# Senate Calendar

**FRIDAY, MARCH 25, 2022**

**SENATE CONVENES AT: 11:30 A.M.**

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## UNFINISHED BUSINESS OF JANUARY 4, 2022

**GOVERNOR'S VETO**

| S. 107 An act relating to confidential information concerning the initial arrest and charge of a juvenile | 1928 |

*Pending question:* Shall the bill pass, notwithstanding the Governor's refusal to approve the bill?

- Text of the veto message: 1928
- Bill as passed by Senate and House: 1930

## UNFINISHED BUSINESS OF MARCH 17, 2022

**GOVERNOR'S VETO**

| H. 361 An act relating to approval of amendments to the charter of the Town of Brattleboro | 1932 |

*Pending question:* Shall the bill pass in concurrence, notwithstanding the Governor's refusal to approve the bill?

- Text of the veto message: 1932
- Bill as passed by Senate and House: 1934
UNFINISHED BUSINESS OF MARCH 23, 2022

Committee Bill for Second Reading

Favorable with Recommendation of Amendment

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ACTION CALENDAR

CONSIDERATION POSTPONED UNTIL APRIL 20, 2022

GOVERNOR'S VETO

S. 79.

An act relating to improving rental housing health and safety.

Pending question (to be voted by call of the roll): Shall the bill pass, notwithstanding the Governor's refusal to approve the bill? (Two-thirds of the members present required to override the Governor's veto.)

(For text of the Governor's Veto Message, see Senate Journal for June 24, 2021, page 1454)

UNFINISHED BUSINESS OF JANUARY 4, 2022

GOVERNOR'S VETO

S. 107.

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

Pending question (to be voted by call of the roll): Shall the bill pass, notwithstanding the Governor's refusal to approve the bill? (Two-thirds of the members present required to override the Governor's veto.)

The text of the Communication from His Excellency, The Governor, whereby he vetoed and returned unsigned Senate Bill No. S. 107 to the Senate is as follows:

Text of Communication from Governor

“May 20, 2021

The Honorable John Bloomer, Jr.
Secretary of the Senate
115 State House
Montpelier, VT 05633-5401

Dear Mr. Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.107, An act relating to confidential information concerning the initial arrest and charge of a juvenile, without my signature, because of concerns with the policy to automatically raise the age of accountability for
crimes, and afford young adults protections meant for juveniles, without adequate tools or systems in place.

Three years ago, I signed legislation intended to give young adults who had become involved in the criminal justice system certain protections meant for juveniles. At the time, I was assured that, prior to the automatic increases in age prescribed in the bill, plans would be in place to provide access to the rehabilitation, services, housing and other supports needed to both hold these young adults accountable and help them stay out of the criminal justice system in the future.

This has not yet been the case. In addition to ongoing housing challenges, programs designed and implemented for children under 18 are often not appropriate for those over 18. Disturbingly, there are also reports of some young adults being used – and actively recruited – by older criminals, like drug traffickers, to commit crimes because of reduced risk of incarceration, potentially putting the young people we are trying to protect deeper into the criminal culture and at greater risk.

I want to be clear: I’m not blaming the Legislature or the Judiciary for these gaps. All three branches of government need to bring more focus to this issue if we are going to provide the combination of accountability, tools and services needed to ensure justice and give young offenders a second chance.

For these reasons, I believe we need to take a step back and assess Vermont’s “raise the age” policy, the gaps that exist in our systems and the unintended consequences of a piecemeal approach on the health and safety of our communities, victims and the offenders we are attempting to help. I see S.107 as deepening this piecemeal approach.

I also remain concerned with the lack of clarity in S.107 regarding the disparity in the public records law between the Department of Public Safety and the Department of Motor Vehicles.

Based on the objections outlined above, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution. I believe this presents an opportunity to start a much-needed conversation about the status of our juvenile justice initiatives and make course corrections where necessary, in the interest of public safety and the young Vermonters we all agree need an opportunity to get back on the right path.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”
Text of bill as passed by Senate and House

The text of the bill as passed by the Senate and House of Representatives is as follows:

S.107 An act relating to confidential information concerning the initial arrest and charge of a juvenile

It is hereby enacted by the General Assembly of the State of Vermont:

* * * Exemption; records of arrest or charge of a juvenile * * *

Sec. 1. 1 V.S.A. § 317 is amended to read:

§ 317. DEFINITIONS; PUBLIC AGENCY; PUBLIC RECORDS AND DOCUMENTS; EXEMPTIONS

* * *

(c) The following public records are exempt from public inspection and copying:

* * *

(5)(A) Records dealing with the detection and investigation of crime, but only to the extent that the production of such records:

* * *

(B)(i) Notwithstanding subdivision (A) of this subdivision (5), records relating to management and direction of a law enforcement agency; records reflecting the initial arrest of a person, including any ticket, citation, or complaint issued for a traffic violation, as that term is defined in 23 V.S.A. § 2302; and records reflecting the charge of a person shall be public.

(ii) A public agency shall not release any information within a record reflecting the initial arrest or charge of a person under 19 years of age that would reveal the identity of the person. However, a public agency may disclose identifying information relating to the initial arrest of a person under 19 years of age in order to protect the health and safety of any person.

* * *

* * * Effective July 1, 2022 * * *

Sec. 2. 1 V.S.A. § 317 is amended to read:

§ 317. DEFINITIONS; PUBLIC AGENCY; PUBLIC RECORDS AND DOCUMENTS; EXEMPTIONS

* * *

- 1930 -
(c) The following public records are exempt from public inspection and copying:

***

(5)(A) Records dealing with the detection and investigation of crime, but only to the extent that the production of such records:

***

(B)(i) Notwithstanding subdivision (A) of this subdivision (5), records relating to management and direction of a law enforcement agency; records reflecting the initial arrest of a person, including any ticket, citation, or complaint issued for a traffic violation, as that term is defined in 23 V.S.A. § 2302; and records reflecting the charge of a person shall be public.

(ii) A public agency shall not release any information within a record reflecting the initial arrest or charge of a person under 19 20 years of age that would reveal the identity of the person. However, a public agency may disclose identifying information relating to the initial arrest of a person under 19 20 years of age in order to protect the health and safety of any person.

***

Sec. 3. APPLICATION OF PUBLIC RECORDS ACT EXEMPTION REVIEW

Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption amended in Sec. 1 shall continue in effect and shall not be reviewed for repeal.

*** Custodian of records relating to a person under court jurisdiction ***

Sec. 4. 33 V.S.A. § 5117 is amended to read:

§ 5117. RECORDS OF JUVENILE JUDICIAL PROCEEDINGS

(a)(1) Except as otherwise provided, court and law enforcement reports and files concerning a person subject to the jurisdiction of the court shall be maintained separate from the records and files of other persons. Unless a charge of delinquency is transferred for criminal prosecution under chapter 52 of this title or the court otherwise orders in the interests of the child, such records and files shall not be open to public inspection nor their contents disclosed to the public by any person. However, upon a finding that a child is a delinquent child by reason of commission of a delinquent act which would have been a felony if committed by an adult, the court, upon request of the victim, shall make the child’s name available to the victim of the
delinquent act. If the victim is incompetent or deceased, the child’s name shall be released, upon request, to the victim’s guardian or next of kin.

(2) When a person is subject to the jurisdiction of the court, the court shall become the sole records custodian for purposes of responding to any request for court or law enforcement records concerning the person. A public agency shall direct any request for these records to the courts for response.

(3) When a person is subject to the jurisdiction of the Criminal Division of the Superior Court pursuant to chapter 52 or 52A of this title, the Criminal Division of the Superior Court shall become the sole records custodian for purposes of responding to any request for court or law enforcement records concerning the person. A public agency shall direct any request for these records to the courts for response.

* * *

** Effective Dates **

Sec. 5. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except that Sec. 2 (2022 amendment to 1 V.S.A. § 317(c)(5)(B)(ii) (public records; exemptions; records relating to the initial arrest and charge of a person)) shall take effect on July 1, 2022.

UNFINISHED BUSINESS OF MARCH 17, 2022

GOVERNOR'S VETO

H. 361.

An act relating to approval of amendments to the charter of the Town of Brattleboro.

Pending question (to be voted by call of the roll): Shall the bill pass in concurrence, notwithstanding the Governor's refusal to approve the bill? (Two-thirds of the members present required to override the Governor's veto.)

The text of the Communication from His Excellency, The Governor, whereby he vetoed and returned unsigned House Bill No. H. 361 to the House is as follows:

Text of Communication from Governor

“February 28, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

- 1932 -
Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.361, *An Act Relating to Approval of Amendments to the Charter of the Town of Brattleboro*, without my signature.

While I applaud 16- and 17-year-old Vermonters who take an interest in the issues affecting their communities, their state and their country, I do not support lowering the voting age in Brattleboro.

First, given how inconsistent Vermont law already is on the age of adulthood, this proposal will only worsen the problem. For example, the Legislature has repeatedly raised the age of accountability to reduce the consequences when young adults commit criminal offenses. They have argued this approach is justified because these offenders are not mature enough to contemplate the full range of risks and impacts of their actions.

Testimony given by leaders from Columbia University’s Justice Lab, who said Vermont should raise the upper age of juvenile jurisdiction for most crimes, (including some violent crimes) described adolescents and what they called “emerging adults” as more volatile; more susceptible to peer influence; greater risk-takers; and less future-oriented than adults. This view was cited by the Legislature as justification to expand the definition of “child” to those 18 to 22 for purposes of criminal accountability. “Youthful offenders” up to age 22 may now avoid criminal responsibility for their crimes.

Second, if the Legislature is interested in expanding voting access to school-aged children, they should debate this policy change on a statewide basis. I do not support creating a patchwork of core election laws and policies that are different from town to town. The fundamentals of voting should be universal and implemented statewide.

For these reasons, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

I understand this is a well-intended local issue. I urge the Legislature to take up a thorough and meaningful debate on Vermont’s age of majority and come up with consistent, statewide policy for both voting and criminal justice.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”
The text of the bill as passed by the Senate and House of Representatives is as follows:

H.361 An act relating to approval of amendments to the charter of the Town of Brattleboro

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. CHARTER AMENDMENT APPROVAL

The General Assembly approves the amendments to the charter of the Town of Brattleboro as set forth in this act. Voters approved proposals of amendment on March 5, 2019.

Sec. 2. 24 App. V.S.A. chapter 107 is amended to read:

CHAPTER 107. TOWN OF BRATTLEBORO

§ 2.1. DEFINITIONS

§ 2.2. ELECTED OFFICERS

On the first Tuesday in March, the voters and youth voters of the Town shall elect by Australian ballot the following:

(3) A Board of five school directors, elected at large, of whom two shall serve for one year and three shall serve for three years. [Repealed.]

(4) Union High School directors, who shall be elected for terms and in numbers as required by State law. [Repealed.]

§ 2.3. MANNER OF ELECTION

(a) Representative Town Meeting members: Representative Town Meeting members shall be elected by Australian ballot on the first Tuesday in March of each year. Voters and youth voters in each district shall elect, for staggered terms, three members for every 180 voters or major fraction thereof. Members shall serve for three years, except that a member elected to fill a vacancy shall

§ 2.3a. EARLY VOTING

(a)(1) A voter choosing to vote early by Australian ballot in the Town Clerk’s office shall vote in the same manner as those voting on election day provided that the voter completes a “Request for Early Voter Absentee Ballot and Certification” form stating the following:

(4) As authorized for certain Town elections pursuant to this charter, a youth voter who will be at least 16 years of age on the day of the Town election and chooses to vote early shall vote in the same manner as a youth voter on election day, provided that the youth voter completes an early voting form required by the Town Clerk.

§ 2.4. REPRESENTATIVE TOWN MEETING

(a) Description:

(2) The Representative Town Meeting consists of up to 140 elected voters and youth voters. It is a guiding body for the Town and a source of ideas, proposals, and comments, elected by district as defined by the Board of Civil Authority. It exercises exclusively all powers vested in the voters of the Town. In addition to the elected members, the following shall be members ex officio: the members of the Selectboard, the School Directors, the Treasurer, the Clerk, the Moderator, and those State Senators and State Representatives who reside in Brattleboro. Representative Town Meeting shall act upon all articles on the Town meeting warning except those which relate to the election of officers, referenda, and other matters voted upon by Australian ballot.

§ 2.5. SELECTBOARD

The Selectboard is a legislative body of five persons elected at large by the voters and youth voters of the Town. The Selectboard directs the affairs of the Town within areas specified in subchapter 4 of this charter.
§ 4.1. COMPOSITION; ELIGIBILITY; ELECTIONS; TERMS

(a) The Selectboard shall be elected at large by the voters and youth voters of the Town from among their number, and newly elected Selectboard members’ terms shall begin on the first Monday following the final adjournment of the annual Representative Town Meeting.

* * *

§ 10.3. ELECTION OF TOWN MEETING MEMBERS; CERTIFICATION OF VOTERS; TOWN MEETING MEMBERSHIP; NOTICE; QUALIFICATION; RESPONSIBILITIES

(a)(1) At the first election of Town Meeting members to be held on the first Tuesday in March after the acceptance of this subchapter, the qualified voters of each district shall elect three Town Meeting members for every 180 voters or major fraction thereof, subject to the provisions of subsection (c) of this section. The first one-third elected in each district, in order of the number of votes received, shall serve for three years; the second one-third in such the order of election shall serve for two years; and the remaining one-third in such the order of election shall be elected to serve for one year. In the event of a tie vote the term of such members shall be designated by lot, and the presiding officer of the district shall certify such the designation. All Town Meeting members shall serve for terms commencing on the day of their election.

(2) Annually thereafter, on the first Tuesday in March, the voters and youth voters of each district shall in like manner elect for the term of three years one Town Meeting member for every 180 voters or major fraction thereof, and shall also in like manner fill for the unexpired term or terms any vacancy or vacancies then existing in the number of Town Meeting members in such district, subject to the provisions of subsection (c) of this section.

* * *

(e) Every Town Meeting member shall be a qualified voter or youth voter in the Town and living in the district from which he or she is chosen at the time of his or her election.

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.
UNFINISHED BUSINESS OF MARCH 23, 2022
Committee Bill for Second Reading
Favorable with Recommendation of Amendment
S. 286.

An act relating to amending various public pension and other postemployment benefits.

By the Committee on Government Operations (Senator White for the Committee)

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

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

Sec. 1. 32 V.S.A. § 311a is added to read:

* * *

§ 311a. PUBLIC RETIREMENT BENEFITS; UNFUNDED LIABILITY; FINDINGS; PURPOSE; INTENT

(a) Findings. The General Assembly finds that:

(1) The actuarially determined employer contribution (ADEC) for the Vermont State Employees’ Retirement System (VSERS) has increased by an annual growth rate of 12.1 percent between FY 2009 and FY 2023, and the funded ratio of the VSERS has declined from 94.1 percent from FY 2008 to 67.6 percent by year-end FY 2021.

(2) The ADEC for the Vermont State Teachers’ Retirement System (VSTRS) has increased by an annual growth rate of 13 percent between FY 2009 and FY 2023, and the funded ratio of the VSTRS has declined from 80.9 percent from FY 2008 to 52.9 percent by year-end FY 2021.

(3) The General Assembly has appropriated sufficient funds to fully pay the ADEC for both VSERS and VSTRS at the recommended amounts since FY 2007 and throughout the current amortization period.

(4) Since FY 2009, the accrued liabilities of VSERS and VSTRS have grown faster than the assets of each plan, resulting in a gap between the expected payout of future benefits and the assets VSERS and VSTRS have to pay out those benefits to retired State employees and teachers. This gap is also known as the unfunded liabilities for VSERS and VSTRS.
(5) In FY 2015, the General Assembly created the Retired Teachers’ Health and Medical Benefits Fund, and health care premiums are paid for on a pay-as-you go basis from this Fund.

(6) The FY 2022 State budget expense for retiree healthcare benefits, known as other postemployment benefits (OPEB), for State employees was approximately $37.2 million and $35.1 million for teachers.

(7) As of the beginning of FY 2022, the State’s unfunded liabilities for healthcare benefits for retired State employees and teachers is $2.75 billion.

(b) Purpose. The purpose of this section is to provide economic stability for retired State employees and teachers by maintaining the financial health of VSERS and VSTRS, while also addressing the unfunded liabilities in the State’s pension and OPEB plans and the decline in the funded ratios of those retirement systems.

(c) Intent.

(1) It is the intent of the General Assembly to address the unfunded liabilities and decline in funded ratios of VSERS and VSTRS by implementing several measures, including:

(A) continuing the General Assembly’s policy since FY 2007 to fully fund the actuarially determined employer contributions rates for the VSERS and VSTRS at the amounts recommended by the respective boards of each retirement system to the General Assembly each year; and

(B) beginning in FY 2024, annually funding an additional payment to the actuarially recommended unfunded liability amortization payments for VSERS and VSTRS that will increase to not more than $15,000,000.00 each year to each retirement system and remain until the VSERS plan and the VSTRS plan respectively reach a 90 percent funded ratio.

(2) It is also the intent of the General Assembly to prefund other postemployment benefits to create more security and predictability in health care benefits for retired State employees and teachers.

(3)(A) Nothing in this subdivision (3) shall be construed as a commitment by the General Assembly to enacting a specific level of future benefit enhancements that would require prefunding.

(B)(i) It is the intent of the General Assembly that VSTRS members who paid additional contributions in active service as part of a broader effort to improve the health of the retirement system should receive postretirement adjustment allowances that will more fully reflect the net percentage increase in the Consumer Price Index once the retirement system is in a healthier financial position.
(ii) The General Assembly recognizes that a discrepancy exists between members of other State retirement systems who receive postretirement adjustment allowances equal to 100 percent of the net percentage increase in the Consumer Price Index and VSTRS members who receive postretirement adjustment allowances equal to 50 percent of the net percentage increase.

(iii) It is the intent of the General Assembly that, once the VSTRS system is at least 80 percent funded, or in conjunction with proposed modifications to the unfunded liability amortization schedule or policy, there should be consideration of establishing a path to incrementally increase the postretirement adjustment allowance formula to an ultimate goal of 100 percent of the net percentage increase in the Consumer Price Index to create parity amount retirement systems to the benefit of VSTRS Group C members who paid higher contribution rates in active service to help improve the health of the VSTRS system.

(iv) It is the intent of the General Assembly that, prior to enacting any statutory changes to the postretirement adjustment allowance formula, the General Assembly, in consultation with the Retirement Board and employee groups, should evaluate the impact of any proposed changes on the normal cost, unfunded actuarial accrued liability, funded ratio, and actuarially determined employer contribution.

(v) It is the intent of the General Assembly that the evaluation of any future changes to the postretirement adjustment allowance formula should also include developing a strategy for amortizing any anticipated growth in the unfunded actuarial accrued liability attributed to any potential increases in the formula.

(vi) It is the intent of the General Assembly that no future modifications should be made to the postretirement adjustment allowance formula if those changes are projected to result in the funded ratio of the retirement system decreasing below 80 percent funded on an actuarial value basis.

*** Vermont State Employees’ Retirement System ***

*** Pension Benefits ***

Sec. 2. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

* * *
(4) “Average final compensation” shall mean:

* * *

(F) For a Group D member:

   (i) Who retires on or before June 30, 2022, the member’s final salary.

   (ii) Who retires on or after July 1, 2022, but who, on or before June 30, 2022, has five years or more of service as a Supreme Court Justice, a Superior judge, an Environmental judge, a District judge, or a Probate judge or any combination thereof and has attained 57 years of age or older, or is a Group D member on or before June 30, 2022 and has 15 years or more of creditable service, the member’s final salary.

   (iii) Who retires on or after July 1, 2022 and who does not meet the requirements set forth in subdivisions (i) and (ii) of this subdivision (F), the average annual earnable compensation of a member during the two consecutive fiscal years beginning on July 1 and ending on June 30 of creditable service affording the highest such average, or during all of the years in the member’s creditable service if fewer than two years. If the member separates prior to the end of a fiscal year, average final compensation shall be determined by adding:

   (I) The actual earnable compensation earned in the fiscal year of separation through the date of separation and the service credit to correspond with the last pay date.

   (II) The earnable compensation and service credit earned in the preceding fiscal year.

   (III) The remaining service credit that is needed to complete the two full years, which shall be factored from the fiscal year preceding the fiscal year described in subdivision (II) of this subdivision (F)(iii). The earnable compensation associated with this remaining service credit shall be calculated by multiplying the annual earnable compensation reported by the remaining service credit that is needed.

* * *

(13) “Normal retirement date” shall mean:

   (A) with respect to a Group A member, the first day of the calendar month next following (i) attainment of age 65, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or (ii) attainment of age 62 and completion of 20 years of creditable service, whichever is earlier;
(B) with respect to a Group C member, the first day of the calendar month next following attainment of age 55 years of age, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or completion of 30 years of service, whichever is earlier;

(C) with respect to a Group D member;

(i) for those members first appointed or elected on or before June 30, 2022, the first day of the calendar month next following attainment of age 62 years of age and completion of five years of creditable service; or

(ii) for those members first appointed or elected on or after July 1, 2022, the first day of the calendar month next following attainment of 65 years of age and completion of five years of creditable service; and

(D) with respect to a Group F member, the first day of the calendar month next following attainment of age 62, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or completion of 30 years of creditable service, whichever is earlier; and with respect to a Group F member first included in the membership of the system on or after July 1, 2008, the first day of the calendar month next following attainment of age 65 and following completion of five years of creditable service, or attainment of 87 points reflecting a combination of the age of the member and number of years of service, whichever is earlier.

* * *

Sec. 3. 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

(a) Normal retirement.

* * *

(2) Group C members. Any group Group C member who is an officer or employee of the Department of Public Safety assigned to police and law enforcement duties, including the Commissioner of Public Safety appointed before July 1, 2000, and who has reached his or her normal retirement date may retire on a normal retirement allowance, on the first day of any month after he or she may have separated from service, by filing an application in the manner outlined in subdivision (3) of this subsection. Any group Group C member in service shall be retired on a normal retirement allowance on the first day of the calendar month next following attainment of age 55 57 years of age. Notwithstanding, it is provided that any such member who is an official appointed for a term of years may remain in service until the end of his or her the member’s term of office or any extension thereto, resulting from reappointment.
(b) Normal retirement allowance.

(1) Upon normal retirement, a group Group A member shall receive a normal retirement allowance which shall be equal to 50 percent of the member’s average final compensation; provided, however, that if the member has not completed 30 years of creditable service at retirement, or, if earlier, the date of attainment of such age as may be applicable under the provisions of subdivision (a)(4) of this section, his or her allowance shall be multiplied by the ratio that the number of his or her years of creditable service at retirement, or such earlier date, bears to 30.

(2)(A) Upon normal retirement, a group Group C member shall receive a normal retirement allowance which shall be equal to 50 percent of the member’s average final compensation; provided, however, that if the member has not completed 20 years of creditable service at retirement, or, if earlier, the date of attainment of such age as may be applicable under the provisions of subdivision (a)(4) of this section, the member’s allowance shall be multiplied by the ratio that the number of the member’s years of creditable service at retirement, or such earlier date, bears to 20.

(B) For a Group C member, for each year of service that is completed on or after July 1, 2022 after attaining the later of 50 years of age or completing 20 years of service, a member’s maximum normal retirement allowance shall increase by an amount equal to one and one-half percent of the member’s average final compensation.

(3)(A) Group D members who are Justices of the Supreme Court, Superior judges, Environmental judges, and District judges; additional retirement allowance. Justices of the Supreme Court, Superior judges, Environmental judges, and District judges, upon normal retirement under this section, shall receive a normal retirement allowance equal to one and two-thirds percent of the member’s average final compensation times the years of Group D membership service up to 12 years. Group D members shall receive an additional retirement allowance according to years of service as a Supreme Court Justice, a Superior judge, an Environmental judge, or a District judge, or a Probate judge or any combination thereof as follows:

(i) After 12 years of service, an additional retirement allowance of an amount which, together with the normal service retirement allowance for the first 12 years, will make the total equal to two-fifths of their salary at retirement average final compensation.
(ii) For each year of service in excess of 12 years, an amount equal to \( \frac{3}{4} \) three and one-third percent of their salary at retirement average final compensation shall be added to the retirement allowance as computed in subsection (a) subdivision (b)(3)(A)(i) of this section subdivision (b)(3)(A). However, at no time shall the total retirement allowance exceed their salary at retirement. Such In addition to the normal retirement allowance, such additional retirement allowance shall be treated as the normal retirement allowance for all purposes of the retirement act.

(B) In order to qualify for the benefits provided by this title each Justice or judge shall have the maximum employee contribution in accordance with the requirements of the State Employees’ Retirement System. These provisions shall apply to surviving Justices and judges retired before its enactment, but only from the effective date of its enactment, and not retroactively. The total retirement allowance for Group D members shall be as follows:

(i) For a Group D member who retires on or before June 30, 2022, the total retirement allowance shall not exceed the member’s salary at retirement.

(ii) For a Group D member who, on or before June 30, 2022, has five years or more of service as a Supreme Court Justice, a Superior judge, an Environmental judge, a District judge, or a Probate judge, or any combination thereof, and has attained 57 years of age or older, or is a Group D member on or before June 30, 2022 and has 15 years or more of creditable service, the total retirement allowance shall not exceed the member’s salary at retirement.

(iii) For a Group D member who retires on or after July 1, 2022, and who does not meet the requirements set forth in subdivision (i) or (ii) of this subdivision (B), the member’s total retirement allowance shall not exceed 80 percent of the member’s average final compensation.

(C) For the purposes of this section, years of service as a municipal judge are to be counted as years of service in determining the additional retirement allowance, insofar as they represent years of membership service. [Repealed.]

(4) Group D members who are Probate judges; additional retirement allowance. Probate judges, having retired under this section, shall be entitled to an additional retirement allowance according to their years in service as follows:

(A) Upon completion of 12 years of service an amount which with service retirement allowance will equal two fifths of the salary at retirement.
(B) For each additional year of service, an amount equal to $3 \frac{1}{3}$ percent of the salary at retirement shall be added to the retirement allowance as computed in subsection (a) of this section. Such additional retirement allowance shall be treated as the normal retirement allowance for all purposes of the retirement act. [Repealed.]

***

Sec. 4. 3 V.S.A. § 459a is amended to read:

§ 459a RESTORATION OF SERVICE

***

(b)(1) Upon the subsequent retirement of an employee who once again became a member under subsection (a) of this section, the employee shall once again become a beneficiary whose former retirement allowance shall be restored under the same plan provisions applicable at the time of the initial retirement, but the beneficiary shall not be entitled to cost of living adjustments for the period during which he or she was restored to service. In addition to the former retirement allowance, a beneficiary shall be entitled to a retirement allowance separately computed for the period beginning with his or her last restoration to service for which the member has made a contribution. If the beneficiary is not vested in the system since he or she was last restored to service, the member’s contributions plus accumulated interest shall be returned to him or her.

(2) Notwithstanding subdivision (1) of this subsection, for a Group C member who has attained the later of 50 years of age and has completed 20 years or more of service, in no event shall the member’s separately computed retirement allowance increase by an amount equal to more than one and one-half percent of the member’s average final compensation per year of restored service actually performed.

Sec. 5. 3 V.S.A. § 470 is amended to read:

§ 470. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

(a) For Group A, Group C, and Group D members, as of June 30th in each year, commencing June 30, 1972, a determination shall be made of any increase or decrease, to the nearest one tenth of a percent, in the ratio of the average of the Consumer Price Index for the month ending on that date to the average of said index for the month ending on June 30, 1971, or the month ending on June 30th of the most recent year subsequent thereto. In the event of an increase, and provided that the net increase following the application of any offset as provided in this subsection equals or exceeds one percent, the
retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31st shall be increased by an equal percentage. Such increase shall commence on the January 1st immediately following such December 31st. Such percentage increase shall also be made in the retirement allowance payable to a beneficiary in receipt of an allowance under an optional election, provided the member on whose account the allowance is payable and such other person shall have received a total of at least 12 monthly payments by such December 31st. In the event of a decrease of the Consumer Price Index as of June 30th for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1st; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Postretirement adjustments to retirement allowance. On January 1 of each year, the retirement allowance of each beneficiary who is in receipt of a retirement allowance and who meets the eligibility criteria set forth in this section shall be adjusted by the amount described in subsection (d) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary’s retirement allowance.

(b) For Group F members, as of June 30th in each year, commencing January 1, 1991, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent of the Consumer Price Index for the preceding fiscal year. In the event of an increase, and provided that there exists a net increase following the application of any offset as provided in this subsection, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31st shall be increased by an amount equal to one-half of the net percentage increase. Commencing January 1, 2014, the retirement allowance of each beneficiary who was an active contributing member of the Group F plan on or after June 30, 2008, and who retires on or after July 1, 2008, shall be increased by an amount equal to the net percentage increase. The increase shall commence on the January 1st immediately following such December 31st. The increase shall apply to Group F members receiving an early retirement allowance only in the year following attainment of normal retirement age, provided the member has received benefits for at least 12 months as of December 31st of
the year preceding any January adjustment. In the event of a decrease of the Consumer Price Index as of June 30th for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1st; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Calculation of Net Percentage Increase.

(1) Consumer Price Index; maximum and minimum amounts. Prior to October 1 of each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of said index for the month ending on June 30 of the previous year. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:

(A) For Group A members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(B) For Group C members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(C) For Group C members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(D) For Group D members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(E) For Group F members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent, and any increase or decrease of less than one percent shall be assigned a value of one percent.
For Group F members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(2) Consumer Price Index; decreases. In the event of a decrease in the Consumer Price Index, there shall be no adjustment to retirement allowances for the subsequent year beginning January 1; provided, however, that:

(A) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount of such increase; and

(B) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

(3) Consumer Price Index; increases. In the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members’ postretirement adjustment as described herein.

(c) For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease of less than one percent shall be assigned a value of one percent. Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment to the beneficiary’s retirement allowance, the beneficiary must meet the following eligibility requirements:

(1) For all members who are retired or vested deferred on or before June 30, 2022; for Group A, C, and F members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022; and for Group D members first appointed or elected on or before June 30, 2022, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment.

(2) For all Group A, C, and F members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, and for Group D members first appointed or elected on or after July 1, 2022, the
member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(3) Special rule for Group F early retirement. A Group F member in receipt of an early retirement allowance shall not receive a postretirement adjustment to the member’s retirement allowance until such time as the member has reached normal retirement age, provided the member has also met the other eligibility criteria set forth in this subsection.

(d) For purposes of this section, Consumer Price Index shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as “CPI-U,” in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics. Amount of postretirement adjustment. The postretirement adjustment for each member who meets the eligibility criteria set forth in subsection (c) of this section shall be as follows:

(1) The full amount of the net percentage increase calculated in subsection (b) of this section for the following:

(A) Group A and C members;

(B) Group D members first appointed or elected on or before June 30, 2022; and

(C) Commencing January 1, 2014, any active contributing member of the Group F plan on or after June 30, 2008, and who retires as a Group F member on or after July 1, 2008.

(2) One-half of the net percentage increase calculated in subsection (b) of this section for Group F members who retired on or before June 30, 2008.

(3) For Group D members first appointed or elected on or after July 1, 2022, the full amount of the net percentage increase calculated in subsection (b) of this section for amounts equal to or less than $75,000.00 of annual retirement allowance and one-half the net percentage increase calculated in subsection (b) of this section for amounts $75,000.01 or greater of annual retirement allowance.

(e) Definition. For purposes of this section:

(1) “Consumer Price Index” means the Northeast Region Consumer Price Index for all urban consumers, designated as “CPI-U,” in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

(2) “Vested deferred” means a member who receives a vested deferred allowance payable pursuant to subsection 465(a) of this title.
(f) **Deferred vested allowance.** No increase shall be made pursuant to this section in a deferred vested allowance payable pursuant to subsection 465(a) of this title prior to its commencement.

Sec. 6. 3 V.S.A. § 473 is amended to read:

§ 473. **FUNDS**

(a) **Assets.** All of the assets of the Retirement System shall be credited to the Vermont State Retirement Fund.

(b) **Member contributions.**

(1)(A) **Allocations.** Contributions deducted from the compensation of members together with any member contributions transferred thereto from the predecessor systems shall be accumulated in the Fund and separately recorded for each member. The amounts so transferred on account of Group A members shall be allocated between regular and additional contributions. The amounts so allocated as regular contributions shall be determined as if the rate of contribution of four percent has been continuously in effect in the predecessor system from which such amounts were transferred and the balance of any amount so transferred on account of any Group A member shall be deemed additional contributions. In the case of Group C members who were members as of the date of establishment and Group D members, all contributions transferred from predecessor systems shall be deemed regular contributions. Those members who, prior to the date of establishment of this system, had been contributing at a rate less than four percent shall have any benefit otherwise payable on their behalf actuarially reduced to reflect such prior contribution rate of less than four percent. Upon a member’s retirement or other withdrawal from service on the basis of which a retirement allowance is payable, the member’s additional contributions, with interest thereon, shall be paid as an additional allowance equal to an annuity which is the actuarial equivalent of such amount, in the same manner as the benefit otherwise payable under the System.

(B) **Periodic review.** When the State Employees’ Retirement System has been determined by the actuary to have assets at least equal to its accrued liability, contribution rates will be reevaluated by the actuary with a subsequent recommendation to the General Assembly. In determining the amount earnable by a member in a payroll period, the Retirement Board may consider the annual or other periodic rate of earnable compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deduction from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period, and to facilitate the making of deductions it may
modify the deduction required of any member by such an amount as, on an annual basis, shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is to be made. Each of the amounts shall be deducted until the member retires or otherwise withdraws from service, and when deducted shall be paid into the Annuity Savings Fund, and shall be credited to the individual account of the member from whose compensation the deduction was made.

(2) (A) Group A members. Commencing on July 1, 2016, contributions shall be 6.55 percent of compensation for Group A, D, and F members and 8.43 percent of compensation for Group C members. When the State Employees’ Retirement System has been determined by the actuary to have assets at least equal to its accrued liability, contribution rates will be reevaluated by the actuary with a subsequent recommendation to the General Assembly. In determining the amount earnable by a member in a payroll period, the Retirement Board may consider the annual or other periodic rate of earnable compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deduction from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as, on an annual basis, shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is to be made. Each of the amounts shall be deducted until the member retires or otherwise withdraws from service, and when deducted shall be paid into the Annuity Savings Fund, and shall be credited to the individual account of the member from whose compensation the deduction was made.

(B) Group C members.

(i) Commencing the first full pay period in fiscal year 2023, the contribution rate for Group C members shall be 9.03 percent of compensation;

(ii) Commencing the first full pay period in fiscal year 2024, the contribution rate for Group C members shall be 9.53 percent of compensation.

(iii) Commencing the first full pay period in fiscal year 2025 and annually thereafter, the contribution rate for Group C members shall be 10.03 percent of compensation.

(C) Group D members. Commencing on July 1, 2022, the contribution rate for Group D members shall be based on the quartile in which a member’s hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year by the Department of Human
Resources based on the hourly rate of pay by all Group D members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period, below the 25th percentile of Group D member hourly rates of pay, the contribution rate shall be 6.65 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.15 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation;

(III) commencing in fiscal year 2025, 8.15 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.65 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:
(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation;

(III) commencing in fiscal year 2025, 8.15 percent of compensation;

(IV) commencing in fiscal year 2026, 8.65 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.15 percent of compensation.

(D) Group F members. Commencing on July 1, 2022, the contribution rate for Group F members shall be based on the quartile in which a member’s hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year, by the Department of Human Resources based on the hourly rate of pay of all Group F members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period below the 25th percentile of Group F member hourly rate of pay, the contribution rate shall be 6.65 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.15 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:
(I) commencing in fiscal year 2023, 7.15 percent of compensation;
(II) commencing in fiscal year 2024, 7.65 percent of compensation;
(III) commencing in fiscal year 2025, 8.15 percent of compensation; and
(IV) commencing in fiscal year 2026 and annually thereafter, 8.65 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;
(II) commencing in fiscal year 2024, 7.65 percent of compensation;
(III) commencing in fiscal year 2025, 8.15 percent of compensation;
(IV) commencing in fiscal year 2026, 8.65 percent of compensation; and
(V) commencing in fiscal year 2027 and annually thereafter, 9.15 percent of compensation.

(3) Deductions. The deductions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided herein and shall receipt for full compensation, and payment of compensation less such deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under this subchapter.

(4) Additional contributions. Subject to the approval of the Retirement Board, in addition to the contributions deducted from compensation as hereinbefore provided, any member may redeposit in the Fund by a single payment or by an increased rate of contribution an amount equal to the total amount which the member previously withdrew from this System or one of the predecessor systems; or any member may deposit therein by a single payment
or by an increased rate of contribution an amount computed to be sufficient to purchase an additional annuity which, together with prospective retirement allowance, will provide for the member a total retirement allowance not in excess of one-half of average final compensation at normal retirement date, with the exception of Group D members for whom creditable service shall be restored upon redeposits of amounts previously withdrawn from the System, or for whom creditable service shall be granted upon deposit of amounts equal to what would have been paid if payment had been made during any period of service during which such a member did not contribute. Such additional amounts so deposited shall become a part of the member’s accumulated contributions as additional contributions.

(5) **Beneficiaries.** The contributions of a member and such interest as may be allowed thereon which are withdrawn by the member or paid to the member estate or to a designated beneficiary in event of the member’s death, shall be paid from the Fund.

(6) **Scope.** Contributions required under this subsection shall be limited to contributions from Group A, Group C, Group D, and Group F members.

(7) [Repealed.]

(c) **Employer contributions, earnings, and payments.**

(8) **Annually,** the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of $9,000,000.00;

(B) in fiscal year 2025, the amount of $12,000,000.00; and

(C) in fiscal year 2026 and in any year thereafter until the Fund is calculated to have a funded ratio of at least 90 percent, the amount of $15,000,000.00.

**Other Postemployment Benefits**

Sec. 7. 3 V.S.A. § 479a is amended to read:

§ 479a. **STATE EMPLOYEES’ POSTEMPLOYMENT BENEFITS TRUST FUND**

**”**
(b) Into the Benefits Fund shall be deposited:

(1) all assets remitted to the State as a subsidy on behalf of the members of the Vermont State Employees’ Retirement System for employer-sponsored qualified prescription drug plans pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, except that any subsidy received from an Employer Group Waiver Program is not subject to this requirement;

(2) any appropriations by the General Assembly for the purposes of paying current and future retiree postemployment benefits for members of the Vermont State Employees’ Retirement System; and

(3) amounts contributed or otherwise made available by members of the System or their beneficiaries for the purpose of paying current or future postemployment benefits costs; and

(4) any monies pursuant to subsection (e) of this section.

(c) The Benefits Fund shall be administered by the State Treasurer. The Treasurer may invest monies in the Benefits Fund in accordance with the provisions of 32 V.S.A. § 434 or, in the alternative, may enter into an agreement with the Commission to invest such monies in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902, in a manner similar to the Committee’s investment of retirement system monies. All balances in the Benefits Fund at the end of the fiscal year shall be carried forward. Interest earned shall remain in the Benefits Fund. The Treasurer’s annual financial report to the Governor and the General Assembly shall contain an accounting of receipts, disbursements, and earnings of the Benefits Fund.

(e) State Contribution.

(1) Beginning on July 1, 2022 and annually thereafter, the State shall make annual contributions to the Benefits Fund known as the “normal contribution” and the “accrued liability contribution,” each of which shall be fixed on the basis of the liabilities of the System as shown by the most recent actuarial valuation and made by the payroll assessment included in annual agency and department budgets:

(A) The “normal contribution” shall be the amount that, if contributed over each member’s prospective period of service, will be sufficient to provide for the payment of all future retiree postemployment benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The “normal contribution” shall be identified using the actuarial cost method known as “projected unit credit” and applying a rate of
return equal to the most recently adopted actuarial rate of return pursuant to section 523 of this title.

(B) The “accrued liability contribution” shall be the annual payment set forth in the most recent actuarial valuation that is necessary to liquidate the unfunded accrued liability over a closed period of 26 years and determined based on the funding schedule set forth in this section.

(i) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability for the payment of retiree health and medical benefits.

(ii) Beginning on July 1, 2022, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 26 years ending on June 30, 2048, provided that the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 26-year period in installments.

(2) Any variation in the contribution of normal or accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 26-year period.

(3) The Board shall review annually the amount of State contributions recommended by the actuary. Based on this review, the Board shall determine the amount of State contribution necessary for the next fiscal year to achieve and preserve the financial integrity of the funds and certify a statement of the percentage of the payroll of all members sufficient to fund the normal cost and the accrued liability contribution. On or before December 15 of each year, the Board shall inform the Governor and the House and Senate Committees on Government Operations and on Appropriations in writing about the amount needed. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

*** VSERS Actuarial Studies ***

Sec. 8. 3 V.S.A. § 523 is amended to read:

§ 523. VERMONT PENSION INVESTMENT COMMISSION; DUTIES

* * *

(f) Asset and liability study. Beginning on July 1, 2022 2023, and every three years thereafter, based on the most recent actuarial valuations of each Plan, the Commission shall study the assets and liabilities of each Plan over a 20-year period. The study shall:
(1) project the expected path of the key indicators of each Plan’s financial health based on all current actuarial and investment assumptions; current contribution and benefit policies, including the Plans’ mark-to-market funded ratio; actuarially required contributions by source; payout ratio; and related liquidity obligations; and

(2) project the effect on each Plan’s financial health resulting from:

(A) possible material deviations from Plan assumptions in investment assumptions, including returns versus those expected and embedded in the actuary’s estimate of actuarially required contributions and any material changes in capital markets volatility; and

(B) possible material deviations from key plan actuarial assumptions, including retiree longevity, potential benefit increases, and inflation.

* * *

Sec. 9. 3 V.S.A. § 471 is amended to read:

§ 471. RETIREMENT BOARD; MEDICAL BOARD; ACTUARY; RATES OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(j) The Retirement Board shall designate an actuary who shall be the technical advisor of the Board on matters regarding the operation of the Fund of the Retirement System, and shall perform such other duties as are required in connection therewith. Immediately after the establishment of the Retirement System, the Retirement Board shall adopt for the Retirement System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this subchapter. At Beginning July 1, 2023, at least once in each three year period every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the Retirement System, and taking into account the results of such investigation, the Retirement Board shall adopt for the Retirement System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this subchapter.

* * *
Sec. 10. 16 V.S.A. § 1942 is amended to read:

§ 1942. BOARD OF TRUSTEES; MEDICAL BOARD; ACTUARY; RATE OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

(m) Immediately after the establishment of the System, the actuary shall make such investigation of the mortality, service, and compensation experience of the members of the System, as the actuary shall recommend and the Board shall authorize, for the purpose of determining the proper mortality and service tables to be prepared and submitted to the Board for adoption. Having regard to such investigation and recommendation, the Board shall adopt for the System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter. At least once in each three year period Beginning July 1, 2023, at least once every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the System, and taking into account the results of such investigation, the Board shall adopt for the System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

Sec. 11. 16 V.S.A. § 1944 is amended to read:

§ 1944. VERMONT TEACHERS’ RETIREMENT FUND

(a) Pension Fund. All of the assets of the System shall be credited to the Vermont Teachers’ Retirement Fund.

(b) Member contributions.

(1) Contributions deducted from the compensation of members shall be accumulated in the Pension Fund and separately recorded for each member.

(2) The proper authority or officer responsible for making up each employer payroll shall cause to be deducted from the compensation:
(A) of each Group A member five and one-half percent of the member’s total earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title; and

(B) from each Group C member with at least five years of membership service as of July 1, 2014, five percent of the member’s earnable compensation; and from each Group C member with less than five years of membership service as of July 1, 2014, six percent of the member’s earnable compensation, an effective rate that is calculated based on the member’s base salary as of July 1 each year. The effective rate shall be rounded to the nearest hundredth of a percent and levied on the member’s total earnable compensation for the fiscal year, unless a teacher’s full-time equivalency status changes during the fiscal year, in which case the teacher’s effective rate will be recalculated and the new rate will be applied going forward. A member’s total earnable compensation for the fiscal year shall also include compensation paid for absence as provided by subsection 1933(d) of this title,

and shall be calculated according to the following marginal rates and income brackets:

(i) Beginning on July 1, 2022:

(I) if a member’s base salary is at or below $40,000.00, the rate is 6.0 percent;

(II) if a member’s base salary is $40,000.01 or more but not more than $60,000.00, the rate is the equivalent of $2,400.00 on $40,000.00 of the member’s base salary and 6.50 percent of the member’s salary that is $40,000.01 or more;

(III) if a member’s base salary of $60,000.01 or more but not more than $80,000.00, the rate is the equivalent of $3,700.00 on $60,000.00 and 6.75 percent of the member’s salary that is $60,000.01 or more;

(IV) if a member’s base salary is $80,000.01 or more but not more than $100,000.00, the rate is the equivalent of $5,050.00 on $80,000.00 and 7.00 percent of the member’s salary that is $80,000.01 or more;

(V) if a member’s base salary is $100,000.01 or more, the rate is the equivalent of $6,450.00 on $100,000.00 and 7.25 percent of the member’s salary that is $100,000.01 or more.

(ii) Beginning on July 1, 2023:

(I) if a member’s base salary is at or below $40,000.00, the rate is 6.25 percent;
(II) if a member’s base salary is $40,000.01 or more but not more than $60,000.00, the rate is the equivalent of $2,500.00 on $40,000.00 and 6.75 percent of the member’s salary that is $40,000.01 or more;

(III) if a member’s base salary of $60,000.01 or more but not more than $80,000.00, the rate is the equivalent of $3,850.00 on $60,000.00 and 7.0 percent of the member’s salary that is $60,000.01 or more;

(IV) if a member’s base salary is $80,000.01 or more but not more than $100,000.00, the rate is the equivalent of $5,250.00 on $80,000.00 and 7.50 percent of the member’s salary that is $80,000.01 or more;

(V) if a member’s base salary is $100,000.01 or more, the rate is the equivalent of $6,750.00 on $100,000.00 and 8.0 percent of the member’s salary that is $100,000.01 or more.

(iii) Beginning on July 1, 2024 and annually thereafter:

(I) if a member’s base salary is at or below $40,000.00, the rate is 6.25 percent:

(II) if a member’s base salary is $40,000.01 or more but not more than $60,000.00, the rate is the equivalent of $2,900.00 on $40,000.00 and 6.75 percent of the member’s salary that is $40,000.01 or more;

(III) if a member’s base salary of $60,000.01 or more but not more than $80,000.00, the rate is the equivalent of $3,850.00 on $60,000.00 and 7.5 percent of the member’s salary that is $60,000.01 or more;

(IV) if a member’s base salary is $80,000.01 or more but not more than $100,000.00, the rate is the equivalent of $5,350.00 on $80,000.00 and 8.25 percent of the member’s salary that is $80,000.01 or more;

(V) if a member’s base salary is $100,000.01 or more, the rate is the equivalent of $7,000.00 on $100,000.00 and 9.0 percent of the member’s salary that is $100,000.01 or more.

(C) In determining the amount earnable by a member set forth in this subdivision (2) in a payroll period, the Board may consider the rate of compensation payable to such member on the first day of a payroll period as continuing throughout the payroll period, and it may omit deduction from compensation for any period less than a full payroll period if a teacher was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is made. The actuary shall make annual valuations of the reduction to the recommended State
contribution attributable to the increase from five to six percent, and the Board shall include the amount of this reduction in its written report pursuant to subsection 1942(r) of this title.

* * *

(c) State contributions, earnings, and payments.

(1) All State appropriations and all reserves for the payment for all pensions including all interest and dividends earned on the assets of the Retirement System shall be accumulated in the Pension Fund. All benefits payable under the System, except for retired teacher health and medical benefits, shall be paid from the Pension Fund. Annually, the Retirement Board shall allow regular interest on the individual accounts of members in the Pension Fund which shall be credited to each member’s account.

(2) Beginning with the actuarial valuation as of June 30, 2006, the contributions to be made to the Pension Fund by the State shall be determined on the basis of the actuarial cost method known as “entry age normal.” On account of each member, there shall be paid annually by the State into the Pension Fund a percentage of the earnable compensation of each member to be known as the “normal contribution” and an additional percentage of the member’s earnable compensation to be known as the “accrued liability contribution.” The percentage rate of such contributions shall be fixed on the basis of the liabilities of the System as shown by actuarial valuation. “Normal contributions” and “accrued liability contributions” shall be by separate appropriation in the annual budget enacted by the General Assembly.

(3) The normal contribution shall be the uniform percentage of the total compensation of members that, if contributed over each member’s prospective period of service and added to such member’s prospective contributions, if any, will be sufficient to provide for the payment of all future pension benefits after subtracting the sum of the unfunded accrued liability and the total assets of the Pension Fund.

(4) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability to the System. Beginning on July 1, 2008, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ending on June 30, 2038, provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent per year.
(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal or unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

* * *

(13) Annually, the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of $9,000,000.00;

(B) in fiscal year 2025, the amount of $12,000,000.00; and

(C) in fiscal year 2026 and in any year thereafter until the Fund is calculated to have a funded ratio of at least 90 percent, the amount of $15,000,000.00.

* * *

Sec. 12. 16 V.S.A. § 1949 is amended to read:

§ 1949. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

(a) For all Group A members, as of June 30 in each year, beginning June 30, 1972, the Board shall determine any increase or decrease, to the nearest one-tenth of one percent, in the ratio of the average of the Consumer Price Index for the month ending on that date to the average of the Index for the month ending on June 30, 1971, or the month ending on June 30 of the most recent year thereafter. In the event of an increase, and provided that the net increase following the application of any offset as provided in this subsection equals or exceeds one percent, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31 shall be increased by an equal percentage. Such increase shall begin on the January 1 immediately following that December 31. An equivalent percentage increase shall also be made in the retirement allowance payable to a beneficiary in receipt of an allowance under an optional election, provided the member on whose account the allowance is payable and such other person shall have received a total of at least 12 monthly payments by such December 31. In the event of a decrease of the Consumer Price Index
as of June 30 for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. 

Postretirement Adjustments to Retirement allowance. On January 1 of each year, the retirement allowance of each beneficiary of the System who is in receipt of a retirement allowance for at least a one-year period as of December 31 in the previous year, and who meets the eligibility criteria set forth in this section, shall be adjusted by the amount described in subsection (b) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary's retirement allowance.

(b) For Group C members, as of June 30 in each year, commencing June 30, 1981, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent of the Consumer Price Index for the preceding fiscal year. In the event of an increase, and provided that there exists a net increase following the application of any offset as provided in this subsection, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31 shall be increased by an amount equal to one-half of the net percentage increase. The increase shall commence on the January 1 immediately following that December 31. The increase shall apply to Group C members having attained 57 years of age or completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following attainment of age 62, and shall apply to Group C members not having attained 57 years of age or having completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following the member’s attainment of 65 years of age, provided the member has received benefits for at least 12 months as of December 31 of the year preceding any January adjustment. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount
of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Calculation of Net Percentage Increase. Each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of the Consumer Price Index for the month ending on June 30 of the previous year.

(1) Consumer Price Index; maximum and minimum amounts. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:

(A) For Group A members and Group C members who are eligible for normal retirement or unreduced early retirement on or before June 30, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent.

(B) For Group C members who are eligible for retirement and leave active service on or after July 1, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be four percent.

(2) Consumer Price Index; decreases. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, there shall be no adjustment to the retirement allowance of a beneficiary for the subsequent year beginning January 1; provided, however, that:

(A) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index up to the full amount of such increase; and

(B) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

(3) Consumer Price Index; increases. Subject to the maximum and minimum amounts set forth in subdivision (1) of this subsection, in the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members’ postretirement adjustment as set forth in subsection (d) of this section.
(c) For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease less than one percent shall be assigned a value of one percent. Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment allowance, the beneficiary must meet the following eligibility requirements:

(1) for any Group A or Group C member eligible for retirement on or before June 30, 2022, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment; and

(2) for any Group C member who is eligible for retirement and leaves active service on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(d) As used in this section, “Consumer Price Index” shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as “CPI-U,” in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

** Other Postemployment Benefits **

Sec. 13. 16 V.S.A. § 1944b is amended to read:

§ 1944b. RETIRED TEACHERS’ HEALTH AND MEDICAL BENEFITS FUND

(a) There is established the Retired Teachers’ Health and Medical Benefits Fund (Benefits Fund) to pay retired teacher health and medical retiree postemployment benefits, including prescription drug benefits, when due in accordance with the terms established by the Board of Trustees of the State Teachers’ Retirement System of Vermont pursuant to subsection 1942(p) and section 1944e of this title. The Benefits Fund is intended to comply with and be a tax exempt governmental trust under Section 115 of the Internal Revenue Code of 1986, as amended. The Benefits Fund shall be administered by the Treasurer.

(b) The Benefits Fund shall consist of:

(1) all monies remitted to the State on behalf of the members of the State Teachers’ Retirement System of Vermont for prescription drug plans, including manufacturer rebates, as well as monies pursuant to the Employer Group Waiver Plan with Wrap pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003;
(2) any monies appropriated by the General Assembly for the purpose of paying the health and medical postemployment benefits for retired members and their dependents provided by subsection 1942(p) and section 1944e of this title;

(3) any monies pursuant to subsection (e) (h) of this section; and

(4) [Repealed.]

(5) any monies pursuant to section 1944d of this title.

(c) No employee contributions shall be deposited in the Benefits Fund.

(d) The Treasurer may invest monies in the Benefits Fund in accordance with the provisions of 32 V.S.A. § 434 or, in the alternative, may enter into an agreement with the Vermont Pension Investment Committee Commission to invest such monies in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902, in a manner similar to the Committee’s Commission’s investment of retirement system monies. Interest earned shall remain in the Benefits Fund, and all balances remaining at the end of a fiscal year shall be carried over to the following year. The Treasurer’s annual financial report to the Governor and the General Assembly shall contain an accounting of receipts, disbursements, and earnings of the Benefits Fund.

(e) [Repealed.]

(f) Contributions to the Benefits Fund shall be irrevocable and it shall be impossible at any time prior to the satisfaction of all liabilities, with respect to employees and their beneficiaries, for any part of the corpus or income of the Benefits Fund to be used for, or diverted to, purposes other than the payment of retiree postemployment benefits to members and their beneficiaries and reasonable expenses of administering the Benefits Fund and related benefit plans.

(g) [Repealed.]

(h) State contribution.

(1) Beginning on July 1, 2022, and annually thereafter, the State shall make annual contributions to the Benefits Fund known as the “normal contribution” and the “accrued liability contribution,” each of which shall be fixed on the basis of the liabilities of the System as shown by the most recent actuarial valuation and made by separate appropriation in the annual budget enacted by the General Assembly:
(A) The “normal contribution” shall be the amount that, if contributed over each member’s prospective period of service, will be sufficient to provide for the payment of all future retiree postemployment benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The “normal cost” shall be identified using the actuarial cost method known as “projected unit credit” and applying a rate of return equal to the most recently adopted actuarial rate of return pursuant to 3 V.S.A. § 523.

(B) The “accrued liability contribution” shall be the annual payment set forth in the most recent actuarial valuation that is necessary to liquidate the unfunded accrued liability over a closed period of 26 years and determined based on the funding schedule set forth in this section.

(i) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability for the payment of retiree postemployment benefits.

(ii) Beginning on July 1, 2022, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 26 years ending on June 30, 2048, provided that the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 26-year period in installments.

(2) Any variation in the contribution of normal or accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 26-year period.

(3) The Board shall review annually the amount of State contributions recommended by the actuary of the Retirement System. Based on this review, the Board shall determine the amount of State contribution necessary for the next fiscal year to achieve and preserve the financial integrity of the funds. On or before December 15 of each year, the Board shall inform the Governor and the House and Senate Committees on Government Operations and on Appropriations in writing about the amount needed. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

Sec. 14. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

* * *
(b) Monies in the Education Fund shall be used for the following:

* * *

(4) To make payments to the Vermont Teachers’ Retirement Fund and the Retired Teachers’ Health and Medical Benefits Fund for the normal contribution contributions in accordance with subsection subsections 1944(c) of this title and 1994b(h) of this title.

* * *

Sec. 15. VERMONT TEACHERS’ RETIREMENT SYSTEM; REPEAL OF PRIOR SUNSET AND REPORTING PROVISIONS

2018 (Sp. Sess.) Acts and Resolves No.11, Secs. E.515.3 and E.515.4 are hereby repealed.

* * * Vermont Municipal Employees’ Retirement System * * *

Sec. 16. 24 V.S.A. § 5062 is amended to read:

§ 5062. RETIREMENT BOARD; MEDICAL BOARD; ACTUARY; RATES OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(k) Immediately after the establishment of the Retirement System, the Retirement Board shall adopt for the Retirement System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter. At least once in each three-year period Beginning July 1, 2023, at least once every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the Retirement System, and taking into account the results of such investigation, the Retirement Board shall adopt for the Retirement System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

* * *

* * * Funding * * *

Sec. 17. FY 2022; APPROPRIATION; STATE EMPLOYEES’ POSTEMPLOYMENT BENEFITS TRUST FUND; RETIRED TEACHERS’ HEALTH AND MEDICAL BENEFITS FUND

(a) In FY 2022, of the amount of General Funds reserved in 2021 Acts and Resolves No. 74, Sec. C.101(a) is unreserved as follows:

- 1968 -
(1) the sum of $75,000,000.00 is appropriated to the Vermont State Retirement Fund, established in 3 V.S.A. § 473, to address the unfunded accrued liability in pension benefits; and

(2) the sum of $75,000,000.00 is appropriated to the Vermont Teachers’ Retirement Fund, established in 16 V.S.A. § 1944, to address the unfunded accrued liability in pension benefits.

(b) In FY 2022, the amount of $50,000,000.00 in General Funds shall be appropriated to the Vermont Teachers’ Retirement Fund, established in 16 V.S.A. § 1944, to address the unfunded accrued liability in pension benefits.

(c) In FY 2022, of the amount of Education Funds reserved in 2021 Acts and Resolves No. 74, Sec. C.101(a) is unreserved and the sum of $13,300,000.00 is appropriated to the Retired Teachers’ Health and Medical Benefits Fund, established in 16 V.S.A. § 1944b, to support the normal cost of other postemployment benefits as set forth in 16 V.S.A. § 1944f.

(d) The appropriations in subsections (a) and (b) of this section shall not be included for the purposes of calculating the reserve total for fiscal year 2023 pursuant to 32 V.S.A. § 308 (General Fund budget stabilization reserve).

Sec. 18. 32 V.S.A. § 308c is amended to read:

§ 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE RESERVES

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the “Rainy Day Reserve.” After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

(1), (2) [Repealed.]

(3) Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 50 percent of any such funds the following amounts shall be reserved as necessary and transferred from the General Fund to the Vermont State Employees’ Postemployment Benefits Trust Fund established by 3 V.S.A. § 479a as follows:

(A) 25 percent to the Vermont State Retirement Fund established by 3 V.S.A. § 473; and
(B) 25 percent to the Vermont Teachers’ Retirement Fund established by 16 V.S.A. § 1944.

***

*** Effective Dates ***

Sec. 19. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 17 (FY 2022 appropriation) shall take effect on passage.

(Committee vote: 6-0-1)

UNFINISHED BUSINESS OF MARCH 24, 2022

Second Reading

Favorable with Recommendation of Amendment

S. 148.

An act relating to environmental justice in Vermont.

Reported favorably with recommendation of amendment by Senator Bray for the Committee on Natural Resources and Energy.

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

Sec. 1. FINDINGS

The General Assembly finds that:

(1) According to American Journal of Public Health studies published in 2014 and 2018 and affirmed by decades of research, Black, Indigenous, and Persons of Color (BIPOC) and individuals with low income are disproportionately exposed to environmental hazards and unsafe housing, facing higher levels of air and water pollution, mold, lead, and pests.

(2) The cumulative impacts of environmental harms disproportionately and adversely impact the health of BIPOC and communities with low income, with climate change functioning as a threat multiplier. These disproportionate adverse impacts are exacerbated by lack of access to affordable energy, healthy food, green spaces, and other environmental benefits.

(3) Since 1994, Executive Order 12898 has required federal agencies to make achieving environmental justice part of their mission by identifying and addressing disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and populations with low incomes in the United States.
(4) According to the Centers for Disease Control and Prevention, 30 percent of Vermont towns with high town household poverty have limited access to grocery stores. In addition, a study conducted at the University of Vermont showed that in Vermont, BIPOC individuals were twice as likely to have trouble affording fresh food and to go hungry in a month than white individuals.

(5) Inadequate transportation impedes job access, narrowing the scope of jobs available to individuals with low income and potentially impacting job performance.

(6) In 2020, the Center for American Progress found that 76 percent of BIPOC individuals in Vermont live in “nature deprived” census tracts with a higher proportion of natural areas lost to human activities than the Vermont median. In contrast, 27 percent of white individuals live in these areas.

(7) The U.S. Centers for Disease Control and Prevention states that systemic health and social inequities disproportionately increases the risk of racial and ethnic minority groups becoming infected by and dying from COVID-19.

(8) According to the Vermont Department of Health, inequities in access to and quality of health care, employment, and housing have contributed to disproportionately high rates of COVID-19 among BIPOC Vermonters.

(9) An analysis by University of Vermont researchers found that mobile homes are more likely than permanent structures to be located in a flood hazard area. During Tropical Storm Irene, mobile parks and over 561 mobile homes in Vermont were damaged or destroyed. Mobile homes make up 7.2 percent of all housing units in Vermont and were approximately 40 percent of sites affected by Tropical Storm Irene.

(10) A University of Vermont study reports that BIPOC individuals were seven times more likely to have gone without heat in the past year, over two times more likely to have trouble affording electricity, and seven times less likely to own a solar panel than white Vermonters.

(11) The U.S. Environmental Protection Agency recognized Vermont’s deficiencies in addressing environmental justice concerns related to legacy mining and mobile home park habitability, providing grants for these projects in 1998 and 2005.

(12) Vermont State agencies receiving federal funds are subject to the antidiscrimination requirements of Title VI of the Civil Rights Act of 1964.
(13) In response to the documented inadequacy of state and federal environmental and land use laws to protect vulnerable communities, increasing numbers of states have adopted formal environmental justice laws and policies.

(14) At least 17 states have developed mapping tools to identify environmentally overburdened communities and environmental health disparities.

(15) The State of Vermont does not currently have a State-managed mapping tool that clearly identifies environmentally overburdened communities.

(16) The 1991 Principles of Environmental Justice adopted by The First National People of Color Environmental Leadership Summit demand the right of all individuals to participate as equal partners at every level of decision making, including needs assessment, planning, implementation, enforcement, and evaluation.

(17) Article VII of the Vermont Constitution establishes the government as a vehicle for the common benefit, protection, and security of Vermonters and not for the particular emolument or advantage of any single set of persons who are only a part of that community. This, coupled with Article I’s guarantee of equal rights to enjoying life, liberty, and safety, and Article IV’s assurance of timely justice for all, encourages political officials to identify how particular communities may be unequally burdened or receive unequal protection under the law due to race, income, or geographic location.

(18) On January 27, 2021, President Biden signed Executive Order 14008, “Tackling the Climate Crisis at Home and Abroad,” that created a government-wide “Justice40 Initiative” that aims to deliver 40 percent of the overall benefits of federal investments related to climate, natural disasters, environment, clean energy, clean transportation, housing, water and wastewater infrastructure, and legacy pollution reduction to “disadvantaged communities” that have been historically marginalized and overburdened by pollution and underinvestment.

(19) According to American Community Survey data from 2016–2019, at least 51 percent of census block groups in Vermont (or 52 percent of Vermont’s population) meet the Justice40 Initiative federal guidelines of a disadvantaged community.
Lack of a clear environmental justice policy has resulted in a piecemeal approach to understanding and addressing environmental justice in Vermont and creates a barrier to establishing clear definitions, metrics, and strategies to ensure meaningful engagement and more equitable distribution of environmental benefits and burdens.

It is the State of Vermont’s responsibility to pursue environmental justice for its residents and to ensure that its agencies do not contribute to unfair distribution of environmental benefits to or environmental burdens on low-income, limited-English proficient, and BIPOC communities.

Sec. 2. 3 V.S.A. chapter 72 is added to read:

CHAPTER 72. ENVIRONMENTAL JUSTICE

§ 6001. DEFINITIONS

As used in this chapter:

(1) “Environmental benefits” means the assets and services that enhance the capability of communities and individuals to function and flourish in society, such as access to a healthy environment and clean natural resources, including air, water, land, green spaces, constructed playgrounds, and other outdoor recreational facilities and venues; affordable clean renewable energy sources; public transportation; fulfilling and dignified green jobs; healthy homes and buildings; health care; nutritious food; Indigenous food and cultural resources; environmental enforcement, and training and funding disbursed or administered by governmental agencies.

(2) “Environmental burdens” means any significant impact to clean air, water, and land, including any destruction, damage, or impairment of natural resources resulting from intentional or reasonably foreseeable causes. Examples of environmental burdens include climate change; air and water pollution; improper sewage disposal; improper handling of solid wastes and other noxious substances; excessive noise; activities that limit access to green spaces, nutritious food, Indigenous food or cultural resources, or constructed outdoor playgrounds and other recreational facilities and venues; inadequate remediation of pollution; reduction of groundwater levels; increased flooding or stormwater flows; home and building health hazards, including lead paint, lead plumbing, asbestos, and mold; and damage to inland waterways and waterbodies, wetlands, forests, green spaces, or constructed playgrounds or other outdoor recreational facilities and venues from private, industrial, commercial, and government operations or other activity that contaminates or alters the quality of the environment and poses a risk to public health.
(3) “Environmental justice” means all individuals are afforded equitable access to and distribution of environmental benefits; equitable distribution of environmental burdens; fair and equitable treatment and meaningful participation in decision-making processes; and the development, implementation, and enforcement of environmental laws, regulations, and policies. Environmental justice recognizes the particular needs of individuals of every race, color, income, class, ability status, gender identity, sexual orientation, national origin, ethnicity or ancestry, religious belief, or English language proficiency level. Environmental justice redresses structural and institutional racism, colonialism, and other systems of oppression that result in the marginalization, degradation, disinvestment, and neglect of Black, Indigenous, and Persons of Color. Environmental justice requires prioritizing resources for community revitalization, ecological restoration, resilience planning, and a just recovery to communities most impacted by environmental burdens and natural disasters.

(4) “Environmental justice population” means any census block group in which:

(A) the annual median household income is not more than 80 percent of the State median household income;

(B) Persons of Color and Indigenous Peoples comprise at least six percent or more of the population; or

(C) at least one percent or more of households have limited English proficiency.

(5) “Limited English proficiency” means that a household does not have an adult who speaks English “very well” as defined by the U.S. Census Bureau.

(6) “Meaningful participation” means that all individuals have the opportunity to participate in energy, climate change, and environmental decision making, including needs assessments, planning, implementation, permitting, compliance and enforcement, and evaluation. Meaningful participation also integrates diverse knowledge systems, histories, traditions, languages, and cultures of Indigenous communities in decision-making processes. It requires that communities are enabled and administratively assisted to participate fully through education and training. Meaningful participation requires the State to operate in a transparent manner with regard to opportunities for community input and also encourages the development of environmental, energy, and climate change stewardship.
§ 6002. ENVIRONMENTAL JUSTICE STATE POLICY

(a) It is the policy of the State of Vermont that no segment of the population of the State should, because of its racial, cultural, or economic makeup, bear a disproportionate share of environmental burdens or be denied an equitable share of environmental benefits. It is further the policy of the State of Vermont to provide the opportunity for the meaningful participation of all individuals, with particular attention to environmental justice populations, in the development, implementation, or enforcement of any law, regulation, or policy.

(b) The following State agencies, departments, and bodies shall consider cumulative environmental burdens, as defined by rule pursuant to subsection 6003(a) of this title, and access to environmental benefits when making decisions about the environment, energy, climate, and public health projects; facilities and infrastructure; and associated funding: the Agencies of Natural Resources, of Transportation, of Commerce and Community Development, of Agriculture, Food and Markets, and of Education; the Public Utility Commission; the Natural Resources Board; and the Departments of Health, of Public Safety, and of Public Service.

(c) On or before July 1, 2025, every State agency shall create and adopt a community engagement plan that describes how the agency will engage with environmental justice populations as it evaluates new and existing activities and programs. Community engagement plans shall align with the core principles developed by the Interagency Environmental Justice Committee pursuant to subdivision 6004(c)(3)(B) of this title and take into consideration the recommendations of the Environmental Justice Advisory Council pursuant to subdivision 6004(c)(2)(B) of this title. Each plan shall describe how the agency plans to facilitate equitable participation and support meaningful and direct involvement of environmental justice populations in compliance with Title VI of the Civil Rights Act of 1964.

(d) Every State agency shall submit annual summaries to the Environmental Justice Advisory Council established pursuant to subdivision 6004(a)(1)(A) of this title, detailing all complaints alleging environmental justice issues or Title VI violations and any agency action taken to resolve such complaints. Agencies shall consider the recommendations of the Advisory Council pursuant to subdivision 6004(c)(2)(E) of this title and substantively respond in writing if an agency chooses not to implement any of the recommendations, within 90 days after receipt of the recommendations.
(e) The Agency of Natural Resources, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall review the definition of “environmental justice population” at least every five years and recommend revisions to the General Assembly to ensure the definition achieves the Environmental Justice State Policy.

(f) On or before July 1, 2023, the Agency of Natural Resources, in consultation with the Interagency Environmental Justice Committee and the Environmental Justice Advisory Council, shall issue guidance on how the agencies, departments, and bodies listed in subsection (b) of this section shall determine which investments provide environmental benefits to environmental justice populations. A draft version of the guidance shall be released for a 60-day public comment period before being finalized.

(g)(1) On or before January 15, 2024, all agencies, departments, and bodies listed in subsection (b) of this section shall, in accordance with the Agency of Natural Resources’s guidance document developed pursuant to subsection (f) of this section, review the past three years and generate baseline spending reports that include:

(A) where investments were made, if any, and which geographic areas, at the municipal level and census block group, where practicable, received environmental benefits from those investments; and

(B) the percentage of overall environmental benefits from those investments provided to environmental justice populations.

(2) The agencies, departments, and bodies shall publicly post the baseline spending reports on their respective websites.

(h) On or before July 1, 2024, the agencies, departments, and bodies listed in subsection (b) of this section shall direct investments to environmental justice populations with a goal that at least 55 percent of the overall benefits from those investments go to environmental justice populations.

(i)(1) On or before July 1, 2025, and annually thereafter, all agencies, departments, and bodies listed in subsection (b) of this section shall issue annual spending reports that include:

(A) where investments were made and which geographic areas, at the municipal level and census block group, where practicable, received environmental benefits from those investments; and

(B) the percentage of overall environmental benefits from those investments provided to environmental justice populations.
(2) The agencies, departments, and bodies shall publicly post the annual spending reports on their respective websites.

(j) On or before December 15, 2025, the Agency of Natural Resources shall submit a report to the General Assembly describing whether the baseline spending reports completed pursuant to subsection (g) of this section indicate if any municipalities or portions of municipalities are routinely underserved with respect to environmental benefits, taking into consideration whether those areas receive, averaged across three years, a significantly lower percentage of environmental benefits from State investments as compared to other municipalities or portions of municipalities in the State. This report shall include a recommendation as to whether a statutory definition of “underserved community” and any other revisions to this chapter are necessary to best carry out the Environmental Justice State Policy.

§ 6003. RULEMAKING

(a) On or before July 1, 2024, the Agency of Natural Resources, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall adopt rules to:

(1) define cumulative environmental burdens;

(2) implement consideration of cumulative environmental burdens within the Agency of Natural Resources; and

(3) inform how the public and the State agencies, departments, and bodies specified in subsection 6002(b) of this title implement the consideration of cumulative environmental burdens and use the environmental justice mapping tool.

(b) On or before July 1, 2025 and as appropriate thereafter, the Agencies of Natural Resources, of Transportation, of Commerce and Community Development, of Agriculture, Food and Markets, and of Education; the Public Utility Commission; the Natural Resources Board; and the Departments of Health, of Public Safety, and of Public Service, in consultation with the Environmental Justice Advisory Council, shall adopt or amend policies and procedures, plans, guidance, and rules, where applicable, to implement this chapter.

(c)(1) Prior to drafting new rules required by this chapter, agencies shall consult with the Environmental Justice Advisory Council to discuss the scope and proposed content of rules to be developed. Agencies shall also submit draft rulemaking concepts to the Advisory Council for review and comment. Any proposed rule and draft Administrative Procedure Act filing forms shall be provided to the Advisory Council not less than 45 days prior to submitting
the proposed rule or rules to the Interagency Committee on Administrative Rules (ICAR).

(2) The Advisory Council shall vote and record individual members’ support or objection to any proposed rule before it is submitted to ICAR. The Advisory Council shall submit the results of their vote to both ICAR and the Legislative Committee on Administrative Rules (LCAR).

§ 6004. ENVIRONMENTAL JUSTICE ADVISORY COUNCIL AND INTERAGENCY ENVIRONMENTAL JUSTICE COMMITTEE

(a) Advisory Council and Interagency Committee.

(1) There is created:

(A) the Environmental Justice Advisory Council (Advisory Council) to provide independent advice and recommendations to State agencies and the General Assembly on matters relating to environmental justice, including the integration of environmental justice principles into State programs, policies, regulations, legislation, and activities; and

(B) the Interagency Environmental Justice Committee (Interagency Committee) to guide and coordinate State agency implementation of the Environmental Justice State Policy and provide recommendations to the General Assembly for amending the definitions and protections set forth in this chapter.

(2) Appointments to the groups created in this subsection shall be made on or before December 15, 2022.

(3) Both the Advisory Council and the Interagency Committee shall consider and incorporate the Guiding Principles for a Just Transition developed by the Just Transitions Subcommittee of the Vermont Climate Council in their work.

(b) Meetings. The Advisory Council and Interagency Committee shall each meet at least nine times per year, with at least four meetings occurring jointly.

(c) Duties.

(1) The Advisory Council and the Interagency Committee shall jointly:

(A) consider and recommend to the General Assembly, on or before December 1, 2023, amendments to the terminology, thresholds, and criteria of the definition of environmental justice populations, including whether to include populations more likely to be at higher risk for poor health outcomes in response to environmental burdens; and
(B) examine existing data and studies on environmental justice and consult with State, federal, and local agencies and affected communities regarding the impact of current statutes, regulations, and policies on the achievement of environmental justice.

(2) The Advisory Council shall:

(A) advise State agencies on environmental justice issues and on how to incorporate environmental justice into agency procedures and decision making as required under subsection 6002(b) of this title and evaluate the potential for environmental burdens or disproportionate impacts on environmental justice populations as a result of State actions and the potential for environmental benefits to environmental justice populations;

(B) advise State agencies in the development of community engagement plans;

(C) advise State agencies on the use of the environmental justice mapping tool established pursuant to section 6005 of this title and on the enhancement of meaningful participation, reduction of environmental burdens, and equitable distribution of environmental benefits;

(D) review and provide feedback to the relevant State agency, pursuant to subsection 6003(c) of this title, on any proposed rules for implementing this chapter;

(E) receive and review annual State agency summaries of complaints alleging environmental justice issues, including Title VI complaints, and suggest options or alternatives to State agencies for the resolution of systemic issues raised in or by the complaints; and

(F) have the ability to accept funds from the federal government, a political subdivision of the State, an individual, a foundation, or a corporation and may use the funds for purposes that are consistent with this chapter, including reimbursing members for their time.

(3) The Interagency Committee shall:

(A) consult with the Agency of Natural Resources in the development of the guidance document required by in subsection 6002(f) of this title on how to determine which investments provide environmental benefits to environmental justice populations; and
(B) on or before July 1, 2023, develop, in consultation with the Agency of Natural Resources and the Environmental Justice Advisory Council, a set of core principles to guide and coordinate the development of the State agency community engagement plans required under subsection 6002(c) of this title.

(d) Membership.

(1) Advisory Council. Each member of the Advisory Council shall be well informed regarding environmental justice principles and committed to achieving environmental justice in Vermont and working collaboratively with other members of the Council. To the greatest extent practicable, Advisory Council members shall represent diversity in race, ethnicity, age, gender, urban and rural areas, and different regions of the State. The Advisory Council shall consist of the following 17 members, with more than 50 percent residing in environmental justice populations:

(A) the Director of Racial Equity or designee;

(B) one representative of municipal government, appointed by the Committee on Committees;

(C) two representatives who reside in a census block group that is designated as an environmental justice population, one appointed by the Committee on Committees and one appointed by the Speaker of the House;

(D) two representatives of social justice organizations, one appointed by the Committee on Committees and one appointed by the Speaker of the House;

(E) two representatives of organizations working on food security issues, one appointed by the Committee on Committees and one appointed by the Speaker of the House;

(F) two representatives of mobile home park issues, one appointed by the Committee on Committees and one appointed by the Speaker of the House;

(G) two representatives of a State-recognized Native American Indian tribe, recommended and appointed by the Vermont Commission on Native American Affairs;

(H) two representatives of immigrant communities in Vermont, one appointed by the Committee on Committees and one appointed by the Speaker of the House;

(I) one representative of a statewide environmental organization, appointed by the Speaker of the House;
(J) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(K) the Chair of the Natural Resources Conservation Council or designee.

(2) Interagency Committee. The Interagency Committee shall consist of the following 12 members:

(A) the Secretary of Administration or designee;
(B) the Secretary of Natural Resources or designee;
(C) the Secretary of Transportation or designee;
(D) the Commissioner of Housing and Community Development or designee;
(E) the Secretary of Agriculture, Food and Markets or designee;
(F) the Secretary of Education or designee;
(G) the Commissioner of Health or designee;
(H) the Director of Emergency Management or designee;
(I) the Commissioner of Public Service or designee;
(J) the Chair of Public Utility Commission or designee;
(K) the Chair of the Natural Resources Board or designee; and
(L) the Director of Racial Equity or designee.

(3) The Advisory Council and the Interagency Committee may each elect two co-chairs and may hold public hearings.

(4) After initial appointments, all appointed members of the Advisory Council shall serve six-year terms and serve until a successor is appointed. The initial terms shall be staggered so that a third of the appointed members shall serve a two-year term, another third of the appointed members shall serve a four-year term, and the remaining members shall be appointed to a six-year term.

(5) Vacancies of the Advisory Council shall be appointed in the same manner as original appointments.

(6) The Advisory Council shall have the administrative, technical, and legal assistance of the Agency of Natural Resources.
(7) Members of the Advisory Council who are neither State nor municipal employees shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010. Members may accept funds from the federal government, a political subdivision of the State, or a 501(c)(3) charitable organization and may expend funds for purposes that are consistent with this chapter. Any Council member who receives funds pursuant to this subdivision shall report to the Secretary of Natural Resources and disclose the source of the funds, the amount received, and the general purpose for which they were used. The Secretary shall post this disclosure information on its website or on the Advisory Council’s own website if such a website exists.

§ 6005. ENVIRONMENTAL JUSTICE MAPPING TOOL

(a) In consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, the Agency of Natural Resources shall determine indices and criteria to be included in a State mapping tool to depict environmental justice populations and measure environmental burdens at the smallest geographic level practicable. The Agency of Natural Resources shall maintain the mapping tool.

(b) The Agency of Natural Resources may cooperate and contract with other states or private organizations when developing the mapping tool. The mapping tool may incorporate federal environmental justice mapping tools, such as EJSCREEN, as well as existing State mapping tools such as the Vermont Social Vulnerability Index.

(c) On or before January 1, 2024, the mapping tool shall be available for use by the public as well as by the State government.

Sec. 3. ANNUAL REPORT

Beginning on January 15, 2024, the agencies, departments, and bodies listed in 3 V.S.A. § 6002(b) shall issue and publicly post an annual report summarizing all actions taken to incorporate environmental justice into the Agency’s or Department’s policies or determinations, rulemaking, permit proceedings, or project review.

Sec. 4. APPROPRIATION; POSITIONS

(a) There is appropriated the sum of $3,000,000.00 in fiscal year 2023 from the General Fund. This sum shall be used to carry out the requirements of this act by hiring the staff described in subsection (b) of this section, for the cost of developing the mapping tool required in 3 V.S.A. § 6005 and the per diem payments described in 3 V.S.A. § 6004.
(b) The following positions are created for the purpose performing the environmental justice work required by this act:

(1) 10 permanent exempt positions at the Agency of Natural Resources, including two permanent exempt analysts to support the development of the mapping tool;

(2) six permanent exempt positions at the Natural Resources Board;

(3) 1.5 permanent exempt positions at the Agency of Commerce and Community Development; and

(4) 2.5 permanent exempt positions at the Department of Public Service.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

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

The Committee recommends that the bill be amended as recommended by the Committee on Natural Resources and Energy with the following amendment thereto:

By striking out Sec. 4, appropriation; positions, in its entirety and inserting in lieu thereof the following:

Sec. 4. APPROPRIATIONS

(a) There is appropriated the sum of $500,000.00 in fiscal year 2023 from the General Fund to the Agency of Natural Resources for the cost of developing the mapping tool required in 3 V.S.A. § 6005.

(b) There is appropriated the sum of $200,000.00 in fiscal year 2023 from the General Fund to the Agency of Natural Resources to fund two positions to assist in the development of the environmental justice policy and support the Environmental Justice Advisory Council. This shall fund an existing position in the Agency and a second position which the Agency is authorized to repurpose from an existing vacant position.

(Committee vote: 6-0-1)
S. 181.

An act relating to authorizing miscellaneous regulatory authority for municipal governments.

Reported favorably with recommendation of amendment by Senator Clarkson for the Committee on Government Operations.

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

**Ordinance Authority Subject to Permissive Referendum**

Sec. 1. 24 V.S.A. § 2291 is amended to read:

§ 2291. ENUMERATION OF POWERS

For the purpose of promoting the public health, safety, welfare, and convenience, a town, city, or incorporated village shall have the following powers:

(1) To set off portions of public highways of the municipality for sidewalks and bicycle paths and to regulate their installation and use.

(4) To regulate the operation and use of vehicles of every kind including the power: to erect traffic signs and signals; to regulate the speed of vehicles subject to 23 V.S.A. chapter 13, subchapter 12; to implement traffic-calming devices, to regulate or exclude the parking of all vehicles; and to provide for waiver of the right of appearance and arraignment in court by persons charged with parking violations by payment of specified fines within a stated period of time.

(6) To regulate the location, installation, maintenance, repair, and removal of utility poles, wires and conduits, water pipes or mains, storm drains, or gas mains and sewers, upon, under, or above public highways or public property of the municipality.

(13) To compel the cleaning or repair of any premises that in the judgment of the legislative body is dangerous to the health or safety of the public and to establish standards for the maintenance of all premises within the municipality to protect the health and safety of the public or to prevent injury to other properties in the vicinity.
(24) Upon the determination by a municipal building inspector, health officer, or fire marshal that a building within the boundaries of the town, city, or incorporated village is uninhabitable or blighted, to recover all expenses incident to the maintenance of the uninhabitable or blighted building with the expenses to constitute a lien on the property in the same manner and to the same extent as taxes assessed on the grand list, and all procedures and remedies for the collection of taxes shall apply to the collection of those expenses; provided, however, that the town, city, or incorporated village has adopted rules to determine the habitability of a building, including provisions for notice in accordance with 32 V.S.A. § 5252(3) to the building’s owner prior to incurring expenses and including provisions for an administrative appeals process.

* * *

Sec. 2. 10 V.S.A. § 1420 is amended to read:

§ 1420. VESSELS; ABANDONMENT PROHIBITED; REMOVAL AND DISPOSITION OF ABANDONED VESSELS

* * *

(c) Abandonment of vessels prohibited.

(1) Civil violation. A person shall not abandon a vessel on public waters or immediately adjacent land. A person who violates this subdivision shall be subject to civil enforcement under chapters 201 and 211 of this title and, in any such enforcement action, the Secretary or municipality may obtain an order to recover costs specified in subdivision (d)(1) of this section incurred by the Agency of Natural Resources or the municipality.

* * *

(d)(1)(A) Removal of abandoned vessel. Upon request from a law enforcement officer or at his or her the Secretary’s own initiative, the Secretary shall promptly cause the removal and safe storage of a vessel that is abandoned as described in subdivision (a)(1) of this section, unless the vessel is to be removed by a federal agency. If removal is requested by a law enforcement officer, the Secretary shall make reasonable efforts to determine if the vessel qualifies as abandoned. In addition, the Secretary shall have the authority to take actions as may be necessary to eliminate risks to public health or safety caused by the condition of the vessel.

(B) A municipality shall have the authority granted to the Secretary in subdivision (A) of this subdivision (d)(1) and may remove a damaged and leaking vessel from public waters, provided that:

- 1985 -
(i) the municipality reports the presence of the abandoned vessel to the Secretary; and

(ii) the municipality reports the presence of the abandoned vessel to the owner of the vessel, if possible.

(C) A municipality shall have the authority to issue civil penalties and impound a vessel when exercising the authority granted pursuant to subdivision (B) of this subdivision (d)(1).

* * *

**Municipal Authority Subject to Voter Approval**

Sec. 3. 17 V.S.A. § 2645a is added to read:

§ 2645a. CHARTERED MUNICIPALITIES; VOTE TO SUSPEND CHARTER AUTHORITY AND RELY ON GENERAL MUNICIPAL LAW

(a) A municipality may propose to suspend for 3 years specific authority granted in the municipality’s charter and instead use later-enacted general municipal authority granted to all Vermont municipalities by the General Assembly, provided that the proposal is approved by the voters at any annual or special meeting warned for that purpose.

(b) The proposal may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality. The proposal shall specifically identify and contain the later-enacted general law that the municipality proposes to use in lieu of the charter provision.

(c) If the proposal is approved by a majority of voters at an annual or special meeting warned for that purpose, then the municipal clerk shall certify the results of the vote to the House and Senate Committees on Government Operations.

(d) Annually on or before November 15, the Office of Legislative Counsel shall prepare a list of the charter provisions that are subject to a repeal review pursuant to this section.

Sec. 4. 17 V.S.A. § 2646a is added to read:

§ 2646a. TOWN OFFICERS; TOWN VOTE TO ALLOW ELECTION OF NONRESIDENTS

(a)(1) Notwithstanding section 2646 of this subchapter, a municipality may propose to allow nonresidents to be elected or appointed town officers, except for members of the legislative body of the municipality. For all of the municipality’s boards, commissions, and other public bodies, the majority of the members of the municipal bodies shall be residents of the municipality.
(2) The proposal must be approved by the voters at any annual or special meeting warned for that purpose.

(b) The proposal may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality. The proposal shall identify the town office that may be filled by a nonresident.

Sec. 5. 17 V.S.A. § 2651a is amended to read:

§ 2651a. CONSTABLES; APPOINTMENT; REMOVAL; ELIMINATION OF OFFICE

* * *

(d)(1) A town may vote at an annual meeting to eliminate the office of constable.

(2) If a town votes to eliminate the office of constable, the selectboard shall appoint a town officer to discharge the constable’s duties, if any, subject to 24 V.S.A. § 1936a. The town officer shall proceed in the discharge of the constable’s duties in the same manner and be subject to the same liabilities as are established by law for constables.

(3) A vote to eliminate the office of constable shall remain in effect until rescinded by majority vote of the registered voters present and voting at an annual meeting warned for that purpose.

(4) The term of office of any constable in office on the date a town votes to eliminate that office shall expire on the 45th day after the vote or on the date upon which the selectboard appoints a law enforcement officer under this subsection, whichever occurs first.

Sec. 6. 17 V.S.A. § 2668 is added to read:

§ 2668. RECALL OF LOCAL OFFICIALS

(a) Any elected municipal officer may be removed from office subject to the procedure for voter-initiated petition contained in this section.

(b) A petition for a vote on the question of recalling an elected municipal officer shall be signed by not less than 25 percent of the active registered voters of the municipality and presented to the legislative body or the clerk of the municipality.

(c) When a petition is submitted in accordance with subsection (b) of this section, the legislative body shall call a special meeting within 60 days from the date of receipt of the petition or include an article in the warning for the next annual meeting of the municipality if the annual meeting falls within the 60-day period, to determine whether the voters will remove the elected municipal officer.
When the petition is approved by the voters at the special or annual meeting, the elected municipal officer named in the petition shall cease to hold the office.

A vacancy resulting from the recall of an elected municipal officer shall be filled pursuant to 24 V.S.A. chapter 33, subchapter 6.

A recall petition shall not be brought against an individual elected municipal officer more than once within any 12-month period.

Sec. 7. 24 V.S.A. § 138 is amended to read:

§ 138. LOCAL OPTION TAXES

(a) Local option taxes are authorized under this section for the purpose of affording municipalities an alternative method of raising municipal revenues to facilitate the transition and reduce the dislocations in those municipalities that may be caused by reforms to the method of financing public education under the Equal Educational Opportunity Act of 1997. Accordingly:

(1) the local option taxes authorized under this section may be imposed by a municipality;

(2) a municipality opting to impose a local option tax may do so prior to July 1, 1998 to be effective beginning January 1, 1999, and anytime after December 1, 1998 a local option tax shall be effective beginning on the next tax quarter following 90 days’ notice to the Department of Taxes of the imposition; and

(3) a local option tax may only be adopted by a municipality in which:

(A) the education property tax rate in 1997 was less than $1.10 per $100.00 of equalized education property value; or

(B) the equalized grand list value of personal property, business machinery, inventory, and equipment is at least ten percent of the equalized education grand list as reported in the 1998 Annual Report of the Division of Property Valuation and Review; or

(C) the combined education tax rate of the municipality will increase by 20 percent or more in fiscal year 1999 or in fiscal year 2000 over the rate of the combined education property tax in the previous fiscal year. [Repealed.]

(b) If the legislative body of a municipality by a majority vote recommends, the voters of a municipality may, at an annual or special meeting warned for that purpose, by a majority vote of those present and voting, assess any or all of the following:

(1) a one percent sales tax;
(2) a one percent meals and alcoholic beverages tax;

(3) a one percent rooms tax.

* * *

Sec. 8. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(c) In the case of an urban municipality or of a rural town where the planning commission does not serve as the board of adjustment or the development review board, members of the board of adjustment or the development review board shall be appointed by the legislative body, the number and terms of office of which shall be determined by the legislative body subject to the provisions of subsection (a) of this section. The municipal legislative body may appoint alternates to a planning commission, a board of adjustment, or a development review board for a term to be determined by the legislative body. Alternates may be assigned by the legislative body to serve on the planning commission, the board of adjustment, or the development review board in situations when one or more members of the board are disqualified or are otherwise unable to serve. Vacancies shall be filled by the legislative body for the unexpired terms and upon the expiration of such terms. Each member of a board of adjustment or a development review board may be removed for cause by the legislative body upon written charges and after public hearing. If a development review board is created, provisions of this subsection regarding removal of members of the board of adjustment shall not apply.

* * *

(f) Notwithstanding subsections (b) and (c) of this section, a municipality may vote at an annual or special meeting to change the number of members that may be appointed to a board of adjustment or development review board.

(1) The proposal to change the number of members serving on a board may be brought by the legislative body or by petition of five percent of the voters of the municipality.

(2) If the number of members on a board is reduced, the legislative body shall determine which of the appointed members shall remain in office.
Authority of Legislative Body without Voter Approval

Sec. 9. 18 V.S.A. § 5361 is amended to read:

§ 5361. APPROPRIATIONS AND REGULATIONS BY TOWNS

A town may vote sums of money necessary for purchasing, holding, improving, and keeping in repair suitable grounds and other conveniences for burying the dead. The selectboard may make necessary regulations concerning public burial grounds and for fencing and keeping the same in proper order.

Sec. 10. 23 V.S.A. § 1007 is amended to read:

§ 1007. LOCAL SPEED LIMITS

(a)(1) The legislative body of a municipality may establish, on the basis of an engineering and traffic investigation, a speed limit on all or a part of any city, town, or village highway within its jurisdiction, which:

(A) is not more than 50 miles per hour; however, after considering neighborhood character, abutting land use, bicycle and pedestrian use, and physical characteristics of the highways, the legislative body of a municipality may vote to set the maximum speed limit, without an engineering and traffic investigation, at not more than 50 miles per hour nor less than 35 miles per hour, on all or a portion of unpaved town highways within its boundaries, unless otherwise posted in accordance with the provisions of this section; or

(B) is not less than 25 miles per hour.

Sec. 11. 24 V.S.A. § 961 is amended to read:

§ 961. VACANCY OR SUSPENSION OF OFFICER’S DUTIES

(e) When a member of a municipal legislative body fails to attend within a one-year period the minimum number of meetings established by the legislative body in an annual attendance policy, the legislative body may deem the member’s office vacant. The legislative body shall afford the member the opportunity to demonstrate that the absences were due to a reasonable basis established in the attendance policy. An annual attendance policy may only be established by unanimous resolution of the legislative body and shall be renewed by the legislative body annually.
Sec. 12. 18 V.S.A. § 5361 is amended to read:

§ 5361. APPROPRIATIONS AND REGULATIONS BY TOWNS

A town may vote sums of money necessary for purchasing, holding, improving, and keeping in repair suitable grounds and other conveniences for burying the dead. The selectboard may make necessary regulations concerning public burial grounds and for fencing and keeping the same in proper order.

Sec. 13. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

(a) Any of the following types of regulations may be adopted by a municipality in its bylaws in conformance with the plan and for the purposes established in section 4302 of this title.

(b) A municipality may adopt a bylaw that:

(1) prohibits the initiation of construction under a zoning permit unless and until all required municipal permits have been issued; or

(2) establishes an application process for a zoning or subdivision permit, under which an applicant may submit a permit application for municipal review, and the municipality may condition the issuance of a final permit upon the issuance of all other required municipal permits.

* * *

Sec. 14. 1 V.S.A. § 312a is added to read:

§ 312a. MEETINGS OF PUBLIC BODIES; STATE OF EMERGENCY

(a) As used in this section:

(1) “Affected public body” means a public body:

(A) whose regular meeting location is located in an area affected by a hazard; and

(B) that cannot meet in a designated physical meeting location due to a declared state of emergency pursuant to 20 V.S.A. chapter 1.

(2) “Hazard” means an “all-hazards” as defined in 20 V.S.A. § 2(1).

(b) Notwithstanding subdivisions 312(a)(2)(D) and (c)(2) of this title, during a declared state of emergency under 20 V.S.A. chapter 1:
(1) A quorum or more of an affected public body may attend a regular, special, or emergency meeting by electronic or other means without designating a physical meeting location where the public may attend.

(2) The members and staff of an affected public body shall not be required to be physically present at a designated meeting location.

(3) An affected public body of a municipality may post any meeting agenda or notice of a special meeting in two publicly accessible designated electronic locations in lieu of the two designated public places in the municipality, or in a combination of a designated electronic location and a designated public place.

(c) When an affected public body meets electronically under subsection (b) of this section, the affected public body shall:

(1) use technology that permits the attendance and participation of the public through electronic or other means;

(2) whenever feasible, allow the public to access the meeting by telephone; and

(3) post information that enables the public to directly access and participate in meetings electronically and shall include this information in the published agenda for each meeting.

(d) Unless unusual circumstances make it impossible for them to do so, the legislative body of each municipality and each school board shall record any meetings held pursuant to this section.

(e) An affected public body of a municipality shall continue to post notices and agendas in or near the municipal clerk’s office pursuant to subdivision 312(c)(2) of this title and shall provide a copy of each notice or agenda to the newspapers of general circulation for the municipality.

Sec. 15. 32 V.S.A. § 4404 is amended to read:

§ 4404. APPEALS FROM LISTERS AS TO GRAND LIST

* * *

(c)(1) The board shall meet at the time and place so designated, and on that day and from day to day thereafter shall hear and determine such appeals until all questions and objections are heard and decided. Each property, the appraisal of which is being appealed, shall be inspected by a committee of not less than three members of the board who shall report to the board within 30 days from the hearing on the appeal and before the final decision pertaining to the property is given. If, after notice, the appellant refuses to allow an
inspection of the property as required under this subsection, including the interior and exterior of any structure on the property, the appeal shall be deemed withdrawn. The board shall, within 15 days from the time of the report, certify in writing its notice of decision, with reasons, in the premises, and shall file such the notice with the town clerk who shall thereupon record the same in the book wherein the appeal was recorded and forthwith notify the appellant in writing of the action of such board, by certified mail. If the board does not substantially comply with the requirements of this subsection and if the appeal is not withdrawn by filing written notice of withdrawal with the board or deemed withdrawn as provided in this subsection, the grand list of the appellant for the year for which appeal is being made shall remain at the amount set before the appealed change was made by the listers; except, if there has been a complete reappraisal, the grand list of the appellant for the year for which appeal is being made shall be set at a value that will produce a tax liability equal to the tax liability for the preceding year. The town clerk shall immediately record the same in the book wherein the appeal was recorded and forthwith notify the appellant in writing of such the action, by certified mail. Thereupon the appraisal so determined pursuant to this subsection shall become a part of the grand list of such the person.

(2) During a declared state of emergency under 20 V.S.A. chapter 1, a board of civil authority within a municipality affected by an all-hazards event shall not be required to physically inspect any property that is the subject of an appeal. If the appellant requests in writing that the property be inspected for purposes of the appeal, a member or members of the board shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, then the appeal shall be deemed withdrawn.

(3) As used in this subsection, “electronic means” means the transmittal of video or photographic evidence by the appellant at the direction of the board members conducting the inspection.

(d) Listers and agents to prosecute and defend suits wherein a town is interested shall not be eligible to serve as members of the board while convened to hear and determine such appeals nor shall an appellant, his or her the appellant’s servant, agent, or attorney be eligible to serve as a member of the board while convened to hear and determine any appeals. However, listers and agents to prosecute and defend suits wherein a town is interested shall be given the opportunity to defend the appraisals in question.
Sec. 16. 32 V.S.A. § 4467 is amended to read:

§ 4467. DETERMINATION OF APPEAL

(a) Upon appeal to the Director or the court, the hearing officer or court shall proceed de novo and determine the correct valuation of the property as promptly as practicable and to determine a homestead and a housesite value if a homestead has been declared with respect to the property for the year in which the appeal is taken. The hearing officer or court shall take into account the requirements of law as to valuation, and the provisions of Chapter I, Article 9 of the Constitution of Vermont and the 14th Amendment to the Constitution of the United States.

(b) If the hearing officer or court finds that the listed value of the property subject to appeal does not correspond to the listed value of comparable properties within the town, the hearing officer or court shall set said the property in the list at a corresponding value. The findings and determinations of the hearing officer shall be made in writing and shall be available to the appellant.

(c)(1) If the appeal is taken to the Director, the hearing officer may inspect the property prior to making a determination, unless one of the parties requests an inspection, in which case the hearing officer shall inspect the property prior to making a determination. Within 10 days of the appeal being filed with the Director, the Director shall notify the property owner in writing of the Director’s option to request an inspection under this section.

(2) During a declared state of emergency under 20 V.S.A. chapter 1, a hearing officer shall not be required to physically inspect any property that is the subject of an appeal. If the appellant requests in writing that the property be inspected for purposes of the appeal, the hearing officer shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, then the appeal shall be deemed withdrawn.

(3) As used in this subsection, “electronic means” means the transmittal of video or photographic evidence by the appellant at the direction of the hearing officer conducting the inspection.

Sec. 17. 24 V.S.A. § 5152 is added to read:

§ 5152. DISCONNECTIONS PROHIBITED; STATE OF EMERGENCY

(a) Notwithstanding this chapter or any provision of law to the contrary, a municipality; a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 and who provides another person water as a part of the operation of that public water system; or a company engaged in the collecting,
sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) shall be prohibited from disconnecting any person from services during a declared state of emergency under 20 V.S.A. chapter 1, provided that:

(1) the state of emergency is declared in response to an all-hazards event that will cause financial hardship and the inability of ratepayers to pay for water or sewer services; and

(2) the all-hazards event does not require the water or sewer service provider to disconnect services to protect the health and safety of the public.

(b)(1) A violation of subsection (a) of this section by a municipality or a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 may be enforced by the Agency of Natural Resources pursuant to 10 V.S.A. chapter 201.

(2) A violation of subsection (a) of this section by a company engaged in the collecting, sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) may be enforced by the Public Utility Commission pursuant to 30 V.S.A. § 30.

(c) A ratepayer shall remain obligated for any amounts due to a water or sewer service provider subject to this section. The ratepayer shall have a minimum of 90 days after the end of the declared state of emergency to pay the amounts due.

Sec. 18. 20 V.S.A. § 47 is added to read:

§ 47. MUNICIPAL DEADLINES, PLANS, AND LICENSES; EXTENSION

(a) During a state of emergency declared under this chapter, a municipal corporation may:

(1) extend any statutory deadline applicable to municipal corporations, provided that the deadline does not relate to a license, permit, program, or plan issued or administered by the State or federal government; and

(2) extend or waive deadlines applicable to licenses, permits, programs, or plans that are issued by the municipal corporation.

(b) During a state of emergency declared under this chapter, any expiring license, permit, program, or plan issued by a municipal corporation that is due for renewal or review shall remain valid for 90 days after the date that the declared state of emergency ends.
Sec. 19. REPEAL

19 V.S.A. § 312 (use of town highway funds) is repealed.

Sec. 20. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(Committee vote: 5-0-0)

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

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

In Sec. 7, 24 V.S.A. § 138, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) Local option taxes are authorized under this section for the purpose of affording municipalities an alternative method of raising municipal revenues to facilitate the transition and reduce the dislocations in those municipalities that may be caused by reforms to the method of financing public education under the Equal Educational Opportunity Act of 1997. Accordingly:

(1) the local option taxes authorized under this section may be imposed by a municipality;

(2) a municipality opting to impose a local option tax may do so prior to July 1, 1998 to be effective beginning January 1, 1999, and anytime after December 1, 1998 a local option tax adopted pursuant to this section shall be effective beginning on the next tax quarter following 90 days’ notice to the Department of Taxes of the imposition of the tax; and

(3) a local option tax may only be adopted by a municipality in which:

(A) the education property tax rate in 1997 was less than $1.10 per $100.00 of equalized education property value; or

(B) the equalized grand list value of personal property, business machinery, inventory, and equipment is at least ten percent of the equalized education grand list as reported in the 1998 Annual Report of the Division of Property Valuation and Review; or
An act relating to the certification of mental health peer support specialists.

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

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

**Certification of Mental Health Peer Support Specialists**

Sec. 1. FINDINGS

The General Assembly finds:

(1) The Centers for Medicare and Medicaid Services (CMS) recognizes that the experiences of peer support specialists, as part of an evidence-based model of care, can be an important component in a state’s delivery of effective mental health treatment. CMS encourages states to offer comprehensive programs.

(2) Research studies have demonstrated that peer supports improve an individual’s functioning, increase an individual’s satisfaction, alleviate symptoms, reduce hospitalizations and hospital days, increase an individual’s satisfaction with treatment, and enhance an individual’s self-advocacy.

(3) Certification can encourage an increase in the number, diversity, and availability of peer support specialists.

(4) The U.S. Department of Veterans Affairs, more than 46 states, and the District of Columbia have created statewide mental health peer certification programs.

(5) Mental health peers in Vermont are currently providing individualized support, coaching facilitation, and education to individuals with mental health needs, in a variety of settings, yet no statewide scope of practice, standardized curriculum, training standards, supervision standards, or certification protocols are available.
Sec. 2. PROGRAM DEVELOPMENT; MENTAL HEALTH PEER SUPPORT SPECIALIST CERTIFICATION PROGRAM

(a) On or before September 1, 2022, the Department of Mental Health shall enter into an agreement with a peer-run or peer-led entity to develop a statewide certification program for peer support specialists in accordance with guidance issued by the Centers for Medicare and Medicaid Services for the purpose of enabling a certified mental health peer support specialist to receive Medicaid reimbursement for the individual’s services. The selected peer-run or peer-led entity shall:

(1) Define the range of responsibilities, practice guidelines, and supervision standards for peer support specialists using leading practice materials and the opinions of peer experts in the field.

(2) Determine the curriculum and core competencies required for certification as a peer support specialist, including curriculum that may be offered in areas of specialization, such as veterans affairs, gender identity, sexual orientation, and any other area of specialization recognized by the certifying body. The core competencies curriculum shall include, at a minimum, training related to the following elements:

(A) peer support values and orientation, including authentic and mutual relationships;
(B) lived experience;
(C) the concepts of resilience, recovery, and wellness;
(D) self-determination;
(E) trauma-informed practice;
(F) human rights-based approach and advocacy;
(G) cultural competence;
(H) group facilitation skills, including communication, dialogue, and active listening;
(I) self-awareness and self-care;
(J) conflict resolution;
(K) professional boundaries and ethics;
(L) collaborative documentation skills and standards; and
(M) confidentiality.

(3) Establish a code of ethics for peer support specialists.
(4) Determine the process and continuing education requirements for biennial certification renewal.

(5) Determine the process for investigating complaints and taking corrective action, which may include suspension and revocation of certification.

(6) Determine a process for an individual employed as a peer support specialist on and after December 31, 2021 to obtain a certification pursuant to 18 V.S.A. chapter 199, which shall include, at a minimum, a passing certification examination specifically created for this purpose.

(b) In developing a statewide certification program for peer support specialists pursuant to this section, the selected peer-run or peer-led entity shall:

(1) regularly seek advice and work collaboratively with the Office of Professional Regulation and the Departments of Mental Health and of Vermont Health Access; and

(2) seek feedback and recommendations from mental health peer-run and family organizations, hospitals, and mental health treatment providers and organizations by convening not fewer than four stakeholder meetings.

(c) As used in this section:

(1) “Certification,” “core competencies,” “peer-led,” “peer-run,” “peer support,” and “peer support specialist” have the same meaning as in 18 V.S.A. chapter 199.

(2) “Collaborative documentation” means a model in which peer support specialists and recipients of peer support services collaborate in periodically creating intake and assessment summaries, service plans, progress notes, or tallies of services rendered, or any combination of these tasks. Collaborative documentation may be completed at weekly or monthly intervals rather than at every encounter.

Sec. 3. 18 V.S.A. chapter 199 is added to read:

CHAPTER 199. PEER SUPPORT SPECIALISTS

§ 8501. PURPOSE

It is the intent of the General Assembly that the peer support specialist certification program established in this chapter achieve the following:

(1) support the ongoing provision of services by certified peer support specialists for individuals experiencing a mental health challenge or for caregivers parenting children, youth, or emerging adults who are experiencing a mental health challenge;
(2) support coaching, skill building, and fostering social connections among individuals experiencing a mental health challenge or caregivers parenting children, youth, or emerging adults who are experiencing a mental health challenge;

(3) provide one part in a continuum of services, in conjunction with other community mental health and recovery services;

(4) collaborate with others providing care or support to an individual experiencing a mental health challenge;

(5) assist individuals experiencing a mental health challenge in developing coping mechanisms and problem-solving skills;

(6) promote skill building for individuals with regard to socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, and maintenance of skills learned in other support services; and

(7) encourage employment of peer support specialists.

§ 8502. DEFINITIONS

As used in this chapter:

(1) “Certification” means the activities of the certifying body related to the verification that an individual has met all the requirements under this chapter and that the individual may provide mental health support pursuant to this chapter, including the subspecialty of family-to-family peer support.

(2) “Certified” means all federal and State requirements have been satisfied by an individual who is seeking designation pursuant to this chapter, including completion of curriculum and training requirements, testing, and agreement to uphold and abide by the code of ethics.

(3) “Code of ethics” means the standards to which a peer support specialist is required to adhere.

(4) “Core competencies” means the foundational and essential knowledge, skills, and abilities required for peer support specialists.

(5) “Department” means the Department of Mental Health.

(6) “Peer-led” means an entity, program, or service whose executive director, chief operating officer, or the individual responsible for the day-to-day service identifies publicly as a person with lived experience of mental health challenges and the entity, program, or service operates as an alternative to traditional mental health services and treatment.
(7) “Peer-run” means an entity, program, or service that is controlled and operated by individuals with lived experience of the mental health system or a mental health condition.

(8) “Peer support” means an approach to relationships that recognizes each individual as the expert of their own experience, fosters connection through shared or similar experiences, centers mutuality and mutual support, preserves autonomy, and creates opportunity for meaningful connections and exploring possibilities.

(9) “Peer support specialist” means an individual who is at least 18 years of age and who self-identifies as having lived experience with the process of recovery from a mental health challenge or an individual with lived experience of parenting a child, youth, or emerging adult who is experiencing a mental health challenge.

(10) “Recovery” means a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential. This process of change honors the different routes to recovery based on the individual.

§ 8503. PEER SUPPORT SPECIALIST CERTIFICATION

(a) Eligibility determination and training. The Department shall maintain an agreement with a peer-run or peer-led entity to:

(1) determine the eligibility of each prospective peer support specialist seeking certification under this chapter; and

(2) train eligible applicants consistent with the curriculum and core competencies developed by an entity selected by the Department.

(b) Certification. The Department shall maintain an agreement with a peer-run or peer-led entity to serve as the certifying entity for peer support specialists. This peer-run or peer-led entity shall:

(1) determine whether an applicant has met the requirements for certification established by an entity selected by the Department through the administration of an examination;

(2) adhere to the processes for certification, recertification, certification revocation, and appeals as established by an entity selected by the Department; and

(3) maintain a public-facing website that includes, at a minimum, a roster of certified peer support specialists and the procedure for filing a complaint against a certified peer support specialist.
(c) Exemption. Individuals providing peer support services as employees or volunteers of a peer-run or peer-led organization shall not be required to obtain peer support specialist certification.

§ 8504. APPLICANTS FOR CERTIFICATION

(a) An applicant for certification pursuant to this chapter shall:

(1) be at least 18 years of age;

(2) be self-identified as having first-hand experience with the process of recovery from mental illness or be the family member of such an individual;

(3) be willing to share personal experiences;

(4) agree, in writing, to the code of ethics developed pursuant to section 8502 of this title;

(5) successfully complete the curriculum and training requirements for peer support specialists; and

(6) pass a certification examination approved by the certifying body for peer support specialists.

(b) To maintain certification pursuant to this act, a peer support specialist shall:

(1) adhere to the code of ethics developed pursuant to section 8502 of this title and sign a biennial affirmation to that effect; and

(2) complete any required continuing education, training, and recertification requirements developed by the certifying body.

§ 8505. CERTIFICATION FEE SCHEDULE

Any fees required for the administration of the peer support specialist certification program set forth in this chapter shall be requested pursuant to the process set forth in 32 V.S.A. chapter 7, subchapter 6.

Sec. 4. MEDICAID; STATE PLAN AMENDMENT

(a) The Agency of Human Services shall seek approval from the Centers for Medicare and Medicaid Services to amend Vermont’s Medicaid state plan to do the following:

(1) include a certified peer support specialist pursuant to 18 V.S.A. chapter 199 as a provider type;

(2) include peer support specialist services as a Medicaid covered service;

(3) allow beneficiaries to self-refer for peer support specialist services;
(4) allow for collaborative documentation of peer support specialist services; and

(5) allow reimbursement for peer support specialist services for a range of Healthcare Common Procedure Coding System codes.

(b) As used in this section:

(1) “Collaborative documentation” means a model in which peer support specialists and recipients of peer support services collaborate in periodically creating intake and assessment summaries, service plans, progress notes, or tallies of services rendered, or any combination of these tasks. Collaborative documentation may be completed at weekly or monthly intervals rather than at every encounter.

(2) “Peer support specialist services” means services provided by a peer support specialist as defined in 18 V.S.A. chapter 199 that promote engagement, socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, identification of strengths, and maintenance of skills learned in other support services.

Sec. 5. 33 V.S.A. § 1901k is added to read:

§ 1901k. MEDICAID REIMBURSEMENT FOR PEER SUPPORT SPECIALIST SERVICES

(a) As used in this section, “peer support specialist services” means services provided by a peer support specialist as defined in 18 V.S.A. chapter 199 that promote engagement, socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, identification of strengths, and maintenance of skills learned in other support services.

(b) The Department of Vermont Health Access shall reimburse peer support specialists in accordance with Vermont’s Medicaid state plan.

Sec. 6. APPROPRIATION

In fiscal year 2023, $525,000.00 is appropriated to the Agency of Human Services from the General Fund for the development and operation of the peer support specialist certification program pursuant to 18 V.S.A. chapter 199. The Agency shall seek to maximize federal financial participation in funding these administrative costs.
Sec. 7. FINDINGS

The General Assembly finds:

(1) Peer-operated respite centers can serve as alternative care settings for patients with psychiatric diagnoses who do not require inpatient admission.

(2) Peer-operated respite centers can serve as a step-down alternative for individuals leaving the hospital who no longer need hospital care but are not yet ready to return home. Currently, many patients seeking mental health treatment are unable to leave the hospital because there are not suitable step-down facilities available.

(3) In control group research studies, guests of peer-operated respite centers were 70 percent less likely to use inpatient or emergency services. Respite days were associated with significantly fewer inpatient or emergency service hours. Respite guests showed statistically significant improvements in healing, empowerment, and satisfaction. Average psychiatric hospital costs were $1,075.00 for respite users compared to $3,187.00 for nonusers. Respite guests also experienced greater improvements in self-esteem, self-rated mental health symptoms, and social activity functioning compared to individuals in inpatient facilities.

(4) Vermont currently has one two-bed peer-operated respite center, named Alyssum. Located in Rochester, Alyssum operated at 93 percent capacity in fiscal year 2018, had five-day wait times for a bed, and drew guests from every Vermont county save Essex, Lamoille, and Grand Isle. In contrast, crisis respites run by designated agencies operated at 75 percent capacity in fiscal year 2018, below the Department of Mental Health’s targeted 80 percent occupancy rate.

(5) Peer-operated respite centers are also more cost-effective than alternatives. A peer-operated respite center bed in 2018 cost $634.00 per night, whereas a designated crisis bed cost $693.00 per night, a designated hospital bed cost $1,425.00 per night, and a bed at the Vermont Psychiatric Care Hospital cost $2,537.00 per night.

(6) Use of peer-operated respite centers results in lowered rates of Medicaid-funded hospitalizations and health expenditures for participants.

(7) There are currently two peer-run community centers in Vermont: Another Way, located in Montpelier, and Pathways Community Center, located in Burlington. In fiscal year 2018, Another Way had 8,481 visitors (616 unique visitors) and Pathways Community Center had 3,616 visitors.
Sec. 8. 18 V.S.A. chapter 200 is added to read:

CHAPTER 200. PEER-OPERATED RESPITE CENTERS

§ 8551. LEGISLATIVE INTENT

It is the intent of the General Assembly that peer-operated respite centers established pursuant to this chapter achieve:

(1) a reduction in wait times at emergency departments for patients seeking mental health care;

(2) an increase in community-based, recovery-oriented, and geographically diverse mental health resources;

(3) an increase in employment opportunities for individuals who have experienced one or more mental health conditions; and

(4) better outcomes for Vermonters experiencing mental health conditions.

§ 8552. DEFINITIONS

As used in this chapter:

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

(2) “Peer” has the same meaning as in section 7101 of this title.

(3) “Peer-operated respite center” means a voluntary, short-term, overnight program that is staffed and operated by a peer-led or peer-run entity and that provides community-based, trauma-informed, and person-centered crisis support and prevention 24 hours a day in a homelike environment to individuals with mental conditions who are experiencing acute distress, anxiety, or emotional pain that if left unaddressed may lead to the need for inpatient hospital services.

(4) “Peer-led” has the same meaning as in section 8502 of this title.

(5) “Peer-run” has the same meaning as in section 8502 of this title.

§ 8553. PEER-OPERATED RESPITE CENTERS

(a) Annually, the Department shall distribute funds to a total of six geographically distinct peer-run or peer-led organizations to ensure that a peer-operated respite center, operating singly or in collaboration with a peer-run or peer-led community center, is established and maintained.

(b) The Department shall adopt rules pursuant to 3 V.S.A. chapter 25 that address:
(1) the application process for peer-run or peer-led organizations seeking to maintain and operate a peer-operated respite center, operating singly or in collaboration with a peer-run or peer-led community center;

(2) the Department’s criteria for selecting successful applicants;

(3) operational standards for peer-operated respite centers; and

(4) annual reporting requirements for successful applicants.

(c) Annually on or before January 1, the Department shall submit a report to the House Committee on Health Care and to the Senate Committee on Health and Welfare summarizing the annual activities of the peer-operated respite centers, including any challenges that may be addressed through legislative action.

Sec. 9. APPROPRIATION

In fiscal year 2023, up to $2,000,000.00 is appropriated from the General Fund to the Department of Mental Health for the purpose of distributing $500,000.00 to establish and operate each of the four new peer-operated respite centers, whether operating singly or in collaboration with a peer-run or peer-led community center, established pursuant to 18 V.S.A. chapter 200.

*** Additional Peer-Operated Respite Centers Effective July 1, 2025 ***

Sec. 10. 18 V.S.A. § 8553(a) is amended to read:

(a) Annually, the Department shall distribute funds to a total of six nine geographically distinct peer-run or peer-led organizations to ensure that a peer-operated respite center, operating singly or in collaboration with a peer-run or peer-led community center, is established and maintained.

*** Effective Dates ***

Sec. 11. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that:

(1) Sec. 5 (Medicaid reimbursement for peer support specialist services) shall take effect upon approval of the Medicaid state plan amendment in Sec. 4 by the Centers for Medicare and Medicaid Services; and

(2) Sec. 10 (peer-operated respite centers) shall take effect on July 1, 2025.

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

An act relating to the certification of mental health peer support specialists and the expansion of peer-operated respite centers.

(Committee vote: 5-0-0)
Reported favorably by Senator Pearson for the Committee on Finance.

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

(Committee vote: 7-0-0)

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

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

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

Sec. 1. FINDINGS

The General Assembly finds:

(1) The Centers for Medicare and Medicaid Services (CMS) recognizes that the experiences of peer support specialists, as part of an evidence-based model of care, can be an important component in a state’s delivery of effective mental health treatment. CMS encourages states to offer comprehensive programs.

(2) Research studies have demonstrated that peer supports improve an individual’s functioning, increase an individual’s satisfaction, alleviate symptoms, reduce hospitalizations and hospital days, increase an individual’s satisfaction with treatment, and enhance an individual’s self-advocacy.

(3) Certification can encourage an increase in the number, diversity, and availability of peer support specialists.

(4) The U.S. Department of Veterans Affairs, more than 46 states, and the District of Columbia have created statewide mental health peer certification programs.

(5) Mental health peers in Vermont are currently providing individualized support, coaching facilitation, and education to individuals with mental health needs, in a variety of settings, yet no statewide scope of practice, standardized curriculum, training standards, supervision standards, or certification protocols are available.
Sec. 2. PROGRAM DEVELOPMENT; MENTAL HEALTH PEER SUPPORT SPECIALIST CERTIFICATION PROGRAM

(a) On or before September 1, 2022, the Department of Mental Health shall enter into an agreement with a peer-run or peer-led entity to develop a statewide certification program for peer support specialists in accordance with guidance issued by the Centers for Medicare and Medicaid Services for the purpose of enabling a certified mental health peer support specialist to receive Medicaid reimbursement for the individual’s services. The selected peer-run or peer-led entity shall:

(1) Define the range of responsibilities, practice guidelines, and supervision standards for peer support specialists using leading practice materials and the opinions of peer experts in the field.

(2) Determine the curriculum and core competencies required for certification as a peer support specialist, including curriculum that may be offered in areas of specialization, such as veterans affairs, gender identity, sexual orientation, and any other area of specialization recognized by the certifying body. The core competencies curriculum shall include, at a minimum, training related to the following elements:

(A) peer support values and orientation, including authentic and mutual relationships;
(B) lived experience;
(C) the concepts of resilience, recovery, and wellness;
(D) self-determination;
(E) trauma-informed practice;
(F) human rights-based approach and advocacy;
(G) cultural competence;
(H) group facilitation skills, including communication, dialogue, and active listening;
(I) self-awareness and self-care;
(J) conflict resolution;
(K) professional boundaries and ethics;
(L) collaborative documentation skills and standards; and
(M) confidentiality.

(3) Establish a code of ethics for peer support specialists.
(4) Determine the process and continuing education requirements for biennial certification renewal.

(5) Determine the process for investigating complaints and taking corrective action, which may include suspension and revocation of certification.

(6) Determine a process for an individual employed as a peer support specialist on and after December 31, 2021 to obtain a certification pursuant to 18 V.S.A. chapter 199, which shall include, at a minimum, a passing certification examination specifically created for this purpose.

(b) In developing a statewide certification program for peer support specialists pursuant to this section, the selected peer-run or peer-led entity shall:

(1) regularly seek advice and work collaboratively with the Office of Professional Regulation and the Departments of Mental Health and of Vermont Health Access; and

(2) seek feedback and recommendations from mental health peer-run and family organizations, hospitals, and mental health treatment providers and organizations by convening not fewer than four stakeholder meetings.

(c) As used in this section:

(1) “Certification,” “core competencies,” “peer-led,” “peer-run,” “peer support,” and “peer support specialist” have the same meaning as in 18 V.S.A. chapter 199.

(2) “Collaborative documentation” means a model in which peer support specialists and recipients of peer support services collaborate in periodically creating intake and assessment summaries, service plans, progress notes, or tallies of services rendered, or any combination of these tasks. Collaborative documentation may be completed at weekly or monthly intervals rather than at every encounter.

Sec. 3. 18 V.S.A. chapter 199 is added to read:

CHAPTER 199. PEER SUPPORT SPECIALISTS

§ 8501. PURPOSE

It is the intent of the General Assembly that the peer support specialist certification program established in this chapter achieve the following:
(1) support the ongoing provision of services by certified peer support specialists for individuals experiencing a mental health challenge or for caregivers parenting children, youth, or emerging adults who are experiencing a mental health challenge;

(2) support coaching, skill building, and fostering social connections among individuals experiencing a mental health challenge or caregivers parenting children, youth, or emerging adults who are experiencing a mental health challenge;

(3) provide one part in a continuum of services, in conjunction with other community mental health and recovery services;

(4) collaborate with others providing care or support to an individual experiencing a mental health challenge;

(5) assist individuals experiencing a mental health challenge in developing coping mechanisms and problem-solving skills;

(6) promote skill building for individuals with regard to socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, and maintenance of skills learned in other support services; and

(7) encourage employment of peer support specialists.

§ 8502. DEFINITIONS

As used in this chapter:

(1) “Certification” means the activities of the certifying body related to the verification that an individual has met all the requirements under this chapter and that the individual may provide mental health support pursuant to this chapter, including the subspecialty of family-to-family peer support.

(2) “Certified” means all federal and State requirements have been satisfied by an individual who is seeking designation pursuant to this chapter, including completion of curriculum and training requirements, testing, and agreement to uphold and abide by the code of ethics.

(3) “Code of ethics” means the standards to which a peer support specialist is required to adhere.

(4) “Core competencies” means the foundational and essential knowledge, skills, and abilities required for peer support specialists.

(5) “Department” means the Department of Mental Health.
(6) “Peer-led” means an entity, program, or service whose executive director, chief operating officer, or the individual responsible for the day-to-day service identifies publicly as a person with lived experience of mental health challenges and the entity, program, or service operates as an alternative to traditional mental health services and treatment.

(7) “Peer-run” means an entity, program, or service that is controlled and operated by individuals with lived experience of the mental health system or a mental health condition.

(8) “Peer support” means an approach to relationships that recognizes each individual as the expert of their own experience, fosters connection through shared or similar experiences, centers on mutuality and mutual support, preserves autonomy, and creates the opportunity for meaningful connections and exploring possibilities.

(9) “Peer support specialist” means an individual who is at least 18 years of age and who self-identifies as having lived experience with the process of recovery from a mental health challenge or an individual with lived experience of parenting a child, youth, or emerging adult who is experiencing a mental health challenge.

(10) “Recovery” means a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential. This process of change honors the different routes to recovery based on the individual.

§ 8503. PEER SUPPORT SPECIALIST CERTIFICATION

(a) Eligibility determination and training. The Department shall maintain an agreement with a peer-run or peer-led entity to:

(1) determine the eligibility of each prospective peer support specialist seeking certification under this chapter; and

(2) train eligible applicants consistent with the curriculum and core competencies developed by an entity selected by the Department.

(b) Certification. The Department shall maintain an agreement with a peer-run or peer-led entity to serve as the certifying entity for peer support specialists. This peer-run or peer-led entity shall:

(1) determine whether an applicant has met the requirements for certification established by an entity selected by the Department through the administration of an examination;
(2) adhere to the processes for certification, recertification, certification revocation, and appeals as established by an entity selected by the Department; and

(3) maintain a public-facing website that includes, at a minimum, a roster of certified peer support specialists and the procedure for filing a complaint against a certified peer support specialist.

(c) Exemption. Individuals providing peer support services as employees or volunteers of a peer-run or peer-led organization shall not be required to obtain peer support specialist certification.

§ 8504. APPLICANTS FOR CERTIFICATION

(a) An applicant for certification pursuant to this chapter shall:

(1) be at least 18 years of age;

(2) be self-identified as having first-hand experience with the process of recovery from mental illness or be the family member of such an individual;

(3) be willing to share personal experiences;

(4) agree, in writing, to the code of ethics developed pursuant to section 8502 of this title;

(5) successfully complete the curriculum and training requirements for peer support specialists; and

(6) pass a certification examination approved by the certifying body for peer support specialists.

(b) To maintain certification pursuant to this act, a peer support specialist shall:

(1) adhere to the code of ethics developed pursuant to section 8502 of this title and sign a biennial affirmation to that effect; and

(2) complete any required continuing education, training, and recertification requirements developed by the certifying body.

§ 8505. CERTIFICATION FEE SCHEDULE

Any fees required for the administration of the peer support specialist certification program set forth in this chapter shall be requested pursuant to the process set forth in 32 V.S.A. chapter 7, subchapter 6.

Sec. 4. PEER-OPERATED RESPITE AND COMMUNITY CENTERS; MODEL

(a) The General Assembly finds that:

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(1) peer-operated respite models and community centers, such as Alyssum, located in Rochester; Another Way, located in Montpelier; and Pathways Community Center, located in Burlington, can serve as alternative care settings for patients with psychiatric diagnoses who do not require inpatient admission; and

(2) peer-operated respite models and community centers provide residential or community-based services that can result in lowered rates of Medicaid-funded hospitalizations and health expenditures for participants.

(b) To the extent that the Agency of Human Services finds the following, it shall include a funding request for peer-operated respite models and community centers in subsequent budget proposals:

(1) that additional peer-operated respite centers and community centers should be developed with State Medicaid matching funds to provide necessary program capacity; and

(2) that viable proposals with demonstrable community support are advanced and the Agency finds that these proposals will reduce other State program costs.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(Committee vote: 6-0-1)

S. 204.

An act relating to licensure of freestanding birth centers.

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

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

Sec. 1. 18 V.S.A. chapter 53 is added to read:

CHAPTER 53. BIRTH CENTER LICENSING

§ 2351. DEFINITION

As used in this chapter, “birth center” means a facility:

(1) that is not a hospital or part of a hospital;

(2) at which births are planned to occur away from the pregnant individual’s residence following a low-risk pregnancy; and
(3) that provides prenatal, labor and delivery, or postpartum care, or a combination of these, as well as other related services in accordance with the scopes of practice of the health care professionals practicing at the birth center.

§ 2352. LICENSE

No person shall establish, maintain, or operate a birth center in this State without first obtaining a license for the birth center in accordance with this chapter.

§ 2353. APPLICATION; FEE

(a) An application for licensure of a birth center shall be made to the Department of Health on forms provided by the Department and shall include all information required by the Department.

(b)(1) Each application for a license shall be accompanied by a licensing fee of $300.00.

(2) Fees collected under this section shall be credited to the Hospital Licensing Fees Special Fund and shall be available to the Department of Health to offset the costs of licensing birth centers.

(c) Notwithstanding any provision of this chapter to the contrary, for an application for renewal of a birth center’s license, the Department of Health shall deem a licensed birth center that is currently accredited by the Commission for the Accreditation of Birth Centers or by another accrediting entity that complies with the national birth center standards published by the American Association of Birth Centers as satisfying the requirements for renewal of the birth center’s license, upon submission of a copy of the birth center’s official accreditation certificate and payment of the application fee.

§ 2354. LICENSE REQUIREMENTS

(a) Upon receipt of an application for a license and the licensing fee, the Department of Health shall issue a license if it determines that the applicant and the birth center facilities meet the following minimum standards:

(1) The applicant shall demonstrate the capacity to operate a birth center in accordance with rules adopted by the Department.

(2) The applicant shall demonstrate that its facilities comply fully with standards for health, safety, and sanitation as required by State law, including standards set forth by the State Fire Marshal and the Department of Health, and municipal ordinance.

(3) The applicant shall have a clear process for responding to patient complaints.
(4) The applicant shall participate in the Patient Safety Surveillance and Improvement System established pursuant to chapter 43A of this title.

(5) The birth center facilities, including the buildings and grounds, shall be subject to inspection by the Department, its designees, and other authorized entities at all times.

(b) A license is not transferable or assignable and shall be issued only for the premises and persons named in the application.

§ 2355. REVOCATION OF LICENSE; HEARING

The Department of Health, after notice and opportunity for hearing to the applicant or licensee, is authorized to deny, suspend, or revoke a license in any case in which it finds that there has been a substantial failure to comply with the requirements established under this chapter. Such notice shall be served by registered mail or by personal service, shall set forth the reasons for the proposed action, and shall set a date not less than 60 days from the date of the mailing or service on which the applicant or licensee shall be given opportunity for a hearing. After the hearing, or upon default of the applicant or licensee, the Department shall file its findings of fact and conclusions of law. A copy of the findings and decision shall be sent by registered mail or served personally upon the applicant or licensee. The procedure governing hearings authorized by this section shall be in accordance with the usual and customary rules provided for such hearings.

§ 2356. APPEAL

Any applicant or licensee, or the State acting through the Attorney General, aggrieved by the decision of the Department of Health after a hearing may, within 30 days after entry of the decision as provided in section 2355 of this title, appeal to the Superior Court for the district in which the appellant is located. The court may affirm, modify, or reverse the Department’s decision, and either the applicant or licensee or the Department or State may appeal to the Vermont Supreme Court for such further review as is provided by law. Pending final disposition of the matter, the status quo of the applicant or licensee shall be preserved, except as the court otherwise orders in the public interest.

§ 2357. INSPECTIONS

The Department of Health shall make or cause to be made such inspections and investigations as it deems necessary. If the Department finds a violation as the result of an inspection or investigation, the Department shall post a report on the Department’s website summarizing the violation and any corrective action required.
§ 2358. RECORDS

(a) Information received by the Department of Health through filed reports, inspections, or as otherwise authorized by law shall:

(1) not be disclosed publicly in a manner that identifies or may lead to the identification of one or more individuals or birth centers;

(2) be exempt from public inspection and copying under the Public Records Act; and

(3) be kept confidential except as it relates to a proceeding regarding licensure of a birth center.

(b) The provisions of subsection (a) of this section shall not apply to the summary reports of violations required to be posted on the Department’s website pursuant to section 2357 of this chapter.

§ 2359. RULES

The Department of Health shall adopt rules in accordance with 3 V.S.A. chapter 25 as needed to carry out the purposes of this chapter. The rules shall regulate birth centers in accordance with national birth center standards published by the American Association of Birth Centers and may include provisions regarding:

(1) the scope of services that may be provided at a birth center;

(2) appropriate staffing for a birth center, including the types of licensed health care professionals who may practice at a birth center; and

(3) a requirement for written practice guidelines and policies that include procedures for transferring a patient to a hospital if circumstances warrant.

Sec. 2. 8 V.S.A. § 4099d is amended to read:

§ 4099d. MIDWIFERY COVERAGE; HOME BIRTHS

(a) A health insurance plan or health benefit plan providing maternity benefits shall also provide coverage:

(1) for services rendered by a midwife licensed pursuant to 26 V.S.A. chapter 85 or an advanced practice registered nurse licensed pursuant to 26 V.S.A. chapter 28 who is certified as a nurse midwife for services within the licensed midwife’s or certified nurse midwife’s scope of practice and provided in a hospital, birth center, or other health care facility or at home; and

(2) for prenatal, maternity, postpartum, and newborn services provided at a birth center licensed pursuant to 18 V.S.A. chapter 53.
Sec. 3. 18 V.S.A. § 9432 is amended to read:

§ 9432. DEFINITIONS

As used in this subchapter:

* * *

(15) “Freestanding birth center” has the same meaning as “birth center” in section 2351 of this title.

Sec. 4. 18 V.S.A. § 9434 is amended to read:

§ 9434. CERTIFICATE OF NEED; GENERAL RULES

(a) A health care facility other than a hospital shall not develop or have developed on its behalf a new health care project without issuance of a certificate of need by the Board. For purposes of this subsection, a “new health care project” includes the following:

* * *

(6) The construction, development, purchase, lease, or other establishment of an ambulatory surgical center or a freestanding birth center.

* * *

Sec. 5. GREEN MOUNTAIN CARE BOARD; NEEDS ASSESSMENT; HEALTH RESOURCE ALLOCATION PLAN; REPORT

(a) In connection with its responsibility for developing and maintaining the State’s Health Resource Allocation Plan pursuant to 18 V.S.A. § 9405, the Green Mountain Care Board, in consultation with the Department of Health’s Maternal and Child Health Division and the Blueprint for Health’s Women’s Health Initiative, shall conduct an assessment of the need in this State for the obstetric and midwifery services offered by freestanding birth centers. The assessment shall include evaluating the need for the services in particular regions of the State and for certain populations of Vermont residents.

(b) On or before April 1, 2023, the Board shall provide to the House Committee on Health Care and the Senate Committee on Health and Welfare its findings and recommendations regarding the need for the services of freestanding birth centers in Vermont, along with a recommendation for whether persons seeking to establish a birth center should be required to obtain a certificate of need pursuant to 18 V.S.A. chapter 221, subchapter 5.
Sec. 6.  AGENCY OF HUMAN SERVICES; MEDICAID; REQUEST FOR FEDERAL APPROVAL

The Agency of Human Services shall seek approval from the Centers for Medicare and Medicaid Services to allow Vermont Medicaid to cover prenatal, maternity, postpartum, and newborn services provided at a licensed birth center and to allow Vermont Medicaid to reimburse separately for birth center services and for professional services.

Sec. 7.  EFFECTIVE DATES

(a) Secs. 1 (18 V.S.A. chapter 53) and 2 (8 V.S.A. § 4099d) shall take effect on January 1, 2024.

(b) Secs. 3 and 4 (18 V.S.A. §§ 9432 and 9434) shall take effect on July 1, 2023.

(c) Sec. 5 (Green Mountain Care Board; needs assessment; Health Resource Allocation Plan; report) and this section shall take effect on passage.

(d) Sec. 6 (Agency of Human Services; Medicaid; request for federal approval) shall take effect on January 1, 2023 for Medicaid coverage beginning on January 1, 2024.

(Committee vote: 5-0-0)

Reported favorably by Senator MacDonald for the Committee on Finance.

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

(Committee vote: 7-0-0)

S. 226.

An act relating to expanding access to safe and affordable housing.

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

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

* * * Housing; Permit Reform * * *

Sec. 1.  FINDINGS

The General Assembly finds that:
(1) Prosperous, sustainable, and inclusive communities are critical to Vermont’s economic health and the well-being of its residents.

(2) Housing affordability and availability challenges require elected officials, community leaders, and developers making community investments to consider all options to increase the supply of housing.

(3) The State designation programs underpin Vermont’s land use goals and provide numerous economic, health, quality of life, and environmental benefits.

(4) Increased housing choices in State designated centers advance statewide goals to encourage housing affordability, inclusion, and equity; conserve energy; decrease greenhouse gas emissions; provide a variety of transportation choices; promote the efficient use of transportation and other public infrastructure and services; protect the working landscape and natural areas from fragmentation; and foster healthy lifestyles.

(5) Small-scale and infill developers are critical to rural and community revitalization in locations where development is not occurring and is necessary to meet the full range of Vermont’s housing needs.

(6) Strategies, policies, programs, and investments that advance Vermont’s smart growth principles, complete streets principles, and planning and development goals pursuant to 24 V.S.A. § 4302 make communities more equitable and sustainable and improve the long-term fiscal, economic, and environmental viability of the State.

Sec. 2. 24 V.S.A. § 2793e is amended to read:

§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF NEIGHBORHOOD DEVELOPMENT AREAS

(a) Purpose. This section is intended to encourage a municipality to plan for new and infill housing in the area including and immediately encircling its designated downtown, village center, new town center, or within its designated growth center in order to provide needed housing and to further support the commercial establishments in the designated center. To support this goal, this section sets out a two-component process.

* * *

(b) Definitions.

(1) “Neighborhood planning area” means an automatically delineated area including and encircling a downtown, village center, or new town center designated under this chapter or within a growth center designated under this chapter. A neighborhood planning area is used for the purpose of identifying
locations suitable for new and infill housing that will support a development pattern that is compact, oriented to pedestrians, and consistent with smart growth principles. To ensure a compact settlement pattern, the outer boundary of a neighborhood planning area shall be located entirely within the boundaries of the applicant municipality, unless a joint application is submitted by more than one municipality, and shall be determined:

* * *

(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:

* * *

(5) The proposed neighborhood development area consists of those portions of the neighborhood planning area that are appropriate for new and infill housing, excluding identified flood hazard and fluvial erosion areas, except those areas containing preexisting development in areas suitable for infill development as defined in §29-201 of the Vermont Flood Hazard Area and River Corridor Rule. In determining what areas are most suitable for new and infill housing, the municipality shall balance local goals for future land use, the availability of land for housing within the neighborhood planning area, and the smart growth principles. Based on those considerations, the municipality shall select an area for neighborhood development area designation that:

(A) Avoids or that minimizes to the extent feasible the inclusion of “important natural resources” as defined in subdivision 2791(14) of this title. If an “important natural resource” is included within a proposed neighborhood development area, the applicant shall identify the resource, explain why the resource was included, describe any anticipated disturbance to such resource, and describe why the disturbance cannot be avoided or minimized. If the neighborhood development area includes flood hazard areas or river corridors, the local bylaws shall contain provisions consistent with the Agency of Natural Resources’ rules required under 10 V.S.A. § 754(a) to ensure that new infill development within a neighborhood development area occurs outside the flood hazard area and will not cause or contribute to fluvial erosion hazards within the river corridor. If the neighborhood development area includes flood hazard areas or river corridors, local bylaws shall also contain provisions to protect river corridors outside the neighborhood development area consistent with the Agency of Natural Resources’ rules required under 10 V.S.A. § 754(a).
The neighborhood development area is served by:

(A) municipal sewer infrastructure; or

(B) a community or alternative wastewater system approved by the Agency of Natural Resources. [Repealed.]

The municipal bylaws allow minimum net residential densities within the neighborhood development area greater than or equal to four single-family detached dwelling units per acre for all identified residential uses or residential building types, exclusive of accessory dwelling units, or no fewer than the average existing density of the surrounding neighborhood, whichever is greater. The methodology for calculating density shall be established in the guidelines developed by the Department pursuant to subsection 2792(d) of this title.

Sec. 3. 24 V.S.A. § 2793b is amended to read:

§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT DISTRICTS

(b) Within 45 days of receipt of a completed application, the State Board shall designate a new town center development district if the State Board finds, with respect to that district, the municipality has:

(2) Provided a community investment agreement that has been executed by authorized representatives of the municipal government, businesses and property owners within the district, and community groups with an articulated purpose of supporting downtown interests, and contains the following:

(B) Regulations enabling high densities that are greater not less than four dwelling units, including all identified residential uses or residential building types, per acre and not less than those allowed in any other part of the municipality not within an area designated under this chapter.

Sec. 4. 24 V.S.A. § 4449 is amended to read:

§ 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND MUNICIPAL LAND USE PERMIT

(a) Within any municipality in which any bylaws have been adopted:
**Sec. 5. 10 V.S.A. § 6001 is amended to read:**

§ 6001. DEFINITIONS

As used in this chapter:

(3)(A) “Development” means each of the following:

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) [Repealed.]

(bb) [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000.

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000.

(ee) 25 or more, in a municipality with a population of less than 3,000. [Repealed.]

(ff) Notwithstanding subdivisions (cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision (ff) if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions
are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

* * *

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

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

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

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

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

* * *

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

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

(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.
Sec. 6. 10 V.S.A. § 6081(p) is amended to read:

(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after May 28, 2002, remain below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

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

* * * First-Generation Homebuyers * * *

Sec. 7. 32 V.S.A. 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

* * *

(b) Eligible tax credit allocations.

* * *

(3) Down Payment Assistance Program.

(A) The Vermont Housing Finance Agency shall have the authority to allocate affordable housing tax credits to finance down payment assistance loans that meet the following requirements:

(i) the loan is made in connection with a mortgage through an Agency program;

(ii) the borrower is a first-time home buyer of an owner-occupied primary residence; and

(iii) the borrower uses the loan for the borrower’s down payment or closing costs, or both.

(B) The Agency shall require the borrower to repay the loan upon the transfer or refinance of the residence.
(C) The Agency shall use the proceeds of loans made under the Program for future down payment assistance.

(D) The Agency may reserve funding and adopt guidelines to provide grants to first-time homebuyers who are also first-generation homebuyers.

***

*** Manufactured Home Relocation Incentives ***

Sec. 8. MANUFACTURED HOME IMPROVEMENT AND REPLACEMENT PROGRAM

Of the amounts available from federal COVID-19 relief funds, the following amounts are appropriated to the Department of Housing and Community Development for the purposes specified:

1. $3,000,000.00 for manufacture home community small-scale capital grants, through which the Department may award not more than $20,000.00 for owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, which may include projects such as disposal of abandoned homes, lot grading/preparation, site electrical box issues/upgrades, E911 safety issues, legal fees, transporting homes out of flood zones, individual septic system, and marketing to help make it easier for home-seekers to find vacant lots around the State.

2. $1,000,000.00 for manufactured home repair grants, through which the Department may award funding for minor rehab or accessibility projects, coordinated as possible with existing programs, for between 250 and 400 existing homes where the home is otherwise in good condition or in situations where the owner is unable to replace the home and the repair will keep them housed.

3. $1,000,000.00 for new manufactured home foundation grants, through which the Department may award not more than $15,000.00 per grant for a homeowner to pay for a foundation or HUD-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within manufactured home communities.

Sec. 9. 32 V.S.A. § 5930u(g) is amended to read:

(g)(1) In any fiscal year, the allocating agency may award up to:

(A) $400,000.00 in total first-year credit allocations to all applicants for rental housing projects, for an aggregate limit of $2,000,000.00 over any given five-year period that credits are available under this subdivision (A)
(B) $425,000.00 $675,000.00 in total first-year credit allocations for loans or grants for owner-occupied unit financing or down payment loans as provided in subdivision (b)(2) of this section consistent with the allocation plan, including for new construction and manufactured housing, for an aggregate limit of $2,125,000.00 $3,375,000.00 over any given five-year period that credits are available under this subdivision (B). Of the total first-year credit allocations made under this subdivision (B), $250,000.00 shall be used each fiscal year for manufactured home purchase and replacement.

(2) If the full amount of first-year credits authorized by an award are not allocated to a taxpayer, the Agency may reclaim the amount not allocated and re-award such allocations to other applicants, and such re-awards shall not be subject to the limits set forth in subdivision (1) of this subsection.

* *** Large Employer Housing; Commercial Property Conversion; Multi-Agency Coordination * ***

Sec. 10. VERMONT HOUSING CONSERVATION BOARD; LARGE EMPLOYER HOUSING; COMMERCIAL PROPERTY CONVERSION; COMMUNITY PARTNERSHIP FOR NEIGHBORHOOD DEVELOPMENT

(a) Authorization. Of the amounts appropriated to the Vermont Housing Conservation Board in fiscal year 2023, the Board is authorized to use up to $5,000,000.00 for the following activities:

(1) housing created through the Community Partnership for Neighborhood Development created in subsection (b) of this section;

(2) funding for matching grants, which for each unit shall not exceed the lesser of $50,000.00 or 20 percent of the employer cost, for large employers with 50 or more full time equivalent employees that provide housing for their employees; and

(3) funding for matching grants, which for each unit shall not exceed the lesser of $50,000.00 or 20 percent of the developer cost, for projects that convert commercial properties to residential use.

(b) Community Partnership for Neighborhood Development.

(1) The Department of Housing and Community Development shall lead a cross-agency program to encourage and support local partnerships between municipalities, nonprofit and for-profit developers, employers, the Vermont Housing and Conservation Board, and local planning officials, by enhancing density and reducing or eliminating the cost of land and infrastructure from housing development while enhancing density, walkability, inclusiveness, and climate-sensitive, smart growth development.
(2) The Department shall lead an effort involving the Vermont Housing Finance Agency, the Agency of Natural Resources, the Agency of Transportation, the Department of Public Service, and the Vermont Housing Conservation Board to integrate resources for housing, land, and down payment assistance that also makes available funding for critical infrastructure, including funding from the American Rescue Plan Act and the Infrastructure Investment and Jobs Act.

(3) Participating municipalities may bring resources to the table by planning for and permitting dense housing development in smart growth locations, thereby reducing permitting risk for developers.

(b) Program goals. The Program shall seek to achieve the following goals:

(1) development of new denser neighborhoods in 5–10 communities of mixed income and mixed tenure of homeownership and rental opportunities, which, over time, will land bank and make available smart growth sites for 500–1000 energy efficient homes and apartments;

(2) financial and planning commitment and participation of municipalities and cooperation in siting and permitting development;

(3) enhanced construction of modestly sized homes, at least half of which should be single-family homes under 1600 sq ft. on small lots;

(4) opportunities for site development and skill building participation by technical education centers, Youth Build, Vermont Works for Women, and community volunteers such as Habitat for Humanity;

(5) reservation of 25 percent of single family lots for permanently affordable homes, including Habitat for Humanity, Youth Build, or Tech Center programs, at no cost for acquisition or infrastructure and only modest fees for all small homes; and

(6) reservation of 35 percent of multifamily rentals for Vermonters within income below 80 percent of median with no cost for publicly funded infrastructure.

* * * Municipal Bylaw Grants * * *

Sec. 11. 24 V.S.A. § 4306 is amended to read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

(a)(1) The Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.
(2) The Fund shall be composed of 17 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

* * *

(c) Funds allocated to municipalities shall be used for the purposes of:

* * *

(4) The Fund shall be available to the Department of Housing and Community Development for the reasonable and necessary costs of administering the Fund, not to exceed six percent of total program funds.

(d) New funds allocated to municipalities under this section may take the form of special purpose grants in accordance with section 4307 of this title.

Sec. 12. 24 V.S.A. § 4307 is added to read:

§ 4307. MUNICIPAL BYLAW MODERNIZATION GRANTS

(a) There is created Municipal Bylaw Modernization Grants to assist municipalities in updating their land use and development bylaws. Bylaws updated under this section shall increase housing choice, affordability, and opportunity in areas planned for smart growth. The Grants shall be funded by monies allocated from the municipality allocation of the Municipal and Regional Planning Funds established in subdivision 4306(a)(3)(C) of this title and any other monies appropriated for this purpose.

(b) Disbursement to municipalities shall be administered by the Department of Housing and Community Development through a competitive process providing the opportunity for all regions and any eligible municipality to compete regardless of size.
(c) Funds may be disbursed by the Department in installments to ensure the municipal bylaw updates meet the goals of this section.

(d) Funding may be used for the cost of regional planning commission staff or consultant time and any other purpose approved by the Department.

(e) A municipality grantee shall use the funds to prepare amendments to bylaws to increase housing choice, affordability, and opportunity and that support a neighborhood development pattern that is pedestrian oriented in areas planned for smart growth consistent with the smart growth principles established in section 2791 of this title and that prioritize projects in designated areas in accordance with chapter 76A of this title.

(f) To receive the grant, the municipality shall:

1. identify municipal water and wastewater disposal infrastructure, municipal water and sewer service areas, and the constraints on that infrastructure based on the best available data;

2. increase allowed housing types and uses, which may include duplexes to the same extent as single-family homes;

3. include parking waiver provisions in areas planned for smart growth consistent with smart growth principles as defined in section 2791 of this title and appropriate situations;

4. review and modify street standards that implement the complete streets principles as described in 19 V.S.A. § 309d and that are oriented to pedestrians; and

5. reduce nonconformities by making the allowed standards principally conform to the existing settlement within any area designated under chapter 76A of this title and increase allowed lot/building/dwelling unit density by adopting dimensional, use, parking, and other standards that allow compact neighborhood form and support walkable lot and dwelling unit density, which may be achieved with a standard allowing at least four units per acre or allowing the receipt of a State or municipal water and wastewater permit to determine allowable density or by other means established in guidelines issued by the Department.

6. restrict development of and minimize impact to important natural resources, including new development in flood hazard areas, undeveloped floodplains, and river corridor areas, unless lawfully allowed for infill development in §29-201 of the Vermont Flood Hazard Area and River Corridor Rule;
(7) update the municipal plan’s housing element as provided in subdivision 4382(a)(10) of this title related to addressing lower- and moderate-income housing needs and implement that element of the plan including through the bylaw amendments;

(8) comply with State and Federal Fair Housing Act, including the fair housing provisions of Vermont’s Planning and Development Act; and

(9) demonstrate how the bylaws support implementation of the housing element of its municipal plan as provided in subdivision 4282(a)(10) of this title related to addressing lower- and moderate-income housing needs.

(g) On or before September 1, 2022, the Department shall adopt guidelines to assist municipalities applying for grants under this section.

Sec. 13. APPROPRIATION

In fiscal year 2023 the amount of $650,000.00 is appropriated from the General Fund to the Municipal Planning and Regional Planning Fund to be used for Municipal Bylaw Modernization Grants established in 24 V.S.A. § 4307.

* * * Tax Credits * * *

Sec. 14. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed $3,000,000.00 $5,000,000.00 with up to $1,000,000.00 awarded to qualified projects in neighborhood development areas;

* * *

Sec. 15. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

(1) “Qualified applicant” means an owner or lessee of a qualified building involving a qualified project, but does not include a State or federal agency or a political subdivision of either; or an instrumentality of the United States.
(2) “Qualified building” means a building built at least 30 years before the date of application, located within a designated downtown, village center, or neighborhood development area, which, upon completion of the project supported by the tax credit, will be an income-producing building not used solely as a single-family residence. Churches and other buildings owned by religious organization may be qualified buildings, but in no event shall tax credits be used for religious worship.

(3) “Qualified code improvement project” means a project:

(A) to install or improve platform lifts suitable for transporting personal mobility devices, limited use or limited application elevators, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the Department of Public Safety;

(B) to abate lead paint conditions or other substances hazardous to human health or safety in a qualified building; or

(C) to redevelop a contaminated property in a designated downtown, village center, or neighborhood development area under a plan approved by the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

(4) “Qualified expenditures” means construction-related expenses of the taxpayer directly related to the project for which the tax credit is sought but excluding any expenses related to a private residence.

(5) “Qualified façade improvement project” means the rehabilitation of the façade of a qualified building that contributes to the integrity of the designated downtown, designated village center. Façade improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places must be consistent with Secretary of the Interior Standards, as determined by the Vermont Division for Historic Preservation.

(6) “Qualified Flood Mitigation Project” means any combination of structural and nonstructural changes to a building located within the flood hazard area as mapped by the Federal Emergency Management Agency that reduces or eliminates flood damage to the building or its contents. The project shall comply with the municipality’s adopted flood hazard bylaw, if applicable, and a certificate of completion shall be submitted by a registered engineer, architect, qualified contractor, or qualified local official to the State Board. Improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places shall be consistent with
Secretary of the Interior’s Standards for Rehabilitation, as determined by the Vermont Division for Historic Preservation.

(7) “Qualified historic rehabilitation project” means an historic rehabilitation project that has received federal certification for the rehabilitation project.

(7)(8) “Qualified project” means a qualified code improvement, qualified façade improvement, or qualified historic rehabilitation project as defined by this subchapter.

(8)(9) “State Board” means the Vermont Downtown Development Board established pursuant to 24 V.S.A. chapter 76A.

Sec. 16. 32 V.S.A. § 5930bb is amended to read:
§ 5930bb. ELIGIBILITY AND ADMINISTRATION

* * *

(e) Sunset of Neighborhood Development Area tax credits. Effective on July 1, 2027, under this subchapter no new tax credit may be allocated by the State Board to a qualified building in a neighborhood development area.

Sec. 17. 24 V.S.A. § 2793a is amended to read:
§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

* * *

(c) A village center designated by the State Board pursuant to subsection (a) of this section is eligible for the following development incentives and benefits:

* * *

(4) The following State tax credits for projects located in a designated village center:

(A) A State historic rehabilitation tax credit of ten percent under 32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation tax credit.

(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930cc(b).

(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930cc(c) The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.

* * *

- 2032 -
Sec. 18. 24 V.S.A. § 2793e is amended to read:

§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF NEIGHBORHOOD DEVELOPMENT AREAS

* * *

(f) Neighborhood development area incentives for developers. Once a municipality has a designated neighborhood development area or has a Vermont neighborhood designation pursuant to section 2793d of this title, any proposed development within that area shall be eligible for each of the benefits listed in this subsection. These benefits shall accrue upon approval by the district coordinator, who shall review the density requirements set forth in subdivision (c)(7) of this section to determine benefit eligibility and issue a jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density requirements are met. These benefits are:

1. The application fee limit for wastewater applications stated in 3 V.S.A. § 2822(j)(4)(D);
2. The application fee reduction for residential development stated in 10 V.S.A. § 6083a(d); and
3. The exclusion from the land gains tax provided by 32 V.S.A. § 10002(p); and
4. Eligibility for the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.

* * *

Sec. 19. 24 V.S.A. § 2794 is amended to read:

§ 2794. INCENTIVES FOR PROGRAM DESIGNEES

(a) Upon designation by the Vermont Downtown Development Board under section 2793 of this title, a downtown development district and projects in a downtown development district shall be eligible for the following:

1. Priority consideration by any agency of the State administering any State or federal assistance program providing funding or other aid to a municipal downtown area with consideration given to such factors as the costs and benefits provided and the immediacy of those benefits, provided the project is eligible for the assistance program.

2. The following State tax credits:

(A) A State historic rehabilitation tax credit of 10 percent under 32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation
tax credit.

(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930ee(b).

(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930cc(c) The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.

* * *

Sec. 20. 32 V.S.A. § 5930cc is amended to read:

§ 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX CREDITS

* * *

(d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood mitigation project shall be entitled, upon the approval of the State Board, to claim against the taxpayer’s State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of $75,000.00.

* * * Wastewater Connection Permits * * *

Sec. 21. 10 V.S.A. § 1974 is amended to read:

§ 1974. EXEMPTIONS

Notwithstanding any other requirements of this chapter, the following projects and actions are exempt:

* * *

(9) A project completed by a person who receives an authorization from a municipality that administers a program registered with the Secretary pursuant to section 1983 of this title.

Sec. 22. 10 V.S.A. § 1983 is added to read:

§ 1983. REGISTRATION FOR MUNICIPAL WASTEWATER SYSTEM AND POTABLE WATER SUPPLY CONNECTIONS

(a) A municipality may issue an authorization for a connection or an existing connection with a change in use to the municipal sanitary sewer collection line via a sanitary sewer service line or a connection to a water main via a new water service line in lieu of permits issued under this chapter, provided that the municipality documents the following in a form prescribed by the Secretary:
(1) The municipality owns or has legal control over connections to a public community water system permitted pursuant to chapter 56 of this title and over connections to a wastewater treatment facility permitted pursuant to chapter 47 of this title.

(2) The municipality shall only issue authorizations for:

   (A) a sanitary sewer service line that connects to the sanitary sewer collection line; and

   (B) a water service line that connects to the water main.

(3) The building or structure authorized under this section connects to both the sanitary sewer collection line and public community water system.

(4) The authorizations from the municipality comply with the technical standards for sanitary sewer service lines and water service lines in the Wastewater System and Potable Water Supply Rules.

(5) The municipality requires documentation issued by a professional engineer or licensed designer that is filed in the land records that the connection authorized by the municipality was installed in accordance with the technical standards.

(6) The municipality requires the retention of plans that show the location and design of authorized connections.

(b) The municipality shall notify the Secretary 30 days in advance of terminating any authorization. The municipality shall provide all authorizations and plans to the Secretary as a part of this termination notice.

(c) A municipality issuing an authorization under this section shall require the person to whom the authorization is issued to post notice of the authorization as part of the notice required for a permit issued under 24 V.S.A. § 4449 or other bylaw authorized under this chapter.

* * * Accessory Dwelling Units * * *

Sec. 23. 24 V.S.A. § 4414 amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading which may vary by district and by uses within each district. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining
the number and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer “transit pass” and rideshare programs, public transit routes, and public parking spaces in the vicinity of the development. However, a municipality shall not require an accessory dwelling unit to have more than one parking space per bedroom.

* * *

* * * Missing Middle Housing * * *

Sec. 24. MISSING MIDDLE-INCOME HOME OWNERSHIP DEVELOPMENT PROGRAM

(a) The following amounts are appropriated from the America Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Housing and Community Development to grant to the Vermont Housing Finance Agency to establish the Missing Middle-Income Home Ownership Development Program:

(1) $5,000,000 in fiscal year 2022;
(2) $10,000,000 in fiscal year 2023.

(b) As used in this section:

(1) “Affordable owner-occupied housing” means owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.

(2) “Income-eligible homebuyer” means a Vermont household with annual income that does not exceed 120 percent of area median income.

(c) The Agency shall use the funds appropriated in this section to provide subsidies for new construction or acquisition and substantial rehabilitation of affordable owner-occupied housing for purchase by income-eligible homebuyers.

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, which the Agency may allocate between the developer and the income-eligible homebuyer, consistent with the following:

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the assessed value of the home as completed.
(2) Homebuyer subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy to the income-eligible homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, or uses another legal mechanism, to ensure that the value of the subsidy remains with the home to offset the cost to future income-eligible homebuyers; or

(B) the Agency uses a shared equity model that requires the Agency to retain not less than 75 percent of any increased equity in the home.

(3) The Agency shall adopt one or more legal mechanisms to ensure that subsequent sales of a home that is subsidized through the Program are limited to income-eligible homebuyers.

(e) The Agency shall adopt a Program plan that establishes an application and selection process for developer and income-eligible homebuyer applicants, eligible development costs, and project selection criteria, including:

(1) project location;
(2) geographic distribution;
(3) leveraging of other programs;
(4) housing market needs;
(5) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;
(6) construction standards, including considerations for size;
(7) priority for plans with deeper affordability and longer duration of affordability requirements;
(8) sponsor characteristics;
(9) energy efficiency of the development; and
(10) historic nature of the project.

(f) The Agency may assign its rights under any investment or grant made under this section to the Vermont Housing and Conservation Board or any State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3), provided such assignee acknowledges and agrees to comply with the provisions of this section.

(g) The Agency shall ensure that initial investments made under this program are obligated by December 31, 2024 and expended by December 31, 2026.
The Department shall report to the House Committee on Housing, General, and Military Affairs and Senate Committee on Economic Development, Housing and General Affairs on the status of the program annually, on or before January 15, through 2026.

*** Residential Construction Contractors ***

Sec. 25. FINDINGS

The General Assembly finds that:

(1) There is currently no master list of residential construction contractors operating in the State.

(2) There is no standard process for determining or adjudicating construction contract fraud complaints either on the part of contractors or consumers.

(3) Public authorities have no mechanism to contact all contractors when necessary to provide updates to public health requirements, safe working protocols, codes and standards, available trainings and certifications, or building incentives or construction subsidies.

(4) Wide dissemination of information on codes, standards, and trainings is vital to improving construction techniques throughout the State’s construction industry. Since building thermal conditioning represents over one-quarter of the State’s greenhouse gas emissions, improving energy performance is a key strategy for meeting the requirements of the Global Warming Solutions Act, 2020 Acts and Resolves No. 153.

(5) While registration is not licensure and confers no assurance of competence, consumers have no way of knowing whether a contractor is operating legally or has been subject to civil claims or disciplinary actions.

(6) A noncommercial, standardized public listing will provide contractors an opportunity to include in their record optional third-party, State-sanctioned certifications.

Sec. 26. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office of Professional Regulation shall have a director who shall be an exempt employee appointed by the Secretary of State and shall be an exempt employee. The following boards or professions are attached to the Office of Professional Regulation:

***
(51) Residential Contractors

Sec. 27. 26 V.S.A. chapter 106 is added to read:

CHAPTER 106. RESIDENTIAL CONTRACTORS


§ 5501. REGISTRATION REQUIRED

(a) A person shall register with the Office of Professional Regulation prior to contracting with a homeowner to perform residential construction in exchange for consideration of more than $5,000.00, including labor and materials.

(b) Unless otherwise exempt under section 5502 of this title, as used in this chapter, “residential construction” means to build, demolish, or alter a residential dwelling unit, or a building or premises with four or fewer residential dwelling units, in this State, and includes interior and exterior construction, renovation, and repair; painting; paving; roofing; weatherization; installation or repair of heating, plumbing, solar, electrical, water, or wastewater systems; and other activities the Office specifies by rule consistent with this chapter.

§ 5502. EXEMPTIONS

This chapter does not apply to:

(1) an employee acting within the scope of his or her employment for a business organization registered under this chapter;

(2)(A) a professional engineer, licensed architect, or a tradesperson licensed, registered, or certified by the Department of Public Safety acting within the scope of his or her license, registration, or certification; or

(B) a business that performs residential construction if the work is performed primarily by or under the direct supervision of one or more employees who are individually exempt from registration under subdivision (2)(A) of this section;

(3) delivery or installation of consumer appliances, audio-visual equipment, telephone equipment, or computer network equipment;

(4) landscaping;

(5) work on a structure that is not attached to a residential building; or

(6) work that would otherwise require registration that a person performs in response to an emergency, provided the person applies for registration within a reasonable time after performing the work.
§ 5503. MANDATORY REGISTRATION AND VOLUNTARY CERTIFICATION DISTINGUISHED

(a)(1) The system of mandatory registration established by this chapter is intended to protect against fraud, deception, breach of contract, and violations of law, but is not intended to establish standards for professional qualifications or workmanship that is otherwise lawful.

(2) The provisions of 3 V.S.A. § 129a, with respect to a registration, shall be construed in a manner consistent with the limitations of this subsection.

(b) The system of voluntary certification established in this chapter is intended to provide consumers and contractors with a publicly available, noncommercial venue for contractors to list optional approved certifications. The Director of Professional Regulation, in consultation with public safety officials and recognized associations or boards of builders, remodelers, architects, and engineers, may:

(1) adopt rules providing for the issuance of voluntary certifications, as defined in subdivision 3101a(1) of this title, that signify demonstrated competence in particular subfields and specialties related to residential construction;

(2) establish minimum qualifications, and standards for performance and conduct, necessary for certification; and

(3) discipline a certificant for violating adopted standards or other law, with or without affecting the underlying registration.

Subchapter 2. Administration

§ 5505. DUTIES OF THE DIRECTOR

(a) The Director of Professional Regulation shall:

(1) provide information to the public concerning registration, certification, appeal procedures, and complaint procedures;

(2) administer fees established under this chapter;

(3) receive applications for registration or certification, issue registrations and certifications to applicants qualified under this chapter, deny or renew registrations or certifications, and issue, revoke, suspend, condition, and reinstate registrations and certifications as ordered by an administrative law officer;

(4) prepare and maintain a registry of registrants and certificants; and
(5) use the registry to timely communicate with registrants and certificants concerning issues of health and safety, building codes, environmental and energy issues, and State and federal incentive programs.

(b) The Director, after consultation with an advisor appointed pursuant to section 5506 of this title, may adopt rules to implement this chapter.

§ 5506. ADVISORS

(a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A. § 129b to serve as advisors in matters relating to residential contractors and construction.

(b) To be eligible to serve, an advisor shall:

(1) register under this chapter;

(2) have at least three years’ experience in residential construction immediately preceding appointment; and

(3) remain active in the profession during his or her service.

(c) The Director of Professional Regulation shall seek the advice of the advisors in implementing this chapter.

§ 5507. FEES

A person regulated under this chapter shall pay the following fees at initial application and biennial renewal:

(1) Registration, individual: $75.00.

(2) Registration, business organization: $250.00.

(3) State certifications: $75.00 for a first certification and $25.00 for each additional certification.

Subchapter 3. Registrations

§ 5508. ELIGIBILITY

To be eligible for registration, the Director of Professional Regulation shall find that the applicant is in compliance with the provisions of this chapter and applicable State law and has satisfied any judgment order related to the provision of professional services to a homeowner.

§ 5509. REQUIREMENTS OF REGISTRANTS

(a) Insurance. A person registered under this chapter shall maintain minimum liability insurance coverage in the amount of $300,000.00 per claim and $1,000,000.00 aggregate, evidence of which may be required as a precondition to issuance or renewal of a registration.
(b) Writing.

(1) A person registered under this chapter shall execute a written contract prior to receiving a deposit or commencing residential construction work if the estimated value of the labor and materials exceeds $5,000.00.

(2) A contract shall specify:

(A) Price. One of the following provisions for the price of the contract:

(i) a maximum price for all work and materials;

(ii) a statement that billing and payment will be made on a time and materials basis, not to exceed a maximum price; or

(iii) a statement that billing and payment will be made on a time and materials basis and that there is no maximum price.

(B) Work dates. Estimated start and completion dates.

(C) Scope of work. A description of the services to be performed and a description of the materials to be used.

(D) Change order provision. A description of how and when amendments to the contract may be approved and documented, as agreed by the parties.

(3) The parties shall document an amendment to the contract in a signed writing.

(c) Down payment.

(1) If a contract specifies a maximum price for all work and materials or a statement that billing and payment will be made on a time and materials basis, not to exceed a maximum price, the contract may require a down payment of up to one-half of the cost of labor to the consumer, or one-half of the price of materials, whichever is greater.

(2) If a contract specifies that billing and payment will be made on a time and materials basis and that there is no maximum price, the contract may require a down payment as negotiated by the parties.

§ 5510. PROHIBITIONS AND REMEDIES

(a) A person who does not register as required pursuant to this chapter may be subject to an injunction or a civil penalty, or both, for unauthorized practice as provided in 3 V.S.A. § 127(b).
(b) The Office of Professional Regulation may discipline a registrant or certificant for unprofessional conduct as provided in 3 V.S.A. § 129a, except that 3 V.S.A. § 129a(b) does not apply to a registrant.

(c) The following conduct by a registrant, certificant, applicant, or person who later becomes an applicant constitutes unprofessional conduct:

1. failure to enter into a written contract when required by this chapter;
2. failure to maintain liability or workers’ compensation insurance as required by law;
3. committing a deceptive act in commerce in violation of 9 V.S.A. § 2453;
4. falsely claiming certification under this chapter, provided that this subdivision does not prevent accurate and nonmisleading advertising or statements related to credentials that are not offered by this State; and
5. selling or fraudulently obtaining or furnishing a certificate of registration, certification, license, or any other related document or record, or assisting another person in doing so, including by reincorporating or altering a trade name for the purpose or with the effect of evading or masking revocation, suspension, or discipline against a registration issued under this chapter.

Sec. 28. IMPLEMENTATION

(a) Notwithstanding any contrary provision of 26 V.S.A. chapter 106:

1. The initial biennial registration term for residential contractors pursuant to 26 V.S.A. chapter 106 shall begin on April 1, 2023.
2. The Secretary of State may begin receiving applications for the initial registration term on December 1, 2022.
3. (A) The registration fee for individuals who submit complete registration requests between December 1, 2022 and March 31, 2023 is $25.00 and between April 1, 2023 and March 31, 2024, the fee is $50.00.
   (B) The registration fee for business organizations that submit complete registration requests between December 1, 2022 and March 31, 2023 is $175.00 and between April 1, 2023 and March 31, 2024, the fee is $200.00.
4. Prior to April 1, 2024, the Office of Professional Regulation shall not take any enforcement action for unauthorized practice under 26 V.S.A. § 5510(a) against a residential contractor who fails to register as required by this act.
(b) On or before July 1, 2023, the Director of Professional Regulation shall establish an initial set of voluntary certifications, to include at minimum OSHA standards on construction projects and components of energy-efficient “green” building for insulators, carpenters, and heating and ventilation installers.

Sec. 29. CREATION OF POSITIONS WITHIN THE OFFICE OF PROFESSIONAL REGULATION; LICENSING

(a) There are created within the Secretary of State’s Office of Professional Regulation one new position in licensing and one new position in enforcement.

(b) In fiscal year 2023, the amount of $200,000.00 in Office of Professional Regulation special funds is appropriated to the Secretary of State to fund the positions created in subsection (a) of this section.

Sec. 30. SECRETARY OF STATE; STATUS REPORT

On or before January 15, 2024, the Office of Professional Regulation shall report to the House Committees on General, Housing, and Military Affairs and on Government Operations and to the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations concerning the implementation of 26 V.S.A. chapter 106, including:

(1) the number of registrations and certifications;
(2) the resources necessary to implement the chapter;
(3) the number and nature of any complaints or enforcement actions;
(4) the potential design and implementation of a one-stop portal for contractors and consumers; and
(5) any other issues the Office deems appropriate.

* * * Vermont Rental Housing Investment Program;
Accessory Dwelling Units *

Sec. 31. Sec. 9 of S.210 (2022), as enacted, is amended to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

* * *

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

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.
(2) New accessory dwelling. The unit will be a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E), provided that the unit is not used as a short-term rental, as defined in 18 V.S.A. § 4301.

* * *

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

(1) A grant or loan shall not exceed $30,000.00 per unit:

(A) $30,000.00 to rehabilitate an existing unit; or

(B) $50,000 to create a new accessory dwelling unit.

* * *

Sec. 32. Sec. 15(b)(3) of S.210 (2022), as enacted, is amended to read:

(3) $20,000,000.00 to the Department of Housing and Community Development to implement the Vermont Rental Housing Investment Program created in 10 V.S.A. § 699, provided that the Department shall allocate 25 percent of the funds for accessory dwelling units as follows:

(A) the Department may use not more than 20 percent of the funding available for accessory dwelling units to facilitate a statewide education and navigation system to assist homeowners with designing, financing, permitting, and constructing accessory dwelling units; and

(B) the Department shall use any remaining funds for accessory dwelling units for financial incentives or other financial supports to homeowners developing accessory dwelling units.

* * * Effective Dates * * *

Sec. 33. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 24(a)(1) (missing middle housing; FY 22 funding) shall take effect on passage.

(Committee vote: 5-0-0)

Reported favorably by Senator Sirotkin for the Committee on Finance.

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

(Committee vote: 7-0-0)
Reported favorably with recommendation of amendment by Senator Starr for the Committee on Appropriations.

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

First:  By striking out Sec. 9, 32 V.S.A. § 5930u(g), in its entirety

Second: By striking out Sec. 13, appropriation, in its entirety and inserting in lieu thereof the following:

Sec. 13. APPROPRIATION

To the extent that increased funding is provided in fiscal year 2023 to the Municipal and Regional Planning Fund, $650,000.00 shall be used for Municipal Bylaw Modernization Grants established in 24 V.S.A. § 4307.

Third: By striking out Sec. 14, 32 V.S.A. § 5930ee, in its entirety

Fourth: In Sec. 33, effective dates, by striking out “Sec. 24(a)(1)” and inserting in lieu thereof Sec. 22(a)(1)

And by renumbering the remaining sections to be numerically correct.

(Committee vote: 6-0-1)

Amendment to the recommendation of amendment of the Committee on Economic Development, Housing and General Affairs to S. 226 to be offered by Senator Brock

Senator Brock moves to amend the recommendation of amendment of the Committee on Economic Development, Housing and General Affairs in Sec. 27, 26 V.S.A. chapter 106, section 5501, subsection (a) (requirement to register), and section 5509, subsection (b) (requirement for written contract), by striking out “$5,000.00” and inserting in lieu thereof $10,000.00

S. 239.

An act relating to enrollment in Medicare supplemental insurance policies.

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

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:
Sec. 1. 8 V.S.A. § 4080e is amended to read:

§ 4080e. MEDICARE SUPPLEMENTAL HEALTH INSURANCE POLICIES; COMMUNITY RATING; DISABILITY

* * *

(d)(1) A health insurance company, hospital or medical service corporation, or health maintenance organization offering a Medicare supplemental insurance policy shall guarantee acceptance of an individual’s application for coverage during the six-month period following the individual’s 65th birthday and during an annual open enrollment period that shall coincide with the federal open enrollment period for Medicare Advantage plans. A health insurance company, hospital or medical service corporation, or health maintenance organization offering a Medicare supplemental insurance policy shall not make any premium rate distinctions or charge any additional fees or penalty amounts based on an applicant’s failure to enroll in a Medicare supplemental insurance policy during the applicant’s initial open enrollment period upon attaining 65 years of age.

(2) A health insurance company, hospital or medical service corporation, or health maintenance organization offering a Medicare supplemental insurance policy shall allow an enrollee to change at any time from one Medicare supplemental insurance policy to another policy offering comparable or lesser benefits.

(e) The Department of Financial Regulation shall collaborate with health insurers, advocates for older Vermonters and for other Medicare-eligible adults, and the Office of the Health Care Advocate to educate the public about the benefits and limitations of Medicare supplemental insurance policies and Medicare Advantage plans, including information to help the public understand issues relating to coverage, costs, and provider networks.

Sec. 2. MEDICARE SUPPLEMENTAL COVERAGE; MEDICARE ADVANTAGE PLANS; DEPARTMENT OF FINANCIAL REGULATION; REPORT

(a) The Department of Financial Regulation shall convene a group of interested stakeholders, including representatives of the Community of Vermont Elders, the area agencies on aging, and the Office of the Health Care Advocate, to consider issues relating to the availability of, enrollment in, and use of supplemental coverage by individuals enrolled in Medicare or a Medicare Advantage plan. A majority of the stakeholders shall not have a financial stake in any Medicare supplemental coverage or Medicare Advantage product.
(b) The stakeholder group shall examine:

(1) the options available to older Vermonters, Vermonters under 65 years of age with end stage renal disease, and Vermonters under 65 years of age whose disabilities make them eligible for Medicare, through Medicare supplement and Medicare Advantage plans, the affordability of these options, and the extent to which the State may regulate or otherwise affect the options offered to Medicare beneficiaries in Vermont, including the marketing and advertising of these products;

(2) the effects of annual or continuous open enrollment periods for Medicare supplemental coverage available in other states, including whether they have led to adverse selection or higher rate increases, or both, and the extent to which an open enrollment change for Medicare supplemental coverage would be likely to increase access to affordable coverage for eligible individuals and to reduce medical debt;

(3) whether Vermont residents are receiving accurate information about Medicare supplemental coverage and Medicare Advantage plan options and sufficient assistance with selecting products that are in their best interests and, if not, how to best remedy the situation; and

(4) the reasons that some Medicare beneficiaries do not have secondary coverage and the policy options available to increase their access.

(c) On or before January 15, 2023, the Department of Financial Regulation shall provide its findings and recommendations regarding Medicare supplemental coverage and Medicare Advantage plans, including any recommendations for changes to Vermont law, to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Sec. 3. EFFECTIVE DATES

(a) Sec. 1 (8 V.S.A. § 4080e) shall take effect on July 1, 2023.

(b) Sec. 2 (Medicare supplemental coverage; Medicare Advantage plans; Department of Financial Regulation; report) and this section shall take effect on passage.

(Committee vote: 5-0-0)
Reported favorably with recommendation of amendment by Senator Pearson for the Committee on Finance.

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

First: In Sec. 1, 8 V.S.A. § 4080e, by striking out subsection (d) in its entirety and by relettering subsection (e) to be subsection (d)

Second: In Sec. 2, Medicare supplemental coverage; Medicare Advantage Plan; Department of Financial Regulation; report, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The stakeholder group shall examine:

(1) the options available to older Vermonter, Vermonters under 65 years of age with end stage renal disease, and Vermonters under 65 years of age whose disabilities make them eligible for Medicare, through Medicare supplement and Medicare Advantage plans, the affordability of these options, and the extent to which the State may regulate or otherwise affect the options offered to Medicare beneficiaries in Vermont, including the marketing and advertising of these products;

(2) the effects of annual or continuous open enrollment periods for Medicare supplemental coverage available in other states, including whether they have led to adverse selection or higher rate increases, or both; other options for enabling Vermont residents to enroll in Medicare supplemental coverage after their initial open enrollment period ends without experiencing higher premiums or financial penalties; and the extent to which an open enrollment change for Medicare supplemental coverage would be likely to increase access to affordable coverage for eligible individuals and to reduce medical debt;

(3) whether Vermont residents are receiving accurate information about Medicare supplemental coverage and Medicare Advantage plan options and sufficient assistance with selecting products that are in their best interests and, if not, how to best remedy the situation;

(4) the reasons that some Medicare beneficiaries do not have secondary coverage and the policy options available to increase their access; and

(5) any other issues that the Department deems appropriate relating to the availability of, enrollment in, and use of supplemental coverage by individuals enrolled in Medicare or in a Medicare Advantage plan.
Third: By striking out Sec. 3, effective dates, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-1-1)

S. 281.

An act relating to hunting coyotes with dogs.

Reported favorably with recommendation of amendment by Senator Bray for the Committee on Natural Resources and Energy.

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

Sec. 1. 10 V.S.A. §§ 5008 and 5009 are added to read:

§ 5008. HUNTING COYOTE WITH AID OF DOGS; PERMIT

(a) No person shall pursue coyote with the aid of dogs, either for training or taking purposes, without a permit issued by the Commissioner.

(1) The Commissioner may deny any permit at the Commissioner’s discretion. The Commissioner shall not issue more than 100 permits annually.

(2) The number of permits that the Commissioner issues to nonresidents in any given year shall not exceed 10 percent of the number of permits issued to residents in the preceding year. The Commissioner shall establish a process and standards for determining which nonresidents are to receive a permit, including who will receive a permit if there are more nonresident applicants than nonresident permits.

(3) A nonresident may train dogs to pursue coyote only while the training season is in effect in the nonresident's home state and subject to the requirements of this part and rules adopted under this part.

(b)(1) The Commissioner shall issue permits under this section to a resident for a fee of $50.00.

(2) The application fee for a nonresident permit issued under this section shall be $10.00, and the fee for a nonresident permit issued under this section shall be $200.00 for a successful applicant.
§ 5009. PURSUING COYOTE WITH AID OF DOGS; LANDOWNER PERMISSION

(a) A person shall not release a dog onto land posted in accordance with section 5201 of this title for the purpose of pursuing coyote with the aid of dogs unless the dog owner or handler of the hunting dog has obtained a courtesy permission card from the landowner or landowner’s agent allowing the pursuit of coyote with the aid of dogs on the land.

(b) A person shall not release onto land a dog for the purpose of pursuing coyote with the aid of dogs if in the previous 365 days a dog had been previously found on the land, and the dog owner, a handler of the dog, or a person participating in the hunt has been personally informed by law enforcement that hunting dogs are not permitted on the property.

(c)(1) For a first offense, a person who violates this section shall have committed a minor fish and wildlife violation and shall be assessed a five-point violation under subdivision 4502(b)(1) of this title.

(2) For a second or subsequent violation of this section, a person shall be assessed a 10-point violation under subdivision 4502(b)(2) of this title and shall be fined under section 4515 of this title.

Sec. 2. MORATORIUM ON HUNTING COYOTE WITH AID OF DOGS

(a) A person shall not pursue coyote with the aid of dogs, either for the training of dogs or for the taking of coyote, except that a person may pursue coyote with the aid of dogs in defense of a person or property if the person pursuing coyote with the aid of dogs:

(1) is the landowner; or

(2) has obtained a courtesy permission card from the landowner or landowner’s agent allowing the release of a dog onto the land for the purpose of pursuing coyote with the aid of dogs.

(b) This section shall be repealed on the effective date of the Fish and Wildlife Board rules required by Sec. 3 of this act.

Sec. 3. FISH AND WILDLIFE BOARD RULES; PURSUING COYOTE WITH THE AID OF DOGS

(a) The General Assembly through the rules required under this section intends to reduce conflicts between landowners and persons pursuing coyote with the aid of dogs by reducing the frequency that dogs or persons pursuing coyote enter onto land that is posted against hunting or land where pursuit of coyote with dogs is not authorized. In addition, the General Assembly intends that the rules required under this section support the humane taking of coyote.
the management of the population in concert with sound ecological principles, and the development of reasonable and effective means of control.

(b) The Fish and Wildlife Board shall adopt a rule regarding the pursuit of coyote with the aid of dogs, either for the training of dogs or for the taking of coyote. The rule shall include at least the following provisions:

1. a limit on the number of dogs that may be used to pursue coyote;
2. a prohibition on the substitution of any new dog for another dog during pursuit of a coyote;
3. the legal method of taking coyote pursued with the aid of dogs, such as rifle, muzzle loader, crossbow, or bow and arrow;
4. a definition of control to minimize the likelihood that dogs pursuing coyote enter onto land that is posted against hunting or onto land where pursuit of coyote with dogs is not authorized;
5. provisions to encourage persons pursuing coyote with the aid of dogs to seek landowner permission before entering or releasing dogs onto land that is not posted in accordance with 10 V.S.A. § 5201; and
6. required reporting of every coyote killed during pursuit with the aid of dogs.

(c) The Board shall consider whether to include within the rule required by this section provisions related to seasonal restrictions and baiting.

Sec. 4. EFFECTIVE DATES

(a) This section and Secs. 2 (moratorium on pursuing coyote with aid of dogs) and 3 (Fish and Wildlife Board Rules) shall take effect on passage.

(b) Sec. 1 (permit requirement and prohibition on pursuing coyote with aid of dogs) shall take effect on the effective date of the Fish and Wildlife Board rules required under Sec. 3 of this act.

(Committee vote: 5-0-0)

Reported favorably by Senator Bray for the Committee on Finance.

The Committee recommends that the bill be amended as recommended by the Committee on Natural Resources and Energy and when so amended ought to pass.

(Committee vote: 7-0-0)
S. 285.

An act relating to expanding the Blueprint for Health and access to home- and community-based services.

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

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

*** Payment and Delivery System Reform ***

Sec. 1. HOSPITAL VALUE-BASED PAYMENT DESIGN; DATA COLLECTION AND ANALYSIS; APPROPRIATIONS; REPORT

(a) The sum of $1,400,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to engage one or more consultants to assist the Board to:

(1) develop a process, consistent with 18 V.S.A. § 9375(b)(1) and including the meaningful participation of health care providers, payers, and other stakeholders in all stages of the development, for establishing and distributing value-based payments, including global payments, from all payers to Vermont hospitals that will:

(A) help move the hospitals away from a fee-for-service model;

(B) provide hospitals with predictable, sustainable funding that is aligned across multiple payers, consistent with the principles set forth in 18 V.S.A. § 9371, and sufficient to enable the hospitals to deliver high-quality, affordable health care services to patients; and

(C) take into consideration the necessary costs and operating expenses of providing services and not be based on historical charges;

(2) determine how best to incorporate value-based payments, including hospital global payments, into the Board’s hospital budget review, accountable care organization certification and budget review, and other regulatory processes, including assessing the impacts of regulatory processes on the financial sustainability of Vermont hospitals and identifying potential opportunities to use regulatory processes to improve hospitals’ financial health; and

(3) recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets, which may include the use of national and regional indicators of growth in the health care economy and other appropriate benchmarks, such as the Hospital Producer Price Index, Medical Consumer Price Index, bond-rating metrics, and labor cost indicators.
(b)(1) On or before November 1, 2022, the Green Mountain Care Board shall provide an update on its use of the funds appropriated in this section to the Health Reform Oversight Committee.

(2) On or before January 15, 2023, the Green Mountain Care Board shall report on its use of the funds appropriated in this section to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Sec. 2. HEALTH CARE DELIVERY SYSTEM TRANSFORMATION; COMMUNITY ENGAGEMENT; APPROPRIATIONS; REPORT

(a) The sum of $2,500,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to engage one or more consultants with expertise in community engagement, preferably with experience in working with a diverse, rural population, and one or more consultants with expertise in health system design to assist the Board, in consultation with the Director of Health Care Reform in the Agency of Human Services, to build on successful health care delivery system reform efforts by:

(1) facilitating a patient-focused, community-inclusive plan for Vermont’s health care delivery system to reduce inefficiencies, lower costs, improve population health outcomes, and increase access to essential services, including both providing the analytics to support delivery system transformation and leading the broad-based community engagement process; and

(2) providing support and technical assistance to hospitals and communities to facilitate planning for delivery system reform and transformation initiatives.

(b) The community engagement process shall:

(1) include hearing from and sharing information, trends, and insights with communities about the current state of the health care providers in their hospital service area, unmet health care needs in their community, and opportunities to address those needs; and

(2) provide opportunities at all stages of the process for meaningful participation by employers; consumers; health care professionals and health care providers, including those providing primary care services; Vermonters who have direct experience with all aspects of Vermont’s health care system; and Vermonters who are diverse with respect to race, income, age, and disability status.
(c) The Green Mountain Care Board shall use a portion of the funds appropriated in subsection (a) of this section to contract with a current or recently retired primary care provider to assist the Board in assessing and strengthening the role of primary care in its regulatory processes and to inform the Board’s efforts in payment reform and delivery system transformation from a primary care perspective.

(d)(1) In developing a plan for delivery system transformation pursuant to this section, the Green Mountain Care Board and the Director of Health Care Reform in the Agency of Human Services shall consider the capacity of Vermont’s community-based health care and social service providers to effectively implement the plan as it relates to community providers while providing the appropriate level of services to consumers.

(2) For purposes of this section, “community-based health care and social service providers” includes federally qualified health centers, designated and specialized service agencies, home health agencies, area agencies on aging, adult day providers, residential care homes, nursing homes, providers of services addressing homelessness, and community action agencies.

(e)(1) On or before November 1, 2022, the Green Mountain Care Board shall provide an update on its use of the funds appropriated in this section to the Health Reform Oversight Committee.

(2) On or before January 15, 2023, the Green Mountain Care Board shall report on its use of the funds appropriated in this section to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Sec. 3. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT ALL-PAYER MODEL AGREEMENT; APPROPRIATION

(a)(1) The Director of Health Care Reform in the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall design and develop a proposal for a subsequent agreement with the Centers for Medicare and Medicaid Innovation to secure Medicare’s continued participation in multi-payer alternative payment models in Vermont. The proposal shall be informed by the community- and provider-inclusive process set forth in Sec. 2 of this act and designed to reduce inefficiencies, lower costs, improve population health outcomes, and increase access to essential services.

(2) The design and development of the proposal shall include consideration of alternative payment and delivery system approaches for hospital services and community-based providers such as primary care providers, mental health providers, substance use disorder treatment providers,
skilled nursing facilities, home health agencies, and providers of long-term services and supports.

(3)(A) The alternative payment models to be explored shall include, at a minimum:

(i) global payments for hospitals;

(ii) geographically or regionally based global budgets for health care services;

(iii) existing federal value-based payment models; and

(iv) broader total cost of care and risk-sharing models to address patient migration patterns across systems of care.

(B) The alternative payment models shall:

(i) include appropriate mechanisms to convert fee-for-service reimbursements to predictable payments for multiple provider types, including those described in subdivision (2) of this subsection (a);

(ii) include a process to ensure reasonable and adequate rates of payment and a reasonable and predictable schedule for rate updates; and

(iii) meaningfully impact health equity and address inequities in terms of access, quality, and health outcomes.

(b) To support the design and development of a proposed agreement with the Centers for Medicare and Medicaid Innovation for Medicare’s participation in multi-payer initiatives, which may include engaging consulting and analytic support, the following sums are appropriated from the General Fund in fiscal year 2023:

1. $550,000.00 to the Agency of Human Services; and
2. $550,000.00 to the Green Mountain Care Board.

Sec. 4. HEALTH INFORMATION EXCHANGE STEERING COMMITTEE; DATA STRATEGY

The Health Information Exchange (HIE) Steering Committee shall continue its work to create one health record for each person that integrates data types to include health care claims data; clinical, mental health, and substance use disorder services data; and social determinants of health data. In furtherance of these goals, the HIE Steering Committee shall include a data integration strategy in its 2023 HIE Strategic Plan to merge and consolidate claims data in the Vermont Health Care Uniform Reporting and Evaluation System (VHCURES) with the clinical data in the HIE.
Sec. 5. 18 V.S.A. § 9410 is amended to read:

§ 9410. HEALTH CARE DATABASE

(a)(1) The Board shall establish and maintain a unified health care database to enable the Board to carry out its duties under this chapter, chapter 220 of this title, and Title 8, including:

   (A) determining the capacity and distribution of existing resources;
   (B) identifying health care needs and informing health care policy;
   (C) evaluating the effectiveness of intervention programs on improving patient outcomes;
   (D) comparing costs between various treatment settings and approaches;
   (E) providing information to consumers and purchasers of health care; and
   (F) improving the quality and affordability of patient health care and health care coverage.

(2) [Repealed.]

(b) The database shall contain unique patient and provider identifiers and a uniform coding system, and shall reflect all health care utilization, costs, and resources in this State, and health care utilization and costs for services provided to Vermont residents in another state.

* * *

(c) Records or information protected by the provisions of the physician-patient privilege under 12 V.S.A. § 1612(a), or otherwise required by law to be held confidential, shall be filed in a manner that does not disclose the identity of the protected person. [Repealed.]

(f) The Board shall adopt a confidentiality code to ensure that information obtained under this section is handled in an ethical manner.

* * *

(h)(1) All health insurers shall electronically provide to the Board in accordance with standards and procedures adopted by the Board by rule:

   (A) their health insurance claims data, provided that the Board may exempt from all or a portion of the filing requirements of this subsection data reflecting utilization and costs for services provided in this State to residents of other states;
(B) cross-matched claims data on requested members, subscribers, or policyholders; and

(C) member, subscriber, or policyholder information necessary to determine third-party liability for benefits provided.

(2) The collection, storage, and release of health care data and statistical information that are subject to the federal requirements of the Health Insurance Portability and Accountability Act (HIPAA) shall be governed exclusively by the regulations adopted thereunder in 45 C.F.R. Parts 160 and 164.

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(3)(A) The Board shall collaborate with the Agency of Human Services and participants in the Agency’s initiatives in the development of a comprehensive health care information system. The collaboration is intended to address the formulation of a description of the data sets that will be included in the comprehensive health care information system, the criteria and procedures for the development of limited-use data sets, the criteria and procedures to ensure that HIPAA compliant limited-use data sets are accessible, and a proposed time frame for the creation of a comprehensive health care information system.

(B) To the extent allowed by HIPAA, the data shall be available as a resource for insurers, employers, providers, purchasers of health care, and State agencies to continuously review health care utilization, expenditures, and performance in Vermont. In presenting data for public access, comparative considerations shall be made regarding geography, demographics, general economic factors, and institutional size.

(C) Consistent with the dictates of HIPAA, and subject to such terms and conditions as the Board may prescribe by rule, the Vermont Program for Quality in Health Care shall have access to the unified health care database for use in improving the quality of health care services in Vermont. In using the database, the Vermont Program for Quality in Health Care shall agree to abide by the rules and procedures established by the Board for access to the data. The Board’s rules may limit access to the database to limited-use sets of data as necessary to carry out the purposes of this section.

(D) Notwithstanding HIPAA or any other provision of law, the comprehensive health care information system shall not publicly disclose any data that contain direct personal identifiers. For the purposes of this section, “direct personal identifiers” include information relating to an individual that contains primary or obvious identifiers, such as the individual’s name, street address, e-mail address, telephone number, and Social Security number.
Sec. 6. 18 V.S.A. § 702(d) is amended to read:

(d) The Blueprint for Health shall include the following initiatives:

(8) The use of quality improvement facilitators and other means to support quality improvement activities, including using clinical and claims data to evaluate patient outcomes and promoting best practices regarding patient referrals and care distribution between primary and specialty care.

Sec. 7. BLUEPRINT FOR HEALTH; COMMUNITY HEALTH TEAMS; QUALITY IMPROVEMENT FACILITATORS; REPORT

On or before September 1, 2022, the Director of Health Care Reform in the Agency of Human Services shall recommend to the Health Reform Oversight Committee the amounts by which health insurers and Vermont Medicaid should increase the amount of the per-person, per month payments they make toward the shared costs of operating the Blueprint for Health community health teams and quality improvement facilitators in furtherance of the goal of providing additional resources necessary for delivery of comprehensive primary care services to Vermonters and to sustain access to primary care services in Vermont. Such increases shall be reflected in health insurers’ plan year 2024 rate filings if the increases cannot be implemented in a rate-neutral manner. The Agency shall also provide an estimate of the State funding that would be needed to support the increase for Medicaid, both with and without federal financial participation.

Sec. 8. OPTIONS FOR EXTENDING MODERATE NEEDS SUPPORTS; WORKING GROUP; GLOBAL COMMITMENT WAIVER; REPORT

(a) The Department of Disabilities, Aging, and Independent Living shall convene a working group comprising representatives of older Vermonters, home- and community-based service providers, the Office of the Long-Term Care Ombudsman, the Agency of Human Services, and other interested stakeholders to consider extending access to long-term home- and community-based services and supports to a broader cohort of Vermonters who would benefit from them, and their family caregivers, including:
(1) the types of services, such as those addressing activities of daily living, falls prevention, social isolation, medication management, and case management that many older Vermonters need but for which many older Vermonters may not be financially eligible or that are not covered under many standard health insurance plans;

(2) the most promising opportunities to extend supports to additional Vermonters, such as expanding the use of flexible funding options that enable beneficiaries and their families to manage their own services and caregivers within a defined budget and allowing case management to be provided to beneficiaries who do not require other services;

(3) how to set clinical and financial eligibility criteria for the extended supports, including ways to avoid requiring applicants to spend down their assets in order to qualify;

(4) how to fund the extended supports, including identifying the options with the greatest potential for federal financial participation;

(5) how to proactively identify Vermonters across all payers who have the greatest need for extended supports;

(6) how best to support family caregivers, such as through training, respite, home modifications, payments for services, and other methods; and

(7) the feasibility of extending access to long-term home- and community-based services and supports and the impact on existing services.

(b) The working group shall also make recommendations regarding changes to service delivery for persons who are dually eligible for Medicaid and Medicare in order to improve care, expand options, and reduce unnecessary cost shifting and duplication.

(c) The Department shall collaborate with others in the Agency of Human Services as needed in order to incorporate the working group’s recommendations on extending access to long-term home- and community-based services and supports into the Agency’s proposals to and negotiations with the Centers for Medicare and Medicaid Services for the iteration of Vermont’s Global Commitment to Health Section 1115 demonstration that will take effect following the expiration of the demonstration currently under negotiation.

(d) On or before January 15, 2023, the Department shall report to the House Committees on Human Services, on Health Care, and on Appropriations and the Senate Committees on Health and Welfare and on Appropriations regarding the working group’s findings and recommendations, including its recommendations regarding service delivery for dually eligible
individuals, and an estimate of any funding that would be needed to implement the working group’s recommendations.

*** Summaries of Green Mountain Care Board Reports ***

Sec. 9. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

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(e) The Board shall summarize and synthesize the key findings and recommendations from reports prepared by and for the Board, including its expenditure analyses and focused studies. All reports and summaries prepared by the Board shall be available to and understandable by the public and shall be posted on the Board’s website.

*** Effective Date ***

Sec. 10. EFFECTIVE DATE

This act shall take effect on passage.

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

An act relating to health care reform initiatives, data collection, and access to home- and community-based services.

(Committee vote: 5-0-0)

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

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

First: In Sec. 1, hospital value-based payment design; data collection and analysis; appropriations; report, by striking out the lead-in language in subsection (a) and inserting in lieu thereof the following:

(a) It is the intent of the General Assembly that, to the extent funds are allocated for this purpose, the Green Mountain Care Board shall:

Second: In Sec. 1, hospital value-based payment design; data collection and analysis; appropriations; report, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b)(1) On or before November 1, 2022, the Green Mountain Care Board shall provide an update on its progress in completing the responsibilities set forth in subsection (a) of this section to the Health Reform Oversight Committee.
(2) On or before January 15, 2023, the Green Mountain Care Board shall report on its activities pursuant to subsection (a) of this section to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Third: In Sec. 2, health care delivery system transformation; community engagement; appropriations; report, by striking out the lead-in language in subsection (a) and inserting in lieu thereof the following:

(a) It is the intent of the General Assembly that the Green Mountain Care Board, in consultation with the Director of Health Care Reform in the Agency of Human Services and to the extent funds are allocated for this purpose, shall build on successful health care delivery system reform efforts by:

Fourth: In Sec. 2, health care delivery system transformation; community engagement; appropriations; report, by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) It is the intent of the General Assembly that, to the extent funds are allocated for this purpose, Green Mountain Care Board shall contract with a current or recently retired primary care provider to assist the Board in assessing and strengthening the role of primary care in its regulatory processes and to inform the Board’s efforts in payment reform and delivery system transformation from a primary care perspective.

Fifth: In Sec. 2, health care delivery system transformation; community engagement; appropriations; report, by striking out subsection (e) in its entirety and inserting in lieu thereof the following:

(e)(1) On or before November 1, 2022, the Green Mountain Care Board shall provide an update on its progress in completing the duties set forth in this section to the Health Reform Oversight Committee.

(2) On or before January 15, 2023, the Green Mountain Care Board shall report on its activities pursuant to this section to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Sixth: By striking out Sec. 3, development of proposal for subsequent all-payer model agreement; appropriation, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT ALL-PAYER MODEL AGREEMENT

(a) The Director of Health Care Reform in the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall design and
develop a proposal for a subsequent agreement with the Centers for Medicare and Medicaid Innovation to secure Medicare’s continued participation in multi-payer alternative payment models in Vermont. The proposal shall be informed by the community- and provider-inclusive process set forth in Sec. 2 of this act and designed to reduce inefficiencies, lower costs, improve population health outcomes, and increase access to essential services.

(b) The design and development of the proposal shall include consideration of alternative payment and delivery system approaches for hospital services and community-based providers such as primary care providers, mental health providers, substance use disorder treatment providers, skilled nursing facilities, home health agencies, and providers of long-term services and supports.

(c)(1) The alternative payment models to be explored shall include, at a minimum:

(A) global payments for hospitals;

(B) geographically or regionally based global budgets for health care services;

(C) existing federal value-based payment models; and

(D) broader total cost of care and risk-sharing models to address patient migration patterns across systems of care.

(2) The alternative payment models shall:

(A) include appropriate mechanisms to convert fee-for-service reimbursements to predictable payments for multiple provider types, including those described in subsection (b) of this section;

(B) include a process to ensure reasonable and adequate rates of payment and a reasonable and predictable schedule for rate updates; and

(C) meaningfully impact health equity and address inequities in terms of access, quality, and health outcomes.

Seventh: By striking out Sec. 10, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof the following:

*** Appropriations ***

Sec. 10. PAYMENT AND DELIVERY SYSTEM REFORM;
APPROPRIATIONS

(a) The sum of $1,000,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to begin the work described in Secs. 1–3 of this act.
(b) The sum of $550,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2023 to support the work of the Director of Health Care Reform in designing and developing a proposed agreement with the Centers for Medicare and Medicaid Innovation as set forth in Sec. 3 of this act.

(c) The sum of $3,450,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to further execute the initiatives set forth in Secs. 1–3 of this act; provided, however, that the Board shall not expend the funds until the Health Reform Oversight Committee has reviewed and approved the Board’s proposed plan and timeline in accordance with subdivision (3) of this subsection.

(1) In order to provide the greatest likelihood of achieving meaningful results from the initiatives set forth in Secs. 1–3 of this act, the work of the Green Mountain Care Board will require sequencing coordination and collaboration with the Director of Health Care Reform in the Agency of Human Services. This is especially true in light of the potential changes to the State’s Global Commitment to Health Section 1115 demonstration; the All-Payer Model agreement requirement for accountability for total cost of care; the scale of Medicare participation in the All-Payer Model agreement; the need for collaboration across the continuum of services in the health care and human services systems to enable the delivery of high-quality care and services in the most appropriate settings; and the short-, mid-, and longer-term strategies to address significant workforce challenges in the health care and human services systems.

(2) The Green Mountain Care Board shall develop a plan and timeline for pursuing hospital valued-based payment design in accordance with Sec. 1 of this act, for developing a patient-focused, community-inclusive plan for health care delivery system transformation as set forth in Sec. 2 of this act, and for the Board’s role in designing and developing a proposal for a subsequent agreement with the federal government as set forth in Sec. 3 of this act. The Board shall collaborate with the Director of Health Care Reform in developing its plan and timeline to ensure appropriate alignment with the State’s health care reform goals and with the timing of waiver negotiations with the federal government.

(3) On or before October 1, 2022, the Green Mountain Care Board shall provide its plan and timeline to the Health Reform Oversight Committee. If the Committee is satisfied that the plan and timeline are achievable and are appropriately aligned with the work of the Director of Health Care Reform, the Committee shall, by majority vote of the members present, authorize the Board to expend the funds appropriated by this subsection. If the Committee
determines that the plan and timeline are not achievable or are not appropriately aligned with the work of the Director of Health Care Reform, or both, the Committee shall recommend appropriate modifications and, when satisfied with the plan and timeline, shall authorize the Board to expend the funds.

* * * Effective Dates * * *

Sec. 11. EFFECTIVE DATES

(a) Sec. 10 (appropriations) shall take effect on July 1, 2022.

(b) The remainder of this act shall take effect on passage.

(Committee vote: 5-0-2)

Favorable with Proposal of Amendment

H. 447.

An act relating to approval of amendments to the charter of the Town of Springfield.

Reported favorably with recommendation of proposal of amendment by Senator Clarkson for the Committee on Government Operations.

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

First: In Sec. 2, 24 App. V.S.A. chapter 149, section 3, subdivision (b)(1), by striking out subdivision (B) in its entirety and inserting in lieu thereof a new subdivision (B) to read as follows:

(B) is injurious to other property in the vicinity; or

Second: In Sec. 2, 24 App. V.S.A. chapter 149, section 3, subsection (b), by striking out subdivision (3) in its entirety and inserting in lieu thereof a new subdivision (3) to read as follows:

(3) Not less than 30 days before any action taken under this subsection, the Town shall provide to the property owner and any recorded lienholders a notice of the Town’s intent to issue civil penalties; clean or repair the premises; or remove rubbish, waste, or objectionable material. The Town shall provide to the property owner and any recorded lienholders reasonable opportunity and information to appeal the proposed action or to clean or repair the premises before the Town takes any final action.

Third: In Sec. 2, 24 App. V.S.A. chapter 149, in section 11, in subsection (c), in the last sentence, immediately following the words “may not
be petitioned again for a period of”, by striking out the words “one year” and inserting in lieu thereof the words three years
(Committee vote: 5-0-0)
(For House amendments, see House Journal for February 15, 2022, pages 225-267)

NEW BUSINESS
Third Reading
S. 220.
An act relating to State-paid deputy sheriffs.

S. 234.
An act relating to changes to Act 250.
Amendment to S. 234 to be offered by Senators Brock, Ingalls and Starr before Third Reading

Senators Brock, Ingalls and Starr move to amend the bill by striking out Sec. 11, 10 V.S.A. § 6001, and its reader assistance heading in their entireties
And by renumbering the remaining sections to be numerically correct.

Amendment to S. 234 to be offered by Senators Bray, Campion, MacDonald, McCormack and Westman before Third Reading

Senators Bray, Campion, MacDonald, McCormack and Westman move to amend the bill in Sec. 4, 10 V.S.A. § 6001, by striking out subdivision (3)(D)(IV) in its entirety

S. 287.
An act relating to improving student equity by adjusting the school funding formula and providing education quality and funding oversight.

Second Reading
Favorable with Proposal of Amendment
H. 722.
An act relating to final reapportionment of the House of Representatives.
Reported favorably with recommendation of proposal of amendment by Senator Collamore for the Committee on Reapportionment.

The Committee recommends that the Senate propose to the House to amend the bill as follows:
First: In Sec. 2, 17 V.S.A. § 1893b, in CHITTENDEN-24, following “then southerly along the eastern side of Sandhill Road to the intersection of River Road; then westerly along the” by striking out “northern” and inserting in lieu thereof southern
Second: By striking out Sec. 3, effective date, in its entirety and inserting in lieu thereof Secs. 3–4 to read as follows:

Sec. 3. 17 V.S.A. § 1881 is amended to read:

§ 1881. NUMBER TO BE ELECTED

Senatorial districts and the number of Senators to be elected from each are as follows:

(1) Addison Senatorial District, composed of the towns of Addison, Bridport, Bristol, Buel’s Gore, Cornwall, Ferrisburgh, Goshen, Granville, Hancock, Huntington, Leicester, Lincoln, Middlebury, Monkton, New Haven, Orwell, Panton, Rochester, Ripton, Salisbury, Shoreham, Starksboro, Vergennes, Waltham, Weybridge, and Whiting........ two;

(2) Bennington Senatorial District, composed of the towns of Arlington, Bennington, Dorset, Glastenbury, Landgrove, Londonderry, Manchester, Peru, Pownal, Readsboro, Rupert, Sandgate, Searsburg, Shaftsbury, Somerset, Stamford, Stratton, Sunderland, Wilmington, Winhall, and Woodford........ two;

(3) Caledonia Senatorial District, composed of the towns of Barnet, Bradford, Burke, Danville, Fairlee, Groton, Hardwick, Kirby, Lyndon, Newark, Newbury, Orange, Peacham, Ryegate, St. Johnsbury, Sheffield, Stannard, Sutton, Topsham, Walden, Waterford, West Fairlee, and Wheelock............... two one;

(4) Chittenden Chittenden-Central Senatorial District, composed of towns of Bolton, Burlington, Charlotte, Essex, Hinesburg, Jericho, Milton, Richmond, St. George, Shelburne, South Burlington, Underhill, Westford, Williston, and Winooski the city of Winooski, that portion of the town of Essex not included in Chittenden-North Senatorial District, that portion of the town of Colchester not included in Grand Isle Senatorial District, and that portion of the city of Burlington encompassed within a boundary beginning at the point where the eastern boundary line of the city of Burlington intersects with the South Burlington Recreation Path; then westerly along the northern side of the boundary between the South Burlington Recreation Path and the Burlington Country Club to where the South Burlington Recreation Path turns north; then continuing westerly along the northern side of the property boundary of the Burlington Country Club to the property boundary line between 544 South Prospect Street and 500 South Prospect Street; then westerly along the northern side of the property line between 544 South Prospect Street and 500 Prospect Street to where it intersects with South Prospect Street; then northerly along the eastern side of the centerline of South
Prospect Street to the intersection of Cliff Street; then westerly along the northern side of the centerline of Cliff Street to the intersection of U.S. Route 7; then briefly northerly along the eastern side of the centerline of U.S. Route 7 to the intersection of Spruce Street; then westerly along the northern side of the centerline of Spruce Street to the intersection of South Union Street; then northerly along the eastern side of the centerline of South Union Street to the intersection of Adams Street; then westerly along the northern side of the centerline of Adams Street to the intersection of South Winooski Avenue; then northerly along the eastern side of the centerline of South Winooski Avenue to the intersection of Maple Street; then westerly along the northern side of the centerline of Maple Street to the end of Maple Street; then continuing on a line due west across Lake Champlain to the boundary of the city of South Burlington in Lake Champlain; then northerly along the city line of South Burlington in Lake Champlain and continuing along the city line of South Burlington as it follows the eastern shore of Lake Champlain to the boundary of the town of Colchester; then northerly and then southeasterly along the town line of Colchester to the boundary of the city of Winooski; then southeasterly along the city line of Winooski to the boundary of the city of South Burlington; then southwesterly along the city line of South Burlington to the point of beginning........ six three;

(5) Chittenden-North Senatorial District, composed of towns of Fairfax, Milton, Westford, and that portion of the town of Essex encompassed within a boundary beginning at the point where the western boundary line of the town of Essex intersects with VT Route 2A; then southerly along the eastern side of the centerline of VT Route 2A to the intersection of Gentes Road; then briefly easterly along the northern side of the centerline of Gentes Road to where it intersects with the railroad tracks before Lamore Road; then southerly along the eastern side of the railroad tracks to where they intersect with VT Route 289; then southeasterly along the northeastern side of the centerline of VT Route 289 to the intersection of Upper Main Street; then northeasterly along the northwestern side of the centerline of Upper Main Street to the intersection of Center Road; then easterly along the northern side of the centerline of Center Road to the intersection of Jericho Road; then southeasterly along the northeastern side of the centerline of Jericho Road to the intersection of Allen Martin Drive; then southwesterly along the southeastern side of the centerline of Allen Martin Road to the intersection of Sandhill Road; then southerly along the eastern side of Sandhill Road to the intersection of River Road; then westerly along the southern side of the centerline of River Road to where it intersects with Alder Brook; then southerly along the eastern side of Alder Brook to the boundary of the town of Williston; then easterly along the town line of Williston to the boundary of the town of Jericho; then northeasterly
along the town line of Jericho to the boundary of the town of Westford; then westerly along the town line of Westford to the boundary of the town of Colchester; then southerly along the town line of Colchester to the point of beginning........ one;

(6) Chittenden-Southeast Senatorial District, composed of towns of Bolton, Charlotte, Hinesburg, Jericho, Richmond, Shelburne, South Burlington, St. George, Underhill, Williston, and that portion of the city of Burlington not included in Chittenden-Central Senatorial District........ three;


(6)(8) Franklin Senatorial District, composed of the towns of Alburgh, Bakersfield, Berkshire, Enosburgh, Fairfax, Fairfield, Fletcher, Franklin, Georgia, Highgate, Richford, St. Albans City, St. Albans Town, Sheldon, and Swanton................. two;

(7)(9) Grand Isle Senatorial District, composed of the towns of Colchester, Grand Isle, Isle La Motte, North Hero, and South Hero, and that portion of the town of Colchester encompassed within a boundary beginning at the point where the southern boundary line of Colchester and the northern boundary of the city of Winooski intersects with U.S. Route 7; then northerly along the western side of the centerline of U.S. Route 7 to the intersection of Hercules Drive; then easterly along the northern side of the centerline of Hercules Drive; then continue southerly along the eastern side of the centerline of Hercules Drive to the intersection of Vermont National Guard Road; then southeasterly along the northeastern side of the centerline of Vermont National Guard Road to the intersection of Hegeman Avenue; then northeasterly along the northwestern side of the centerline of Hegeman Avenue to the intersection of Barnes Avenue; then briefly northwesterly along the southwestern side of the centerline of Barnes Avenue to the intersection of Troy Avenue; then northeasterly along the northwestern side of the centerline of Troy Avenue to where it joins Hegeman Avenue; then briefly southeasterly along the northeastern side of the centerline of Hegeman Avenue to the intersection of Vermont Avenue; then briefly easterly along the northern side of the centerline of Vermont Avenue to where it intersects with the boundary of the town of Essex; then northeasterly along the town line of Essex to the boundary of the
town of Milton; then northwesterly along the town line of Milton to the boundary of the town of South Hero; then southwesterly along the town line of South Hero to the state border of New York; then southerly along the state border of New York to the boundary of the city of South Burlington in Lake Champlain; then easterly along the city line of South Burlington to the boundary of the city of Burlington; then easterly along the city line of Burlington to the boundary of the city of Winooski; then northeasterly along the city line of Winooski; then continue along the city line of Winooski to the point of beginning................. one;

(8)(10) Lamoille Senatorial District, composed of the towns of Belvidere, Cambridge, Eden, Elmore, Fletcher, Hyde Park, Johnson, Morristown, Stowe, and Waterville, and Wolcott................. one;

(9)(11) Orange Senatorial District, composed of the towns of Braintree, Bradford, Brookfield, Chelsea, Corinth, Fairlee, Randolph, Strafford, Thetford, Topsham, Tunbridge, Vershire, Washington, West Fairlee, and Williamstown............... one;

(12) Orleans Senatorial District, composed of the towns of Albany, Barton, Brownington, Burke, Charleston, Coventry, Craftsbury, Glover, Greensboro, Irasburg, Jay, Lowell, Montgomery, Newport Town, Newark, Sheffield, Sutton, Troy, Westfield, and Westmore.............. one;

(10)(13) Rutland Senatorial District, composed of the towns of Benson, Brandon, Castleton, Chittenden, Clarendon, Danby, Fair Haven, Hubbardton, Ira, Killington, Mendon, Middletown Springs, Mt. Holly, Mt. Tabor, Pawlet, Pittsfield, Pittsford, Poulney, Proctor, Rutland City, Rutland Town, Shrewsbury, Sudbury, Tinmouth, Wallingford, Wells, West Haven, and West Rutland................. three;


(13)(16) Windsor Senatorial District, composed of the towns of Andover, Baltimore, Barnard, Bethel, Bridgewater, Cavendish, Chester,

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage and shall apply to representative and senatorial districts for the 2022 election cycle and thereafter.

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

An act relating to reapportioning the final representative districts of the House of Representatives and the senatorial districts of the Senate.

(Committee vote: 7-0-0)
(No House amendments)

NOTICE CALENDAR
Second Reading
Favorable with Proposal of Amendment
H. 159.

An act relating to community and economic development and workforce revitalization.

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

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:

*** Purpose ***

Sec. 1. PURPOSE

The purpose of this act is to address the negative economic impacts of COVID-19 on Vermont’s economy, employers, workers, and families while simultaneously leveraging opportunities to grow Vermont’s economy.

*** Relocating Employee Incentives ***

Sec. 2. 10 V.S.A. § 4 is amended to read:

§ 4. NEW RELOCATING EMPLOYEE INCENTIVES

(a) The Agency of Commerce and Community Development shall design
and implement a program to award incentive grants to relocating employees as provided in this section and subject to the policies and procedures the Agency adopts to implement the program.

(b) A relocating employee may be eligible for a grant under the program for qualifying expenses, subject to the following:

(1) A base grant shall not exceed $5,000.00.

(2) The Agency may award an enhanced grant, which shall not exceed $7,500.00, for a relocating employee who becomes a resident in a labor market area in this State in which:

(A) the average annual unemployment rate in the labor market area exceeds the average annual unemployment rate in the State; or

(B) the average annual wage in the State exceeds the annual average wage in the labor market area.

(c) The Agency shall:

(1) adopt procedures for implementing the program, which shall include a simple certification process to certify relocating employees and qualifying expenses;

(2) promote awareness of the program, including through coordination with relevant trade groups and by integration into the Agency’s economic development marketing campaigns;

(3) award grants to relocating employees on a first-come, first-served basis beginning on July 1, 2021, subject to available funding adopt procedures to initially approve an applicant for a grant after verifying a relocating employee’s eligibility and to make final payment of a grant after verifying that the relocating employee has completed relocation to this State; and

(4) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the program.

(d) On or before January 15, 2022, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the policies and procedures adopted to implement the program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the program,
including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling.

(e) As used in this section:

(1) “Qualifying expenses” means the actual costs a relocating employee incurs for relocation expenses, which may include moving costs, closing costs for a primary residence, rental security deposit, one month’s rent payment, and other relocation expenses established in Agency guidelines.

(2) “Relocating employee” means an individual who meets the following criteria:

(A)(i) On or after July 1, 2021:

(I) the individual becomes a full-time resident of this State;

(II) the individual becomes a full-time employee at a Vermont location of a for-profit or nonprofit business organization domiciled or authorized to do business in this State, or of a State, municipal, or other public sector employer; and

(III) the individual becomes employed in one of the “Occupations with the Most Openings” identified by the Vermont Department of Labor in its “Short Term Employment Projections 2020-2022”; and

(IV) the employer attests to the Agency that, after reasonable time and effort, the employer was unable to fill the employee’s position from among Vermont applicants; or

(ii) on or after February 1, 2022:

(I) the individual becomes a full-time resident of this State; and

(II) the individual is a full-time employee of an out-of-state business and performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(B) The individual receives gross salary or wages that equal or exceed the Vermont livable wage rate calculated pursuant to 2 V.S.A. § 526.

(C) The individual is subject to Vermont income tax.

Sec. 3. THINK VERMONT REGIONAL RECRUITMENT AND RELOCATION NETWORK

(a) Regional recruitment and relocation network. The Department of Tourism and Marketing shall launch and lead a coordinated regional relocation network to facilitate the successful recruitment and relocation of individuals to Vermont. The Department of Tourism and Marketing shall build capacity to
facilitate lead generation and support a network of regional and local entities embedded in their communities who will act as resource coordinators to transform leads into permanent residents. These network partners shall be responsible for providing quick, customized information, resources, and referrals. The network shall be designed to:

(1) leverage all available State and federal resources;
(2) provide a regionally customized customer support pathway for potential residents;
(3) receive, respond to, and track leads generated by State marketing efforts;
(4) ensure that every inquiry is responded to in a timely, appropriate way in support of future employment and successful relocation;
(5) collaborate with regional employers on their recruitment efforts to maximize the sharing of information about employment opportunities and promote placements or matching of applicants;
(6) track, share, and report information between other regional contacts, State agencies, and departments; and
(7) evolve and respond to new needs and resources.

(b) System infrastructure.

(1) The Department shall establish a competitive RFP process, with the goal of contracting with an entity, based on responses received, in each of 12 designated regions. The competitive process will help the Department ensure that there is capacity within responding entities to perform the scope of work required.

(2) The Department shall score the RFP responses and utilize a scoring system to choose a partner entity in each region of the State.

(3) The Department shall create one full-time staff position to maintain oversight and management of the regional network and report on outcomes and relocation services delivered.

(4) The regional network shall be integrated into current recruitment efforts to maximize existing tools such as ThinkVermont.com.

(5) The Department shall leverage its existing programmatic footprint to ensure that relocation assistance is available in every region of the State.

(6) To the extent possible, the regional relocation network shall not duplicate or replace existing public or private recruitment programs.
(7) The Department shall work to coordinate and enhance these efforts to create a wraparound system of support, information, and recordkeeping.

(c) Coordination. The Department shall coordinate with statewide and community-based organizations, as well as Agencies and Departments in State government, including the Department of Labor, the Agency of Human Services, Vocational Rehabilitation, Regional Development Corporations and Regional Planning Commissions, and statewide and local chambers of commerce.

(d) Promotion and marketing.

(1) The Department shall promote Vermont as a relocation destination to attract new residents to the State and generate leads for the regional relocation network.

(2) The Department shall use a mix of marketing tactics, each with specific benchmarks to define success, including:

(A) secure and maintain positive earned media coverage in national, regional, and other news media;

(B) extend the reach of positive news coverage through owned media channels;

(C) utilize paid media opportunities to advertise Vermont as a place to live, work, visit, and do business; and

(D) utilize targeting techniques to reach key populations in high demand occupations in sectors facing workforce shortages in Vermont as well as individuals of diverse backgrounds.

(e) Report. The Department shall include the following metrics in addition to a progress update and any recommendations annually to the General Assembly:

(1) the number of inquiries received and individuals served in each region, by region; and

(2) employment and relocation status data on all individuals served.

(f) Implementation. The Department of Tourism and Marketing shall launch the RFP and select regional network partners based on the responses on or before November 15, 2022.
Sec. 4. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

Sec. H.18 CAPITAL INVESTMENT GRANT PROGRAM

(a) Creation; purpose; regional outreach.

(1) The Agency of Commerce and Community Development shall use the $10,580,000 appropriated to the Department of Economic Development in Sec. G.300(a)(12) of this act to design and implement a capital investment grant program consistent with this section.

(2) The purpose of the program is to make funding available for transformational projects that will provide each region of the State with the opportunity to attract businesses, retain existing businesses, create jobs, and invest in their communities by encouraging capital investments and economic growth.

(3) The Agency shall collaborate with other State agencies, regional development corporations, regional planning commissions, and other community partners to identify potential regional applicants and projects to ensure the distribution of grants throughout the regions of the State.

(b) Eligible applicants.

(1) To be eligible for a grant, an applicant shall comply with the Department of Treasury Final Rule implementing the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act and meet the following criteria:

(A) The applicant is located within this State.

(B) The applicant is:

(i)(I) a for-profit entity with not less than a 10 percent equity interest in the project; or

(II) a nonprofit entity; and

(ii) grant funding from the Program represents not more than 20 percent of the total project cost.

(C) The applicant demonstrates:

(i) community and regional support for the project;

(ii) that grant funding is needed to complete the project;

(iii) leveraging of additional sources of funding from local, State, or federal economic development programs; and
(iv) an ability to manage the project, with requisite experience and a plan for fiscal viability.

(2) The following are ineligible to apply for a grant:

(A) a State or local government-operated business;
(B) a municipality;
(C) a business that, together with any affiliated business, owns or operates more than 20 locations, regardless of whether those locations do business under the same name or within the same industry; and

(D) a publicly traded company.

(c) Awards; amount; eligible uses.

(1) An award shall not exceed the lesser of $1,500,000.00 $1,000,000 or the estimated net State fiscal impact of the project based on Agency modeling 20 percent of the total project cost.

(2) A recipient may use grant funds for the acquisition of property and equipment, construction, renovation, and related capital expenses.

(3) A recipient may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same costs within the same project.

(4) The Agency shall release grant funds upon determining that the applicant has met all Program conditions and requirements.

(5) Nothing in this section is intended to prevent a grant recipient from applying for additional grant funds if future amounts are appropriated for the program.

(d) Data model; approval.

(1) The Agency shall collaborate with the Legislative Economist to design a data model and related methodology to assess the fiscal, economic, and societal impacts of proposals and prioritize them based on the results.

(2) The Agency shall present the model and related methodology to the Joint Fiscal Committee for its approval not later than September 1, 2021.

(e) Application process; decisions; awards.

(1)(A) The Agency shall accept applications on a rolling basis for three-month periods and shall review and consider for approval the group of applications it has received as of the conclusion of each three-month period.
(B) The Agency shall make application information available to the Legislative Economist and the Executive Economist in a timely manner.

(2) Using the data model and methodology approved by the Joint Fiscal Committee, the Agency shall analyze the information provided in an application to estimate the net State fiscal impact of a project, including the following factors:

   (A) increase to grand list value;
   (B) improvements to supply chain;
   (C) jobs impact, including the number and quality of jobs; and
   (D) increase to State GDP. [Repealed.]

(3) The Secretary of Commerce and Community Development shall appoint an interagency team, which may include members from among the Department of Economic Development, the Department of Housing and Community Development, the Agency of Agriculture, Food and Markets, the Department of Public Service, the Agency of Natural Resources, or other State agencies and departments, which team shall review, analyze, and recommend projects for funding consistent with the guidelines the Agency develops in coordination with the Joint Fiscal Office and approved by the Joint Fiscal Committee and based on the estimated net State fiscal impact of a project and on other contributing factors, including the following:

   (A) transformational nature of the project for the region;
   (B) project readiness, quality, and demonstrated collaboration with stakeholders and other funding sources;
   (C) alignment and consistency with regional plans and priorities; and
   (D) creation and retention of workforce opportunities.

(4) The Secretary of Commerce and Community Development shall consider the recommendations of the interagency team and shall give final approval to projects.

(f) Grant agreements; post award monitoring.

(1) If selected by the Secretary, the applicant and the Agency shall execute a grant agreement that includes audit provisions and minimum requirements for the maintenance and accessibility of records that ensures that the Agency and the Auditor of Accounts have access and authority to monitor awards.
(2) The Agency shall publish on its website not later than 30 days after approving an award a brief project description, the name of the grantee, and the amount of a grant.

(g) Report. On or before December 15, 2021 February 15, 2023, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the implementation of the program;

(2) the promotion and marketing of the program;

(3) an analysis of the utilization and performance of the program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling.

(h) Implementation.

(1) The Agency of Commerce and Community Development shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the Capital Investment Grant Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee for approval prior to accepting applications for grants through the Program.

(2) When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency may designate one or more sectors for priority consideration through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

*** VEDA Short-Term Forgivable Loans ***

Sec. 5. VEDA SHORT-TERM FORGIVABLE LOANS

(a) Creation. The Vermont Economic Development Authority shall create a Short-Term Forgivable Loan Program to support Vermont businesses experiencing continued working capital shortfalls as a result of the COVID-19 public health emergency.

(b) Eligible business. An eligible borrower is a for-profit or nonprofit business:

(1) with fewer than 500 employees;

(2) located in Vermont;
(3) that was in operation or had taken substantial steps toward becoming operational as of March 13, 2020; and

(4) that can identify economic harm caused by or exacerbated by the pandemic.

(c) Economic harm.

(1) An applicant shall demonstrate economic harm from lost revenue, increased costs, challenges covering payroll, rent or mortgage interest, or other operating costs that threaten the capacity of the business to weather financial hardships and result in general financial insecurity due to the COVID-19 public health emergency.

(2) The Authority shall measure economic harm by a material decline in the applicant’s annual adjusted net operating income before the COVID-19 public health emergency relative to its annual adjusted net operating income during the COVID-19 public health emergency.

(3) When assessing an applicant’s adjusted net operating income, the Authority shall consider previous COVID-19 State and federal subsidies, reasonable owner’s compensation, noncash expenses, extraordinary items, and other adjustments deemed appropriate.

(4) To be eligible for a loan, the Authority shall determine that a business has experienced at least a 25 percent reduction in its adjusted net operating income in calendar years 2020 and 2021 combined as compared to 2019, or other appropriate basis of comparison where necessary, and that 50 percent or more of the reduction occurred in 2021.

(d) Maximum loan. The Authority shall determine the amount of a loan award pursuant to guidelines adopted pursuant to subsection (f) of this section, provided that a loan shall not exceed the lesser of:

(1) $200,000.00;

(2)(A) six months of eligible fixed costs; or

(B) if, due to the nature of the business and its historical experience fixed costs are not an accurate measure of ongoing operational need, another amount based on a comparable measure of cost; or

(3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021.

(e) Eligible use of loan; loan forgiveness.

(1) A loan recipient may use loan proceeds to pay for eligible fixed costs or operating expenses but shall not use the proceeds for capital expenditures.
(2) The Authority shall approve loan forgiveness based on documentation evidencing loan proceeds were used to pay for eligible fixed costs or operating expenses.

(f) Guidelines. The Vermont Economic Development Authority shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the VEDA Short-Term Forgivable Loan Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee for approval prior to accepting applications for grants through the Program.

(g) Priority sectors. When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency of Commerce and Community Development may designate one or more sectors for priority funding through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

* * * Project-Based Tax Increment Financing * * *

Sec. 6. 24 V.S.A. 1892(d) is amended to read:

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

(1) the City of Burlington, Downtown;
(2) the City of Burlington, Waterfront;
(3) the Town of Milton, North and South Town of Bennington;
(4) the City of Newport City of Montpelier;
(5) the City of Winooski;
(6) the Town of Colchester;
(7) the Town of Hartford;
(8)(7) the City of St. Albans;
(9)(8) the City of Barre;
(10)(9) the Town of Milton, Town Core; and
(11)(10) the City of South Burlington.
Sec. 7. 32 V.S.A. § 5404a is amended to read:

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

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

* * *

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

(2) Notwithstanding any other provision of law, if a municipality has entered into an agreement that reduces the municipality’s education property tax liability under this chapter and the municipality establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality’s municipal and education tax increment shall be calculated based on the assessed value of the properties in the municipality’s grand list and not on the stabilized value.

* * *

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

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

(2) The Council shall not approve more than six four districts in the State, and not more than two per county, provided:
(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

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

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

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

* * *

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

* * *

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

* * *

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

* * *

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. In the case of a brownfield, the Vermont Economic Progress Council is authorized to adopt rules pursuant to subsection (j) of this section to clarify what is a reasonable improvement, as defined in 24 V.S.A. § 1891, to remediate and stimulate the development or redevelopment in the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.
Sec. 8. TAX INCREMENT FINANCING PROJECT DEVELOPMENT; PILOT PROGRAM

(a) Definitions. As used in this section:

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

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

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

4. “Improvements” means the installation, new construction, or reconstruction of infrastructure that will serve a public purpose, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, brownfield remediation, and site preparation. “Improvements” also means the funding of debt service interest payments for a period of up to five years, beginning on the date on which the first debt is incurred.
(5) “Legislative body” means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

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

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

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

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

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

(B) Only include public improvements that are integral to the expected private development.

(C) Meet one of the following four criteria:

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

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

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

(iv) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.
(10) “Related costs” means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may not include direct municipal expenses such as departmental or personnel costs.

(11) “TIF project zone” means an area located within one or more active designations approved by the Vermont Downtown Development Board under 24 V.S.A. chapter 76A, or located within an industrial park as defined in 10 V.S.A. § 212(7), for the parcels in a municipality that have nexus to the project.

(b) Pilot program. Beginning on January 1, 2023 and ending on December 31, 2027, the Vermont Economic Progress Council is authorized to approve a total of not more than four tax increment financing projects, with not more than three projects per year; provided, however, that there shall not be more than one project per municipality.

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

(d) Eligibility.

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

(A) the project will serve one or more active designations approved by the Vermont Downtown Development Board under 24 V.S.A. chapter 76A, or is located within an industrial park as defined in 10 V.S.A. § 212(7); and

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

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

(e) Approval process. The Vermont Economic Progress Council shall do all of the following to approve an application submitted pursuant to subsection (c) of this section:
(1)(A) Review each application to determine that the infrastructure improvements proposed to serve the project and the proposed development in the project would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the incremental tax revenues.

(B) The review shall take into account:

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

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

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

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

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

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

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

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

(B) The municipality has developed a tax increment financing project plan, including a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements. The creation of the project shall occur at 12:01 a.m. on April 1 of the calendar year the municipal legislative body votes to approve the tax increment financing project plan.
(C) the municipality has approved or pledged the utilization of incremental municipal tax revenues for the purposes of the project in the proportion set for in subdivision (i)(2) of this section.

(f) Incurring indebtedness.

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

(2) Notwithstanding any provision of any municipal charter, the municipality shall only require one authorizing vote to incur debt through one instance of borrowing to finance or otherwise pay for the tax increment financing project improvements and related costs; provided, however, that a municipality may present one or more subsequent authorization votes in the event a vote fails. The municipality shall be authorized to incur indebtedness only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned. The creation of the project shall occur at 12:01 a.m. on April 1 of the calendar year the municipal legislative body votes to approve the tax increment financing project plan.

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

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

(h) Tax increments.

(1) In each year following the approval of the project, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates
of all taxes levied by the municipality and every other taxing district in which
the project is situated, but the treasurer shall extend all rates so determined
against the entire assessed valuation of real property for that year. In each year
for which the assessed valuation exceeds the original taxable value, the
municipality shall hold apart, rather than remit to the taxing districts, that
proportion of all taxes paid that year on the real property within the project
that the excess valuation bears to the total assessed valuation. The amount
held apart each year is the “tax increment” for that year. Not more than the
percentages established pursuant to subsection (i) of this section of the
municipal and State education tax increments received with respect to the
project and committed for the payment for financing for improvements and
related costs shall be segregated by the municipality in a special tax increment
financing project account and in its official books and records until all capital
indebtedness of the project has been fully paid. The final payment shall be
reported to the treasurer, who shall thereafter include the entire assessed
valuation of the project in the assessed valuations upon which municipal and
other tax rates are computed and extended, and thereafter no taxes from the
project shall be deposited in the project’s tax increment financing account.

(2) In each year, a municipality shall remit not less than the aggregate
original taxable value to the Education Fund.

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

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

(i) Use of tax increment.

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

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

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

(i) Distribution. Of the municipal and education tax increments received in any tax year that exceed the amounts committed for the payment of the financing for improvements and related costs for the project, equal portions of each increment may be retained for the following purposes: prepayment of principal and interest on the financing, placed in a special account required by subdivision (g)(1) of this section and used for future financing payments or used for defeasance of the financing. Any remaining portion of the excess municipal tax increment shall be distributed to the city, town, or village budget, in the proportion that each budget bears to the combined total of the budgets, unless otherwise negotiated by the city, town, or village, and any remaining portion of the excess education tax increment shall be distributed to the Education Fund.

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

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

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

(3) Annually:

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

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

(l) Annual report. The Vermont Economic Progress Council and the Department of Taxes shall submit an annual report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means on or before April 1 each year. The report shall include the date of approval, a description of the project, the original taxable value of the property subject to the project development, the scope and value of projected and actual improvements and developments in the TIF Project Zone, projected and actual incremental revenue amounts, and division of the increment revenue between project debt, the Education Fund, the special account required by subdivision (h)(1) and the municipal General Fund, projected and actual financing, and a set of performance measures developed by the Vermont Economic Progress Council, which may include outcomes related to the criteria for which the municipality applied and the amount of infrastructure work performed by Vermont firms.

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

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

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

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

(2) The Vermont Economic Progress Council shall prepare recommendations for the Secretary prior to the issuance of a decision. As appropriate, the Council may prepare such recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position. The Secretary shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following the receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

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

Sec. 9. 24 V.S.A. § 1891 is amended to read:

§ 1891. DEFINITIONS

When As used in this subchapter:

***

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

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

* * *

Sec. 10. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

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

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

Sec. 11. 32 V.S.A. § 5404a(h) is amended to read:

(h) To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

* * *
(3) Location criteria. Determine that each application meets at least one of the following three criteria:

* * *

* * * Vermont Film and Media Industry * * *

Sec. 12. VERMONT FILM AND MEDIA INDUSTRY TASK FORCE; STUDY; REPORT

(a) There is created the Vermont Film and Media Industry Task Force composed of the following members:

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Senate Committee on Committees;

(3) the Secretary of Commerce and Community Development or designee; and

(4) a member, appointed by the Vermont Arts Council, who shall serve as chair and shall convene meetings of the Task Force.

(b)(1) The Task Force shall have legal assistance from the Office of Legislative Counsel and fiscal assistance from the Joint Fiscal Office.

(2) Members of the Task Force shall receive per diem compensation and reimbursement for expenses as provided in 32 V.S.A. § 1010 for not more than four meetings.

(c) On or before January 15, 2023, the Task Force shall consult relevant stakeholders in the film and media industry and shall study and submit a report to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs that reviews the history of State efforts to cultivate the film and media industry in Vermont and what financial and other support the State may provide in the future to revitalize the industry following the COVID-19 pandemic and to invigorate the industry in the future, including:

(1) successes and failures of past State involvement;

(2) opportunities to invigorate the industry, attract filmmakers and media entrepreneurs, and promote Vermont as an attractive destination for tourism and for business development;

(3) how Vermont can differentiate and compete with other jurisdictions that also seek to cultivate a more expansive film and media industry;
(4) a survey of which entities, in State government and in the private sector, provide outreach and support to businesses in the industry;

(5) opportunities for employing federal COVID-19 relief funds to revive the industry; and

(6) a cost-benefit analysis of establishing new State financial, administrative, or other supports for the industry.

*** Minimum Wage ***

Sec. 13. FINDINGS

The General Assembly finds:

(1) The COVID-19 pandemic has caused the labor market to tighten, which has resulted in employers offering higher starting wages to workers in many occupations.

(2) Supply chain disruptions and labor shortages related to the COVID-19 pandemic have caused significant inflation and increases in the cost of living for Vermonters.

(3) Increasing Vermont’s minimum wage will better align the statutory minimum wage with the actual conditions in Vermont’s labor market and will help lower-wage workers to better afford the cost of essential goods and services.

Sec. 13a. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

(a)(1) An employer shall not employ any employee at a rate of less than $10.96. Beginning on January 1, 2021, an employer shall not employ any employee at a rate of less than $11.75. Beginning on January 1, 2022, an employer shall not employ any employee at a rate of less than $12.55. Beginning on January 1, 2023, an employer shall not employ any employee at a rate of less than $13.75. Beginning on January 1, 2024, an employer shall not employ any employee at a rate of less than $15.00, and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest $0.01.

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- 2095 -
* * * COVID-19-Related Paid Leave Grant Program * * *

Sec. 14. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) COVID-19 has caused increased employee absences due to illness, quarantine, and school and daycare closures.

(2) Many employees do not have sufficient paid time off to cover all of their COVID-19-related absences from work.

(3) Some employers have provided their employees with additional paid time off for COVID-19-related purposes.

(4) The surge in COVID-19 cases caused by the Omicron variant of the virus has made it financially difficult or impossible for employers to provide additional paid time off to their employees for COVID-19-related purposes.

(5) Providing grants to employers to reimburse a portion of the cost of providing paid time off to employees for COVID-19-related purposes will:

(A) help to mitigate some negative economic impacts of the COVID-19 pandemic on employers;

(B) improve employee retention;

(C) prevent the spread of COVID-19 in the workplace; and

(D) provide crucial income to employees and their families.

(6) The Front-Line Employees Hazard Pay Grant Program established pursuant to 2020 Acts and Resolves No. 136, Sec. 6 and expanded pursuant to 2020 Acts and Resolves No. 168, Sec. 1 successfully directed millions of dollars in hazard pay to front-line workers during the first year of the COVID-19 pandemic. By utilizing grants to employers, who in turn provided the hazard pay to their employees, the Program enabled employers to retain employees and reward them for their hard work during the uncertainty of the early months of the COVID-19 pandemic.

(b) It is the intent of the General Assembly that the COVID-19-Related Paid Leave Grant Program created pursuant to section 14a of this act shall be modeled on the Front-Line Employees Hazard Pay Grant Program and shall assist employers in providing paid leave to their employees for COVID-19 related absences.

Sec. 14a. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

(a)(1) There is established in the Agency of Administration the COVID-19-Related Paid Leave Grant Program to administer and award grants to
employers to reimburse the cost of providing COVID-19-related paid leave provided to employees.

(2) The sum of $16,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Administration in fiscal year 2023 for the provision of grants to reimburse employers for the cost of providing COVID-19-related sick leave. Not more than five percent of the amount appropriated pursuant to this subdivision (2) may be used for expenses related to program administration and outreach.

(b) As used in this section:

(1) “Agency” means the Agency of Administration.

(2) “COVID-19-related reason” means the employee is:

   (A) self-isolating because the employee has been diagnosed with COVID-19 or tested positive for COVID-19;

   (B) self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because the employee has been exposed to COVID-19 or the employee is experiencing symptoms of COVID-19;

   (C) caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child, because:

      (i) the school or place of care where that individual is normally located during the employee’s workday is closed due to COVID-19;

      (ii) that individual has been requested not to attend the school or the place of care where that individual is normally located during the employee’s workday due to COVID-19;

      (iii) that individual has been diagnosed with or tested positive for COVID-19; or

      (iv) that individual is self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because that individual has been exposed to or is experiencing symptoms of COVID-19;

   (D) attending an appointment for the employee or the employee’s parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child to receive a vaccine or a vaccine booster for protection against COVID-19; or
(E) experiencing symptoms, or caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child who is experiencing symptoms, related to a vaccine or a vaccine booster for protection against COVID-19.

(3) “Employee” means an individual who, in consideration of direct or indirect gain or profit, is employed by an employer to perform services in Vermont.

(4) “Employer” means any person that has one or more employees performing services for it in Vermont. “Employer” does not include the State or the United States.

(5) “Program” means the COVID-19-Related Paid Leave Grant Program established pursuant to this section.

(6) “Program period” means the period beginning on January 1, 2022 and ending on December 31, 2022.

(7) “Secretary” means the Secretary of Administration.

(c)(1) An employer may apply to the Secretary for one or more grants to reimburse the employer for the cost of paid leave provided to its employees for COVID-19-related reasons during the program period.

(2) An employer’s grant amount may include reimbursement for retroactively provided COVID-19-related paid leave to employees who took unpaid leave for a COVID-19-related reason during the program period because the employee did not have sufficient accrued paid leave available at the time that the employee took the leave.

(3) Employers may submit applications for grants not more than once each calendar month for paid leave provided during the program period between the beginning of the program period or the employer’s previous application, whichever is later, and the date of the employer’s current application.

(4) For the sole purpose of administering grants related to paid leave provided to independent direct support providers for COVID-19-related reasons, ARIS Solutions, as the fiscal agent for the employers of the independent direct support providers, shall have the authority to apply for a grant in the same manner as any employer.

(d)(1) The Secretary shall:

(A) adopt procedures for implementing the Program, which shall include a simple grant application process, a process to allow employers to certify the amount of paid leave provided for COVID-19-related reasons, and a
process to allow employers to report on their use of the grant funds awarded pursuant to this section;

(B) promote awareness of the Program to employers;

(C) award grants to employers on a first-come, first-served basis, subject to available funding; and

(D) develop and implement an audit strategy to assess grant utilization, the performance of the Program, and compliance with Program requirements.

(2)(A) The Secretary may delegate administration of one or more aspects of the Program to other agencies and departments of the State.

(B) The Secretary may enter into agreements, memoranda of understanding, or contracts with private entities as necessary to implement or administer the Program and, notwithstanding any provision of law to the contrary, shall not be required to competitively bid any contracts entered into pursuant to this subdivision (2)(B). For the purposes of the Program, the ongoing public health risk posed by COVID-19 shall be deemed to be an emergency situation that justifies the execution of sole source contracts pursuant to Bulletin 3.5, the State’s Procurement and Contracting Procedures.

(e)(1) Employers may apply for grants to either reimburse a portion of the cost of COVID-19-related paid leave provided to employees or to provide funds to be used to retroactively provide paid leave to employees who took unpaid leave for COVID-19-related reasons.

(A) For reimbursement of COVID-19-related paid leave that was already provided, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the number of hours of COVID-19-related paid leave provided to each employee multiplied by the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee’s regular hourly wage.

(B) For COVID-19-related paid leave that will be provided retroactively to employees who took unpaid leave for COVID-19-related reasons, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the number of hours of COVID-19-related paid leave to be provided to each employee multiplied by the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee’s regular hourly wage.

(2)(A) An employer may only apply for a grant in relation to COVID-19-related leave that was taken by an employee during the program period.
(B) The maximum number of hours of COVID-19-related leave for each employee that an employer may seek grant funding for through the Program shall equal the lesser of 80 hours or two times the employee’s average weekly hours worked for the employer during the six months preceding the date of the first application relating to that employee.

(C) The maximum amount that an employer shall be eligible to receive for COVID-19-related paid leave for each employee shall be not more than $27.50 per hour of leave, with an aggregate maximum of $2,200.00 per employee during the program period.

(f) As a condition of being eligible to receive a grant through the Program, each employer shall be required to certify:

(1) that the employer is not seeking funds in relation to any amounts of paid leave that were deducted from the employee’s accrued paid leave balance at the time the COVID-19-related leave was taken unless those amounts have been restored to the employee's accrued paid leave balance;

(2) grant funds shall only be used in relation to the payment of an employee’s wages for the period when the employee was absent from work for a COVID-19-related reason; and

(3) employees receiving paid leave funded by a grant shall not be required to pay an administrative fee or other charge in relation to the employer requesting the grant.

(g) Each employer that receives a grant shall, not later than March 1, 2023, report to the Agency on a form provided by the Secretary the amount of grant funds used to provide paid leave to employees and the amount of any remaining grant funds that were not spent. All unspent grant funds shall be returned to the Agency pursuant to a procedure adopted by the Secretary.

(h) Any personally identifiable information that is collected by the Program, any entity of State government performing a function of the Program, or any entity that the Secretary contracts with to perform a function of the Program shall be kept confidential and shall be exempt from inspection and copying under the Public Records Act.

* * * Study of Paid Family and Medical Leave Insurance * * *

Sec. 14b. FINDINGS

The General Assembly finds that:

(1) The COVID-19 pandemic highlighted the challenges that a lack of paid leave poses to employees who must be absent from work for an extended period of time due to illness or caregiving needs.
(2) Paid family and medical leave insurance would provide essential income replacement for employees who must be absent from work for an extended period of time due to illness, caregiving needs, or the birth or adoption of a child.

(3) Paid family and medical leave insurance would mitigate the impact of absences on employers by providing an affordable means of providing paid leave to employees while improving employee retention.

Sec. 14c. PAID FAMILY AND MEDICAL LEAVE; TASK FORCE; REPORT

(a) Creation. There is created the Paid Family and Medical Leave Insurance Task Force to reexamine the work and report of the Study Committee on Employee Funded Paid Leave created pursuant to 2013 Acts and Resolves No. 31, Sec. 13 and to investigate proven and tested paid family and medical leave insurance programs in the United States in order to develop an understanding of the best practices and implementation possibilities for the potential enactment of an equitable and affordable paid family and medical leave insurance program in Vermont, which may include both universal and voluntary models.

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

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

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

(c) Powers and duties.

(1) The Task Force shall examine the establishment of a paid family and medical leave program in Vermont, including the following:

(A) the potential for creating a paid family and medical leave insurance program in Vermont based on the experience of and best practices from currently operating paid family and medical leave insurance solutions in the United States that provide leave for the following purposes:

(i) bonding with a newborn or adopted child;

(ii) caring for an ill or injured family member;

(iii) the employee’s own illness or injury; and
(iv) exigencies related to a family member serving in the U.S. Armed Forces;

(B) based on the solutions examined pursuant to subdivision (1) of this subsection, develop and examine models and projections for the startup and implementation of similar solutions in Vermont, including:

(i) potential start-up and administrative costs;
(ii) administrative requirements and considerations;
(iii) advantages relative to the other models;
(iv) examples from other jurisdictions and the experience of the programs in those jurisdictions;
(v) benefits and drawbacks; and
(vi) any other considerations that the Task Force determines are relevant;

(C) opportunities to utilize tested and proven administrative models or public-private partnerships to reduce administrative costs of a paid family and medical leave insurance program or to enable a paid family and medical leave insurance benefits to be established more quickly; and

(D) considerations related to the potential enactment of a federal paid family and medical leave insurance program, including any measures that may be necessary to ensure that a potential State program could adapt to and complement the coverage provided by any federal program.

(2) The Task Force shall consult with affected stakeholders and interested parties, including stakeholders and interested parties representing:

(A) the labor community;
(B) Vermont businesses;
(C) groups advocating for gender equity;
(D) Vermonters who are Black, Indigenous, or a Person of Color; and
(E) children and families.

(d) Assistance.

(1) The Task Force shall have the administrative assistance of the Office of Legislative Operations, the technical assistance of the Joint Fiscal Office, and the legal assistance of the Office of Legislative Counsel.

(2) The Task Force may contract with one or more entities or individuals for purposes of modeling and actuarial projections.
(e) Report. On or before January 15, 2023, the Task Force shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action. The Task Force’s report may take the form of draft legislation.

(f) Meetings.

(1) The Office of Legislative Operations shall call the first meeting of the Committee to occur on or before September 15, 2022.

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

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


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

(h) Appropriation. The sum of $200,000.00 is appropriated to the General Assembly from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds in fiscal year 2023 for per diem compensation and reimbursement of expenses for members of the Task Force and for expenses related to modeling and actuarial projections.

* * * Unemployment Insurance Benefits * * *

Sec. 14d. FINDINGS

The General Assembly finds that:

(1) The COVID-19 pandemic caused significant disruption to Vermont’s economy and resulted in unprecedented levels of unemployment.

(2) Unemployment insurance benefits provide only partial wage replacement, making it hard for unemployed individuals to afford basic necessities and living expenses.

(3) Significant inflation caused by supply chain, economic, and workforce disruptions related to the COVID-19 pandemic are making it increasingly difficult for unemployed individuals to afford basic necessities and living expenses.

(4) Temporarily increasing the weekly unemployment insurance benefit amount for unemployed individuals will help to mitigate the impact of the
COVID-19 pandemic on the unemployed individuals’ ability to afford basic necessities and living expenses.

(5) The General Assembly previously enacted a $25.00 supplemental increase to the weekly unemployment insurance benefit amount in 2021 Acts and Resolves No. 51, Sec. 11. However, the terms of that supplemental increase did not conform to federal requirements, and it never took effect. Enacting a supplemental $25.00 weekly unemployment insurance benefit that will later be replaced by a temporary $25.00 increase in the weekly unemployment insurance benefit amount will fulfill the commitment made by the General Assembly in 2021 Acts and Resolves No. 51, Sec. 11.

Sec. 14e. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

(4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect upon the payment of a cumulative total of $100,000,000.00 in supplemental benefits pursuant to 21 V.S.A. § 1338(e)(2) on October 7, 2021 and shall apply prospectively to all benefit payments in the next week and each subsequent week.

Sec. 14f. 21 V.S.A. § 1341 is added to read:

§ 1341. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL BENEFIT

(a) Beginning on July 1, 2022, in addition to the amount of regular unemployment insurance benefits provided pursuant to section 1338 of this title, each individual who qualifies for benefits pursuant to the provisions of this chapter shall receive a separate supplemental benefit of $25.00 each week.

(b) Benefits provided pursuant to this section shall be paid from the Unemployment Insurance COVID-19 Supplemental Benefit Special Fund established pursuant to section 1342 of this chapter.

Sec. 14g. 21 V.S.A. § 1342 is added to read:

§ 1342. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL BENEFIT SPECIAL FUND

There is established the Unemployment Insurance COVID-19 Supplemental Benefit Special Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall consist of any amounts appropriated to the Fund. The Commissioner may seek and accept grants from any source, public or private, to be dedicated for deposit into the Special Fund. The Commissioner shall use the Fund to provide the Supplemental Benefit established pursuant to section 1341 of this chapter and to pay all necessary costs associated with the administration of the Supplemental Benefit and of the Fund.
Sec. 14h. APPROPRIATION

$8,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Unemployment Insurance COVID-19 Supplemental Benefit Special Fund established pursuant to 21 V.S.A. § 1342. Not more than five percent of the amount appropriated may be used for administrative costs related to the implementation and payment of the Unemployment Insurance COVID-19 Supplemental Benefit established pursuant to 21 V.S.A. § 1341.

Sec. 14i. REPEALS

21 V.S.A. § 1341 (Unemployment Insurance COVID-19 Supplemental Benefit) and 21 V.S.A. § 1342 (Unemployment Insurance COVID-19 Supplemental Benefit Special Fund) are repealed on July 1, 2024.

Sec. 14j. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual’s weekly benefit amount shall be determined by dividing the individual’s two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 14k. MODIFICATION OF UNEMPLOYMENT INSURANCE MAINFRAME CODE; ANNUAL REPORT; INDEPENDENT VERIFICATION

(a)(1) The Commissioner of Labor shall develop and implement changes to the unemployment insurance mainframe software or develop a modernized information technology system necessary to implement on January 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act. The changes to the mainframe or the modernized information technology system, as applicable, shall be developed and implemented in a manner that minimizes risk to the operation of the mainframe and the functions of the unemployment insurance program.
(2) The Commissioner of Labor and the Secretary of Digital Services shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is available in time to implement on January 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act.

(b) The Commissioner of Labor shall, on or before January 15, 2023 and January 15, 2024, submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Legislative Information Technology Consultant retained by the Joint Fiscal Office detailing the actions taken and progress made in carrying out the requirements of subsection (a) of this section, the anticipated timeline for being able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act, and potential implementation risks identified during the development process.

(c) The Legislative Information Technology Consultant shall, on or before February 15, 2023 and February 15, 2024, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a review of the report submitted pursuant to subsection (b) of this section. The review shall include an assessment of whether the Department of Labor will be able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act by January 1, 2025 and shall identify any potential risks or concerns related to implementation that are not addressed in the Commissioner’s report.

Sec. 14l. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual’s weekly benefit amount shall be determined by dividing the individual’s two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.
Sec. 15. APPROPRIATIONS

(a) Recruitment and marketing. In fiscal year 2023, the following amounts are appropriated from the sources, to the recipients, and for the purposes specified:

(1) Worker recruitment. The amount of $6,000,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for worker recruitment activities as follows:

(A) $1,000,000.00 to the Agency’s base budget for the relocated and remote worker program; and

(B) $5,000,000.00 in one-time funding for the program in fiscal year 2023.

(2) Tourism and marketing; relocation. In fiscal year 2023, the following amounts are appropriated from the General Fund to the Department of Tourism and Marketing, which the Department shall expend over two years:

(A) $1,200,000.00 to support a regional relocation network; and

(B) $3,000,000.00 for marketing and promotion.

(b) Capital Investment Program. In fiscal year 2023:

(1) The amount of $40,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Capital Investment Program.

(2) The Agency of Commerce and Community Development shall reallocate any remaining funds appropriated pursuant to it by 2021 Acts and Resolves No. 74, Sec. G.300(a)(13) for Economic Recovery grants to the Capital Investment Program.

(c) VEDA Short-Term Forgivable Loan Program. In fiscal year 2022, the amount of $20,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Vermont Economic Development Authority for the VEDA Forgivable Loan Program.

(d) Brownfields. In fiscal year 2023, the amount of $6,000,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to be used in the same manner as the Brownfields Revitalization Fund established by 10 V.S.A. § 6654, except notwithstanding
the grant limitations in 10 V.S.A. § 6654, projects supported by this appropriation shall not be limited to $200,000.00 grants per parcel.

(e) Downtown development. Of the amounts appropriated to the Agency of Commerce and Community Development in Fiscal Year 2023 for the Better Places Program, Think Vermont initiative, or other programs that promote downtown development, the Agency may allocate not more than $485,000 to provide funding to one or more nonprofit organizations that sponsor a downtown designation to:

(1) expand the ability of the downtown organizations to educate, guide, and partner with businesses, non-profit, and community organizations to strengthen downtown models, and leverage state funding to incentivize broader participation;

(2) support marketing, content development, and increased digital reach for downtown organizations, individually and collectively; and

(3) support communication within the coordinated effort of these state-mandated organizations to leverage successes.

* * * Sports Betting Study Committee * * *

Sec. 16. SPORTS BETTING; FINDINGS

The General Assembly finds that:

(1) An estimated 28 percent of adults in the United States bet on sports and 46 percent of adults say that they have an interest in betting on sports.

(2) Based on current participation rates and expected growth, it is estimated that Vermont could generate from $640,000.00 to $4.8 million in the first year of sports betting revenue taxes and $1.3 million to $10.3 million in the second year, depending on the regulatory model chosen by the General Assembly.

(3) As of March 2022, 31 states and the District of Columbia have some form of active legal sports betting operations while an additional three states have enacted laws or adopted ballot measures to permit legal sports betting.

(4) Legislation has also been introduced in at least 14 of the states without a legal sports betting market, including Vermont, to legalize, regulate, and tax sports betting.

(5) Given the widespread participation in sports betting, the General Assembly finds that careful examination of whether and how best to regulate sports betting in Vermont and protect Vermonters involved in sports betting is necessary.
Sec. 17. SPORTS BETTING; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Sports Betting Study Committee to examine whether and how to regulate sports betting in Vermont.

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

1. the Attorney General or designee;
2. the Commissioner of Liquor and Lottery or designee;
3. the Commissioner of Taxes or designee;
4. the Secretary of State or designee;
5. the Secretary of Commerce and Community Development or designee;
6. two current members of the Senate, who shall be appointed by the Committee on Committees; and
7. two current members of the House, who shall be appointed by the Speaker of the House.

(c) Powers and duties. The Study Committee shall examine the sports betting study conducted by the Office of Legislative Counsel and Joint Fiscal Office and shall study various models for legalizing, taxing, and regulating sports betting, including the following issues:

1. studies carried out by other states concerning the legalization, taxation, and regulation of sports betting;
2. laws enacted by other states to legalize, tax, and regulate sports betting;
3. potential models for legalizing and regulating sports betting in Vermont, including any advantages or drawbacks to each model;
4. potential models for legalizing and regulating online sports betting, including any advantages or drawbacks to each model;
5. potential tax and fee structures for sports betting activities;
6. potential restrictions or limitations on the types of sports that may be bet on, including whether and to what extent restrictions should be imposed with respect to the participant age, amateur status, and location of sporting events that may be bet on; and
7. potential impacts on various socioeconomic and demographic groups and on problem gambling and the resources necessary to address the identified impacts.
(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before December 15, 2022, the Study Committee shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings, recommendations for legislative action, and a draft of proposed legislation.

(f) Meetings.

(1) The Attorney General or designee shall call the first meeting of the Committee to occur on or before September 1, 2022.

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

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

(4) The Committee shall cease to exist on December 30, 2022.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee serving in their capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than four meetings. These payments shall be made from monies appropriated to the General Assembly.

* * * Effective Dates * * *

Sec. 18. EFFECTIVE DATES

(a) Sec. 4 (Capital Investment Grant Program), Sec. 5 (VEDA Short-Term Forgivable Loan Program), and Sec. 15(b)–(d) (appropriations) shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 14e (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

(c)(1) Sec. 14f (temporary unemployment insurance supplemental benefit) shall take effect on July 1, 2022 and apply to benefit weeks beginning after that date.

(2) Secs. 14g (special fund), 14h (appropriation for temporary unemployment insurance supplemental benefit), and 14i (sunset of unemployment insurance supplemental benefit) shall take effect on July 1, 2022.
(d) Sec. 14j (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, 2024 and shall apply to benefit weeks beginning after that date.

(e) Sec. 14l (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a cumulative total of $92,000,000.00 in additional benefits pursuant to 21 V.S.A. § 1338(e) when compared to the rate at which benefits would have been paid under the formula set forth in 21 V.S.A. § 1338(e) on June 30, 2024 and shall apply to benefit weeks beginning after that date.

(f) Sec. 14k (report on implementation of change to unemployment insurance weekly benefit) shall take effect on passage.

(g) All remaining sections of this act shall take effect on July 1, 2022.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 24, 2021, pages 424-449)

CONCURRENT RESOLUTIONS FOR ACTION

Concurrent Resolutions For Action 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. Requests for floor consideration should be communicated to the Secretary’s Office.

H.C.R. 122 - 127 (For text of Resolutions, see Addendum to House Calendar for March 24, 2022)

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.

Justin Patrick Jiron of Underhill – Superior Court Judge – By Sen. Baruth for the Committee on Judiciary. (2/25/22)
Nancy Jear Waples of Hinesburg – Associate Justice, Supreme Court of the State of Vermont – By Sen. Nitka for the Committee on Judiciary. (3/23/22)

Patrick Brown of Burlington - Member, State Board of Education – By Sen. Campion for the Committee on Education. (3/18/22)

Tammy Kolbe of Burlington – Member, State Board of Education – By Sen. Campion for the Committee on Education. (3/18/22)

Gabrielle Lucci of Poultney – Member, State Board of Education – By Sen. Campion for the Committee on Education. (3/18/22)

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 #3091 - $60,528 to the VT Department of Public Safety from the National Governor’s Association to fund the Agency of Digital Services staff to assist the Department of Public Safety with IT concerns specific to improving multi-agency information sharing and governance.

[Received February 17, 2022]

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 11, 2022, 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 11, 2022.

(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 18, 2022, 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).