

# Journal of the Senate

FRIDAY, MARCH 19, 2021

The Senate was called to order by the President.

## Devotional Exercises

A moment of silence was observed in lieu of devotions.

## Message from the House No. 36

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

**H. 10.** An act relating to permitted candidate expenditures.

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

**H. 104.** An act relating to considerations in facilitating the interstate practice of health care professionals using telehealth.

**H. 149.** An act relating to modernizing statutes related to the Vermont National Guard.

**H. 337.** An act relating to the printing and distribution of State publications.

**H. 366.** An act relating to 2021 technical corrections.

The House has adopted joint resolution of the following title:

**J.R.H. 5.** Joint resolution authorizing, subject to the determination of and limitations that the Sergeant at Arms may establish, the Green Mountain Boys State educational program to use the State House.

In the adoption of which the concurrence of the Senate is requested.

The House has considered joint resolution originating in the Senate of the following title:

**J.R.S. 19.** Joint resolution relating to weekend adjournment.

And has adopted the same in concurrence.

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**Message from the Governor  
Appointments Referred**

A message was received from the Governor, by Brittney L. Wilson, Secretary of Civil and Military Affairs, submitting the following appointments, which were referred to committees as indicated:

The nomination of

Jepson, Lyle of Rutland - Member of the State Board of Education - from March 15, 2021 to February 28, 2027.

To the Committee on Education.

The nomination of

Lavoie, Kathy of Swanton - Member of the State Board of Education - from March 15, 2021 to February 28, 2027.

To the Committee on Education.

The nomination of

Lovett, Thomas of Waterford - Member of the State Board of Education - from March 15, 2021 to February 28, 2027.

To the Committee on Education.

**Bill Referred to Committee on Finance**

**S. 25.**

Senate bill of the following title, appearing on the Calendar for notice, and affecting the revenue of the state, under the rule was referred to the Committee on Finance:

An act relating to miscellaneous cannabis regulation procedures.

**Joint Resolution Placed on Calendar**

**J.R.H. 5.**

Joint resolution originating in the House of the following title was read the first time and is as follows:

Joint resolution authorizing, subject to the determination of and limitations that the Sergeant at Arms may establish, the Green Mountain Boys State educational program to use the State House

Whereas, the American Legion Department of Vermont sponsors the Green Mountain Boys State educational program, providing a group of boys entering the 12th grade a special opportunity to study the workings of State

government, including conducting a mock legislative session at the State House, and

Whereas, the COVID-19 pandemic has forced the temporary closure of the State House to the public, and the extent of permitted public access to the building on June 24, 2021 will be dependent on the prevailing public health situation, now therefore be it

Resolved by the Senate and House of Representatives:

That subject to the determination of and limitations that the Sergeant at Arms may establish, the Green Mountain Boys State educational program is authorized to use the chambers and committee rooms of the State House on Thursday, June 24, 2021, from 8:00 a.m. to 4:15 p.m., and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the American Legion Department of Vermont.

Thereupon, in the discretion of the President, under Rule 51, the joint resolution was placed on the Calendar for action the next legislative day.

**Bills Referred**

House bills of the following titles were severally read the first time and referred:

**H. 10.**

An act relating to permitted candidate expenditures.

To the Committee on Government Operations.

**H. 46.**

An act relating to miscellaneous provisions of mental health law.

To the Committee on Health and Welfare.

**H. 104.**

An act relating to considerations in facilitating the interstate practice of health care professionals using telehealth.

To the Committee on Health and Welfare.

**H. 149.**

An act relating to modernizing statutes related to the Vermont National Guard.

To the Committee on Government Operations.

**H. 337.**

An act relating to the printing and distribution of State publications.

To the Committee on Government Operations.

**H. 366.**

An act relating to 2021 technical corrections.

To the Committee on Government Operations.

**Consideration Postponed**

Senate bill entitled:

**S. 10.**

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

Was taken up.

Thereupon, pending the reading of the report of the Committee on Economic Development, Housing and General Affairs, Senator Balint moved that consideration of the bill be postponed until Thursday, March 25, 2021, which was agreed to.

**Bill Amended; Third Reading Ordered****S. 60.**

Senator Bray, for the Committee on Finance, to which was referred Senate bill entitled:

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

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

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

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

(A) applied to all customers equally;

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

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

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

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

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

(4) A municipal company or electric cooperative shall be eligible to change its rates pursuant to this subsection only if it has received approval for a rate change from its governing body at a duly warned meeting held for such purpose prior to filing its written notice with the Department and the Commission.

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

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

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

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

(C) shall not result in:

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

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

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

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

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

## Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

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

#### **S. 88.**

Senator Hardy, for the Committee on Finance, to which was referred Senate bill entitled:

An act relating to insurance, banking, and securities.

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

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

§ 2760b. PROHIBITED ACTIVITIES

\* \* \*

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

\* \* \*

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

§ 2102. APPLICATION FOR LICENSE

\* \* \*

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

\* \* \*

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

\* \* \*

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

§ 2109. ANNUAL RENEWAL OF LICENSE

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

\* \* \*

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

\* \* \*

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

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

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

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

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

§ 2105. CONTENTS OF LICENSE; NONTRANSFERABLE

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

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

\* \* \*

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

§ 2122. USE OF OTHER NAMES OR BUSINESS PLACES

(a) A licensee shall not conduct business or make a loan subject to regulation under this part under any other name or at any other place of



business than as specified in its license.

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

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

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

§ 2201. LICENSES REQUIRED

\* \* \*

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

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

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

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

\* \* \*

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

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

\* \* \*

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

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

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

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

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

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

#### § 8301. DEFINITIONS

As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(13)~~~~(14)~~ “Risk based capital plan” means a comprehensive financial plan containing the elements specified in subsection 8303(b) of this title. If the Commissioner rejects the risk based capital plan and it is revised by the

insurer, with or without the Commissioner's recommendation, the plan shall be called the "revised risk based capital plan."

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

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

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

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

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

§ 8302. RISK BASED CAPITAL REPORT

\* \* \*

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

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

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

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

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

§ 8303. COMPANY ACTION LEVEL EVENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 8307. HEARINGS

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

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

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

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

§ 8312. CONFIDENTIALITY OF RISK BASED CAPITAL REPORTS

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

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

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

\* \* \*

(o) No new waivers or extensions shall be granted after July 1, ~~2024~~ 2023.

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

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

§ 5410. FILING FEES

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

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

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

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



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

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

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

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

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

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

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

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

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

§ 4089h. CANCELLATION OR NONRENEWAL OF HEALTH INSURANCE COVERAGE

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

from the date of mailing of the termination notice an insurer may cancel coverage effective on the due date.

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

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

§ 6002. LICENSING; AUTHORITY

\* \* \*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 6004. MINIMUM CAPITAL AND SURPLUS; LETTER OF CREDIT

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

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

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

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

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

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

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

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

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

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

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

§ 6007. REPORTS AND STATEMENTS

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

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

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

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

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

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

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

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

(A) single protected cell or incorporated protected cell;

(B) new sponsored captive insurance company;

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

(D) new special purpose financial insurance company;

(E) new pure captive insurance company;

(F) new risk retention group;

(G) new agency captive insurance company;

(H) new industrial insured captive insurance company; or

(I) new association captive insurance company.

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

(b) Any such conversion shall be deemed for all purposes to be a continuation of ~~the~~ each such protected cell’s or incorporated protected cell’s

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

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

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

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

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

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

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

Sec. 25. REPEAL

8 V.S.A. § 6034e is repealed.

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

(j) The provisions of chapter 101, subchapters 3 and 3A of this title, pertaining to mergers, consolidations, conversions, mutualizations, redomestications, and mutual holding companies, shall apply in determining

the procedures to be followed by captive insurance companies in carrying out any of the transactions described therein, except that:

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

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

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

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

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

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

~~(6)~~(7) The Commissioner may waive or modify application of the provisions of chapter 132 and chapter 101, subchapters 3 and 3A of this title and the provisions of Titles 11, 11A, and 11B in order to permit mergers of a non-insurer subsidiary of a captive insurance company with and into the captive insurance company or another of its subsidiaries without approval of the shareholders, members, or subscribers of such captive insurance company



and without making available to the shareholders, members, or subscribers dissenters' rights otherwise made available in such a merger; provided, however, that the board of directors, managers, or subscribers' advisory committee of each of the merging entities shall approve such merger. The Commissioner may condition any such waiver or modification upon a good faith effort by the captive insurance company to provide notice of the merger to its shareholders, members, or subscribers.

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

§ 6006a. MERGERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c)(1) In the case of a merger between a domestic and a foreign or alien insurer, the articles of merger shall be regarded as executed by the proper officers of said foreign or alien insurer when such officers are duly authorized to execute same through such action on the part of the directors, shareholders, members, or policyholders, as the case may be, of said foreign or alien insurer as may be required by the laws of the state where the same is incorporated, and upon execution, the articles of merger shall be submitted to the Insurance Commissioner or other officer at the head of the insurance department of the

jurisdiction where such foreign or alien insurer is domiciled. No merger shall take effect until it has been approved by the insurance official of the jurisdiction where the foreign or alien insurer is domiciled nor until a certificate of his or her approval has been filed with the Commissioner, provided that such submission to and approval by the proper official of the other jurisdiction shall not be required unless the same are required by the laws of the foreign or alien jurisdiction. Provided, further, that the domestic captive insurance company involved in the merger shall not through anything contained in this section be relieved of any of the procedural requirements enumerated elsewhere in this section.

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

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

§ 6006b. REDOMESTICATION

(a) Any foreign or alien insurer that qualifies for licensure as a captive insurance company in this State may redomesticate to this State by complying with all of the requirements of law relative to the organization and licensing of a captive insurance company and by filing with the Secretary of State its articles of association, charter, or other organization document, together with appropriate amendments thereto adopted in accordance with the laws of this State bringing such articles of association, charter, or other organizational document into compliance with the laws of this State, along with a certificate of general good issued by the Commissioner and a filing fee per section 3440 of this title. An insurer becoming a domestic captive insurance company through this redomestication process shall pay to the Commissioner such fees as would otherwise be payable by a captive insurance company organizing and becoming licensed or transacting business in this State. The Commissioner may issue a conditional license prior to the effective date of the redomestication in order to facilitate the transaction and provide notice of approval of the transaction to the outgoing jurisdiction. The domestic insurer shall be entitled to the necessary or appropriate certificates and licenses to continue its business and to transact business in this State and shall be subject

to the authority and jurisdiction of this State. No insurer redomesticating into this State as a captive insurance company need merge, consolidate, transfer assets, or otherwise engage in any other reorganization, other than as specified in this section.

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

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

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

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

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

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

transferring insurer shall remain in full force and effect.

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

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

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

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

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

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

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

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

\* \* \*

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

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

## Sec. 31. EFFECTIVE DATE

This act shall take effect on passage.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

**Bill Amended; Bill Passed****S. 20.**

Senate bill entitled:

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

Was taken up.

Thereupon, pending third reading of the bill, Senator Lyons moved to amend the bill by in Sec. 5, 18 V.S.A. § 1773(a)(67), by striking out “or a chemical compound meant to replace perfluoroalkyl and polyfluoroalkyl substances that has similar chemical properties”

Which was agreed to.

Thereupon, the bill was read the third time and passed on a roll call, Yeas 30, Nays 0.

Senator Lyons having demanded the yeas and nays, they were taken and are as follows:

**Roll Call**

**Those Senators who voted in the affirmative were:** Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram, Sears, Sirotkin, Starr, Terenzini, Westman, White.

**Those Senators who voted in the negative were:** None.

**Proposal of Amendment; Third Reading Ordered****H. 315.**

Senator Kitchel, for the Committee on Appropriations, to which was referred House bill entitled:

An act relating to COVID-19 relief.

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

\* \* \* Federal Funding, Administration \* \* \*

Sec. 1. FEDERAL FUNDS; ANTICIPATED RECEIPTS

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

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

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

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

(b) Prior to the close of fiscal year 2021, the Commissioner of Finance and Management is authorized to revert all unobligated CRF appropriations to the State CRF. In fiscal year 2021, the total amount of CRF reverted under this subsection shall be appropriated to the Department of Corrections for eligible costs and the same amount of general funds appropriated to the Department of Corrections shall be reverted.

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



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

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

(a) Appropriation.

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

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

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

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

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

(2) The business is organized and operated:

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) \$150,000.00.

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

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

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

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

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

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

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

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

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

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

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

(g) Auditing; compliance. The Agency shall include in all grant awards standard audit provisions, substantially similar to the audit provisions included pursuant to administrative bulletins 3.5 and 5.0, that provide that records pertaining to grant awards shall be retained and remain subject to audit and inspection by the Agency and the State Auditor of Accounts for a period of time specified by the Agency.

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

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

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

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Sec. 3b. VERMONT MICROBUSINESS DEVELOPMENT FUNDING

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

\* \* \* Housing and Homeowner Assistance \* \* \*

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

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

Sec. 5. HOMEOWNER; MORTGAGE ASSISTANCE FORECLOSURE  
PREVENTION

The sum of \$5,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Homeowner Assistance Fund in fiscal year 2021 to the Department of Housing and Community Development for a grant to the Vermont Housing Finance Agency to provide financial and technical assistance to stabilize low- and moderate-income homeowners and prevent home foreclosures for Vermont families. To the extent permitted by federal law and guidance, these funds may be used to provide mortgage assistance retroactively to January 1, 2021.

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

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

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

## Sec. 7. DEPARTMENT OF MENTAL HEALTH; HOUSING

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

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

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

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

The sum of \$150,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Mental Health in fiscal year 2021 for training and wellness supports for frontline health care workers to help them meet Vermont residents' current mental health needs, such as training for emergency department personnel

responding to an increased demand for crisis services as a result of the COVID-19 pandemic and training on trauma-informed and trauma-specific care for mental health professionals responding to the surge in mental health treatment needs. These workers would also benefit from wellness supports as they continue to care for people in crisis while experiencing their own stress, anxiety, and trauma as a result of the pandemic.

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

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

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

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

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

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

Sec. 11. GRANTS TO REACH UP PARTICIPANTS

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

Sec. 12. VERMONT FOOD BANK

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

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

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

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

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

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

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

\* \* \* Education \* \* \*

Sec. 15. SCHOOL INDOOR AIR QUALITY GRANT PROGRAM

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

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

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

#### Sec. 16. EDUCATION SERVICES; FEDERAL FUNDS APPROPRIATIONS

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

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

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

- (i) literacy assessments of students;
- (ii) the number of literacy instructors per enrolled students;
- (iii) the percentage of students eligible for free or reduced-priced meals;
- (iv) the percentage of students who are English language learners;
- (v) discrepancies in outcome data on literacy for students from historically underserved populations, including, to the extent that data is available in compliance with privacy laws, students who are Black, Indigenous, and Persons of Color and students on individualized education programs; and
- (vi) the extent to which teacher professional development is integrated with a multitiered system of supports.

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



funds appropriated in this subdivision (1) for this position.

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

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

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

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

#### Sec. 17. PRACTICAL NURSE; WORKFORCE FUNDING

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

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

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

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

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

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Sec. 18. WORKFORCE UPSKILL OPPORTUNITY

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

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

Sec. 19. RECENT HIGH SCHOOL GRADUATES; ADVANCEMENT OPPORTUNITY

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

\* \* \* Reserve for Retirement Related Obligations \* \* \*

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

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

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

\* \* \* Public Service; Broadband \* \* \*

Sec. 21. BROADBAND ALLOCATIONS AND APPROPRIATIONS

(a) Coronavirus Relief Fund (CRF) Authorization and Allocation: Notwithstanding any other provision of law to the contrary, the Department of

Public Service is authorized to use \$3,200,000.00 of the unobligated balance remaining from the CRF appropriated to the Department for broadband programs in 2020 Acts and Resolves No. 137 as follows:

(1) \$1,600,000.00 shall be allocated for additional assistance under the COVID-Response Line Extension Customer Assistance Program established in 2020 Acts and Resolves No. 137, Sec. 13. The customer costs eligible for financial assistance under this Program shall include costs for associated equipment such as routers and modems; and

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

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

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

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

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

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

(C) Wi-Fi hotspot license renewals.

\* \* \* Natural Resources and Agriculture \* \* \*

## Sec. 22. NATURAL RESOURCES AND AGRICULTURE

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

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

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

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

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

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

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

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

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

Sec. 23. 32 V.S.A. § 5824 is amended to read:

#### § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect on December 31, ~~2019~~ 2020, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 24. 32 V.S.A. § 7402(8) is amended to read:

(8) "Laws of the United States" means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2019~~ 2020. As used in this chapter, "Internal Revenue Code" has the same meaning as "laws of the United States" as defined in this subdivision.

\* \* \* Technical Assistance \* \* \*

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

(a) The sum of \$2,800,000.00 of Federal Elementary and Secondary Education Relief Funding is appropriated to the Agency of Education to fund a contract or contracts, for the period of award through December 2023, to provide support for Local Educational Agencies (LEAs) including charter

schools that are LEAs, in their utilization of Federal Elementary and Secondary School Emergency Relief Funds and with assistance in utilization of other federal funds received through the various federal budget processes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

\* \* \* Other Miscellaneous Amendments \* \* \*

#### Sec. 27. VERMONT CENTER FOR CRIME VICTIM SERVICES

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

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

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

#### Sec. 29. HEALTHCARE WAIVERS: LEGISLATIVE CAPACITY

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

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

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

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

\* \* \*

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

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

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

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

Sec. B.346 Total human services

Source of funds

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

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

Sec. 33. EFFECTIVE DATES

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

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

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

And that the bill ought to pass in concurrence with such proposal of amendment.

Thereupon, the bill was read the second time by title only pursuant to Rule 43.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Appropriations?, Senator Kitchel moved to amend the proposal of amendment of the Committee on Appropriations, as follows:

First: By adding a new section to be numbered Sec. 1a to read follows:

Sec. 1a. AMERICAN RESCUE PLAN ACT OF 2021: ACCEPTANCE OF SPECIFIC FEDERAL GRANTS

(a) Notwithstanding 32 V.S.A § 5, funds from the American Rescue Plan Act of 2021, the Coronavirus State Fiscal Recovery Fund, the Coronavirus Capital Projects Fund, and the Homeowner Assistance Fund shall be deposited into the State Treasury and are hereby accepted and shall be spent subject to appropriation.

(b) Notwithstanding 32 V.S.A § 5, any funds received through Section 2001 of the Elementary and Secondary School Emergency Relief Fund and not required to be made as subgrants to local educational agencies in the American Rescue Plan Act of 2021 shall be spent subject to appropriation.

Second: In Sec. 2, remaining coronavirus relief funds; carry forward, reversion, and application, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) Prior to the close of fiscal year 2021, the Commissioner of Finance and Management is authorized to revert all unobligated CRF appropriations to the State CRF. In fiscal year 2021, the total amount of CRF reverted under this subsection shall be appropriated to the Department of Corrections for CRF eligible public safety payroll and benefits costs and the same amount of



General Fund appropriated to the Department of Corrections shall be reverted. To the extent there are insufficient eligible public safety payroll and benefits costs, any remaining reverted CRF balance shall be appropriated to the Department of Corrections and the same amount of General Fund appropriated to the Department of Corrections shall be reverted in fiscal year 2022.

Third: In Sec. 5, homeowner; mortgage assistance foreclosure prevention, after the words “appropriated from” by striking out the following: the American Rescue Plan Act of 2021 – Homeowner Assistance Fund and inserting in lieu thereof the following: Coronavirus Relief Funds

Fourth: By adding a new section to be numbered Sec. 9a. to read as follows:

Sec. 9a. RECOVERY CENTER SUPPLEMENTAL GRANTS

(a) The sum of \$240,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the Department of Health to make grants of \$20,000.00 to cover the financial impacts of the ongoing COVID-19 pandemic at each of the recovery centers statewide.

Fifth: In Sec. 17, practical nurse; workforce funding, in subsection (a), in subdivision (3), after the words “allocated for tuition” by adding the words and fees and after the words “Vermont Technical College” by adding the words after available federal and State financial aid is applied to ensure no cost to the student

Sixth: In Sec. 25, provision of technical assistance services to local education agencies, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) The sum of \$2,800,000.00 is appropriated in fiscal year 2021 and to be carried forward, to the Agency of Education from federal funds for Elementary and Secondary School Relief (ESSR) funds provided in the American Rescue Plan Act of 2021 Section 2001(f)(1), to fund a contract or contracts, for the period of award through December 2023, to provide support for Local Educational Agencies (LEAs), including charter schools that are LEAs, in their utilization of Federal Elementary and Secondary School Emergency Relief Funds and with assistance in utilization of other federal funds received through the various federal budget processes.

Seventh: In Sec. 33, effective dates, in the first sentence after the words “This act shall take” by adding the words effect on

Which was agreed to.

Thereupon, the proposal of amendment of the Committee on Appropriations, as amended, was agreed to and third reading of the bill was ordered.

### **Bills Passed**

Senate bills of the following titles were severally read the third time and passed:

**S. 30.** An act relating to prohibiting possession of firearms at childcare facilities, hospitals, and certain public buildings.

**S. 47.** An act relating to motor vehicle manufacturers and motor vehicle warranty or service facilities.

### **Consideration Postponed**

Senate bill entitled:

#### **S. 102.**

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

Was taken up.

Thereupon, pending the reading of the report of the Committee on Agriculture, Senator Starr moved that consideration of the bill be postponed until Wednesday, March 24, 2021, which was agreed to to.

### **Third Reading Ordered**

#### **S. 114.**

Senate committee bill entitled:

An act relating to improving prekindergarten through grade 12 literacy within the State.

Having appeared on the Calendar for notice for one day, was taken up.

Senator Baruth, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill be amended as follows:

First: By striking out Sec. 3 (Literacy grant funding; appropriation) in its entirety.

Second: By striking out Sec. 4 (Agency of Education; staffing) in its entirety.

Third: By striking out Sec. 8 (Agency of Education; annual budget request) in its entirety.

And by renumbering the remaining sections of the bill to be numerically correct.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

### **House Proposal of Amendment Concurred In**

#### **S. 117.**

House proposal of amendment to Senate bill entitled:

An act relating to extending health care regulatory flexibility during and after the COVID-19 pandemic and to coverage of health care services delivered by audio-only telephone.

Was taken up.

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

By striking out Sec. 11, 18 V.S.A. § 1129, in its entirety and inserting in lieu thereof the following:

Sec. 11. [Deleted.]

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

### **House Concurrent Resolutions**

The following joint concurrent resolutions having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were severally adopted in concurrence:

By Reps. Redmond and others,

#### **H.C.R. 27.**

House concurrent resolution recognizing July 2021 as Park and Recreation Month in Vermont and designating July 16, 2021 as Vermont Park and Recreation Professionals Day.

By Rep. Wood,

#### **H.C.R. 28.**

House concurrent resolution honoring Dr. William Ashe for his leadership and service on behalf of Vermonters with developmental and intellectual disabilities.

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**Message from the House No. 37**

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

**H. 87.** An act relating to establishing a classification system for criminal offenses.

**H. 145.** An act relating to amending the standards for law enforcement use of force.

**H. 154.** An act relating to the failure of municipal officers to accept office.

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

In the passage of which the concurrence of the Senate is requested.

The House has adopted House concurrent resolutions of the following titles:

**H.C.R. 27.** House concurrent resolution recognizing July 2021 as Park and Recreation Month in Vermont and designating July 16, 2021 as Vermont Park and Recreation Professionals Day.

**H.C.R. 28.** House concurrent resolution honoring Dr. William Ashe for his leadership and service on behalf of Vermonters with developmental and intellectual disabilities.

In the adoption of which the concurrence of the Senate is requested.

**Adjournment**

On motion of Senator Balint, the Senate adjourned, to reconvene on Tuesday, March 23, 2021, at nine o'clock and thirty minutes in the forenoon pursuant to J.R.S. 19.