

# Journal of the House

Tuesday, May 18, 2021

At ten o'clock in the forenoon the Speaker called the House to order.

## Devotional Exercises

Devotional exercises were conducted by Rep. Burrows of West Windsor.

## Pledge of Allegiance

Speaker Krowinski led the House in the Pledge of Allegiance.

## Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the seventeenth day of May, 2021, he signed bills originating in the House of the following titles:

**H. 18 An act relating to sexual exploitation of children and limited immunity from liability for a person reporting a crime.**

**H. 46 An act relating to miscellaneous provisions of mental health law**

**H. 89 An act relating to limiting liability for agritourism**

## House Bill Introduced

### H. 453

By Reps. Vyhovsky of Essex, Cina of Burlington, Colburn of Burlington, McCullough of Williston, Small of Winooski, Surprenant of Barnard, and White of Bethel,

House bill, entitled

An act relating to prohibiting school resource officers and requiring public schools to have access to the services of a social worker

Was read the first time and referred to the Committee on Education.

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**Committee Bill Introduced****H. 454**

By the Committee on Government Operations,

House bill, entitled

An act relating to approval of an amendment to the charter of the City of Burlington

Was read, and pursuant to Rule 48, placed on the Calendar for Notice.

**Bill Referred to Committee on Appropriations****S. 79**

Senate bill, entitled

An act relating to improving rental housing health and safety

Appearing on the Calendar for Notice, and pursuant to Rule 35(a), carrying an appropriation, was referred to the Committee on Appropriations.

**Bill Referred to Committee on Ways and Means****S. 97**

Senate bill, entitled

An act relating to miscellaneous judiciary procedures

Appearing on the Calendar for Notice, and pursuant to Rule 35(a), affecting the revenue of the State, was referred to the Committee on Ways and Means.

**Ceremonial Reading****H.C.R. 64**

House concurrent resolution honoring former Counseling Service of Addison County Medical Director Dr. Robert C. Jimerson

Offered by: Birong of Vergennes, Conlon of Cornwall, Cordes of Lincoln, Elder of Starksboro, Lanpher of Vergennes, Lippert of Hinesburg, Norris of Shoreham, Scheu of Middlebury, Sheldon of Middlebury, and Smith of New Haven

Having been adopted in concurrence on Friday, May 14, 2021 in accord with Joint Rule 16b, was read.

**Third Reading; Bill Passed in Concurrence****S. 22**

Senate bill, entitled

An act relating to health care practitioners administering stem cell products not approved by the U.S. Food and Drug Administration

Was taken up, read the third time, and passed in concurrence.

**Third Reading; Bill Passed in Concurrence  
With Proposal of Amendment****S. 48**

Senate bill, entitled

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

Was taken up, read the third time, and passed in concurrence with proposal of amendment.

**Senate Proposal of Amendment Concurred in  
With a Further Amendment Thereto****H. 435**

The Senate proposed to the House to amend House bill, entitled

An act relating to miscellaneous Department of Corrections-related amendments

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

\* \* \* Polygraph Examinations; Drug Testing; Report \* \* \*

Sec. 1. [Deleted.]

\* \* \* Organization \* \* \*

Sec. 2. 28 V.S.A. § 123 is added to read:

**§ 123. DEPARTMENT OF CORRECTIONS MONITORING COMMISSION**

(a) Creation. There is created the Corrections Monitoring Commission to provide advice and counsel to the Commissioner of Corrections with regard to the Commissioner's responsibility to manage the reporting of sexual misconduct; promote adherence to anti-retaliation policies; ensure overall policy implementation and effectiveness; improve the transparency, accountability, and cultural impact of agency decisions; and ensure that the

determination of investigatory findings and any resulting disciplinary actions are just and appropriate.

(b) Members.

(1) The Commission shall be composed of the following nine members:

(A) a former judge with knowledge of the criminal justice system, appointed by the Chief Justice of the Vermont Supreme Court;

(B) a retired attorney, appointed by the Department of State's Attorneys and Sheriffs;

(C) a former corrections officer, appointed by the Vermont State Employees' Association;

(D) two formerly incarcerated individuals who resided at different facilities, appointed by the Defender General;

(E) the Executive Director of the Vermont Network Against Domestic and Sexual Violence or designee;

(F) a former management-level employee of the Department of Corrections with experience in corrections management, appointed by the Governor;

(G) an individual at large with knowledge of and experience in the correctional system, crime prevention, human resources, or compliance, appointed by the Governor; and

(H) a former employee of a Vermont Community Justice Center, appointed by the Community Justice Network of Vermont.

(2) No member, at the time of appointment or during membership, shall be employed by the Department of Corrections or work in any part of the State correctional system. To the extent feasible, the appointing entities shall appoint members that will create a diverse Commission including gender, racial, and cultural diversity. Commission members shall demonstrate an understanding of and respect for the values, dignity, and diversity of individuals who are in the custody of the Commissioner of Corrections and those working within the State correctional system. If an appointing entity is unable to find a candidate for appointment to the Commission who meets the criteria of subdivision (1) of this subsection, the appointing entity may appoint an individual with relevant lived experience.

(c) Powers and duties. The Commission shall have the following duties:

(1) Provide advice and counsel to the Commissioner of Corrections in carrying out the Commissioner's responsibilities at the Department of

Corrections to monitor reporting of sexual misconduct, oversee the implementation of the Department's anti-retaliation policy, create transparency and implement policies relating to misconduct, and review disciplinary actions.

(2) Examine facility staffing needs, employee retention, employee working conditions, and employee morale. The Commission may interview current Department employees and individuals in the custody of the Department, review exit interview records for former Department employees, and meet with the Vermont State Employees' Association to further the Commission's understanding of these issues. The Commission shall report annually on or before January 15 to the Commissioner of Corrections, the Secretary of Human Services, the House Committees on Corrections and Institutions and Government Operations, and the Senate Committees on Judiciary and Government Operations on:

(A) the Department's progress in improving staffing retention, working conditions, and employee morale over the year;

(B) the largest barriers to further improvement in staffing retention, working conditions, and employee morale; and

(C) any recommendations for improving employee retention, working conditions, and employee morale, including identifying any efforts undertaken in other states that could be implemented at the Department.

(3) Monitor the Department in the following areas:

(A) the timely reporting of allegations of sexual misconduct;

(B) compliance with the Prison Rape Elimination Act;

(C) the Department's implementation of and adherence to policies relating to employee misconduct and discipline;

(D) employees' adherence to Department policies, procedures, and directives, particularly to code of ethics and anti-retaliation policies;

(E) maintenance of an independent reporting hotline to the State Police at the women's facility;

(F) investigations of employee misconduct, the movement of contraband in facilities, threats to personal safety, and the Department's response to major events that occur in the Department of Corrections, including the death of an individual in the custody of the Commissioner of Corrections and the escape of an individual from a Department facility or Department custody; and

(G) facility staffing needs, employee retention, and employees'

working conditions and morale.

(4) Beginning on January 1, 2023, report annually to the Commissioner of Corrections, the Secretary of Human Services, the House Committees on Corrections and Institutions and Government Operations, and the Senate Committees on Judiciary and Government Operations on metrics that assess the Department's performance in the areas identified in subdivision (c)(3) of this section, including listing the number of complaints of retaliation and complaints of sexual misconduct and the outcomes of those complaints; identifying areas of repeated noncompliance with policies, procedures, and directives; and providing recommendations for improving compliance and eliminating instances of sexual misconduct in the Department of Corrections.

(d) Member terms. The members of the Commission shall serve staggered three-year terms. A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term. A member appointed to fill a vacancy before the expiration of a term shall not be deemed to have served a term for the purpose of this subsection. Members of the Commission shall be eligible for reappointment. Members of the Commission shall serve not more than two consecutive terms. A member may be removed by a majority vote of the members of the Commission.

(e) Meetings.

(1) The Commission shall annually select a chair from among its members at the first meeting.

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

(f) Assistance. The Commission shall have the administrative, technical, and legal assistance of the Department of Corrections.

(g) Commissioner of Correction's duties. The creation and existence of the Commission shall not relieve the Commissioner of his or her duties under the law to manage, supervise, and control the Department of Corrections.

(h) Reimbursement. Members of the Commission shall be entitled to receive per diem compensation and reimbursement for expenses in accordance with 32 V.S.A. § 1010.

### Sec. 3. SUNSET OF CORRECTIONS MONITORING COMMISSION

28 V.S.A. § 123 (Department of Corrections Monitoring Commission) is repealed on July 1, 2025.

### Sec. 4. IMPLEMENTATION OF THE CORRECTIONS MONITORING COMMISSION

(a) The Corrections Monitoring Commission, created in Sec. 2 of this act, is established on January 1, 2022.

(b) Members of the Commission shall be appointed on or before December 1, 2021. Terms of members shall officially begin on January 1, 2022.

(c)(1) In order to stagger the terms of the members of the Corrections Monitoring Commission as described in 28 V.S.A. § 123 in Sec. 2 of this act, the initial terms of those members shall be as follows:

(A) the Chief Justice of the Vermont Supreme Court shall appoint a member for a three-year term;

(B) the Department of State's Attorneys and Sheriffs shall appoint a member for a two-year term;

(C) the Vermont State Employees' Association shall appoint a member for a three-year term;

(D) the Defender General shall appoint two members, one for a one-year term and one for a three-year term;

(E) the Executive Director of the Vermont Network Against Domestic and Sexual Violence or designee shall serve a two-year term;

(F) the Governor shall appoint a member to fill the position designated in subdivision (b)(1)(F) of Sec. 2 of this act for a two-year term;

(G) the Governor shall appoint a member to fill the position designated in subdivision (b)(1)(G) of Sec. 2 of this act for a one-year term; and

(H) the Community Justice Network of Vermont shall appoint a member for a one-year term.

(2) After the expiration of the initial terms set forth in subdivision (1) of this subsection, Commission member terms shall be as set forth in 28 V.S.A. § 123 in Sec. 2 of this act.

Sec. 5. 28 V.S.A. § 124 is added to read:

§ 124. DEPARTMENT OF CORRECTIONS; CORRECTIONS  
INVESTIGATIVE UNIT

(a) Creation. There is created the Corrections Investigative Unit (CIU) within the Department. The CIU shall investigate the following topics to comply with federal law and to identify systemic issues within the Department:

(1) allegations of violations of the Prison Rape Elimination Act;

(2) major events that occur in the Department, including the death of an individual in the custody of the Department or the escape of an individual from a facility or the custody of Department staff;

(3) Department compliance with policies, procedures and directives;

(4) the movement of contraband in facilities; and

(5) threats against the personal safety of Department employees and individuals in the custody of the Department.

(b) Staff. The Commissioner of Corrections shall appoint and employ sufficient staff and adopt the necessary procedures for the CIU to carry out the duties required under this section.

(c) Coordination. The CIU shall coordinate with outside investigative agencies and law enforcement agencies concerning criminal allegations and shall coordinate with a designated point of contact at the Department of Human Resources on employee misconduct investigations and disciplinary actions. The CIU shall conduct personal safety planning as necessary for employees who receive threats.

(d) Employee rights.

(1) An employee who is subject to questioning or investigation by the CIU shall be entitled to all procedural and substantive rights afforded to the employee by State and federal law and any applicable collective bargaining agreement or employment contract, including any contractual rights that apply to proceedings or investigations that may result in an adverse employment action.

(2) Information gathered by the CIU in the course of an investigation shall be subject to discovery pursuant to the applicable rules of the Vermont Labor Relations Board or a court of competent jurisdiction, as appropriate.

(e) Collective bargaining. Nothing in this section shall be construed to limit the right of the State and the employee organization to collectively bargain with respect to matters related to investigations and employee discipline that are not otherwise controlled by statute.

\* \* \* Crime \* \* \*

Sec. 6. 13 V.S.A. § 3257 is amended to read:

§ 3257. SEXUAL EXPLOITATION OF AN INMATE A PERSON UNDER THE SUPERVISION OF THE DEPARTMENT OF CORRECTIONS

(a) ~~N~~ A correctional employee, contractor, or other person providing services to offenders on behalf of the Department of Corrections or pursuant to



a court order or in accordance with a condition of parole, probation, supervised community sentence, or furlough shall not engage in a sexual act with:

(1) a person who the employee, contractor, or other person providing services knows:

(1) is confined to a correctional facility; or

(2) is any offender being supervised by the Department of Corrections while on parole, probation, supervised community sentence, or furlough, where the employee, contractor, or other service provider is currently engaged in a direct supervisory relationship with the person being supervised. ~~For purposes of this subdivision, a person is engaged in a direct supervisory relationship with a supervisee if the supervisee is assigned to the caseload of that person~~ knows or reasonably should have known that the offender is being supervised by the Department, unless the offender and the employee, contractor, or person providing services were married, parties to a civil union, or engaged in a consensual sexual relationship at the time of sentencing for the offense for which the offender is being supervised by the Department.

(b) A person who violates subsection (a) of this section shall be imprisoned for not more than five years or fined not more than \$10,000.00, or both.

#### Sec. 7. CRIMINAL JUSTICE COUNCIL; DEPARTMENT OF CORRECTIONS; CERTIFICATION PROCESS

During the 2021 legislative interim, the Criminal Justice Council and the Department of Corrections shall develop a proposal governing minimum training standards, complaint investigations, and a process for certification and decertification of correctional officers as defined in 28 V.S.A. § 3. The proposal shall address the relationship between the Council's and the Corrections Investigative Unit's scope of investigative authority. On or before December 1, 2021, the Council and the Department shall report the proposal to the Joint Legislative Justice Oversight Committee, including any fiscal and programmatic impact of the proposal.

\* \* \* Effective Date \* \* \*

#### Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Rep. Coffey of Guilford** moved to concur in the Senate proposal of amendment with a further amendment thereto as follows:

First: In Sec. 2, 28 V.S.A. § 123, in subsection (b), in subdivision (1), following “shall be composed of the following,” by striking out “nine” and inserting in lieu thereof “eight”

Second: In Sec. 2, 28 V.S.A. § 123, in subsection (b), in subdivision (1), by striking out subdivisions (F)–(H) in their entirety and inserting in lieu thereof the following:

(F) a former management-level employee of the Department of Corrections with experience in corrections management, appointed by the Governor; and

(G) an individual at large with knowledge of and experience in the correctional system, crime prevention, human resources, or compliance, appointed by the Governor.

Third: In Sec. 2, 28 V.S.A. § 123, in subsection (c), in subdivision (2), following “The Commission may,” by striking out “interview current Department employees and individuals in the custody of the Department, review exit interview records for former Department employees” and inserting in lieu thereof “engage with current and former Department employees and individuals in the custody of the Department, review the Analysis of State of Vermont Employee Engagement Survey Results from the Department of Human Resources”

Fourth: In Sec. 2, 28 V.S.A. § 123, in subsection (c), in subdivision (4), following “Beginning on January 1, 2023,” by striking out “, report annually” and inserting in lieu thereof “, submit an annual report”

Fifth: By striking out Sec. 3, sunset of Corrections Monitoring Commission, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

### Sec. 3. SUNSET OF CORRECTIONS MONITORING COMMISSION

#### REPORT; SUNSET OF COMMISSION

(a) 28 V.S.A. § 123(c)(4) (Commission report) is repealed on July 1, 2024.

(b) 28 V.S.A. § 123 (Department of Corrections Monitoring Commission) is repealed on July 1, 2025.

Sixth: In Sec. 4, implementation of the Corrections Monitoring Commission, in subsection (c), in subdivision (1), by striking out subdivisions (F)–(H) in their entirety and inserting in lieu thereof the following:

(F) the Governor shall appoint a member to fill the position designated in subdivision (b)(1)(F) of Sec. 2 of this act for a two-year term; and

(G) the Governor shall appoint a member to fill the position designated in subdivision (b)(1)(G) of Sec. 2 of this act for a one-year term.

Which was agreed to.

### **Rules Suspended; Bills Messaged to Senate Forthwith**

On motion of **Rep. McCoy of Poultney**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith.

#### **S. 22**

Senate bill, entitled

An act relating to health care practitioners administering stem cell products not approved by the U.S. Food and Drug Administration

#### **S. 48**

Senate bill, entitled

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

#### **H. 435**

House bill, entitled

An act relating to miscellaneous Department of Corrections-related amendments

### **Recess**

At ten o'clock and thirty-six minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

At two o'clock and thirty-five minutes in the afternoon, the Speaker called the House to order.

### **Second Reading; Bill Amended; Third Reading Ordered**

#### **H. 444**

**Rep. Anthony of Barre City**, for the Committee on Government Operations, to which had been referred House bill, entitled

An act relating to approval of amendments to the charter of the City of Barre

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. CHARTER AMENDMENT APPROVAL

The General Assembly approves the amendments to the charter of the City of Barre as set forth in this act. The voters approved the proposals of amendment on March 2, 2021.

Sec. 2. 24 App. V.S.A. chapter 1 is amended to read:

#### CHAPTER 1. CITY OF BARRE

\* \* \*

#### § 105. ORDINANCES - SUBJECT MATTER

The general grant of ordinance promulgating authority in section 104 shall include the authority:

\* \* \*

(g) To adopt and enforce ordinances relating to the mediation of landlord tenant issues by the Housing Board of Review Notwithstanding any contrary provision of 23 V.S.A. § 1007, to adopt and enforce ordinances establishing a speed limit of less than 25 miles per hour on specified City streets, or sections of City streets, within City boundaries as may be required for the safety and general welfare of the City.

\* \* \*

#### § 111. BONDING OF CITY OFFICIALS

The Mayor, councilors, members of the Police Department, City Manager, ~~First Constable~~ Finance Director, Superintendent of Public Works, Tax Collector, and Clerk and Treasurer shall annually be bonded by the City for the faithful discharge of their respective duties, as provided by State statute, and the expense of said bonds to be paid by the City.

\* \* \*

#### § 205. OFFICERS ELECTED

(a)(1) The legal voters shall elect biennially a Mayor, ~~a First Constable~~, and one person to serve as Clerk and Treasurer.

\* \* \*

#### Subchapter 4. City Officials

\* \* \*

#### ARTICLE 8. CONSTABLE [Repealed.]

\* \* \*

#### § 418. DUTIES

~~The City Constable shall have the same powers and be under the same duties and liabilities as are prescribed by State statutes for constables of towns. [Repealed.]~~

### Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

The bill, having appeared on the Calendar one day for Notice, was taken up, read the second time, report of the Committee on Government Operations agreed to, and third reading was ordered.

### **Second Reading; Proposal of Amendment Agreed to; Third Reading Ordered**

#### S. 7

**Rep. Colburn of Burlington**, for the Committee on Judiciary, to which had been referred Senate bill, entitled

An act relating to expanding access to expungement and sealing of criminal history records

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 5301 is amended to read:

#### § 5301. DEFINITIONS

As used in this chapter:

\* \* \*

(7) "Listed crime" means any of the following offenses:

- (A) stalking as defined in section 1062 of this title;
- (B) aggravated stalking as defined in subdivision 1063(a)(3) ~~or (4)(b)~~ of this title;
- (C) domestic assault as defined in section 1042 of this title;
- (D) first degree aggravated domestic assault as defined in section 1043 of this title;
- (E) second degree aggravated domestic assault as defined in section 1044 of this title;
- (F) sexual assault as defined in section 3252 of this title or its predecessor as it was defined in section 3201 or 3202 of this title;

- 
- (G) aggravated sexual assault as defined in section 3253 of this title;
  - (H) lewd or lascivious conduct as defined in section 2601 of this title;
  - (I) lewd or lascivious conduct with a child as defined in section 2602 of this title;
  - (J) murder as defined in section 2301 of this title;
  - (K) aggravated murder as defined in section 2311 of this title;
  - (L) manslaughter as defined in section 2304 of this title;
  - (M) aggravated assault as defined in section 1024 of this title;
  - (N) assault and robbery with a dangerous weapon as defined in subsection 608(b) of this title;
  - (O) arson causing death as defined in section 501 of this title;
  - (P) assault and robbery causing bodily injury as defined in subsection 608(c) of this title;
  - (Q) maiming as defined in section 2701 of this title;
  - (R) kidnapping as defined in section 2405 of this title or its predecessor as it was defined in section 2401 of this title;
  - (S) unlawful restraint in the second degree as defined in section 2406 of this title;
  - (T) unlawful restraint in the first degree as defined in section 2407 of this title;
  - (U) recklessly endangering another person as defined in section 1025 of this title;
  - (V) violation of abuse prevention order as defined in section 1030 of this title, excluding violation of an abuse prevention order issued pursuant to 15 V.S.A. § 1104 (emergency relief) or 33 V.S.A. § 6936 (emergency relief);
  - (W) operating vehicle under the influence of alcohol or other substance with either death or serious bodily injury resulting as defined in 23 V.S.A. § 1210(f) and (g);
  - (X) ~~careless~~ or negligent or grossly negligent operation resulting in serious bodily injury or death as defined in 23 V.S.A. § 1091(b);
  - (Y) leaving the scene of an accident with serious bodily injury or death as defined in 23 V.S.A. § 1128(b) or (c);

(Z) burglary into an occupied dwelling as defined in subsection 1201(c) of this title;

(AA) the attempt to commit any of the offenses listed in this section;

(BB) abuse (section 1376 of this title), abuse by restraint (section 1377 of this title), neglect (section 1378 of this title), sexual abuse (section 1379 of this title), financial exploitation (section 1380 of this title), and exploitation of services (section 1381 of this title);

(CC) aggravated sexual assault of a child in violation of section 3253a of this title;

(DD) human trafficking in violation of section 2652 of this title; and

(EE) aggravated human trafficking in violation of section 2653 of this title.

Sec. 2. 13 V.S.A. § 7282 is amended to read:

§ 7282. SURCHARGE

\* \* \*

(b) The surcharges imposed by this section shall not be waived by the court except as part of an expungement or sealing proceeding where the petitioner demonstrates an inability to pay.

\* \* \*

Sec. 3. 33 V.S.A. § 5119 is amended to read:

§ 5119. SEALING OF RECORDS

\* \* \*

(e)(1) Except as provided in subdivision (2) of this subsection, upon the entry of an order sealing such files and records under this section, the proceedings in the matter ~~under this act~~ shall be considered never to have occurred, all general index references ~~thereto~~ to the sealed record shall be deleted, and the person, the court, and law enforcement officers and departments shall reply to any request for information that no record exists with respect to such person upon inquiry in any matter. Copies of the order shall be sent to each agency or official named in the order.

(2)(A) Any court, agency, or department that seals a record pursuant to an order under this section may keep a special index of files and records that have been sealed. This index shall only list the name and date of birth of the subject of the sealed files and records and the docket number of the proceeding ~~which~~ that was the subject of the sealing. The special index shall be confidential and may be accessed only for purposes for which a department or

agency may request to unseal a file or record pursuant to subsection (f) of this section.

(B) Access to the special index shall be restricted to the following persons:

- (i) the commissioner and general counsel of any administrative department;
- (ii) the secretary and general counsel of any administrative agency;
- (iii) a sheriff;
- (iv) a police chief;
- (v) a State's Attorney;
- (vi) the Attorney General;
- (vii) the Director of the Vermont Crime Information Center; and
- (viii) a designated clerical staff person in each office identified in subdivisions (i)–(vii) of this subdivision (B) who is necessary for establishing and maintaining the indices for persons who are permitted access.

(C) Persons authorized to access an index pursuant to subdivision (B) of this subdivision (2) may access only the index of their own department or agency.

\* \* \*

(g) On application of a person who has pleaded guilty to or has been convicted of the commission of a crime under the laws of this State ~~which~~ that the person committed prior to attaining ~~the age of 21~~ 25 years of age, or on the motion of the court having jurisdiction over such a person, after notice to all parties of record and hearing, the court shall order the sealing of all files and records related to the proceeding if it finds:

- (1) two years have elapsed since the final discharge of the person;
- (2) the person has not been convicted of a listed crime as defined in 13 V.S.A. § 5301 or adjudicated delinquent for such an offense ~~after the initial conviction~~ for 10 years prior to the application or motion, and no new proceeding is pending seeking such conviction or adjudication; and
- (3) the person's rehabilitation has been attained to the satisfaction of the court.

\* \* \*



Sec. 4. 23 V.S.A. § 2303 is added to read:

§ 2303. EXPUNGEMENT OF VIOLATION RECORDS

(a) Expungement. Two years following the satisfaction of a judgment resulting from an adjudication or conviction of a violation identified in this subsection the Judicial Bureau shall make an entry of “expunged” and notify the Department of Motor Vehicles of such action consistent with the data transfer policy between the Judicial Bureau and the Department. The data transfer to the Department shall include the name, date of birth, ticket number, offense, license number, and personal identifying number. The Judicial Bureau shall make the expungement entry pursuant to this section for the following violations:

- (1) section 301 of this title (operating an unregistered vehicle);
- (2) subsection 307(a) of this title (failing to possess registration);
- (3) section 611 of this title (failing to possess license);
- (4) subsection 676(a) of this title (operating after suspension);
- (5) section 601 of this title (operating without a license);
- (6) section 800 of this title (operating without insurance); and
- (7) subsection 1222(c) of this title (operating an uninspected vehicle).

(b) Effect of expungement.

(1) Upon entry of an expungement order, the order shall be legally effective immediately and the individual whose record is expunged shall be treated in all respects as if he or she had never been convicted or adjudicated of the violation. This includes the expungement of any points accumulated pursuant to chapter 25 of this title.

(2) Upon an entry of expunged, the case will be accessible only by the Clerk of the Court for the Judicial Bureau or the Clerk’s designee. Convictions or adjudications that have been expunged shall not appear in the results of any Judicial Bureau database search by name, date of birth, driver’s license number, or any other data identifying the defendant. Except as provided in subsection (c) of this section, any documents or other records related to an expunged conviction or adjudication that are maintained outside the Judicial Bureau’s case management system shall be destroyed.

(3) Upon receiving an inquiry from any person regarding an expunged record, the Judicial Bureau and Department of Motor Vehicles shall respond that “NO RECORD EXISTS.”

(c) Exception for research entities. Research entities that maintain conviction or adjudication records for purposes of collecting, analyzing and disseminating criminal justice data shall not be subject to the expungement requirements established in this section. Research entities shall abide by the policies established by the Court Administrator and shall not disclose any identifying information from the records they maintain.

(d) Policies for implementation. The Court Administrator shall establish policies for implementing this section.

Sec. 5. JOINT LEGISLATIVE JUSTICE OVERSIGHT COMMITTEE;

EXPUNGEMENT AND SEALING STUDY

During the 2021 legislative interim, the Joint Legislative Justice Oversight Committee shall consider how to simplify and automate the process of expungement and sealing of criminal history records and consider a comprehensive policy that provides an avenue for expungement or sealing of records for all or most offenses except those listed in 33 V.S.A. § 5204(a). In its analysis of what offenses should be eligible, the Committee shall consider whether to exclude from eligibility those offenses associated with and resulting from domestic and sexual violence. The Committee shall propose legislation for the 2022 legislative session on its recommendations regarding:

(1) a policy to make all or most criminal history records eligible for sealing or expungement, except for conviction records of offenses listed in 33 V.S.A. § 5204(a) and any other offenses the Committee deems appropriate for exclusion;

(2) the individuals or entities that should have access to sealed criminal history records;

(3) whether Vermont should continue to employ a two-track system that provides for sealing or expungement of criminal history records based on the nature of the offense, or whether Vermont should employ a one-track system that provides for either sealing or expungement for all eligible offenses;

(4) implementing an automated process, not requiring a petition, to seal and expunge criminal conviction records that provides for notice to the prosecuting office and an opportunity for the prosecutor to oppose the sealing or expungement.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

The bill, having appeared on the Calendar one day for Notice, was taken up, read the second time, the report of the Committee on Judiciary agreed to, and third reading ordered.

**Second Reading; Committee Report Amended;  
Further Amendments Offered; Proposal of Amendment Agreed to;  
Third Reading Ordered**

**S. 25**

**Rep. Gannon of Wilmington**, for the Committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to miscellaneous cannabis regulation procedures

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Town Vote on Retail Sales \* \* \*

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

§ 863. REGULATION BY LOCAL GOVERNMENT

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

\* \* \*

\* \* \* Cannabis Control Board Advisory Committee \* \* \*

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

§ 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

\* \* \*

(c) Membership.

\* \* \*

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

\* \* \*

(h) Advisory committee.

(1) There is an advisory committee established within the Board that shall be composed of members with expertise and knowledge relevant to the Board's mission. The Board shall collaborate with the advisory committee on recommendations to the General Assembly. The advisory committee shall be composed of the following ~~12~~ 14 members:

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

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

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

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

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

(F) ~~one member with an expertise in substance misuse prevention,~~ appointed by the Senate Committee on Committees the Chair of the Substance Misuse Prevention Oversight and Advisory Council or designee;

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

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

(I) one member with an expertise in municipal issues, appointed by the ~~Treasurer~~ Senate Committee on Committees;

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

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

(L) the Secretary of Natural Resources or designee;

(M) the Chair of the Cannabis for Symptom Relief Oversight Committee or designee; ~~and~~

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

(2) Initial appointments to the advisory committee as provided in subdivision (1) of this subsection (h) shall be made on or before ~~May 1, 2021~~ July 1, 2021.

\* \* \*

\* \* \* Cannabis Control Board \* \* \*

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

§ 845. CANNABIS REGULATION FUND

\* \* \*

(b) The Fund shall be composed of:

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

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

\* \* \*

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

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

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

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

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

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

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

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

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

\* \* \*

#### Sec. 4a. CANNABIS CONTROL BOARD REPORT TO THE JOINT

##### FISCAL COMMITTEE; FEES

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

(1) State fees to be charged and collected in accordance with the Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by 32 V.S.A. § 605(d). The State fees submitted in accordance with this subdivision shall be projected to be sufficient to fund the duties of the

Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible, the recommend fees shall include an amount to repay over a period, not greater than 10 years, to the General Fund any application of excise taxes to the Cannabis Regulation Fund made pursuant to Sec. 6c of the 2019 Acts and Resolves No. 164.

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

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

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

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

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

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

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

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

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

Sec. 4b. CANNABIS CONTROL BOARD REPORTING REQUIRMENTS;  
THC

On or before November 1, 2021, the Cannabis Control Board shall report to the General Assembly on the following:

(1) recommendations as to whether integrated licensees and product manufacturers licensees should be permitted to produce solid concentrate products with greater than 60 percent THC for purposes of incorporation into other cannabis products that otherwise comply with restrictions in 7 V.S.A. § 868 (prohibited products) and rules promulgated by the Board pursuant to 7 V.S.A. § 881(a)(3); and

(2) recommendations developed in consultation with the Agency of Agriculture as to whether the Board should permit hemp or CBD to be converted to Delta-9 THC and, if so, how it should be regulated.

Sec. 4c. CANNABIS CONTROL BOARD; POSITIONS

The following new permanent positions are created in the Cannabis Control Board:

(1) one full-time, exempt General Counsel; and

(2) one full-time, classified Administrative Assistant.

\* \* \* Advertising \* \* \*

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

§ 861. DEFINITIONS

As used in this chapter:

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

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

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

(B) any editorial or other reading material, such as a news release, in any periodical or publication or newspaper for the publication of which no



money or valuable consideration is paid or promised, directly or indirectly, by any cannabis establishment, and that is not written by or at the direction of the licensee;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(17)~~(19) “Enclosed, locked facility” means a building, room, greenhouse, outdoor fenced-in area, or other location that is enclosed on all sides and prevents cannabis from easily being viewed by the public. The facility shall be equipped with locks or other security devices that permit access only by:

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

(B) Government employees performing their official duties.

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

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

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

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

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

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

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

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

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

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

§ 864. ADVERTISING

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

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

(1) is deceptive, false, or misleading;

(2) promotes overconsumption;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

(1) Rules concerning any cannabis establishment shall include:

\* \* \*

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

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

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

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

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

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

(R) advertising and marketing.

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

§ 978. ADVERTISING

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

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

(1) is deceptive, false, or misleading;

(2) promotes overconsumption;

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

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

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

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

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

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

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

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

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

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

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

\* \* \* Cultivation \* \* \*

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

Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS

ESTABLISHMENTS

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

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

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

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

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

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

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

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

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

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

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

\* \* \* Social Equity \* \* \*

#### Sec. 11. FEES; SOCIAL EQUITY

When reporting to the General Assembly regarding recommended fees for licensing cannabis establishments pursuant to Sec. 4a of this act, the Cannabis Control Board shall propose a plan for reducing or eliminating licensing fees for individuals from communities that historically have been disproportionately impacted by cannabis prohibition or individuals directly and personally impacted by cannabis prohibition.

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

CHAPTER 39. CANNABIS SOCIAL EQUITY PROGRAMS

§ 986. DEFINITIONS

As used in this chapter:

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

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

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

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

(b) The Fund shall comprise:

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

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

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

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

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

(3) to assist with job training and technical assistance for social equity applicants; and

(4) to pay for necessary costs incurred in administering the Fund.

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

§ 988. SOCIAL EQUITY LOANS AND GRANTS

The Agency of Commerce and Community Development shall establish a program using funds from the Cannabis Business Development Fund for the purpose of providing financial assistance, loans, grants, and outreach to social equity applicants. The Agency may procure by contract all or part of the necessary underwriting, execution, and administration services required for loans and grants to be made from the Cannabis Business Development Fund to eligible social equity applicants as allowed under this chapter. Should the



Agency be unable to do so, the program shall not move forward until the General Assembly appropriates the operational resources necessary for the Agency to make loans and provide financial assistance to social equity applicants.

#### § 989. REPORTING

The Cannabis Control Board, in consultation with the Advisory Committee, the Agency of Commerce and Community Development, and the Executive Director of Racial Equity, shall report to the General Assembly on or before January 15, 2023 and biennially thereafter regarding the implementation and application of this chapter, including data on the number of applicants, the number of recipients, the number and amounts of loans and grants, and the identification of continuing barriers to accessing the cannabis market for social equity applicants. This information shall be presented in a manner that can be quantified and tracked over time.

#### Sec. 13. SOCIAL EQUITY APPLICANTS; CRITERIA

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

#### Sec. 14. TRANSFER AND APPROPRIATION

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

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

\* \* \* Medical Cannabis Program \* \* \*

#### Sec. 15. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY

(a) On January 1, 2022, the following shall transfer from the Department of Public Safety to the Cannabis Control Board:

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

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

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

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

Sec. 16. REPEAL

2019 Acts and Resolves No. 164, Secs. 10 (implementation of Medical Cannabis Registry) and 13 (implementation of medical cannabis dispensaries) are repealed.

Sec. 16a. MEDICAL CANNABIS OVERSIGHT ADVISORY PANEL

2019 Acts and Resolves No. 164 repeals the Cannabis for Symptom Relief Oversight Committee on March 1, 2022. The General Assembly recognizes the value of continuing to employ an advisory entity focused on medical cannabis and the patients and caregivers on Vermont's Medical Cannabis Registry. However, the General Assembly finds that the structure and mission of such an entity should be updated to reflect the changing approach to cannabis since the establishment of the current Oversight Committee in 2011. Therefore, in the 2022 legislative session, the General Assembly intends to establish the Medical Cannabis Oversight Advisory Panel and requests that the Cannabis Control Board submit its recommendations for the membership and duties of this panel to the General Assembly on or before November 1, 2021.

\* \* \* Highway Safety \* \* \*

Sec. 17. 20 V.S.A. § 2358 is amended to read:

§ 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

\* \* \*

(f) The criteria for all minimum training standards under this section shall include Advanced Roadside Impaired Driving Enforcement training as approved by the Vermont Criminal Justice Council. On or before ~~December 31, 2021~~, law enforcement officers shall receive a minimum of 16 hours of training as required by this subsection December 31, 2026, law enforcement officers shall receive the training required by this section.

\* \* \* Substance Misuse Prevention Funding \* \* \*

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

§ 7909. SUBSTANCE MISUSE PREVENTION FUNDING

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

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

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

#### Sec. 19. REPEAL

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

\* \* \* Effective Dates \* \* \*

#### Sec. 20. EFFECTIVE DATE

(a) Sec. 18 (substance misuse prevention) shall take effect on March 1, 2022.

(b) The remaining sections shall take effect on passage.

**Rep. Beck of St. Johnsbury**, for the Committee on Ways and Means, recommended that the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations and when amended as follows:

First: By striking out Sec. 3, 7 V.S.A. § 845, in its entirety and inserting in lieu thereof:

Sec. 3. [Deleted.]

Second: By striking out Sec. 4a in its entirety and inserting in lieu thereof a new Sec. 4a to read as follows:

#### Sec. 4a. CANNABIS CONTROL BOARD REPORT; FEES

On or before October 1, 2021, the Cannabis Control Board shall provide recommendations to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Government Operations on the following:

(1) State fees to be charged and collected in accordance with the Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by

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

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

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

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

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

Third: In Sec. 6, 7 V.S.A. § 864, by striking out subsection (f) in its entirety

Fourth: In Sec. 12, 7 V.S.A. chapter 39, in section 987, in subdivision (b)(1), by striking out “three percent of gross sales made by integrated licensees prior to October 15, 2022, with a maximum contribution of \$50,000.00 per integrated licensee” and inserting in lieu thereof “a one-time contribution of \$50,000.00 per integrated license to be made on or before October 15, 2022”

**Rep. Scheu of Middlebury**, for the Committee on Appropriations, recommended that the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations and as recommended by the Committee on Ways and Means.

The bill having appeared on the Calendar one day for Notice was taken up, read the second time, and the report of the Committee on Government Operations was amended as recommended by the Committee on Ways and Means.

**Rep. Gannon of Wilmington** moved to further amend the report of the Committee on Government Operations, as amended, by striking out Sec. 17, 20 V.S.A. § 2358, in its entirety and inserting in lieu thereof a new Sec. 17 to read as follows:

Sec. 17. VERMONT CRIMINAL JUSTICE COUNCIL; ARIDE REPORT

On or before October 1, 2021, the Vermont Criminal Justice Council shall report to the House and Senate Committees on Appropriations and on Government Operations on the following:

(1) the funding for the requirement that on or before December 31, 2021 all law enforcement officers receive Advanced Roadside Impaired Driving Enforcement (ARIDE) training as required by 2019 Acts and Resolves No. 164, Sec. 20; and

(2) a recommendation as to which law enforcement officers, if any, should not be required to receive ARIDE training because those officers do not make roadside stops or those officers would not be proficient in the standardized field sobriety test that is a prerequisite of ARIDE training because of their law enforcement position or training.

Which was agreed to.

Thereafter, **Rep. Peterson of Clarendon** moved to further amend the report of the Committee on Government Operations, as amended, in Sec. 1, 7 V.S.A. § 863, by striking out subdivision (a)(1) in its entirety and inserting in lieu thereof a new subdivision (a)(1) to read as follows:

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

Which was disagreed to in a vote by division: Yeas, 38; Nays, 89.

Thereafter, **Rep. Donahue of Northfield** moved to further amend the report of the Committee on Government Operations, as amended, as follows:

First: In Sec. 5, 7 V.S.A. § 861, in subdivision (2), after the words “calculated to induce sales of cannabis or cannabis products” by inserting “for a particular licensee”

Second: In Sec. 6, 7 V.S.A. § 864, in subsection (b), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) encourages increased consumption;

Third: In Sec. 9, 7 V.S.A. § 978, in subsection (b), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) encourages increased consumption;

Which was disagreed to on a vote by division: Yeas, 57; Nays, 76.

Thereupon, the report of the Committee on Government Operations, as amended, was agreed to and third reading was ordered.

**Second Reading; Proposals of Amendment Agreed to;  
Third Reading Ordered**

**S. 101**

**Rep. Bongartz of Manchester**, for the Committee on Natural Resources, Fish, and Wildlife, to which had been referred Senate bill, entitled

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

Reported in favor of its passage in concurrence with proposal of amendment as follows:

First: In Sec. 2, 24 V.S.A. § 4307, by striking it out in its entirety and inserting in lieu thereof the following:

Sec. 2. 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 to support a development pattern that is pedestrian oriented and consistent with the smart growth principles established in section 2791 of this title. 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) A municipality that receives a grant shall use the funds for the adoption of bylaws that increase housing choice, affordability, and opportunity in smart growth areas. These smart growth areas shall be areas that reflect the smart growth principles established in section 2791 of this title, that are located outside important natural resource areas, and are located outside identified flood hazard areas and river corridors or are acceptable for infill development as defined in § 29–201 of the Vermont Flood Hazard Area and River Corridor Rule.

(c) 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. The Department shall, to the extent reasonably possible, ensure that grants are awarded with the intent of achieving geographic distribution across the State.

(d) Funds may be disbursed by the Department in installments to ensure the municipal bylaw updates meet the goals of this section.

(e) Funding may be used for mapping, the cost of regional planning commission staff or consultant time, carrying out the provisions of subchapters 5 through 10 of this chapter, and any other purpose approved by the Department.

(f) To receive a grant, the municipality shall:

(1) identify any municipal water supply and wastewater disposal capacity, opportunities, and constraints within mapped service areas in both traditional water and wastewater systems and smaller scale municipal systems, including soil-based wastewater treatment and decentralized water and wastewater systems;

(2) allow, at a minimum, duplexes within smart growth areas to the same extent that single-family dwellings are allowed;

(3) require parking waiver provisions in appropriate smart growth areas and 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;

(5) adopt dimensional, use, parking, and other standards that allow compact neighborhood form and support walkable lot and unit density, which may be achieved with a standard allowing at least four units per acre with site and building design standards or by other means established in guidelines issued by the Department; and

(6) demonstrate how the bylaws support implementation of the housing element of its municipal plan as provided in 24 V.S.A. § 4382(a)(10) related to addressing lower and moderate-income housing needs.

(g) On or before September 1, 2021, the Department shall adopt guidelines to assist municipalities applying for grants under this section.

Second: By striking out Secs. 7 (10 V.S.A. § 1974) and 8 (10 V.S.A. § 1983) and their reader assistance heading in their entirety.

and by renumbering the remaining sections to be numerically correct.

**Rep. Long of Newfane** presiding.

**Rep. Kornheiser of Brattleboro**, for the Committee on Ways and Means, recommended that the House propose to the Senate to amend the bill as recommended by the Committee on Natural Resources, Fish, and Wildlife and when further amended by striking out Secs. 3–6, tax credits, and their reader assistance heading in their entirety and inserting in lieu thereof the following:

\* \* \* Property Transfer Tax Surcharge \* \* \*

Sec. 3. 32 V.S.A. § 9602 is amended to read:

§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

A tax is hereby imposed upon the transfer by deed of title to property located in this State, or a transfer or acquisition of a controlling interest in any person with title to property in this State. The amount of the tax equals one and one-quarter percent of the value of the property transferred, or \$1.00, whichever is greater, except as follows:

\* \* \*

(4) With respect to all transfers by deed of title to property located in this State, a surcharge shall be imposed at the rate of one half of a percent of the value of the property transferred in excess of \$1,000,000.00.

(5) The Commissioner shall annually estimate the amount of revenue raised by the surcharge imposed pursuant to subdivision (4) of this section and transfer that same amount to the General Fund established under section 435 of this title.

\* \* \* Allocation of Property Transfer Tax Surcharge Revenue \* \* \*

Sec. 4. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:



\* \* \*

(10)(A) 33 percent of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title; and

(B) notwithstanding subdivision (A) of this subdivision (b)(10), the revenue raised by the surcharge imposed pursuant to subdivision 9602(4) of this title;

\* \* \*

Sec. 5. 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF  
RETURNS

\* \* \*

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

\* \* \*

(e) Notwithstanding subsections (c) and (d) of this section and any other provision of law to the contrary, the Commissioner of Taxes shall annually estimate the revenue raised by the surcharge imposed pursuant to subdivision 9602(4) of this chapter and transfer that same amount to the General Fund established under section 435 of this title.

\* \* \* Affordable Housing Tax Credit; Manufactured Homes \* \* \*

Sec. 6. 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

**Speaker Krowinski** presiding.

**Rep. Feltus of Lyndon**, for the Committee on Appropriations, recommended that the House propose to the Senate to amend the bill as recommended by the Committee on Natural Resources, Fish, and Wildlife and when further amended as recommended the Committee on Ways and Means.

The bill having appeared on the Calendar one day for Notice was taken up, read the second time, and the report of the Committee on Natural Resources, Fish, and Wildlife was agreed to.

Pending the question, Shall the House propose to the Senate to further amend the bill as recommended by the Committee on Ways and Means?, **Rep. McCoy of Poultney** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to further amend the bill as recommended by the Committee on Ways and Means?, was decided in the affirmative. Yeas, 93. Nays, 56.

Those who voted in the affirmative are:

Ancel of Calais	Durfee of Shaftsbury	Noyes of Wolcott
Anthony of Barre City	Elder of Starksboro	O'Brien of Tunbridge
Arrison of Weathersfield	Emmons of Springfield	Ode of Burlington
Austin of Colchester	Goldman of Rockingham	Partridge of Windham
Bartholomew of Hartland	Grad of Moretown	Patt of Worcester
Beck of St. Johnsbury	Hooper of Montpelier	Pugh of South Burlington
Birong of Vergennes	Hooper of Randolph	Rachelson of Burlington
Black of Essex	Hooper of Burlington	Redmond of Essex

Bluemle of Burlington	Houghton of Essex	Rogers of Waterville
Bock of Chester	Howard of Rutland City	Satcowitz of Randolph
Bongartz of Manchester	James of Manchester	Scheu of Middlebury
Bos-Lun of Westminster	Jerome of Brandon	Sheldon of Middlebury
Brady of Williston	Jessup of Middlesex	Sims of Craftsbury
Briglin of Thetford	Killacky of South Burlington	Small of Winooski
Brown of Richmond	Kitzmiller of Montpelier	Squirrell of Underhill
Brownell of Pownal	Kornheiser of Brattleboro	Stebbins of Burlington
Brumsted of Shelburne	LaLonde of South Burlington	Stevens of Waterbury
Burke of Brattleboro	Lanpher of Vergennes	Surprenant of Barnard
Burrows of West Windsor	Lefebvre of Newark	Till of Jericho
Campbell of St. Johnsbury	Lippert of Hinesburg	Toleno of Brattleboro
Chase of Colchester	Long of Newfane	Townsend of South Burlington
Christie of Hartford	Masland of Thetford	Troiano of Stannard
Cina of Burlington	McCarthy of St. Albans City	Vyhovsky of Essex
Coffey of Guilford	McCormack of Burlington	Walz of Barre City
Colburn of Burlington	McCullough of Williston	Webb of Shelburne
Colston of Winooski	Morris of Springfield	White of Hartford
Conlon of Cornwall	Mrowicki of Putney	Whitman of Bennington
Copeland Hanzas of Bradford	Mulvaney-Stanak of Burlington	Wood of Waterbury
Cordes of Lincoln	Nicoll of Ludlow	Yacovone of Morristown
Dolan of Essex	Nigro of Bennington	Yantachka of Charlotte
Dolan of Waitsfield	Notte of Rutland City	
Donnally of Hyde Park		

Those who voted in the negative are:

Achey of Middletown Springs	Higley of Lowell	Parsons of Newbury
Batchelor of Derby	Kimbell of Woodstock	Pearl of Danville
Brennan of Colchester	LaClair of Barre Town	Peterson of Clarendon
Burditt of West Rutland	Lefebvre of Orange	Rosenquist of Georgia
Canfield of Fair Haven	Leffler of Enosburgh	Savage of Swanton
Corcoran of Bennington	Marcotte of Coventry	Scheuermann of Stowe
Cupoli of Rutland City	Martel of Waterford	Seymour of Sutton
Dickinson of St. Albans Town	Martin of Franklin	Shaw of Pittsford
Donahue of Northfield	Mattos of Milton	Sibilia of Dover
Fagan of Rutland City	McCoy of Poultney	Smith of Derby
Feltus of Lyndon	McFaun of Barre Town	Smith of New Haven
Gannon of Wilmington	Morgan, L. of Milton	Strong of Albany
Goslant of Northfield	Morgan, M. of Milton	Sullivan of Dorset
Graham of Williamstown	Morrissey of Bennington	Taylor of Colchester
Gregoire of Fairfield	Murphy of Fairfax	Terenzini of Rutland Town
Hango of Berkshire	Norris of Sheldon	Toof of St. Albans Town
Harrison of Chittenden	Norris of Shoreham	White of Bethel
Helm of Fair Haven	Page of Newport City	Williams of Granby
	Pajala of Londonderry	
	Palasik of Milton	

Those members absent with leave of the House and not voting are: none

Thereupon, third reading was ordered.

**Second Reading; Proposal of Amendment Agreed to;  
Third Reading Ordered; Rules Suspended; Third Reading; Bill Passed**

**S. 13**

**Rep. Conlon of Cornwall**, for the Committee on Education, to which had been referred Senate bill, entitled

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

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

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

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

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

Sec. 2. TASK FORCE ON THE IMPLEMENTATION OF THE PUPIL

WEIGHTING FACTORS REPORT

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

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

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

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

(1) consider how to integrate the weighting calculations from the Report with Vermont's equalized pupil calculations, excess spending threshold, and yield calculations;

(2) consider how categorical aid can address cost differentials across school districts;

(3) for the purpose of calculating equalized pupils, recommend how to define a "person from an economically deprived background" taking into account the current definition in 16 V.S.A. § 4001(8) and similar definitions in Part A, Title I, of the Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act, and eligibility for free and reduced-priced lunch under the National School Lunch Act;

(4) in recognition that the current formula used to calculate equalized pupils uses more than one mathematical method, consider changes to the formula to simplify it and make its calculation more transparent;

(5) recommend statutory changes in the Agency of Education's powers and duties to ensure that all school districts are meeting education quality standards and improving student outcomes and opportunities;

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

(7) consider the relationship between the recommended weights and categorical aid and the changes to special education funding under 2018 Acts and Resolves No. 173, including the impact on federally required maintenance of effort and maintenance of financial support; and

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

(d) Consultant. The Task Force may retain a consultant or consultants to assist it with modeling education finance scenarios developed by the Task Force and in writing the report required under subsection (g) of this section.

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

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

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

(h) Meetings.

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

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

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

(4) The Task Force shall meet not more than 12 times.

(i) Assistance.

(1) The Task Force shall have the:

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

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

(C) assistance from the consultant or consultants, if retained, which shall include assistance with modeling education finance scenarios and writing the report required under subsection (g) of this section; and

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

(2) If a consultant or consultants are not retained, the Agency of Education, in collaboration with the Joint Fiscal Office, shall write the report required under subsection (g) of this section and model education finance scenarios.

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

### Sec. 3. WEIGHTING FACTORS SIMULATOR

The Agency of Education, in collaboration with the Joint Fiscal Office, shall create a user-friendly weighting factors simulator that will allow users to model the impact of proposed changes in weights on all school district tax rates.

### Sec. 4. REQUIREMENT FOR ADDITIONAL LEGISLATIVE ACTION

During the second year of the 2021–2022 biennium, the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance shall consider the action plan and legislation proposed by the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act. It is the intent of the General Assembly that it pass legislation during the second year of the biennium that implements changes to how education is funded to ensure that all public school students have equitable access to educational opportunities.

### Sec. 5. APPROPRIATIONS

(a) The sum of \$10,800.00 is appropriated from the General Fund in fiscal year 2022 to the General Assembly for per diem and reimbursement of

expenses for members of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

(b) The sum of \$25,000.00 is appropriated from the General Fund in fiscal year 2022 to the Joint Fiscal Office for consultant expenses of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

#### Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: “An act relating to the Pupil Weighting Factors Report”

**Rep. Ancel of Calais**, for the Committee on Ways and Means, recommended that the House propose to the Senate to amend the bill when the report of the Committee on Education is amended by striking out all after the enacting clause and inserting in lieu thereof the following:

#### Sec. 1. FINDINGS

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

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

(c) The major recommendations of the Report are straightforward, specifically that the General Assembly increase certain of the existing weights and that it add population density (rurality) as a new weighting factor, given the Report’s finding that rural districts pay more to educate a student. However, given the statewide and unique nature of Vermont’s education funding system and the reality that any change in the weighting formula is complex due to its relationship to other educational policies and will produce



fluctuations in tax rates across the State, the General Assembly has chosen to develop a phased approach to revising the weighting formula.

Sec. 2. TASK FORCE ON THE IMPLEMENTATION OF THE PUPIL

WEIGHTING FACTORS REPORT

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

(b) Membership.

(1) The Task Force shall be a legislative task force and shall be composed of the following eight members:

- (A) two members of the Senate Committee on Finance;
- (B) two members of the Senate Committee on Education;
- (C) two members of the House Committee on Ways and Means; and
- (D) two members of the House Committee on Education.

(2) Members from the House Committees shall be appointed by the Speaker of the House and shall not all be from the same party, and members from the Senate Committees shall be appointed by the Committee on Committees and shall not all be from the same party.

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

(1) consider how to integrate the weighting calculations from the Report with Vermont's equalized pupil calculations, excess spending threshold, and yield calculations;

(2) consider how categorical aid can address differences in the costs of educating students across school districts;

(3) for the purpose of calculating equalized pupils, recommend age ranges to be included and how to define a "person from an economically deprived background" taking into account the current definition in 16 V.S.A. § 4001(8) and similar definitions in Part A, Title I, of the Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act, and

eligibility for free and reduced-priced lunch under the National School Lunch Act;

(4) in recognition that the current formula used to calculate equalized pupils uses more than one mathematical method, consider changes to the formula to simplify it and make its calculation more transparent;

(5) recommend statutory changes in the Agency of Education's powers and duties to ensure that all school districts are meeting education quality standards and improving student outcomes and opportunities;

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

(7) consider the relationship between the recommended weights and categorical aid and the changes to special education funding under 2018 Acts and Resolves No. 173, including the impact on federally required maintenance of effort and maintenance of financial support;

(8) consider the interaction between the recommended weights and categorical aid and the goals and outcomes of 1997 Acts and Resolves No. 60, 2003 Acts and Resolves No. 68, and 2015 Acts and Resolves No. 46, each as amended;

(9) recommend ways to mitigate the impacts on residential property tax rates and consider tax rate equity between districts; and

(10) recommend whether to modify, retain, or repeal the excess spending threshold under 32 V.S.A. § 5401(12) and 16 V.S.A. § 4001(6)(B).

(d) Consultant. The Task Force may retain a consultant or consultants to assist it with modeling education finance scenarios developed by the Task Force and in writing the report required under subsection (g) of this section.

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

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

(g) Report. On or before December 15, 2021, the Task Force shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with its action plan and proposed legislation.

(h) Meetings.

(1) The Joint Fiscal Office shall call the first meeting of the Task Force to occur on or before June 1, 2021.

(2) The Task Force shall select co-chairs from among its members at the first meeting, one a member of the House and the other a member from the Senate.

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

(i) Assistance. The Task Force shall have:

(1) Administrative assistance from the Joint Fiscal Office, which shall include organizing meetings and taking minutes.

(2) Technical assistance from the Agency of Education, the Department of Taxes, and the Joint Fiscal Office. If the consultant is retained, the Joint Fiscal Office shall contract with, and oversee the work of, the consultant.

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

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

### Sec. 3. WEIGHTING FACTORS SIMULATOR

The Agency of Education, in collaboration with the Joint Fiscal Office, shall create a user-friendly weighting factors simulator that will allow users to model the impact of proposed changes in weights on all school district tax rates. The creation of and use by the Task Force of the simulator shall be overseen by the Task Force.

### Sec. 4. ADDITIONAL LEGISLATIVE ACTION

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

Assembly that it pass legislation during the second year of the biennium that implements changes to how education is funded to ensure that all public school students have equitable access to educational opportunities.

#### Sec. 5. EXCESS SPENDING MORATORIUM

For fiscal years 2022 and 2023, for the purpose of determining a school district's education property tax rate under 32 V.S.A. chapter 135, education spending under 16 V.S.A. § 4001(6) and the education spending adjustments under 32 V.S.A. § 5401(13) shall be calculated without regard to excess spending under 32 V.S.A. § 5401(12) and 16 V.S.A. § 4001(6)(B).

#### Sec. 6. APPROPRIATIONS

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

(b) The sum of \$25,000.00 is appropriated from the General Fund in fiscal year 2022 to the Joint Fiscal Office for consultant expenses of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

#### Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to the Pupil Weighting Factors Report"

**Rep. Scheu of Middlebury**, for the Committee on Appropriations, recommended that the report of the Committee on Ways and Means by striking out Sec. 6, appropriations, in its entirety and inserting in lieu thereof the following:

#### Sec. 6. APPROPRIATION

The sum of \$25,000.00 is appropriated from the General Fund in fiscal year 2022 to the Joint Fiscal Office for consultant expenses of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

The bill having appeared on the Calendar one day for Notice was taken up, read the second time, and the report of the Committee on Ways and Means was amended as recommended by the Committee on Appropriations. Thereafter, the report of the Committee on Education was amended as recommended by the Committee on Ways and Means, as amended. The report of the Committee

on Education, as amended, was agreed to on a vote by division: Yeas, 127; Nays, 0. Thereupon, third reading was ordered.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and the bill placed in all remaining stages of passage. Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

### **Action on Bill Postponed**

#### **H. 122**

House bill, entitled

An act relating to boards and commissions

Was taken up and pending the question, Shall the House concur in the Senate proposal of amendment?, on motion of **Rep. Gannon of Wilmington**, action on the bill was postponed until May 19, 2021.

### **Senate Proposal of Amendment Concurred in**

#### **H. 225**

The Senate proposed to the House to amend House bill, entitled

An act relating to possession of a therapeutic dosage of buprenorphine

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

#### Sec. 1. INTENT

It is the intent of the General Assembly to remove criminal penalties for possession of 224 milligrams or less of buprenorphine. Persons under 21 years of age in possession of 224 milligrams or less of buprenorphine would be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Awareness Safety Program. Persons under 16 years of age in possession of 224 milligrams or less of buprenorphine would be subject to delinquency proceedings in the Family Division of the Superior Court. Knowing and unlawful possession of more than 224 milligrams of buprenorphine would continue to be criminal and penalized in the same manner as other narcotics pursuant to 18 V.S.A. § 4234.

Sec. 2. 18 V.S.A. § 4234 is amended to read:

#### § 4234. DEPRESSANT, STIMULANT, AND NARCOTIC DRUGS

(a) Possession.

(1)(A) A Except as provided by subdivision (B) of this subdivision (1), a person knowingly and unlawfully possessing a depressant, stimulant, or

narcotic drug, other than heroin or cocaine, shall be imprisoned not more than one year or fined not more than \$2,000.00, or both.

(B) A person knowingly and unlawfully possessing 224 milligrams or less of buprenorphine shall not be punished in accordance with subdivision (A) of this subdivision (1).

\* \* \*

(c) Possession of buprenorphine by a person under 21 years of age.

(1) Except as provided in subdivision (2) of this subsection, a person under 21 years of age who knowingly and unlawfully possesses 224 milligrams or less of buprenorphine commits a civil violation and shall be subject to the provisions of section 4230b of this title.

(2) A person under 16 years of age who knowingly and unlawfully possesses 224 milligrams or less of buprenorphine commits a delinquent act and shall be subject to the provisions of section 4230j of this title.

Sec. 3. 18 V.S.A. § 4234 is amended to read:

§ 4234. DEPRESSANT, STIMULANT, AND NARCOTIC DRUGS

(a) Possession.

~~(1)(A) Except as provided by subdivision (B) of this subdivision (1), a~~ A ~~person knowingly and unlawfully possessing a depressant, stimulant, or narcotic drug, other than heroin or cocaine, shall be imprisoned not more than one year or fined not more than \$2,000.00, or both.~~

~~(B) A person knowingly and unlawfully possessing 224 milligrams or less of buprenorphine shall not be punished in accordance with subdivision (A) of this subdivision (1).~~

\* \* \*

~~(c) Possession of buprenorphine by a person under 21 years of age.~~

~~(1) Except as provided in subdivision (2) of this subsection, a person under 21 years of age who knowingly and unlawfully possesses 224 milligrams or less of buprenorphine commits a civil violation and shall be subject to the provisions of section 4230b of this title.~~

~~(2) A person under 16 years of age who knowingly and unlawfully possesses 224 milligrams or less of buprenorphine commits a delinquent act and shall be subject to the provisions of section 4230j of this title.~~

Sec. 4. EFFECTIVE DATES

(a) This section and Secs. 1 (intent) and 2 (buprenorphine exemption) shall take effect on passage.

(b) Sec. 3 (repeal of buprenorphine exemption) shall take effect July 1, 2023.

Proposal of amendment was considered and concurred in.

### **Consideration of Senate Proposal of Amendment Interrupted**

#### **H. 313**

The Senate proposed to the House to amend House bill, entitled

An act relating to miscellaneous amendments to alcoholic beverage laws

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

Sec. 1. 7 V.S.A. § 204 is amended to read:

#### **§ 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES**

(a) The following fees shall be paid when applying for a new license or permit or to renew a license or permit:

\* \* \*

(6) For a third-class license, \$1,095.00 for an annual license and \$550.00 for a six-month license. For a stand-alone third-class license, the issuing municipality may assess an additional \$50.00 local processing fee.

\* \* \*

(24) For a third-class license granted to the holder of a manufacturer's or rectifier's license, \$230.00.

(b) Except for fees collected for first-, second-, and third-class licenses, the fees collected pursuant to subsection (a) of this section shall be deposited in the Liquor Control Enterprise Fund. The other fees shall be distributed as follows:

(1) Third-class license fees: 55 percent shall go to the Liquor Control Enterprise Fund, and 45 percent shall go to the General Fund and shall fund alcohol abuse prevention and treatment programs. The local processing fee for stand-alone third-class licenses shall be retained by the issuing municipality.

\* \* \*

Sec. 2. 7 V.S.A. § 230 is added to read:

§ 230. SALE OF ALCOHOLIC BEVERAGES FOR OFF-PREMISES CONSUMPTION

(a) The Board of Liquor and Lottery and the local control commissioners may authorize:

(1) First- and third-class licensees to sell malt beverages, vinous beverages, and spirits-based prepared drinks for off-premises consumption. All sales of alcoholic beverages for off-premises consumption must be accompanied by a food order.

(2) Second-class licensees to provide curbside pickup of unopened containers of the alcoholic beverages that the licensee is permitted to sell from the licensed premises pursuant to section 222 of this subchapter.

(3) Fourth-class licensees to provide curbside pickup of unopened containers of the alcoholic beverages that the licensee is permitted to sell from the licensed location pursuant to section 224 of this subchapter.

(b) For any alcoholic beverage sold pursuant to subdivision (a)(1) of this section, the first- or third-class licensee shall provide the alcoholic beverage in a container:

(1) with a securely affixed tamper-evident seal; and

(2) bearing a label that:

(A) states that the beverage contains alcohol; and

(B) lists the ingredients and serving size.

(c) A licensee may sell alcoholic beverages pursuant to this section between 10:00 a.m. and 11:00 p.m.

(d) The Board of Liquor and Lottery may adopt rules and forms necessary to implement this section.

Sec. 3. 7 V.S.A. § 253 is amended to read:

§ 253. FESTIVAL PERMITS

\* \* \*

(b)(1) A festival required to be permitted under this section is any event that is open to the public for which the primary purpose is to serve one or more of the following: malt beverages, vinous beverages, fortified wines, or spirits.

(c) A festival permit holder is permitted to conduct an event that is open to the public at which one or more of the following are served: malt beverages, vinous beverages, fortified wines, or spirits.



(d) The permit holder shall ensure the following:

(1) Attendees at the festival shall be required to pay an entry fee of not less than \$5.00.

(2)(A) Malt beverages for sampling shall be offered in glasses that contain not more than 12 ounces with not more than 60 ounces served to any patron at one event.

(B) Vinous beverages for sampling shall be offered in glasses that contain not more than five ounces with not more than 25 ounces served to any patron at one event.

(C) Fortified wines for sampling shall be offered in glasses that contain not more than three ounces with not more than 15 ounces served to any patron at one event.

(D) Spirits for sampling shall be offered in glasses that contain not more than one ounce with not more than five ounces served to any patron at one event.

(E) Patrons attending a festival where combinations of malt, vinous, fortified wines, or spirits are mutually sampled shall not be served more than a combined total of six U.S. standard drinks containing 3.6 fluid ounces or 84 grams of pure ethyl alcohol.

(3) The event shall be conducted in compliance with all the requirements of this title.

(e)(1) A festival permit holder may purchase invoiced volumes of malt or vinous beverages directly from a manufacturer or packager licensed in Vermont, or a manufacturer or packager that holds a federal Basic Permit or Brewers Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

(2) The invoiced volumes of malt or vinous beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event.

(e)(f) A festival permit holder shall be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt or vinous beverages pursuant to section 421 of this title.

(e)(g) A person shall be granted ~~no~~ not more than four festival permits per year, and each permit shall be valid for ~~no~~ not more than four consecutive days.

Sec. 4. 7 V.S.A. § 256 is amended to read:

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§ 256. PROMOTIONAL TASTINGS FOR LICENSEES

(a)(1) At the request of a first- or second-class licensee, a holder of a manufacturer's, rectifier's, or wholesale dealer's license may distribute without charge to the first- or second-class licensee's management and staff, provided they are of legal age ~~and are off duty for the rest of the day~~, two ounces per person of vinous or malt beverages for the purpose of promoting the beverage.

(2) At the request of a holder of a third-class license, a manufacturer or rectifier of spirits or fortified wines may distribute without charge to the third-class licensee's management and staff, provided they are of legal age ~~and are off duty for the rest of the day~~, one-quarter ounce of each beverage and ~~no~~ not more than a total of one ounce to each individual for the purpose of promoting the beverage.

(3) No permit is required for a tasting pursuant to this subsection, ~~but written notice of the event shall be provided to the Division of Liquor Control at least two days prior to the date of the tasting.~~

\* \* \*

Sec. 5. FEE REDUCTION FOR RENEWAL OF FIRST- AND THIRD-  
CLASS LICENSES BY CLUBS; TEMPORARY PROVISION

Notwithstanding 7 V.S.A. § 204(a)(4) and (6), in the year 2021, the first- and third-class license renewal fees shall be waived for any club as defined in 7 V.S.A. § 2.

Sec. 6. REPORTS; SPORTS BETTING STUDY; IMPACTS OF SALE OF  
ALCOHOLIC BEVERAGES FOR OFF-PREMISES  
CONSUMPTION

(a) On or before October 15, 2021, the Office of Legislative Counsel and the Joint Fiscal Office 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 concerning the current state of the regulated sports betting market in the United States. In particular, the report shall examine and analyze:

(1) the sports betting laws in each state that has an active or proposed sports betting market;

(2) studies carried out by other states concerning the legalization, taxation, and regulation of sports betting;

(3) the models for regulation of sports betting that are currently operating in other states, including a summary of the tax or revenue sharing

structures used in each state;

(4) for each state with an active sports betting market, the state revenue resulting from sports betting; and

(5) any reports or information concerning impacts on problem gaming in the states with regulated sports betting markets.

(b) In the preparation of the report, the Office of Legislative Counsel and the Joint Fiscal Office shall solicit input from the Department of Liquor and Lottery, the Department of Taxes, the Office of the Attorney General, and other stakeholders.

(c) On or before January 15, 2023, the Department of Liquor and Lottery shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General, Housing, and Military Affairs concerning the sale of alcoholic beverages for delivery and curbside pickup by first-, second-, third-, and fourth-class licensees. The report shall include an analysis of:

(1) the economic impact on the licensees that were approved to sell alcoholic beverages pursuant to 7 V.S.A. § 230; and

(2) the impact on public safety and compliance with the State's alcoholic beverage laws.

(d) The Department shall collect data from licensees that is sufficient to demonstrate the economic impact of the authority granted to the licensees pursuant to 7 V.S.A. § 230.

Sec. 7. REPEAL

7 V.S.A. § 230 is repealed on July 1, 2023.

Sec. 8. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except that this section and Sec. 5 (fee reduction for first- and third-class licenses) shall take effect on passage.

Proposal of amendment was considered.

### **Recess**

At five o'clock and fifty-nine minutes in the evening, the Speaker declared a recess until the fall of the gavel.

At six o'clock and thirteen minutes in the evening, the Speaker called the House to order.

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**Consideration Resumed; Action on Bill Postponed****H. 313**

Consideration resumed on House bill, entitled

An act relating to miscellaneous amendments to alcoholic beverage laws

Pending the question, Shall the House concur in the Senate proposal of amendment?, on motion of **Rep. Birong of Vergennes**, action on the bill was postponed until May 19, 2021.

**Action on Bill Postponed****H 337**

House bill, entitled

An act relating to the printing and distribution of State publications

Was taken up and pending the question, Shall the House concur in the Senate proposal of amendment?, on motion of **Rep. Gannon of Wilmington**, action on the bill was postponed until May 19, 2021.

**Senate Proposal of Amendment to House Proposal of Amendment to Senate Proposal of Amendment Concurred in****H. 171**

The Senate concurred in the House proposal of amendment to Senate proposal of amendment with further amendment thereto to amend House bill, entitled

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

The Senate concurs in the House proposal of amendment to Senate proposal of amendment with the following proposal of amendment thereto:

By striking out Sec. 10, recommendations; American Rescue Plan Act of 2021; Child Care Development Block Grant; Child Care Stabilization Grants, in its entirety and inserting in lieu thereof a new Sec. 10 to read as follows:

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

(a) On or before September 1, 2021, the Department for Children and Families, in consultation with stakeholders that include individuals who are Black, Indigenous, and Persons of Color, shall submit a plan on the proposed use of the Child Care Development Block Grant and the Child Care

Stabilization Grants, in excess of monies specifically allocated from the Child Care Development Block Grant in fiscal year 2022 for the child care workforce support programs established in 33 V.S.A. chapter 35, subchapter 5, received by the State pursuant to the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2, for review and acceptance by the Joint Fiscal Committee at their September 2021 meeting. The plan shall concurrently be provided to the Chairs of the House Committee on Human Services and of the Senate Committee on Health and Welfare for input prior to action by the Joint Fiscal Committee. To the extent permissible, the plan shall consider the following priorities but need not be limited to consideration of the listed priorities:

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

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

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

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

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

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

(7) the fiscal impact of the pandemic on Head Start programs statewide.

(b) If Child Care Development Block Grant funds, received by the State pursuant to the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2 are not available to implement the child care workforce support programs established in 33 V.S.A. chapter 35, subchapter 5, the plan required pursuant to subsection (a) of this section shall include a proposal for consideration as part of the fiscal year 2022 budget adjustment process to utilize State funds or alternative federal funds to cover the child care workforce support programs.

Proposal of amendment was considered and concurred in.

**Rules Suspended;  
Bill Referred to Committee on Appropriations**

**S. 97**

On motion of **Rep. McCoy of Poultney**, the rules were suspended and Senate bill, entitled

An act relating to An act relating to miscellaneous judiciary procedures

Pending entry on the Calendar for Notice, was taken up for immediate consideration.

Thereupon, pursuant to Rule 35(a), carrying an appropriation, the bill was referred to the Committee on Appropriations.

**Rules Suspended; Bills Messaged to Senate Forthwith**

On motion of **Rep. McCoy of Poultney**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith:

**S. 13**

Senate bill, entitled

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

**H. 225**

House bill, entitled

An act relating to possession of a therapeutic dosage of buprenorphine

**H. 171**

House bill, entitled

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

**Message from the Governor**

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the eighteenth day of May, 2021, he signed bills originating in the House of the following titles:

**H. 108     An act relating to addressing disparities and promoting equity in the health care system**

**H. 210** An act relating to addressing disparities and promoting equity in the health care system

**H. 428** An act relating to hate-motivated crimes and misconduct

**Message from the Senate No. 62**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered bills originating in the House of the following titles:

**H. 88.** An act relating to certification of agricultural use for purposes of the use value appraisal program.

**H. 106.** An act relating to equitable access to a high-quality education through community schools.

**H. 135.** An act relating to the State Ethics Commission.

**H. 436.** An act relating to miscellaneous changes to Vermont's tax laws.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered House proposals of amendment to Senate proposal of amendment to House bill of the following title:

**H. 438.** An act relating to capital construction and State bonding.

And has concurred therein.

**Message from the Senate No. 63**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposal of amendment to Senate bill of the following title:

**S. 15.** An act relating to mailing out ballots, correcting defective ballots, and miscellaneous changes to State election laws.

And has concurred therein.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

**H. 433.** An act relating to the Transportation Program and miscellaneous changes to laws related to transportation.

**H. 449.** An act relating to the membership and duties of the Vermont Pension Investment Commission and the creation of the Pension Benefits, Design, and Funding Task Force.

And has accepted and adopted the same on its part.

#### **Message from the Senate No. 64**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposal of amendment to Senate bill of the following title:

**S. 115.** An act relating to making miscellaneous changes in education laws.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered bills originating in the House of the following titles:

**H. 183.** An act relating to sexual violence.

**H. 443.** An act relating to approval of the merger of the Wilmington Water District with the Town of Wilmington.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

#### **Adjournment**

At six o'clock and twenty-six minutes in the evening, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at ten o'clock in the forenoon.