that \$3,250,000.00 available in fiscal year 2022 to continue and expand the Agency's public-private partnership with Drive Electric Vermont to support the expansion of the PEV market in the State.

(2) At least \$3,000,000.00 of that \$3,250,000.00 for PEV purchase and lease incentives and administrative costs as allowed under subsection (b) of this section. If less than \$250,000.00 is expended on the public-private partnership with Drive Electric Vermont under subdivision (1) of this subsection, then the balance of that \$250,000.00 shall only be authorized for additional PEV purchase and lease incentives and administrative costs as allowed under subsection (b) of this section.

(b) The Agency shall use not more than 10 percent of the authorization under subdivision (a)(2) of this section for costs associated with the administration of the Program.

Sec. 11. 2019 Acts and Resolves No. 59, Sec. 34(a)(4), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

~~(4) The Agency shall administer the program described in subsection (b) of this section through no-cost contracts with the State's electric distribution utilities. [Repealed.]~~

Sec. 12. 2019 Acts and Resolves No. 59, Sec. 34(b), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

(b) Electric vehicle incentive program. ~~A new PEV purchase and lease~~ An incentive program for Vermont residents to purchase and lease new PEVs shall structure PEV purchase and lease incentive payments by income to help Vermonters benefit from electric driving, including Vermont's most vulnerable. The program shall be known as the ~~New PEV Incentive Program for New PEVs~~. Specifically, the ~~New PEV Incentive Program for New PEVs~~ shall:

* * *

(2) provide not more than one incentive of \$1,500.00 for a PHEV or \$2,500.00 for a BEV, per individual per year, to:

(A) an individual domiciled in the State whose federal income tax filing status is single or head of household with an adjusted gross income under the laws of the United States greater than \$50,000.00 and at or below \$100,000.00;

(B) an individual domiciled in the State whose federal income tax filing status is surviving spouse with an adjusted gross income under the laws of the United States greater than ~~\$50,000.00~~ \$75,000.00 and at or below \$125,000.00;

(C) an individual who is part of a married couple with at least one spouse domiciled in the State whose federal income tax filing status is married filing jointly with an adjusted gross income under the laws of the United States greater than ~~\$50,000.00~~ \$75,000.00 and at or below \$125,000.00; or

(D) an individual who is part of a married couple with at least one spouse domiciled in the State and at least one spouse whose federal income tax filing status is married filing separately with an adjusted gross income under the laws of the United States greater than \$50,000.00 and at or below \$100,000.00;

(3) provide not more than one incentive of \$3,000.00 for a PHEV or \$4,000.00 for a BEV, per individual per year, to:

(A) an individual domiciled in the State whose federal income tax filing status is single; or head of household; ~~or surviving spouse~~ with an adjusted gross income under the laws of the United States at or below \$50,000.00;

(B) an individual domiciled in the State whose federal income tax filing status is surviving spouse with an adjusted gross income under the laws of the United States at or below \$75,000.00;

~~(B)~~(C) an individual who is part of a married couple with at least one spouse domiciled in the State whose federal income tax filing status is married filing jointly with an adjusted gross income under the laws of the United States at or below ~~\$50,000.00~~ \$75,000.00; or

~~(C)~~(D) an individual who is part of a married couple with at least one spouse domiciled in the State and at least one spouse whose federal income tax filing status is married filing separately with an adjusted gross income under the laws of the United States at or below \$50,000.00;

(4) provide not more than five incentives of either \$3,000.00 for a PHEV or \$4,000.00 for a BEV, or a combination thereof, to a tax-exempt organization incorporated in the State for the purpose of providing Vermonters with transportation alternatives to personal vehicle ownership; and

~~(4)~~(5) apply to manufactured PEVs with a Base Manufacturer's Suggested Retail Price (MSRP) of \$40,000.00 or less; ~~and~~

~~(5) provide not less than \$1,100,000.00, of the initial \$2,000,000.00 authorization, and up to an additional \$2,050,000.00 in fiscal year 2021 in PEV purchase and lease incentives.~~

* * * MileageSmart * * *

Sec. 13. MILEAGESMART

In fiscal years 2021 and 2022 combined, the Agency is authorized to spend up to \$750,000.00 in one-time Transportation Fund monies on MileageSmart, which was established in 2019 Acts and Resolves No. 59, Sec. 34, as amended, with up to 10 percent of the total amount that is distributed in incentives in fiscal year 2022, including incentive funding authorized by this section and incentive funding carried over from prior fiscal years pursuant to 2019 Acts and Resolves No. 59, Sec. 34, as amended, available for costs associated with administering MileageSmart.

Sec. 14. 2019 Acts and Resolves No. 59, Sec. 34(c)(1), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

(1) The high fuel efficiency vehicle incentive program shall be known as MileageSmart and shall:

* * *

(B) provide point-of-sale vouchers through the State's network of community action agencies and base set income eligibility for the voucher on the same criteria used for income qualification for weatherization services through the Weatherization Program at 80 percent of the State median income; and

* * *

* * * Emissions Repair Program * * *

Sec. 15. 2019 Acts and Resolves No. 59, Sec. 34(a)(3), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

(3) Subject to State procurement requirements, the Agency may retain a contractor or contractors to assist with marketing, program development, and administration of the programs. Up to \$150,000.00 of program funding may be set aside for this purpose for the programs program described in subsection (c) of this section in fiscal year 2020 and \$50,000.00 of program funding shall be set aside for this purpose for the programs program described in subdivision subsection (c)(1) of this section in fiscal year 2021.

Sec. 16. 2019 Acts and Resolves No. 59, Sec. 34(a)(5), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

(5) The Agency shall annually evaluate the programs to gauge effectiveness and submit a written report on the effectiveness of the programs to the House and Senate Committees on Transportation, the House Committee on Energy and Technology, and the Senate Committee on Finance on or before the 31st day of January in each year following a year that an incentive or repair voucher was provided through one of the programs. Notwithstanding 2 V.S.A. § 20(d), the annual report required under this section shall continue to be required if an incentive or repair voucher is provided through one of the programs unless the General Assembly takes specific action to repeal the report requirement.

Sec. 17. 2019 Acts and Resolves No. 59, Sec. 34(c), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

(c) High fuel efficiency vehicle incentive and emissions repair programs program. Used A used high fuel efficiency vehicle purchase incentive and emissions repair programs program for Vermont residents shall structure high fuel efficiency purchase incentive payments and emissions repair vouchers by income to help Vermonters benefit from more efficient driving, including Vermont's most vulnerable. Not less than \$750,000.00 shall be provided in point-of-sale and point-of-repair vouchers.

* * *

(2) ~~The emissions repair program shall:~~

~~(A) apply to repairs of certain vehicles that failed the on-board diagnostic (OBD) systems inspection;~~

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

~~(C) provide a point-of-repair voucher to repair a motor vehicle that was ready for testing, failed the OBD systems inspection, requires repairs that are not under warranty, and will be able to pass the State's vehicle inspection once the repairs are made provided that the point-of-repair voucher is commensurate with the fair market value of the vehicle to be repaired and does~~

~~not exceed \$2,500.00, with \$2,500.00 vouchers only being available to repair vehicles with a fair market value of at least \$5,000.00. [Repealed.]~~

Sec. 18. EMISSIONS REPAIR PROGRAM

(a) Program creation. The Department of Environmental Conservation, in consultation with the Agency of Transportation, shall establish and administer an emissions repair program that shall:

(1) apply to repairs of certain vehicles that failed the on board diagnostic (OBD) systems inspection;

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

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

(b) Authorization and transfer. In fiscal year 2022, the Agency of Transportation is authorized to transfer \$375,000.00 in one-time Transportation Fund monies to the Department of Environmental Conservation for the emissions repair program established under this section, with up to \$50,000.00 of that \$375,000.00 transfer available for start-up costs and outreach education and up to \$125,000.00 of that \$375,000.00 transfer available for costs associated with developing and administering the emissions repair program.

* * * Repeal of Emissions Inspections Waiver * * *

Sec. 19. REPEALS

(a) 2018 Acts and Resolves No. 206, Sec. 23(e) (establishment of emissions inspections waiver) is repealed on December 31, 2022.

(b) 2018 Acts and Resolves No. 158, Sec. 42(e) (establishment of emissions inspections waiver) is repealed on December 31, 2022.

* * * Replace Your Ride Program * * *

Sec. 20. REPLACE YOUR RIDE PROGRAM

(a) Program creation. The Agency of Transportation, in consultation with the Departments of Environmental Conservation and of Public Service, shall expand upon the vehicle incentive programs established under 2019 Acts and Resolves No. 59, Sec. 34, as amended, to provide additional incentives for Vermonters with low income through a program to be known as the Replace Your Ride Program.

(b) Incentive amount. The Replace Your Ride Program shall provide up to a \$3,000.00 incentive, which may be in addition to any other available incentives, including through a program funded by the State, to individuals who qualify based on both income and the removal of an internal combustion vehicle. Only one incentive per individual is available under the Replace Your Ride Program and incentives shall be provided on a first-come, first-served basis once the Replace Your Ride Program is operational.

(c) Eligibility. Applicants must qualify through both income and the removal of an eligible vehicle with an internal combustion engine.

(1) Income eligibility. The following applicants meet the income eligibility requirement:

(A) an individual domiciled in the State whose federal income tax filing status is single or head of household, with an adjusted gross income under the laws of the United States at or below \$50,000.00;

(B) an individual domiciled in the State whose federal income tax filing status is surviving spouse with an adjusted gross income under the laws of the United States at or below \$75,000.00;

(C) an individual who is part of a married couple with at least one spouse domiciled in the State whose federal income tax filing status is married filing jointly with an adjusted gross income under the laws of the United States at or below \$75,000.00;

(D) an individual who is part of a married couple with at least one spouse domiciled in the State and at least one spouse whose federal income tax filing status is married filing separately with an adjusted gross income under the laws of the United States at or below \$50,000.00; or

(E) an individual who qualifies for an incentive under MileageSmart, which is set at 80 percent of the State median income.

(2) Vehicle removal.

(A) In order for an individual to qualify for an incentive under the Replace Your Ride Program, the individual must remove an older low-efficiency vehicle from operation and switch to a mode of transportation that produces fewer greenhouse gas emissions. The entity that administers the Replace Your Ride Program, in conjunction with the Agency of Transportation, shall establish Program guidelines that specifically provide for how someone can show that the vehicle removal eligibility requirement has been, or will be, met.

(B) For purposes of the Replace Your Ride Program:

(i) An “older low-efficiency vehicle”:

(I) is currently registered, and has been for two years prior to the date of application, with the Vermont Department of Motor Vehicles;

(II) is currently titled in the name of the applicant and has been for at least one year prior to the date of application;

(III) has a gross vehicle weight rating of 10,000 pounds or less;

(IV) is at least 10 model years old;

(V) has an internal combustion engine; and

(VI) passed the annual inspection required under 23 V.S.A. § 1222 within the prior year.

(ii) Removing the older low-efficiency vehicle from operation must be done by disabling the vehicle’s engine from further use and fully dismantling the vehicle for either donation to a nonprofit organization to be used for parts or destruction.

(iii) The following qualify as a switch to a mode of transportation that produces fewer greenhouse gas emissions:

(I) purchasing or leasing a new or used PEV;

(II) purchasing a new or used bicycle, electric bicycle, or motorcycle that is fully electric, and the necessary safety equipment; and

(III) utilizing shared-mobility services or privately operated vehicles for hire.

(d) Authorization. In fiscal year 2022, the Agency is authorized to spend up to \$1,500,000.00 in one-time Transportation Fund monies on the Replace Your Ride Program established under this section, with up to \$300,000.00 of that \$1,500,000.00 available for startup costs, outreach education, and costs associated with developing and administering the Replace Your Ride Program.

* * * Electric Bicycle Incentives * * *

Sec. 21. ELECTRIC BICYCLE INCENTIVES

(a) Implementation. The Agency of Transportation, in consultation with Vermont electric distribution utilities, shall expand upon the vehicle incentive programs established under 2019 Acts and Resolves No. 59, Sec. 34, as amended, to provide a \$200.00 incentive to 250 individuals who purchase a new electric bicycle. Specifically, the Program shall:

(1) distribute \$200.00 incentives on a first-come, first-served basis after the Agency announces that incentives are available;

(2) apply to new electric bicycles with any Manufacturer's Suggested Retail Price (MSRP); and

(3) be available to all Vermonters who self-certify as to meeting any incentive tier under the income eligibility criteria for the Incentive Program for New PEVs.

(b) Authorization. In fiscal year 2022, the Agency is authorized to spend up to \$50,000.00 in one-time Transportation Fund monies on the electric bicycle incentives.

* * * EVSE Grant Program * * *

Sec. 22. GRANT PROGRAMS FOR LEVEL 2 CHARGERS IN MULTI-UNIT DWELLINGS; REPORT

(a) As used in this section:

(1) "Area median income" means the county or Metropolitan Statistical Area median income published by the federal Department of Housing and Urban Development.

(2) "Multi-unit affordable housing" means a housing project, such as cooperatives, condominiums, dwellings, or mobile home parks, with 10 or more units constructed or maintained on a tract or tracts of land where:

(A) at least 50 percent of the units are or will be occupied by households whose income does not exceed 100 percent of the greater of the State or area median income; or

(B) all units are affordable to households earning between 60 and 120 percent of area median income.

(3) "Multi-unit dwellings owned by a nonprofit" means a housing project, such as cooperatives, condominiums, dwellings, or mobile home parks, with 10 or more units constructed or maintained on a tract or tracts of

land owned by a person that has nonprofit status under Section 501(c)(3) of the U.S. Internal Revenue Code, as amended, and is registered as a nonprofit corporation with the Office of the Secretary of State.

(b) The Agency of Transportation shall establish and administer, through a memorandum of understanding with the Department of Housing and Community Development, a pilot program to support the continued buildout of electric vehicle supply equipment at multi-unit affordable housing and multi-unit dwellings owned by a nonprofit and build upon the existing VW EVSE Grant Program that the Department of Housing and Community Development has been administering on behalf of the Department of Environmental Conservation.

(c) In fiscal year 2022, the Agency is authorized to spend up to \$1,000,000.00 in one-time Transportation Fund monies on the pilot program established in this section.

(d) Pilot program funding shall be awarded with consideration of broad geographic distribution as well as service models ranging from restricted private parking to publicly accessible parking so as to examine multiple strategies to increase access to EVSE.

(e) The Department of Housing and Community Development shall consult with an interagency team consisting of the Commissioner of Housing and Community Development or designee; the Commissioner of Environmental Conservation or designee; the Commissioner of Public Service or designee; and the Agency's Division Director of Policy, Planning, and Intermodal Development or designee regarding the design, award of funding, and administration of this pilot program.

(f) The Department of Housing and Community Development shall file a written report on the outcomes of the pilot program with the House and Senate Committees on Transportation not later than January 15, 2022.

* * * EVSE Network in Vermont * * *

Sec. 23. EVSE NETWORK IN VERMONT; REPORT OF ANNUAL MAP

(a) It shall be the goal of the State to have, as practicable, a level 3 EVSE charging port available to the public within:

(1) five miles of every exit of the Dwight D. Eisenhower National System of Interstate and Defense Highways within the State; and

(2) 50 miles of another level 3 EVSE charging port available to the public along a State highway, as defined in 19 V.S.A. § 1(20).

(b) Notwithstanding 2 V.S.A. § 20(d), the Agency of Transportation shall

file an up-to-date map showing the locations of all level 3 EVSE available to the public within the State with the House and Senate Committees on Transportation not later than January 15 each year until the goal identified in subsection (a) of this section is met.

* * * Zero-Fare Public Transit in Fiscal Year 2022 * * *

Sec. 24. ZERO-FARE PUBLIC TRANSIT IN FISCAL YEAR 2022

(a) Urban public transit. It is the intent of the General Assembly that public transit operated by transit agencies that are eligible to receive grant funds pursuant to 49 U.S.C. § 5307 in the State shall be operated on a zero-fare basis with monies for public transit from the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (CARES Act); the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260; and the American Rescue Plan Act of 2021, Pub. L. No. 117-2, as practicable and provided that such use is first approved by the governing body of the transit agency, during fiscal year 2022.

(b) Rural public transit. It is the intent of the General Assembly that public transit operated by transit agencies that are eligible to receive grant funds pursuant to 49 U.S.C. § 5311 in the State shall be operated on a zero-fare basis with monies for public transit from the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (CARES Act) and the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, as practicable, during fiscal year 2022.

* * * Coordinated Intermodal Connections Review * * *

Sec. 25. COORDINATED INTERMODAL CONNECTIONS REVIEW

The Agency, in coordination with public transit, passenger rail, and other transportation service providers, shall review and implement coordinated intermodal connections, to the extent practicable, to ensure efficient and accessible intermodal transportation opportunities in Vermont. The Agency shall also work with transportation service providers to support the cross promotion of intermodal connections.

* * * PEV Electric Distribution Utility Rate Design * * *

Sec. 26. PEV ELECTRIC DISTRIBUTION UTILITY RATE DESIGN

(a) This section serves to encourage efficient integration of PEVs and EVSE into the electric system and the timely adoption of PEVs and public charging through managed loads or time-differentiated price signals.

(b) Unless an extension is granted pursuant to subsection (e) of this section, all State electric distribution utilities shall offer PEV rates, which may include rates for electricity sales to an entire customer premises, for public and private EVSE not later than June 30, 2024. These rates shall, pursuant to 30 V.S.A. § 225, be filed for review and approval by the Public Utility Commission and encourage:

(1) efficient use of PEV loads consistent with objectives of least-cost integrated planning, set out in 30 V.S.A. § 218c, and 30 V.S.A. § 202(b) and (c);

(2) participation in the PEV rates;

(3) travel by PEV relative to available alternatives; and

(4) greater adoption of PEVs.

(c) PEV rates approved by the Public Utility Commission under subdivisions (1) and (2) of this subsection comply with subsection (b) of this section.

(1) The Public Utility Commission shall approve PEV rates that it finds, at a minimum:

(A) support greater adoption of PEVs;

(B) adequately compensate PEV operators and owners of EVSE available to the public for the value of grid-related services, including costs avoided through peak management;

(C) adequately compensate the electric distribution utility and its customers for the additional costs that are directly attributable to the delivery of electricity through a PEV rate;

(D) include a reasonable contribution to historic or embedded costs required to meet the overall cost of service;

(E) do not discourage EVSE available to the public; and

(F) do not have an adverse impact to ratepayers not utilizing the PEV rate.

(2) The Public Utility Commission may approve PEV rates that utilize direct load control, third-party managed load control, static or dynamic time-varying rates, or other innovative practices that accomplish the goals set forth in subsection (a) of this section.

(d) Electric distribution utilities with PEV rates approved by the Public Utility Commission prior to July 1, 2021 currently implemented as tariffs by those electric distribution utilities are exempt from subsection (b) of this section for the relevant rate classes, market segments, or customer segments in which the PEV rates are offered.

(e) The Public Utility Commission may grant a petitioning electric distribution utility an extension of the June 30, 2024 implementation deadline. An extension may only be granted in response to a petition if the Public Utility Commission finds that the electric distribution utility's inability to meet the June 30, 2024 implementation deadline is due to a technical inability to implement a PEV rate, adverse economic impacts to ratepayers that would result from the implementation of a PEV rate, or other good cause demonstrated. The length of the extension shall be directly related to the demonstrated need for the extension.

(f) The Public Utility Commission, in consultation with the Department of Public Service and State electric distribution utilities, shall file written reports with the House Committees on Energy and Technology and on Transportation and the Senate Committees on Finance, on Natural Resources and Energy, and on Transportation that address the goals delineated in subdivisions (c)(1)(A)–(F) of this section, as applicable, and any progress barriers towards the goals contained in subsections (a) and (b) of this section not later than January 15, 2022, January 15, 2023, January 15, 2024, and January 15, 2025.

* * * Public Transportation Electrification Plan * * *

Sec. 27. PUBLIC TRANSPORTATION ELECTRIFICATION PLAN

(a) The Agency of Transportation, in consultation with the State's public transit providers, shall prepare a long-range plan that outlines the costs, timeline, training, maintenance, and operational actions required to move to a fully electrified public transportation fleet.

(b) The Agency shall file the long-range plan required under subsection (a) of this section with the House and Senate Committees on Transportation not later than January 31, 2022.

* * * Airport and Rail Signs; Banners * * *

Sec. 28. 10 V.S.A. § 494 is amended to read:

§ 494. EXEMPT SIGNS

The following signs are exempt from the requirements of this chapter except as indicated in section 495 of this title:

* * *

(6)(A) Official traffic control signs, including signs on limited access highways, consistent with the Manual on Uniform Traffic Control Devices (MUTCD) adopted under 23 V.S.A. § 1025, directing ~~people~~ persons to:

- (i) other towns;
- (ii) international airports;
- (iii) postsecondary educational institutions;
- (iv) cultural and recreational destination areas;
- (v) nonprofit diploma-granting educational institutions for ~~people~~ persons with disabilities; and
- (vi) official State visitor information centers.

(B) After having considered the six priority categories in subdivision (A) of this subdivision (6), the Travel Information Council may approve installation of a sign for any of the following provided the location is open a minimum of 120 days each year and is located within 15 miles of an interstate highway exit:

- (i) nonprofit museums;
- (ii) cultural and recreational attractions owned by the State or federal government;
- (iii) officially designated scenic byways;
- (iv) park and ride or multimodal centers; and
- (v) fairgrounds or exposition sites.

(C) The Agency of Transportation may approve and erect signs, including signs on limited access highways, consistent with the MUTCD, directing persons to State-owned airports and intercity passenger rail stations located within 25 miles of a limited access highway exit.

(D) Notwithstanding the limitations of this subdivision (6), supplemental guide signs consistent with the MUTCD for the President Calvin Coolidge State Historic Site may be installed at the following highway interchanges:

* * *

~~(D)~~(E) Signs erected under this subdivision (6) shall not exceed a maximum allowable size of 80 square feet.

* * *

(18)(A) A sign that is a banner erected over a highway right-of-way for not more than 21 days if the bottom of the banner is not less than 16 feet 6 inches above the surface of the highway and is securely fastened with breakaway fasteners and the proposed banner has been authorized by the legislative body of the municipality in which it is located.

(B) As used in this subdivision (18), “banner” means a sign that is constructed of soft cloth or fabric or flexible material such as vinyl or plastic cardboard.

* * * Municipal Development Review; Section 1111 Permit Fees * * *

Sec. 29. 24 V.S.A. § 4416 is amended to read:

§ 4416. SITE PLAN REVIEW

* * *

(b) Whenever a proposed site plan involves access to a State highway or other work in the State highway right-of-way such as excavation, grading, paving, or utility installation, the application for site plan approval shall include a letter ~~of intent~~ from the Agency of Transportation confirming that the Agency has reviewed the proposed site plan and ~~is prepared to issue an access permit under 19 V.S.A. § 1111, and setting~~ determined whether a permit is required under 19 V.S.A. § 1111. If the Agency determines that a permit for the proposed site plan is required under 19 V.S.A. § 1111, then the letter from the Agency shall set out any conditions that the Agency proposes to attach to the section 1111 permit required under 19 V.S.A. § 1111.

Sec. 30. 24 V.S.A. § 4463(e) is added to read:

(e) Whenever a proposed subdivision is adjacent to a State highway, the application for subdivision approval shall include a letter from the Agency of Transportation confirming that the Agency has reviewed the proposed subdivision and determined whether a permit is required under 19 V.S.A. § 1111. If the Agency determines that a permit for the proposed subdivision is required under 19 V.S.A. § 1111, then the letter from the Agency shall set out any conditions that the Agency proposes to attach to the permit required under 19 V.S.A. § 1111.

Sec. 31. 19 V.S.A. § 1112(b) is amended to read:

(b) The Secretary shall collect the following fees for each application for the following types of permits ~~or permit amendments~~ issued pursuant to section 1111 of this title:

* * *

(6) permit amendments: \$0.00.

* * * Work Zone Highway Safety
Automated Traffic Law Enforcement Study and Report * * *

Sec. 32. WORK ZONE HIGHWAY SAFETY AUTOMATED TRAFFIC
LAW ENFORCEMENT STUDY AND REPORT

(a) Definitions. As used in this section:

(1) “Automated traffic law enforcement system” means a device with one or more sensors working in conjunction with a speed measuring device to produce recorded images of motor vehicles traveling at more than 10 miles above the speed limit or traveling in violation of another traffic control device, or both.

(2) “Recorded image” means a photograph, microphotograph, electronic image, or electronic video that shows the front or rear of the motor vehicle clearly enough to identify the registration number plate of the motor vehicle or that shows the front of the motor vehicle clearly enough to identify the registration number plate of the motor vehicle and shows the operator of the motor vehicle.

(3) “Traffic control device” means any sign, signal, marking, channelizing, or other device that conforms with the Manual on Uniform Traffic Control Devices, which is the standards for all traffic control signs, signals, and markings within the State pursuant to 23 V.S.A. § 1025, and is used to regulate, warn, or guide traffic and placed on, over, or adjacent to a highway, pedestrian facility, or bicycle path by authority of the State or the municipality with jurisdiction over the highway, pedestrian facility, or bicycle path.

(b) Study. The Agency of Transportation shall, in consultation with at least the Department of Public Safety and the Associated General Contractors of Vermont, study the feasibility of implementing automated traffic law enforcement systems in work zones in Vermont and make specific recommendations on whether to pursue a program that utilizes automated traffic law enforcement systems within work zones in Vermont, with a specific focus on affecting driver behavior. At a minimum, the Agency shall:

(1) research the cost to procure equipment and services to assist in the implementation of a program that utilizes automated traffic law enforcement systems within work zones in Vermont;

(2) research how images are collected, stored, accessed, used, and disposed of; by whom; and under what timeline or timelines when automated traffic law enforcement systems are used to collect a recorded image of a

motor vehicle in violation of a traffic control device in a work zone;

(3) make recommendations on how images should be collected, stored, accessed, used, and disposed of; by whom; and under what timeline or timelines if a program that utilizes automated traffic law enforcement systems within work zones in Vermont is implemented; and

(4) define the system components needed to implement a program that utilizes automated traffic law enforcement systems within work zones in Vermont.

(c) Report. On or before January 15, 2022, the Agency shall submit a written report to the House and Senate Committees on Judiciary and on Transportation with its findings and any proposals for implementation.

* * * Transportation Equity Framework * * *

Sec. 33. TRANSPORTATION EQUITY FRAMEWORK; REPORT

(a) The Agency of Transportation, in consultation with the State's 11 Regional Planning Commissions (RPCs), shall undertake a comprehensive analysis of the State's existing transportation programs and develop a recommendation on a transportation equity framework through which the annual Transportation Program, and the Agency's Annual Project Prioritization Process, can be evaluated so as to advance mobility equity, which is a transportation system that increases access to mobility options, reduces air pollution, and enhances economic opportunity for Vermonters in communities that have been underserved by the State's transportation system.

(b) In conducting the analysis required under subsection (a) of this section, the Agency, in coordination with the State's 11 RPCs, shall seek input from individuals who are underserved by the State's current transportation system or who may not have previously been consulted as part of the Agency's planning processes.

(c) In order to aid the Agency in conducting the analysis required under subsection (a) of this section, the State's 11 RPCs shall convene regional meetings focused on achieving equity and inclusion in the transportation planning process. Meeting facilitation shall include identification of and outreach to underrepresented local communities and solicitation of input on the transportation planning process pursuant to the transportation planning efforts required under 19 V.S.A. § 10I.

(d) The Agency shall file a written report with its analysis and a recommendation on a transportation equity framework as required under subsection (a) of this section with the House and Senate Committees on Transportation not later than January 15, 2022.

* * * New Haven Train Depot * * *

Sec. 34. NEW HAVEN TRAIN DEPOT

In fiscal year 2022, the Agency is authorized to spend up to \$400,000.00 in one-time Transportation Fund monies to provide a grant to the Town of New Haven to cover a portion of the costs associated with relocating the New Haven Train Depot currently located at the junction of Routes 7 and 17.

* * * Effective Dates * * *

Sec. 35. EFFECTIVE DATES

(a) This section and Secs. 7 (federal infrastructure funding), 10 (authorization for the Incentive Program for New PEVs), and 13 (authorization for MileageSmart) shall take effect on passage.

(b) Sec. 6 (repeal of 23 V.S.A. § 1432(c)) shall take effect on January 1, 2022.

(c) All other sections shall take effect on July 1, 2021.

(Committee vote: 5-0-0)

(No House amendments.)

ORDERED TO LIE

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.

CONCURRENT RESOLUTIONS FOR NOTICE

Concurrent Resolutions For Notice Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session of the next legislative day. Requests for floor consideration should be communicated to the Secretary's Office.

S.C.R. 4 (For text of Resolution, see Addendum to Senate Calendar for April 22, 2021)

H.C.R. 45 - 51 (For text of Resolutions, see Addendum to House Calendar for April 22, 2021)

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.

Cory G. Gustafson of Montpelier – Commissioner, Department of Vermont Health Access – By Sen. Cummings for the Committee on Health and Welfare. (4/6/21)

Dr. Jessica Holmes of Cornwall – Member, Green Mountain Care Board – By Sen. Hardy for the Committee on Health and Welfare. (4/7/21)

Mark A. Levine, MD of Shelburne – Commissioner, Department of Health – By Sen. Hardy for the Committee on Health and Welfare. (4/7/21)

John J. Quinn III of Berlin – Secretary, Agency of Digital Services – By Sen. Ram for the Committee on Government Operations. (4/14/21)

June Tierney of Randolph – Commissioner, Department of Public Service – By Sen. Cummings for the Committee on Finance. (4/14/21)

Craig Bolio of Essex Junction – Commissioner, Department of Taxes – By Sen. MacDonald for the Committee on Finance. (4/20/21)

Julia S. Moore of Middlesex – Secretary, Agency of Natural Resources – By Sen. Bray for the Committee on Natural Resources and Energy. (4/21/21)

Julie Hulburd of Colchester – Member, Cannabis Control Board – By Sen. Ram for the Committee on Government Operations. (4/22/21)

James Pepper of Montpelier – Chair, Cannabis Control Board – By Sen. White for the Committee on Government Operations. (4/22/21)

PUBLIC HEARINGS

Joint public hearing to hear Vermont's unemployment insurance issues for employees and employers during the COVID pandemic

On Tuesday, May 4, 2021 from 5:00 p.m. to 7:00 p.m. the House Committee on Commerce and Economic Development and the House Committee on Government Operations will hold a joint public hearing to listen to employees and employers in Vermont about the issues faced with unemployment insurance during the COVID pandemic. The public is invited to register to speak at the hearing or submit written testimony.

To register as a speaker at the hearing, please sign up here: <https://legislature.vermont.gov/links/public-hearing-unemployment>

Registrations will be accepted on a first-come, first-served basis, and testimony time will be limited to two minutes per person.

To submit written testimony, please email an MS Word or PDF file to testimony@leg.state.vt.us

The hearing will be live streamed on the Legislature's Joint Committees YouTube channel here:

<https://legislature.vermont.gov/committee/streaming/shared-joint-committees>

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 #3043 - \$4,284,369 from the US Dept of Education to the VT Agency of Education for assistance to VT's approved and recognized non-profit independent schools to address educational disruptions caused by COVID-19. Funds will be managed by the VT Agency of Education. *[NOTE: Funds will be used with the GEER EANS program: Governor's Emergency Education Relief (GEER) Emergency Assistance to Non-public Schools (EANS). This program is replacing Equitable Services in ESSER II and III. Please see this overview of how the funds will be used by the AOE to support independent schools.]*

[JFO received 4/5/2021]

JFO #3044 – One (1) limited service position to the VT Dept. of Disabilities, Aging and Independent Living to develop a Northeast Network of mental health counselors familiar with farmer related stressors. Total first year amount of \$146,766 from the U.S. Department of Agriculture. Position has been approved for 1 year and is expected to be approved for 2 additional years.

[JFO received 4/5/2021]

JFO #3045 - 48 (forty-eight) limited-service positions to carry out the ongoing work for an effective public health response to COVID-19. *[NOTE: Positions to be funded through ongoing CDC grants #2254 (Immunization) and #2478 (Epidemiology and Laboratory Capacity) previously approved in 2006 and 2010, respectively.]*

[JFO received 4/13/2021]

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).