

Journal of the Senate

TUESDAY, MAY 18, 2021

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

The President then led the members of the Senate in the pledge of allegiance.

Message from the House No. 73

A message was received from the House of Representatives by Ms. Melissa Kucserik, its First Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered a bill originating in the Senate of the following title:

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

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

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

H. 426. An act relating to addressing the needs and conditions of public school facilities in the State.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

J.R.H. 2. Joint resolution sincerely apologizing and expressing sorrow and regret to all individual Vermonters and their families and descendants who were harmed as a result of State-sanctioned eugenics policies and practices.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

Bill Referred to Committee on Appropriations

H. 157.

House bill of the following title, appearing on the Calendar for notice and carrying an appropriation or requiring the expenditure of funds, under the rule was referred to the Committee on Appropriations:

An act relating to registration of construction contractors.

Joint Resolution Referred

Pursuant to Temporary Rule 44A the following joint resolution having failed to meet cross-over and being released by the Committee on Rules was referred to its respective committee of jurisdiction:

J.R.H. 6

Joint resolution relating to racism as a public health emergency.

To the Committee on Health and Welfare.

Senate Resolution Referred

S.R. 10.

Senate resolution of the following title was offered, read the first time and is as follows:

Senate resolution condemning anti-Asian and anti-Pacific Islander hate in the United States and recognizing May 2021 as Asian American, Native Hawaiian, and Pacific Islander Heritage Month in Vermont.

Whereas, Americans of Asian descent, including Native Hawaiians and Pacific Islanders, have made noteworthy contributions to our society, and

Whereas, their roles during the COVID-19 pandemic as first responders, health care providers, and medical scientists have been vital, and

Whereas, despite the historic election of Kamala Harris as our nation's first Vice President of South Asian heritage, the presence of hateful attitudes towards Asian Americans attracted national attention with the recent violent deaths of six Asian women in the Atlanta area, and

Whereas, the Stop AAPI Hate Reporting Center reported 6,603 incidents of hatred directed at Asian Americans from March 19, 2020 through March 31, 2021, with the number of these incidents having "increased significantly . . . during March 2021," and

Whereas, 12.6 percent of the reported hate incidents were categorized as physical assaults, including attacks against the elderly, and 65.2 percent were classified as verbal harassment, and

Whereas, in August 2020, several United Nations anti-discrimination groups issued a joint document reporting that “[r]acially motivated violence and other incidents against Asian-Americans have reached an alarming level across the United States since the outbreak of COVID-19,” and

Whereas, on April 29, 2021, the United States Senate, by unanimous consent, passed Senate Resolution 200 “condemning recent hate crimes committed against Asian American and Pacific Islanders,” which called on federal and state officials to “expeditiously and vigorously investigate all reports of” hate crimes against Asian Americans and Pacific Islanders and to hold the perpetrators of these crimes accountable, and

Whereas, now is an important moment to recognize, as has President Biden in a recent presidential proclamation, the importance of Asian Americans to our nation’s strength and to its rich cultural diversity, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont condemns anti-Asian and anti-Pacific Islander hate in the United States and recognizes May 2021 as Asian American, Native Hawaiian, and Pacific Islander Heritage Month in Vermont, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to the Asian Pacific Islander Desi Americans of Vermont and to the Vermont Congressional Delegation.

Thereupon, the President, in her discretion, treated the joint resolution as a bill and referred it to the Committee on Economic Development, Housing and General Affairs.

**House Proposal of Amendment to Senate Proposal of Amendment
Concurred In**

H. 438.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to capital construction and State bonding.

Were taken up.

The House concurs in the Senate proposal of amendment with further amendments thereto as follows:

First: In Sec. 4, Commerce and Community Development, by striking out the newly relettered subsection (c) in its entirety and inserting in lieu thereof the following:

(c) For the amount appropriation in subdivision (a)(2) of this section, not more than \$10,000.00 shall be used as follows:

(1) to open two new underwater preserves at the Potash Point Canalboat site and the Pine Street Barge Canal Breakwater Graveyard site; and

(2) to prepare documentation for the Isle La Motte Wreck site and the Providence Island Wreck site.

Second: By adding a Sec. 21a to read as follows:

Sec. 21a. 13 BALDWIN STREET; SALE OF PROPERTY

The Commissioner of Buildings and General Services is authorized to sell the property located at 13 Baldwin Street in Montpelier, Vermont pursuant to the requirements of 29 V.S.A. § 166. The proceeds from the sale shall be appropriated to future capital construction projects.

Third: In Sec. 22, 2018 Acts and Resolves No. 84, Sec. 2(c)(12), by inserting “(Office of Legislative Information Technology)” after “~~(Agency of Digital Services)~~”

Fourth: By inserting after the newly renumbered Sec. 25, Federal Funds; Capital Projects, a Sec. 25a to read as follows:

Sec. 25a. USE OF FEDERAL FUNDS; WATER AND SEWER
INFRASTRUCTURE; FY 2022

In FY 2022, if the Commissioner of Finance and Management offsets any capital funds appropriated in this act for water and sewer infrastructure projects with federal funds from the American Rescue Plan Act pursuant to the process set forth in the FY 2022 Appropriations Act, then any offset amounts shall be reused for future capital construction projects in the fiscal years 2022–2023 capital budget adjustment process.

Fifth: By striking out all after the newly renumbered Sec. 29, 24 V.S.A. § 4764, and inserting in lieu thereof the following:

Sec. 30. MORATORIUM ON LAKE ENCROACHMENT PERMITS FOR
SINKING OF VESSEL

Notwithstanding the authority of the Department of Environmental Conservation (Department) under 29 V.S.A. chapter 11 to authorize encroachments on lakes and ponds and lands lying thereunder, the Department shall not issue a lake encroachment permit for the intentional sinking of a

vessel in any lake or pond within the jurisdiction of the Department during the period beginning on the effective date of this act and ending on July 1, 2024.

* * * Legislative Branch * * *

Sec. 31. 2020 Acts and Resolves No. 154, E. 126.3 is amended to read:

Sec. E.126.3 GENERAL ASSEMBLY; STATE BUILDINGS; USE OF SPACE; AUTHORITY OF SERGEANT AT ARMS; ~~2021–22 LEGISLATIVE BIENNIUM~~

(a) Notwithstanding the provisions of 29 V.S.A. § 165 and any other provision of law to the contrary, in order to perform its constitutional duties, the Legislative Branch shall have exclusive use of alternative locations during the 2021–22 legislative biennium, including the following:

(1) 133 State Street:

(A) Basement: ~~stœck room and~~ rooms 012, 016, ~~015, and 021, and~~ 022.

(B) First Floor: rooms 121, ~~122,~~ and 126.

(C) Fourth Floor: board room.

~~(D) Fifth Floor: entire floor.~~

(2) 109 State Street:

(A) Basement: rooms B07 and B015 and surrounding space;

(B) Second floor: rooms 264, 267, 268, and 270.

(C) Fourth floor: conference room.

(3) 111 State Street: library stacks room on the second floor.

(b) Notwithstanding the provisions of 29 V.S.A. § 165 and any other provision of law to the contrary, in order to perform its constitutional duties, beginning July 1, 2021, the Legislative Branch shall have the exclusive use of the following space:

(1) 2 Aiken Street: entire building.

(2) 4 Aiken Street: entire building.

(3) 133 State Street:

(A) Basement: rooms 015 and 022.

(B) First Floor: rooms 122 and 125.

(c) The Sergeant at Arms and the Commissioner of Buildings and General Services shall consider ways to address any disruption to the functionality of the Executive and Legislative Branches in shared State building space.

(e)(d) The authority of the Sergeant at Arms set forth in 2 V.S.A. chapter 62 shall apply in any rooms or spaces occupied by the Legislative Branch.

Sec. 32. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE HOUSE; STATE HOUSE LEGISLATIVE SPACE AND DESIGN; REPORT

(a)(1) The Legislative Advisory Committee on the State House shall review and make recommendations on any space and design proposals for the State House. The review shall take into account the Freeman, French, and Freeman, Legislative Space Study, 2021–2022, dated April 26, 2021. Prior to making any recommendations, the Committee shall consult with legislators, legislative staff, and relevant stakeholders on space needs.

(2) The Committee shall have the assistance of a planning architect from the Department of Buildings and General Services.

(b) On or before August 15, 2021, the Committee shall submit a report with its recommendations to the Joint Legislative Management Committee, the Joint Rules Committee, the House Committee on Corrections and Institutions, and the Senate Committee on Institutions.

Sec. 33. 2 V.S.A. § 651 is amended to read:

§ 651. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE HOUSE

(a) The Legislative Advisory Committee on the State House is created.

(b) The Committee shall be composed of ~~11~~ 13 members:

(1) ~~three~~ four members of the House of Representatives, appointed biennially by the Speaker of the House;

(2) ~~three~~ four members of the Senate, appointed biennially by the Committee on Committees;

(3) the Chair of the Board of Trustees of the Friends of the Vermont State House;

(4) the Director of the Vermont Historical Society;

(5) the Director of the Vermont Council on the Arts;

(6) the Commissioner of Buildings and General Services; and

(7) the Sergeant at Arms.

(c) The Committee shall biennially elect a chair from among its legislative members. A quorum shall consist of ~~six~~ seven members.

* * *

* * * Public Safety * * *

Sec. 34. WILLISTON PUBLIC SAFETY BARRACKS; SALE

The Commissioner of Buildings and General Services is authorized to sell the property known as the Williston Public Safety Barracks (State Office Building) located at 2777 St. George Road in Williston, Vermont pursuant to the requirements of 29 V.S.A. § 166. The proceeds from the sale shall be appropriated to future capital construction projects.

* * * Effective Date * * *

Sec. 35. EFFECTIVE DATE

This act shall take effect on passage.

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

Bills Passed in Concurrence with Proposals of Amendment

House bills of the following titles were severally read the third time and passed in concurrence with proposals of amendment:

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

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

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

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

Proposal of Amendment; Third Reading Ordered

H. 431.

Senator Pearson, for the Committee on Finance, to which was referred House bill entitled:

An act relating to miscellaneous energy subjects.

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:

* * * Occupational Safety and Health * * *

Sec. 1. 30 V.S.A. § 207 is amended to read:

§ 207. REPORT OF ACCIDENTS; INVESTIGATION

The superintendent or manager of any line or plant, subject to supervision under this chapter, shall, immediately after its occurrence, notify the Department in writing of any accident that occurs within this State ~~immediately after its occurrence~~, upon such line or plant resulting that results in loss of life or injury to any person that ~~shall incapacitate~~ incapacitates him or her from engaging in his or her usual vocations. ~~The~~ If the accident is subject to investigation by VOSHA pursuant to 21 V.S.A. chapter 3, subchapters 4 and 5, the Department shall provide support as requested by VOSHA, and VOSHA shall, to the extent permitted by law, provide the Department with any information pertaining to the investigation that is requested by the Department. If the accident it not subject to investigation by VOSHA, the Department shall inquire into the cause of every such the accident, and if, in its judgment, a public investigation is necessary, it shall fix a time and place of holding the same, and shall thereupon proceed as provided in 5 V.S.A. § 3454 relating to investigation of accidents upon railroads shall make any recommendations to the company and to the Public Utility Commission as appropriate.

* * * Public Records Act * * *

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

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

* * *

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

* * *

(43) Records relating to a regulated utility's cybersecurity program, assessments, and plans, including all reports, summaries, compilations, analyses, notes, or other cybersecurity information.

* * *

* * * Energy Storage * * *

Sec. 3. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

~~In~~ As used in this chapter:

* * *

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

* * *

(D) The word “development” does not include:

* * *

(ii) The construction of improvements for an electric generation, energy storage, or transmission facility that requires a certificate of public good under 30 V.S.A. § 248, or is subject to regulation under 30 V.S.A. § 8011, a natural gas facility as defined in 30 V.S.A. § 248(a)(3), or a telecommunications facility issued a certificate of public good under 30 V.S.A. § 248a.

* * *

Sec. 4. 24 V.S.A. § 4413 is amended to read:

§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS

* * *

(b) A bylaw under this chapter shall not regulate ~~public utility power generating plants~~ electric generation facilities, energy storage facilities, and transmission facilities regulated under 30 V.S.A. § 248 or subject to regulation under 30 V.S.A. § 8011.

* * *

Sec. 5. 30 V.S.A. § 201 is amended to read:

§ 201. DEFINITIONS

As used in this chapter:

* * *

(4) “Energy storage facility” means a stationary device or system that captures energy produced at one time, stores that energy for a period of time, and delivers or may deliver that energy as electricity to the grid for use at a future time ~~uses mechanical, chemical, or thermal processes to store energy for export to the grid.~~

(5) “Energy storage aggregation” means a virtual resource formed by combining multiple stationary energy storage devices at different points of interconnection on the distribution system.

(6) “Energy storage aggregator” means an entity other than a distribution utility that is operating an energy storage aggregation of 100 kW or greater aggregate nameplate capacity.

Sec. 6. 30 V.S.A. § 203 is amended to read:

§ 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES

* * *

(1) A company engaged in the manufacture, transmission, distribution, storage, or sale of gas or electricity directly to the public or to be used ultimately by the public for lighting, heating, or power and so far as relates to their use or occupancy of the public highways.

(2) That part of the business of a company that consists of the manufacture, transmission, distribution, storage, or sale of gas or electricity directly to the public or to be used ultimately by the public for lighting, heating, or power and so far as relates to their use or occupancy of the public highways.

* * *

(8) For purposes of this section, “storage” has the same meaning as “energy storage facility” as defined in section 201 of this title.

Sec. 7. 30 V.S.A. § 209 is amended to read:

§ 209. JURISDICTION; GENERAL SCOPE

* * *

(k) Energy storage facilities. Except when owned by a retail distribution utility, an energy efficiency utility, or the Vermont Electric Power Company, Inc., competitive suppliers of energy storage services that do not serve retail customers shall be exempt from sections 107, 108, and 109 of this title.

Sec. 8. 30 V.S.A. § 231 is amended to read:

§ 231. CERTIFICATE OF PUBLIC GOOD; ABANDONMENT OF SERVICE; HEARING

* * *

(c) An energy storage aggregator that operates an energy storage facility is subject to this section only if the aggregator is not a retail electric provider.

Sec. 9. 30 V.S.A. § 248 is amended to read:

§ 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND FACILITIES; CERTIFICATE OF PUBLIC GOOD

(a)(1) No company, as defined in section 201 of this title, may:

* * *

(4)(A) With respect to a facility located in the State, in response to a request from one or more members of the public or a party, the Public Utility Commission shall hold a nonevidentiary public hearing on a petition for such finding and certificate in at least one county in which any portion of the construction of the facility is proposed to be located. The Commission in its discretion may hold a nonevidentiary public hearing in the absence of any request from a member of the public or a party. From the comments made at a public hearing, the Commission shall derive areas of inquiry that are relevant to the findings to be made under this section and shall address each such area in its decision. Prior to making findings, if the record does not contain evidence on such an area, the Commission shall direct the parties to provide evidence on the area. This subdivision does not require the Commission to respond to each individual comment.

* * *

(F) The following shall apply to the participation of the Agency of Agriculture, Food and Markets in proceedings held under this subsection:

(i) In any proceeding regarding an electric generation facility that will have a capacity greater than 500 kilowatts or an energy storage facility that will have a capacity greater than 1 megawatt and will be sited on a tract containing primary agricultural soils as defined in 10 V.S.A. § 6001, the Agency shall appear as a party and provide evidence and recommendations concerning any findings to be made under subdivision (b)(5) of this section on those soils, and may provide evidence and recommendations concerning any other matters to be determined by the Commission in such a proceeding.

* * *

(J) This subdivision (J) applies to an application for an electric generation facility with a capacity that is greater than 50 kilowatts and to an application for an energy storage facility that is greater than 1 megawatt, unless the facility is located on a new or existing structure the primary purpose of which is not the generation of electricity. In addition to any other information required by the Commission, the application for such a facility shall include information that delineates:

* * *

(k)(1) Notwithstanding any other provisions of this section, the Commission may waive, for a specified and limited time, the prohibitions contained in this section upon site preparation for or construction of an electric transmission facility, ~~or a generation facility, or an energy storage facility~~ as necessary to ensure the stability or reliability of the electric system or a natural gas facility, pending full review under this section.

* * *

(l) Notwithstanding other provisions of this section, and without limiting any existing authority of the Governor, and pursuant to 20 V.S.A. § 9(10) and (11), when the Governor has proclaimed a state of emergency pursuant to 20 V.S.A. § 9, the Governor, in consultation with the Chair of the Public Utility Commission and the Commissioner of Public Service or their designees, may waive the prohibitions contained in this section upon site preparation for or construction of an electric transmission facility, ~~or a generation facility, or an energy storage facility~~ as necessary to ensure the stability or reliability of the electric system or a natural gas facility. Waivers issued under this subsection shall be subject to such conditions as are required by the Governor, and shall be valid for the duration of the declared emergency plus 180 days, or such lesser overall term as determined by the Governor. Upon the expiration of a waiver under this subsection, if a certificate of public good has not been issued under this section, the Commission shall require the removal, relocation, or alteration of the facilities, subject to the waiver, as the Commission finds will best promote the general good of the State.

* * *

(u) ~~For an energy storage facility, A~~ a certificate under this section shall only be required for an energy storage a stationary facility exporting to the grid that has a capacity of 500 100 kW or greater, unless the Commission establishes a larger threshold by rule. The Commission shall establish a simplified application process for energy storage facilities subject to this section with a capacity of up to 1 MW, unless it establishes a larger threshold by rule. For facilities eligible for this simplified application process, a certificate of public good will be issued by the Commission by the forty-sixth day following filing of a complete application, unless a substantive objection is timely filed with the Commission or the Commission itself raises an issue. The Commission may require facilities eligible for the simplified application process to include a letter from the interconnecting utility indicating the absence or resolution of interconnection issues as part of the application.

Sec. 10. 30 V.S.A. § 8002 is amended to read:

§ 8002. DEFINITIONS

As used in this chapter:

* * *

(30) “Energy storage facility” has the same meaning as in section 201 of this title.

Sec. 11. 30 V.S.A. § 8011 is added to read:

§ 8011. ENERGY STORAGE FACILITIES

(a) The Commission may adopt and implement rules that govern the installation and operation of energy storage facilities of all sizes.

(b) The rules may establish a size threshold below which storage facilities need not submit an application for a certificate of public good pursuant to section 248 of this title.

(c) The rules may include provisions that govern:

(1) the respective duties of retail electricity providers and energy storage facility owners or operators;

(2) the electrical and fire safety, power quality, interconnection, metering, and decommissioning of energy storage facilities;

(3) the resolution of disputes between energy storage facility owners, operators, and the interconnecting provider;

(4) energy storage aggregators and the operation of aggregations; and

(5) energy storage facilities paired with other resources, such as net metering and standard offer plants, including retrofits of existing plants.

(c) The rules shall establish standards and procedures governing application for and issuance or revocation of a certificate of public good for certain energy storage facilities under the provisions of section 248 of this title. In establishing these standards and procedures, the rules may:

(1) waive the requirements of section 248 of this title that are not applicable to energy storage facilities, including criteria that are generally applicable to public service companies as defined in this title;

(2) modify notice and hearing requirements of this title as the Commission considers appropriate; and

(3) seek to simplify the application and review process.

Sec. 12. PUBLIC UTILITY COMMISSION RULEMAKING;
INTERCONNECTION RULE

On or before March 15, 2022, the Public Utility Commission shall propose an updated interconnection rule that:

(1) incorporates energy storage facilities with a capacity of 1 MW or more; and

(2) incorporates a simplified process for energy storage facilities with a capacity of between 100 kW and 1 MW.

* * * Nuclear Decommissioning Citizens Advisory Panel * * *

Sec. 13. 18 V.S.A. § 1700 is amended to read:

§ 1700. CREATION; MEMBERSHIP; OFFICERS; QUORUM

(a) There is created the Nuclear Decommissioning Citizens Advisory Panel that shall consist of the following:

(1) The Secretary of Human Services, ex officio, or designee.

(2) The Secretary of Natural Resources, ex officio, or designee.

(3) The Commissioner of Public Service, ex officio, or designee.

(4) The Secretary of Commerce and Community Development, ex officio, or designee.

(5) One member of the House Committee on Energy and Technology, chosen by the Speaker of the House.

(6) One member of the Senate Committee on Natural Resources and Energy, chosen by the Committee on Committees.

(7) One representative of the Windham Regional Commission or designee, selected by the Regional Commission.

(8) ~~One representative~~ Two representatives of the Town of Vernon or ~~designee~~ designees, selected by the legislative body of that town.

(9) Six members of the public, two each selected by the Governor, the Speaker of the House, and the President Pro Tempore of the Senate. Under this subdivision, each appointing authority initially shall appoint a member for a three-year term and a member for a four-year term. Subsequent appointments under this subdivision shall be for terms of four years.

(10) Two representatives of the owners of the Vermont Yankee Nuclear Power Station (VYNPS or Station) ~~selected by the owner of the Station site.~~

(11) ~~A representative of the International Brotherhood of Electric Workers (IBEW) selected by the IBEW who shall be a present or former employee at the VYNPS.~~

(12) One optional member who will represent collectively the Towns of Chesterfield, Hinsdale, Richmond, Swanzey, and Winchester, New Hampshire, when selected by the Governor of New Hampshire at the invitation of the Commissioner of Public Service.

(12) One optional member who will represent collectively the Towns of Bernardston, Colrain, Gill, Greenfield, Leyden, Northfield, and Warwick, Massachusetts, when selected by the Governor of Massachusetts at the invitation of the Commissioner of Public Service.

(b) Ex officio members shall serve for the duration of their time in office or until a successor has been appointed. Members of the General Assembly shall be appointed for two years or until their successors are appointed, beginning on or before January 15 in the first year of the biennium. Representatives designated by ex officio members shall serve at the direction of the designating authority.

* * *

(f) Members of the panel who are not ex officio members, employees of the State of Vermont, representatives of the VYNPS owners of the Vermont Yankee site, or members representing towns outside Vermont, and who are not otherwise compensated or reimbursed for their attendance, shall be entitled to \$50.00 per diem and their necessary and actual expenses. Funds for this purpose shall come from the monies collected under 30 V.S.A. § 22 for the purpose of maintaining the Department of Public Service. Legislative members shall not be entitled to a per diem under this section for meetings while the General Assembly is in session.

(g) The Commissioner of Public Service shall:

* * *

(6) hire experts, contract for services, and provide for materials and other reasonable and necessary expenses of the Panel as the Commissioner may consider appropriate on request of the Panel from time to time. Funds for this purpose shall come from the ~~monies collected under 30 V.S.A. § 22 for the purpose of maintaining the Department of Public Service and such other sources as may be or become available.~~ owners of the Vermont Yankee site as the Commissioner of Public Service may consider appropriate, not to exceed \$35,000.00 annually. The obligation to support the Panel's activities shall cease upon the submission of the application for Partial License Termination by the owners of the Vermont Yankee site to the U.S. Nuclear Regulatory

Commission. On or before June 30 annually, the Commissioner of Public Service shall render to the owners of the Vermont Yankee site a statement detailing the amount of money expended or contracted for under this subdivision (6), which shall be paid within 30 days by the owners of the Vermont Yankee site into the special fund established pursuant to 30 V.S.A. § 22 for the purpose of maintaining the Department of Public Service and Public Utility Commission. The funds paid into the special fund by the owners of the Vermont Yankee site shall be paid solely to the Department. Within 30 days after receiving the statement of funds due, the owners of the Vermont Yankee site may petition the Public Utility Commission for a hearing to review and determine the necessity and reasonableness of such expenses. Following the review, the Public Utility Commission may amend or revise the cost assessments as it deems appropriate.

Sec. 14. 18 V.S.A. § 1701 is amended to read:

§ 1701. DUTIES

The Panel shall serve in an advisory capacity only and shall not have authority to direct decommissioning of the ~~VYNPS~~ Vermont Yankee site. The duties of the Panel shall be:

(1) To hold a minimum of ~~four~~ three public meetings each year for the purpose of discussing issues relating to the decommissioning of ~~the VYNPS Vermont Yankee~~. The Panel may hold additional meetings.

(2) To advise the Governor, the General Assembly, the agencies of the State, and the public on issues related to the decommissioning of ~~the VYNPS Vermont Yankee~~, with a written report being provided annually to the Governor and to the energy committees of the General Assembly. The provisions of 2 V.S.A. § 20(d) (expiration of reports) shall not apply to this report.

(3) To serve as a conduit for public information and education on and to encourage community involvement in matters related to the decommissioning of ~~the VYNPS Vermont Yankee~~ and to receive written reports and presentations on the decommissioning of the ~~Station~~ site at its regular meetings.

(4) To periodically receive reports, including those required by the Public Utility Commission Docket No. 8880 Order, on the Decommissioning Trust Fund and other funds associated with decommissioning of or site restoration at ~~the VYNPS Vermont Yankee~~, including fund balances, expenditures made, and reimbursements received.

(5) To receive reports and presentations at regular meetings regarding the decommissioning progress and plans for the VYNPS Vermont Yankee,

including any site assessments and post-shutdown decommissioning assessment reports; provide a forum for receiving public comment on these plans and reports; and to provide comment on these plans and reports as the Panel may consider appropriate to State agencies and the owner of the ~~VYNPS Vermont Yankee~~ and in the annual report described in subdivision (2) of this subsection.

Sec. 15. 18 V.S.A. § 1702 is amended to read:

§ 1702. ASSISTANCE

The Department of Public Service, the Agency of Human Services, and the Agency of Natural Resources shall furnish administrative support to the Panel, with assistance from the owners of the ~~VYNPS Vermont Yankee site~~ as the Commissioner of Public Service may consider appropriate.

* * * Energy Storage; Uniform Capacity Tax * * *

Sec. 16. 32 V.S.A. § 8701 is amended to read:

§ 8701. UNIFORM CAPACITY TAX

(a) As used in this section, the terms “energy storage facility,” “kW,” “kWh,” “plant,” “plant capacity,” and “renewable energy” shall be as defined in 30 V.S.A. §§ 201(4) and 8002; provided, however, that any tax or exemption under this chapter shall only apply to the fixtures and personal property of a plant, and not to the underlying land.

(b)(1) There is assessed on any renewable energy plant in Vermont commissioned to generate solar power an annual tax of \$4.00 per kW of plant capacity.

(2) There is assessed on any stationary grid-connected energy storage facility in Vermont that has a plant energy rating of 600 kWh or larger and that is not connected to a renewable energy plant an annual tax of \$0.50 per kWh of plant energy rating.

(3) The tax imposed under this section shall be paid to the Department of Taxes ~~no~~ not later than April 15 of each year and accompanied by a return with such information as the Department of Taxes may require. The Department of Taxes shall deposit the taxes collected under this section into the Education Fund. The Department of Taxes may adopt procedures and rules necessary to implement the tax in this section.

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity of less than 50kW. An energy storage facility shall be exempt from taxation under this section if it has a plant energy rating of less than 600 kWh.

(d) The existence of a renewable energy plant or energy storage facility subject to tax under subsection (b) of this section shall not:

(1) alter the exempt status of any underlying property under section 3802 or subdivision 5401(10)(F) of this title; or

(2) alter the taxation of the underlying property under chapter 135 of this title.

* * * Property Tax * * *

Sec. 17. 32 V.S.A. § 3800(n) is added to read:

(n) The statutory purpose of the exemptions for renewable energy plants generating electricity from solar power in subdivision 3802(17) of this title and for energy storage facilities in subdivision 3802(19) of this title is to lower the cost of generating and storing electricity from solar power for smaller plants and facilities.

Sec. 18. 32 V.S.A. § 3802 is amended to read:

§ 3802. PROPERTY TAX

The following property shall be exempt from taxation:

* * *

(17) Real and personal property, except land, ~~composing~~ comprising a renewable energy plant generating electricity from solar power ~~which~~ that has a plant capacity of less than 50 kW and is either:

(A) operated on a net-metered system; or

(B) not connected to the electric grid and provides power only on the property on which the plant is located.

(18) [Repealed.]

(19) Real and personal property, except land, comprising an energy storage facility that has a plant energy rating of less than 600 kWh.

Sec. 19. 32 V.S.A. § 3481(1)(E) is added to read:

(E) For real and personal property comprising an energy storage facility, except land and property that is exempt under subdivision 3802(19) of this title, the appraisal value shall be \$0.25 per kWh of plant energy rating.

Sec. 20. 32 V.S.A. § 5401(10) is amended to read:

(10) “Nonhomestead property” means all property except:

* * *

(J) Buildings and fixtures of:

(i) wind-powered electric generating facilities taxed under section 5402c of this title; and

(ii) renewable energy plants generating electricity from solar power and energy storage facilities that are taxed under section 8701 of this title.

* * * Tax exemption; Fuels * * *

Sec. 21. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title-;

* * *

(26) Sales of electricity, oil, gas, and other fuels used in a residence for all domestic use, including heating, but not including fuel sold at retail in free-standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. Wood pellets sold to an individual on the vendor's premises or delivered to an individual's residence shall be presumed to be purchased for residential use and shall be exempt sales under this subdivision unless the vendor knew or ought reasonably to have known that the wood pellets were not purchased for residential use. A certificate of exemption shall not be required for exempt retail sales of wood pellets to an individual. The Commissioner shall by rule determine that portion of the sales attributable to domestic use where fuels are used for purposes in addition to domestic use.

* * *

* * * Effective Dates * * *

Sec. 22. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except that Sec. 9 (30 V.S.A. § 248) shall take effect on December 31, 2022 and Sec. 21 (32 V.S.A. § 9741) shall take effect on passage.

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

Senator Kitchel, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Finance.

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

Proposal of Amendment; Third Reading Ordered

H. 443.

Senator Collamore, for the Committee on Government Operations, to which was referred House bill entitled:

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

Reported recommending that the Senate propose to the House to amend the bill in Sec. 3, effective date, immediately following the words "This act shall take effect on" by striking out the date "July 1, 2021" and inserting in lieu thereof the date June 30, 2021 before the period.

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, the proposal of amendment was agreed to, and third reading of the bill was ordered.

Rules Suspended; Bills Messaged

On motion of Senator Balint, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 88, H. 106, H. 135, H. 436, H. 438.

House Proposal of Amendment Concurred In

S. 15.

House proposal of amendment to Senate bill entitled:

An act relating to correcting defective ballots.

Was taken up.

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

* * * Candidate Nicknames * * *

Sec. 1. 17 V.S.A. § 2361 is amended to read:

§ 2361. CONSENT OF CANDIDATE

(a) A candidate for whom petitions containing sufficient valid signatures

have been filed shall file with the official with whom the petitions were filed a consent to the printing of the candidate's name on the ballot. The Secretary of State shall prepare and furnish forms for this purpose.

(b)(1) The consent shall set forth the name of the candidate, as the candidate wishes to have it printed on the ballot, the candidate's town of residence, and correct mailing address.

(2) If a candidate wishes to use a nickname, the format on the ballot shall be the candidate's first name, the nickname set off in quotations, and the candidate's last name.

(A) A nickname of one or two words by which the candidate has been commonly known for at least three years preceding the election may be used in combination with a candidate's name. A nickname that constitutes a slogan or otherwise indicates a political, economic, social, or religious view or affiliation may not be used.

(B) A nickname may not be used unless the candidate executes and files with the application for a place on the ballot an affidavit indicating that the nickname complies with this subsection.

(3) Professional titles such as "Dr.," "Esq.," or "CPA" shall not be used as part of a candidate's name on the ballot.

(c) The consent shall be filed on or before the day petitions are due. Unless a consent is filed, the candidate's name shall not be printed on the primary ballot.

* * * Outdoor and Drive-up Polling Places * * *

Sec. 2. 17 V.S.A. § 2502 is amended to read:

§ 2502. LOCATION OF POLLING PLACES; OUTDOOR POLLING PLACES

(a) Each polling place shall be located in a public place within the town.

(b) Outdoor polling places. A polling place may be located outdoors if it can be operated in a manner consistent with the provisions of this chapter.

(1) The board of civil authority shall designate the outdoor area that comprises the "polling place" for purposes of restrictions and requirements for polling places imposed pursuant to this chapter, including the restrictions on campaigning and other activities within the building containing the polling place described in subdivisions 2508(a)(1)(A) and (B) of this subchapter.

(2) An indoor polling place alternative shall be available at or near the same physical location as the outdoor polling place in case of inclement

weather. If conditions require use of the indoor alternative, the Secretary of State's office shall be notified immediately of the change.

(3) Candidates and members of the public who would otherwise be allowed to campaign outside an indoor polling place shall be kept a reasonable distance from the outdoor polling place such that any campaigning does not disrupt or interfere in any way with the voting process.

(c) Drive-up voting. Voting may be conducted by a drive-through or drive-up voting method at a polling place if the voting process can be operated in a manner consistent with the provisions of this chapter.

(1) Drive-up voting procedures shall enable voters to complete the voting process without leaving their vehicle, allowing the voters to deposit their ballots directly into a tabulator or secure ballot box that may be brought to the window of the vehicle or located in such a manner that it can be accessed from the vehicle or providing voters an envelope or folder in which to place their voted ballots before handing it to an election official for processing.

(2) Polling places conducting drive-up voting shall also accommodate walk-in voters and those using other forms of transport.

(d) Ballot transfer. If a polling place is outside or if voting is conducted by a drive-up method, ballots may be periodically transferred from a secure outdoor or drive-up ballot box to another secure container for counting after the close of the polls or to election officials who are processing ballots through the tabulator. Any such transfer shall be done in the presence of two election officials, if possible officials of different parties.

(b)(e) The Access. The accessible voting system shall be available for those who request it. Additionally, the board of civil authority shall take such measures as are necessary to assure ensure that voters who are elders or have a disability may conveniently and secretly cast their votes. Measures that may be taken shall include: location of polling places on the ground floor of a building; providing ramps, elevators, or other facilities for access to the polling place; providing a stencil overlay for ballots; providing a separate polling place with direct communication to the main polling place; and permitting election officials to carry a ballot to an elder or to a person who has a disability in order to permit that person to mark the ballot while in a motor vehicle adjacent to the polling place. For purposes of this subsection, the board of civil authority shall have full jurisdiction on the day of an election over the premises at which a polling place is located.

(e)(f) Polling place designation.

(1) Thirty days prior to a local, primary, or general election, the town clerk shall submit to the Secretary of State a list of polling places within the municipality that will be used in that election. The list shall include the name of the polling location, its physical address, and the time the polling place will open.

(2)(A) A municipality may change the location of a polling place less than 30 days prior to an election only in cases of emergency. If a municipality changes the location of a polling place less than 30 days prior to the election, the town clerk shall notify the Secretary of State within 24 hours of the change and provide the new polling place information.

(B) The Secretary of State shall assist any municipality that needs to change the location of a polling place on the day of an election due to an emergency, including assisting in finding a new location and informing the public of that new location.

(C) The Secretary of State shall inform the State chairs of Vermont's major political parties of any changes made to polling places that he or she is aware of made less than 30 days prior to an election.

(3) The Secretary of State shall provide on his or her official website a list of polling places that will be used in any local, primary, or general election within the State, and shall specifically provide notice on that website of any change in the location of a municipality's polling place.

* * * Ballot Mailing for Local Elections * * *

Sec. 3. 17 V.S.A. § 2680 is amended to read:

§ 2680. AUSTRALIAN BALLOT SYSTEM; GENERAL

(a) Application. Unless specifically required by statute, the provisions of the Australian ballot system shall not apply to the annual or special meeting of a municipality unless that municipality, at its annual meeting or at a special meeting called for that purpose, votes to have them apply.

* * *

(f) Presiding officer. The presiding officer for any election or part of an election using the Australian ballot system shall be the town clerk or as otherwise provided in section 2452 of this title.

(g) Early and absentee voting. At the time the Australian ballots are available, which shall be not less than 20 days before the election, early and absentee voting shall be permitted in accordance with chapter 51, subchapter 6 of this title.

(1) The legislative body of a town, city, or village may vote to mail a ballot to all active registered voters in the town, city, or village.

(2) A school board may, after receiving the approval of the legislative body of each member town in the district, vote to mail its annual meeting ballot to all active registered voters in the district. In such case, the town clerk and election officials in the member towns shall be responsible for the mailing of the ballots but all costs associated with the mailing of ballots shall be borne by the school district.

(3) Ballots shall be mailed not less than 20 days before the election, or as soon as they are available.

(4) The mailing of ballots shall be conducted to the extent practicable in accordance with chapter 51, subchapter 6 of this title.

~~(g)~~(h) Hearing.

(1) Whenever a municipality has voted to adopt the Australian ballot system of voting on any public question or budget, except the budget revote as provided in subsection (c) of this section, the legislative body shall hold a public informational hearing on the question by posting warnings at least 10 days in advance of the hearing in at least two public places within the municipality and in the town clerk's office.

* * *

* * * Ballot Mailing for Statewide Elections * * *

Sec. 4. 17 V.S.A. § 2532 is amended to read:

§ 2532. AUTHORIZED APPLICANTS; APPLICATION FORM;
DUPLICATES

* * *

(e) Duplicate early voter absentee ballots.

(1)(A) The town clerk may, upon application, issue a duplicate early voter absentee ballot if the original ballot is lost or not received by the voter within a reasonable period of time after mailing it is mailed to the voter by the town clerk or by the Secretary of State's office pursuant to section 2537a of this subchapter.

(B) The application may be made by a person entitled to apply for an early voter absentee ballot under subsection (a) of this section and shall be accompanied by a sworn statement affirming that the voter has not received the original ballot.

(2) If a duplicate early voter absentee ballot is issued and both the duplicate and original early voter absentee ballots are received before the close of the polls on election day, the ballot ~~with the earlier postmark~~ that is received first by the town clerk shall be counted and the Elections Division of the Secretary of State's office shall be notified.

* * *

Sec. 5. 17 V.S.A. § 2536 is amended to read:

§ 2536. FURNISHING EARLY VOTER ABSENTEE BALLOT
ENVELOPES

Upon request, for any statewide primary, presidential primary, or general election, the Secretary of State shall furnish the envelopes prescribed in sections 2535 and 2542 of this title to town clerks in such numbers as they request. The cost of absentee ballot envelopes for local elections shall be borne by the municipality.

Sec. 6. 17 V.S.A. § 2537 is amended to read:

§ 2537. EARLY OR ABSENTEE VOTING IN THE TOWN CLERK'S
OFFICE

(a)(1) A voter may, if he or she chooses, apply in person to the town clerk for the early voter absentee ballots and envelopes.

(2) In this case, the clerk shall furnish the early voter absentee ballots and envelopes when a valid application has been made, or at such time as the clerk receives the ballots, whichever comes first.

(3) The voter may:

(A) mark his or her ballots, place them in the envelope, sign the certificate, and return the ballots in the envelope containing the certificate to the town clerk or an assistant town clerk without leaving the office of the town clerk; ~~or~~

(B) take the ballots and return them to the town clerk in the same manner as if the ballots had been received by mail; or

(C) if the board of civil authority has voted to allow it pursuant to section 2546b of this subchapter, mark the ballots and deposit them directly into the vote tabulator or ballot box in accordance with section 2546b of this subchapter.

(b) Except for justices of the peace as provided in section 2538 of this subchapter, a person shall not take any ballot from the town clerk on behalf of any other person.

Sec. 7. 17 V.S.A. § 2537a is added to read:

§ 2537a. MAILING OF GENERAL ELECTION BALLOTS

(a) For every general election, the Secretary of State's office shall mail a general election ballot to all active voters on the statewide voter checklist described in section 2154 of this title.

(1) The mailing of the ballots shall commence not later than 43 days before the election and shall be completed not later than October 1.

(2) A postage-paid return envelope, pre-addressed to the town or city clerk of the town or city where the voter is registered to vote, shall be included with the ballot sent to every voter in which the ballot may be mailed back to the clerk. All postage cost shall be paid by the Secretary of State's office.

(3) The address file to be used for the mailing shall be generated from the statewide voter checklist as close as practicable to the date of the mailing and in no case earlier than September 1.

(4) The Secretary of State's office shall include in the mailing to each voter instructions for return of the voted ballot.

(b) General election ballots mailed by the Secretary of State's office under this section shall be returned by the voter to the town or city clerk in the town or city where that voter is registered in accordance with the procedures for return of ballots described in this subchapter.

Sec. 8. 17 V.S.A. § 2539 is amended to read:

§ 2539. DELIVERY OF EARLY VOTER ABSENTEE BALLOTS

(a) Default; town office or mail.

(1) Except as provided in subsections (b) and (c) of this section, unless the early or absentee voter votes in the town clerk's office as set forth in section 2537 of this subchapter title, the town clerk shall provide to the early or absentee voter who comes to the town clerk's office a complete set of early voter absentee ballots or mail a complete set of early voter absentee ballots to each early or absentee voter for whom a valid application has been filed.

(2) The Except as provided in subdivision (3) of this subsection, the early voter absentee ballots shall be mailed forthwith upon the filing of a valid application, or upon the town clerk's receipt of the necessary ballots, whichever is later.

(3)(A) For any general election, if a voter transfers his or her registration from another town or city in the state following the mailing of ballots to all active voters by the Secretary of State's office pursuant to section

2537a of this subchapter, before issuing an absentee ballot the clerk shall confirm the status of the ballot that was previously mailed to that voter by the Secretary of State and proceed as follows:

(i) If the voter has voted and returned the ballot issued to the voter by the Secretary of State to the town in which the voter was previously registered, the voter shall not be issued a ballot nor be allowed to cast another ballot in the same general election and shall be registered following the election.

(ii) If the voter did not receive or did not return the ballot that was previously sent to the voter by the Secretary of State, the voter may be issued another ballot for the general election if:

(aa) the voter returned the unvoted ballot that was previously issued to the voter; or

(bb) the voter signs an affidavit stating that the voter has not previously cast a ballot in that general election.

(B) If a voter registers to vote for the first time in Vermont following the time when the Secretary of State's office generated the address file to be used for the mailing of ballots to all active voters by the Secretary of State's office, the clerk shall either issue a ballot to the voter in person at the time of registration or mail a ballot to the voter within three business days, provided the voter's registration does not occur within five days of the election. If the clerk does not have ballots available at the time of registration, the clerk shall mail a ballot to the voter within three business days after obtaining ballots.

* * *

Sec. 9. 17 V.S.A. § 2540 is amended to read:

§ 2540. INSTRUCTIONS TO BE SENT WITH BALLOTS

(a) The town clerk shall send with all early voter absentee ballots and envelopes printed instructions, which may be included on the envelope, in ~~substantially the following form:~~ a form prescribed by the Secretary of State's office.

~~INSTRUCTIONS FOR EARLY OR ABSENTEE VOTERS~~

- ~~1. Mark the ballots.~~
- ~~2. Place them in this envelope.~~
- ~~3. Fill out and sign the certificate on the envelope.~~
- ~~4. Mail or deliver the envelope containing the ballots to the town clerk of the town where you are a registered voter in time to arrive not later than election~~

day.

Note: ~~If these ballots have been brought to you personally by two justices of the peace because of your illness, injury, or disability, just return them to the justices after you have signed the envelope. YOU HAVE THE RIGHT TO MARK YOUR BALLOTS IN PRIVATE~~ but if you ask for help in filling out the ballots, they will give it to you.

~~BE SURE TO FILL OUT AND SIGN THE CERTIFICATE ON THIS ENVELOPE OR YOUR VOTE WILL NOT COUNT!~~

~~(b) In the case of early absentee voting in a primary, the instructions shall also include appropriate instructions prepared by the Secretary of State for separating and depositing unvoted ballots in a separate envelope provided and clearly marked for that purpose.~~

* * * Ballot Curing; Secure Drop Boxes * * *

Sec. 10. 17 V.S.A. § 2543 is amended to read:

§ 2543. RETURN OF BALLOTS

(a) After marking the ballots and signing the certificate on the envelope, the early or absentee voter to whom the same are addressed shall return the ballots to the clerk of the town in which ~~he or she is a~~ the voter is registered, in the manner prescribed, except that in the case of a voter to whom ballots are delivered by justices, the ballots shall be returned to the justices calling upon ~~him or her~~ that voter, and they shall deliver them to the town clerk.

(b) Once an early voter absentee ballot has been returned to the clerk in the envelope with the signed certificate, it shall be stored in a secure place and shall not be returned to the voter for any reason unless the ballot is deemed defective under subdivision 2546(a)(2) of this subchapter and the voter chooses to cure the defect and cast the ballot pursuant to subsection 2547(d) of this subchapter.

(c) If a ballot includes more than one page, the early or absentee voter need only return the page upon which the voter has marked his or her vote.

(d)(1) All early voter absentee ballots returned as follows shall be counted:

(A) by any means, to the town clerk's office before the close of business on the day preceding the election;

(B) to any secure ballot drop box provided by the town or city in which the voter is registered pursuant to section 2543a of this subchapter before the close of business on the day before the election;

~~(B)~~(C) by mail, to the town clerk's office before the close of the polls on the day of the election; and

~~(C)~~(D) by hand delivery to the presiding officer at the voter's polling place before the closing of the polls at 7:00 p.m.

(2) An early voter absentee ballot returned in a manner other than those set forth in subdivision (1) of this subsection shall not be counted.

(e) A candidate whose name appears on the ballot for that election, or a paid campaign staff member of any such candidate, may not return a ballot to the town clerk or to a secure ballot drop box, unless that candidate or paid campaign staff member:

(1) is returning the candidate's or paid campaign staff member's own ballot;

(2) is returning the ballot of an immediate family member, as defined in section 2532 of this title, including a person's spouse, children, brothers, sisters, parents, spouse's parents, grandparents, and spouse's grandparents, who has requested the candidate's or paid campaign staff member's assistance with the return of that ballot;

(3) is returning the ballot of a voter for whom the candidate or paid campaign staff member is a caretaker, and who has requested the candidate or paid campaign staff member's assistance with the return of that ballot; or

(4) is a justice of the peace performing his or her official duties pursuant to section 2538 of this title.

(f) No individual may return more than 25 ballots to the town clerk or to a secure ballot drop box unless the individual is a justice of the peace performing his or her official duties pursuant to section 2538 of this title.

(g) The clerk or other local election official accepting the return of ballots shall not be required to enforce the provisions of subsections (e) and (f) of this section but shall report any suspected violations to the Secretary of State's office, who shall refer them to the Attorney General's office for investigation. Individuals violating this section may be subject to penalties pursuant to section 2017 of this title.

Sec. 11. 17 V.S.A. § 2543a is added to read:

§ 2543a. PROVISION OF SECURE BALLOT DROP BOXES

(a) A board of civil authority may vote to install one or more secure outdoor ballot drop boxes (drop boxes) for the return of voted ballots.

(b) Drop boxes shall be located on municipal property. If a town has only one drop box, it shall be located on the property of the municipal clerk's office.

(c) Drop boxes shall allow for the return of ballots by voters at any time of day and must be available for the return of ballots not later than 43 days before the election.

(d) Drop boxes shall be installed and maintained in accordance with guidance issued by the Secretary of State's office. At a minimum, drop boxes shall:

(1) be affixed to a foundation or other immovable object such that they cannot be removed without being tampered with;

(2) be under 24-hour video surveillance or in the alternative be within sight of the municipal building;

(3) be constructed in such a manner that it is impossible to remove the ballots without the ballot box being tampered with; and

(4) be able to be closed such that ballots may not be deposited once the deadline for deposit has passed.

(e)(1) Ballots may be deposited in the drop boxes until the close of business on the day before the election. At the close of business, the drop box shall be closed and instructions affixed to the drop box instructing the voter to return the voter's voted ballot to the polling place on the day of the election.

(2) Notwithstanding subdivision (1) of this subsection, a board of civil authority may vote to allow ballots to be deposited in the drop boxes until not later than the closing of the polls on election day.

(f) The Secretary of State's office shall provide drop boxes to a town or city upon request following a vote of the board of civil authority. The maximum number of drop boxes that the Secretary of State's office shall provide in any town or city shall be as follows:

(1) up to 5,000 registered voters, one;

(2) between 5,000 and 10,000 registered voters, two;

(3) between 10,000 and 15,000 registered voters, three;

(4) between 15,000 and 20,000 registered voters, four; and

(5) over 20,000 registered voters, five.

(6) A town or city may have a number of secure drop boxes equal to the number of representative districts in that town or city, with one drop box located in each district, if that number is greater than the number allowed

based on that town or city's number of registered voters in subdivisions (1)–(5) of this subsection. If there is not suitable municipal property for the location of a secure drop box in the area covered by a certain district in the town or city, an alternative location may be used with the approval of the Secretary of State's office.

Sec. 12. REPEALS

17 V.S.A. § 2545 (receipt of marked ballots by town clerk; delivery to election officers) is repealed.

* * * Ballot Processing and Defective Ballot Notification * * *

Sec. 13. 17 V.S.A. § 2546 is amended to read:

§ 2546. DEPOSIT OF EARLY VOTER ABSENTEE BALLOTS IN BALLOT BOX OR VOTE TABULATOR RECEIPT OF BALLOTS BY CLERK; VOTER STATUS; OPPORTUNITY TO CURE; PROCESSING ABSENTEE BALLOTS

(a) Not earlier than Beginning 30 days before the opening of the polls on election day, upon receipt of a mailing envelope containing ballots returned by a voter, the town clerk may shall, within three business days or on the next day the office is open for business, whichever is later, direct two election officials working together to do all of the following:

(1) open the outside mailing envelope and sort early voter absentee ballots by ward and district, if necessary; and

(2) determine that the certificate has been properly completed and signed; the voted ballot was placed in the certificate envelope, and the ballot is not defective for any other reason pursuant to section 2547 of this subchapter.

(A) If the ballot is not deemed defective, the clerk shall check the name of the early voter off the entrance checklist and record the ballot as received and accepted in the online election management system, and:

(i) place the certificate envelopes into a secure container marked "checked in early voter absentee ballots" to be transported to the polling places on election day; or

(ii) open the certificate envelope and place the voted ballot in the ballot box or tabulator in accordance with the procedures contained in section 2546a of this subchapter.

(B) If the ballot is deemed defective, the clerk shall:

(i) Check the name of the early voter off the entrance checklist and record the ballot as received and defective in the online election management system.

(ii) Place the ballot in the defective ballot envelope in accordance with the procedures of subdivisions 2547(b)(1)–(3) of this subchapter.

(iii) Not later than the next business day transmit a notice, with information required by the Secretary of State’s office, to the voter informing the voter that the voter’s ballot was deemed defective and rejected, the reason it was deemed defective, and the voter’s opportunity to correct the error pursuant to subsection 2547(d) of this subchapter. If the ballot was deemed defective because the voter failed to sign the return certificate, to place the voted ballot in the certificate envelope, or did not return their unvoted primary ballots in the unvoted ballot envelope, the clerk shall include a returnable affidavit, designed and provided by the Secretary of State’s office, with the notice so the voter may cure the deficiency in accordance with subdivision 2547(d)(1)(C) of this subchapter.

(b) Beginning five business days preceding the election, the clerk is not required to mail a notice to those voters whose ballots have been deemed defective. In these cases, the clerk shall make a reasonable effort to provide notice to the voter as soon as possible using any contact information for the voter, other than the mailing address, that is contained in the voter checklist and shall record the ballot as defective in the online election management system not later than 24 hours after the ballot is deemed defective.

~~(3) check the name of the early voter off the entrance checklist; and~~

~~(4) place the certificate envelopes into a secure container marked “checked in early voter absentee ballots” to be transported to the polling places on election day.~~

~~(b)(c) The Processing absentee ballots on election day. If the certificate envelopes have not been opened and the voted ballots placed in the ballot box or tabulator, the town clerk or presiding officer shall deliver the unopened early voter absentee ballots to the election officials at the place where the entrance checklist is located. Upon the opening of the polls During the polling hours on election day:~~

~~(1) If the ballots are in a , at the direction of the presiding officer, at least two election officials shall open the container marked “checked in early voter absentee ballots,” one election official shall open the certificate envelopes, turn the certificate side face down, and hand the envelope face down to a second election official, if possible from a different political party, who shall remove the ballots from the envelopes and deposit them in the ballot~~

box or vote tabulator. If the early voter is a first-time voter who registered by mail or online, and if the proper identification has not been submitted before the closing of the polls, the ballot shall be treated as a provisional ballot, as provided in subchapter 6A of this chapter.

~~(2) If the ballots have not been previously checked off the entrance checklist and if two election officials, from different political parties, determine that the certificate on the envelope is properly completed and signed by the early voter, the name of the early voter appears on the checklist, and the early voter is not a first-time voter in the municipality who registered by mail and is marked on the checklist as requiring additional documentation, the election officials shall mark the checklist, open the certificate envelope, turn the certificate side face down, and hand the envelope face down to a third election official who shall remove the ballots from the envelopes and deposit the ballots in the ballot box or vote tabulator.~~

~~(3)(A) If the early voter is a first-time voter who registered by mail or online, two election officials from different political parties shall determine whether the identification required under subdivision 2563(1) of this title has been submitted by the voter. Upon ascertaining that the proper identification has been submitted by the voter, the election officials shall mark the checklist, open the certificate envelope, turn the certificate side face down, and hand the envelope face down to a third election official who shall remove the ballots from the envelopes and deposit the ballot in the ballot box or vote tabulator.~~

~~(B) If the proper identification has not been submitted, the ballot shall be treated as a provisional ballot, as provided in subchapter 6A of this chapter.~~

~~(e)(d)~~ All early voter absentee ballots shall be commingled with the ballots of voters who have voted in person.

Sec. 14. 17 V.S.A. § 2546a is amended to read:

§ 2546a. ~~DAY PRECEDING ELECTION; DEPOSIT OF EARLY VOTER~~
~~ABSENTEE BALLOTS IN VOTE TABULATOR~~

(a) Generally. Notwithstanding any provision of law to the contrary, if a town will be using a vote tabulator for the registering and counting of votes in the upcoming election and will check in early voter absentee ballots in accordance with subsection 2546(a) of this chapter for that election, the board of civil authority may vote to permit elections officials to deposit those early voter absentee ballots that have been processed in accordance with subsection 2546(a) of this subchapter and have not been deemed defective into the vote tabulator or ballot box in accordance with the provisions of this section and any guidance issued by the Secretary of State. This Any such depositing of

these ballots shall take place at the town clerk's office ~~on the day~~ during the 30 days preceding the election.

(b) Notice.

(1) If a board of civil authority votes to deposit ballots as described in subsection (a) of this section, ~~the town clerk shall post notice that ballots will be so deposited in at least two public places in the municipality and in or near the town clerk's office not less than 30 nor more than 40 days before the election. If a municipality has more than one polling place and the polling places are not all in the same building, the notice shall be posted in at least two public places within each voting district and in or near the town clerk's office.~~ the process shall be conducted during normal business hours if practicable or, if conducting the process at a time other than normal business hours, notice of the date(s), time(s), and location of the processing shall be posted at the clerk's office and two other public places at least three days in advance.

(2) ~~In addition, at least five days before the day preceding the election, the notice shall be published in a newspaper of general circulation in the municipality and on the municipality's website, if the municipality actively updates its website on a regular basis.~~

(3) ~~The notice shall include the date and time for the count, inspection, and depositing of the ballots and the location of the town clerk's office.~~

(c) Officials. The town clerk and at least two other election officials, from different political parties to the extent practicable, shall be present for the inspection of the sealed certificate envelopes and the processing of the ballots described in this section.

~~(d) Count and inspection.~~

~~(1) On the day preceding the election, at least one hour prior to depositing the ballots in the vote tabulator, the town clerk and the election officials shall:~~

~~(A) first open the secure container marked "checked in early voter absentee ballots," count the certificate envelopes containing those ballots, and record the number counted; and~~

~~(B) permit these certificate envelopes to be inspected by members of the public.~~

~~(2) Any early voter absentee ballot that is returned after the expiration of the period for the count and inspection shall be processed on the day of the election in accordance with section 2546 of this subchapter.~~

~~(e) Processing.~~

~~(1) Immediately after the expiration of the period for the count and inspection described in subsection (d) of this section, the town clerk and election officials shall open each certificate envelope containing an early voter absentee ballot that was counted under subdivision (d)(1) of this section and deposit each ballot into a vote tabulator.~~

~~(2) The town clerk and the election officials shall ensure that all procedures for handling ballots are followed to the fullest extent practicable.~~

~~(3) At the end of the processing, the town clerk shall verify that the vote tabulator's memory card is locked in place and shall sign a statement verifying how many early voter absentee ballots were counted by the vote tabulator and that the memory card is so locked. The town clerk shall compare the vote tabulator's number of counted ballots to the original count of those ballots described in subdivision (d)(1) of this section.~~

~~(f) Security. The town clerk shall otherwise comply with all provisions of this title relating to the security of the vote tabulator.~~

~~(g) Election day. On the day of the election, when the vote tabulator is turned on at the polling place, the town clerk shall verify that the number of ballots that the vote tabulator displays as having been counted matches the number that the town clerk verified the tabulator counted on the preceding day.~~

(d) Processing. The Secretary of State's office shall issue detailed procedures for conducting the processing of early ballots into the vote tabulator or ballot box pursuant to this section. A town or city shall follow the procedures issued by the Secretary of State's office for this purpose.

~~(h)(e) Rules. The Secretary of State may adopt rules to implement the provisions of this section.~~

Sec. 15. 17 V.S.A. § 2546b is amended to read:

§ 2546b. EARLY VOTING IN TOWN CLERK'S OFFICE; DEPOSIT INTO
VOTE TABULATOR

(a)(1) A board of civil authority may vote to permit its town's registered early or absentee voters to vote in the town clerk's office in the same manner as those voting on election day by marking their early voter absentee ballots and depositing them into a vote tabulator or secure ballot box.

(2) If a board of civil authority votes to permit early voting as described in subdivision (1) of this subsection, the town's process for conducting this early voting shall conform to the provisions of this section and to procedures that the Secretary of State shall adopt for this purpose.

(b)(1) During business hours in the town clerk's office, the secure ballot box or vote tabulator and ballot bin shall be in a secured area accessible only to election officials and voters. The vote tabulator unit shall be secured with an identifiable seal and the ballot box containing voted ballots shall remain locked at all times and secured with an identifiable seal. Neither seal shall be broken prior to the time of closing the polls on election day.

(2) Once early voting has commenced in the town clerk's office, the town clerk or designee shall certify each day in a record prepared for this purpose that the seals on the vote tabulator and secure ballot box are intact.

(3) When an election official is not present or at times other than business hours, the secure ballot box or sealed vote tabulator and ballot box bin shall be secured in the town clerk's office vault.

(4) The town clerk shall maintain a record of each early or absentee voter who voted in person in accordance with this section and shall mark these voters as having voted early in the clerk's office in the online election management system.

(c) On the day of the election:

(1) The secure ballot box or sealed vote tabulator and sealed ballot boxes ballot bin shall be transferred to the polling place on election day by two election officials and shall not be opened until the polls have closed on election day.

(2) When the vote tabulator is turned on at the polling place, the town clerk shall verify that the number of ballots that the vote tabulator displays as having been counted matches the number of voters who deposited their early voter absentee ballots in the vote tabulator in accordance with this section and any early voter absentee ballots that were processed and deposited in the vote tabulator under section 2546a of this subchapter.

(3) All early voter absentee ballots shall be commingled with those voted at the polls on election day prior to being examined for the purpose of identifying write-in votes.

Sec. 16. 17 V.S.A. § 2547 is amended to read:

§ 2547. DEFECTIVE BALLOTS

(a) If upon examination by the election officials it shall appear that any of the following defects is present, either the ballot or the unopened certificate envelope shall be marked "defective" and the ballot shall not be counted:

- (1) the identity of the early or absentee voter cannot be determined;
- (2) the early or absentee voter is not legally qualified to vote;

(3) the early or absentee voter has voted in person or previously returned a ballot in the same election;

(4) the certificate is not signed;

(5) the voted ballot is not in the certificate envelope; or

(6) in the case of a primary vote, the early or absentee voter has failed to return the unvoted primary ballots.

(b) Each defective ballot or unopened certificate envelope shall be:

(1) affixed with a note from the presiding officer indicating the reason it was determined to be defective; and

(2) placed with other such defective ballots in an envelope marked “Defective Ballots - Voter Checked Off Checklist - Do Not Count”; and

~~(3) returned in that envelope to the town clerk in the manner prescribed by section 2590 of this chapter.~~

(c) The provisions of this section shall be indicated prominently in the early or absentee voter material prepared by the Secretary of State.

(d)(1) If a ballot is deemed defective, the voter shall be notified of the defect in accordance with the provisions of subdivision 2546(a)(2)(B) of this subchapter. Upon notification, the voter may cure the defect until the closing of the polls on election day, by:

(A) correcting the defect or submitting a new absentee ballot in person at the clerk’s office or at the polling place on election day;

(B) requesting a new ballot be mailed to them by the clerk along with materials for submission of the new ballot, provided the new ballot is received by the presiding officer or other sworn election official prior to the closing of the polls; or

(C) for a voter who failed to sign the certificate envelope, failed to place the voted ballot in the certificate envelope, or did not return their unvoted primary ballots in the unvoted ballot envelope, returning the signed affidavit included in the notice under subdivision 2546(a)(2)(B)(iii) of this subchapter either by mail, in person, or electronically, provided the affidavit is received by the presiding officer or other sworn election official prior to the closing of the polls if returned in person or by mail or prior to the close of business on the day before the election if returned electronically.

(2)(A) If a voter corrects the defect in accordance with subdivision (1)(A) or (1)(C) of this subsection (d), the clerk shall update the status of the ballot to “received – accepted” in the online election management system.

(B) If a voter corrects the defect by requesting a new ballot be mailed to them under subdivision (1)(B) of this subsection (d), the clerk shall enter a second absentee ballot request and issue date for that voter in the online election management system.

(3) The same voter may cure a ballot deemed defective not more than twice for any single election.

* * * Voting Early at Clerk's Office * * *

Sec. 17. 17 V.S.A. § 2548 is amended to read:

§ 2548. VOTING IN PERSON

(a) Prior to the opening of the polls, the municipal clerk shall provide the election officials of each polling place with a list of the names of all persons who have voted early in the clerk's office or marked and returned early voter absentee ballots, and these persons shall not thereafter vote in person in the same election.

~~(b)(1) A person who in good faith has received early voter absentee ballots for his or her use but has not yet marked them, if he or she is able to vote in person, may cast the early voter absentee ballots as provided above, or may vote in person after returning the complete set of unmarked ballots, together with the envelope intended for their return, to the presiding officer at the time the voter appears to vote in person.~~

~~(2) If a person does not have his or her absentee ballots to return, the person shall be checked off the checklist and permitted to vote only after completing a sworn affidavit that he or she does not have his or her absentee ballots to return.~~

~~(3) The presiding officer shall return the unused early voter absentee ballots and envelope to the town clerk, who shall make a record of their return on the list of early or absentee voters and treat them as replaced ballots, pursuant to section 2568 of this title. A voter who has been issued an early ballot, either by the Secretary of State's office pursuant to section 2537a of this subchapter, or otherwise by the town clerk, but who has not returned the voter's voted ballot to the clerk, may vote in person at the polling place on election day.~~

(2) If the voter brings the voter's marked ballot enclosed in the signed certificate envelope, the voter may submit that certificate envelope containing the voted ballot to the entrance checklist official for processing along with any other early or absentee ballots. The voter shall be marked off the checklist and the clerk shall record the voter as having returned the absentee ballot on election day in the online election management system.

(3) If the voter brings the marked ballot, but it is not enclosed in the certificate envelope, the voter shall be marked off the checklist and be allowed to cast that ballot into the secure ballot box or tabulator in the same manner as other voters who are voting in the polling place. The clerk shall record any such voter as having voted in person on election day in the online election management system.

(4) If the voter brings the unmarked ballot, the voter shall be marked off the checklist and allowed to proceed to a voting booth to mark that ballot and cast it into the ballot box or tabulator in the same manner as other voters who are voting in the polling place. The presiding officer may choose to provide any such voter with a new ballot in exchange for the unvoted ballot that the voter brought to the polls. The clerk shall record any such voter as having voted in person on election day in the online election management system.

(5) If the voter does not bring a marked or an unmarked ballot with them to the polls, the voter shall be required to sign an affidavit that the voter has not previously cast a ballot in the election, and only then shall they be checked off the checklist and allowed to vote in the same manner as all other voters who are voting at the polling place. The clerk shall record any such voter as having voted in person on election day in the online election management system. Any affidavits signed by voters at the polling place pursuant to this section shall be retained for a period of 90 days following the election.

Sec. 18. 17 V.S.A. § 2565 is amended to read:

§ 2565. DELIVERY OF BALLOTS

As Except as otherwise provided in subsection 2548(b) of this title, as each voter passes through the entrance of the guardrail, an election official or officials shall hand him or her one of each kind of ballot. The election officials shall also answer any questions a voter may ask concerning the process of voting. The presiding officer shall keep the election officials in charge of furnishing ballots to voters supplied with a sufficient number of blank ballots, keeping the remainder of the blank ballots safely secured until needed.

Sec. 19. 17 V.S.A. § 2566 is amended to read:

§ 2566. MARKING BALLOTS

~~On~~ Except as provided in subdivision 2548(b)(2) of this title, on receiving his or her ballots, the voter shall forthwith, and without leaving the polling place or going outside the guardrail, proceed to one of the booths not occupied by any other person and vote by filling in the appropriate square or oval opposite the name of the candidate of his or her choice for each office, or by

writing in the name of the candidate of his or her choice in the blank space provided and filling in the square or oval to the right of that blank space.

* * * Reports * * *

Sec. 20. LANGUAGE ACCESS; REPORT

The Secretary of State's office shall consult with municipalities and interested stakeholders on best practices for increasing access to voting for non-English-speaking Vermonters and Vermonters with limited English proficiency and provide recommendations to the Senate and House Committees on Government Operations on or before January 15, 2022.

Sec. 21. [Deleted.]

Sec. 21a. VOTING ACCESS AND VERIFICATION; REPORT

On or before January 30, 2023, the Secretary of State's office shall submit a written report to the House and Senate Committees on Government Operations with its findings and any recommendations for legislative action on:

(1) issues related to implementing universal vote by mail for municipal and primary elections; and

(2) the impact expanding vote by mail would have on:

(A) access to voting among those who have historically been disenfranchised and populations that have historically had low voter turnout;

(B) public satisfaction with the voting process;

(C) the administration of elections; and

(3) implementing a voter verification system in Vermont that will not disenfranchise voters and that will verify that ballots have been voted by registered voters, including a report back on the time, training and cost involved in implementing the system or systems.

* * * Voter Checklist * * *

Sec. 22. 17 V.S.A. § 2154 is amended to read:

§ 2154. STATEWIDE VOTER CHECKLIST

(a) The Secretary of State shall maintain a uniform and nondiscriminatory statewide voter checklist. This checklist shall serve as the official voter registration list for all elections in the State. In maintaining the statewide voter checklist, the Secretary shall:

(1) limit a town clerk to adding, modifying, or deleting applicant and voter information on the portion of the checklist for that clerk's municipality;

(2) limit access to the statewide voter checklist for a local elections official to verifying whether the applicant is registered in another municipality in the State by a search for the individual voter;

(3) notify a local elections official when a voter registered in that official's district registers in another voting district so that the voter may be removed from that official's district checklist;

(4) provide adequate security to prevent unauthorized access to the checklist; and

(5) ensure the compatibility and comparability of information on the checklist with information contained in the Department of Motor Vehicles' computer systems; and

(6) make reasonable efforts on an ongoing basis to compare the information on the checklist with data or information contained in any State agency's database, a database administered by the federal government, or any database of another state or consortium of states, where possible, in an effort to maintain the accuracy and currency of the checklist.

* * *

* * * Fiscal Year 2022 Funding * * *

Sec. 22a. APPROPRIATIONS; FISCAL YEAR 2022; FUNDING SOURCE

The amount of \$800,000.00 is appropriated to the Secretary of State's office for one-time elections-related expenses in fiscal year 2022. This appropriation shall be funded as follows:

(1) The amount of \$400,000.00 in general funds is appropriated to the Secretary of State's office for one-time elections-related expenses in fiscal year 2022.

(2) The remaining \$400,000.00 appropriation shall be funded by the Secretary of State Service Fund or by Help America Vote Act (HAVA) funds, to the extent those funds are able to absorb the costs, or from other federal funds made available to the Secretary of State's office.

(3) To the extent the one-time elections-related costs cannot be funded or absorbed as outlined in subdivisions (1)–(2) of this section, the Secretary of State's office shall include any remaining costs in its fiscal year 2022 budget adjustment proposal.

* * * Effective Date * * *

Sec. 23. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: “An act relating to mailing out ballots, correcting defective ballots, and miscellaneous changes to State election laws”

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

Message from the House No. 74

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 considered a bill originating in the Senate of the following title:

S. 22. An act relating to health care practitioners administering stem cell products not approved by the U.S. Food and Drug Administration.

And has passed the same in concurrence.

The House has considered a bill originating in the Senate of the following title:

S. 48. An act relating to Vermont’s adoption of the interstate Nurse Licensure Compact.

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

The House has considered Senate proposal of amendment to House bill:

H. 435. An act relating to miscellaneous Department of Corrections-related amendments.

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

The Governor has informed the House that on May 17, 2021, he approved and signed bills originating in the House of the following titles:

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

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

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

Adjournment

On motion of Senator Balint, the Senate adjourned until one o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged**H. 433.**

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on House bill entitled:

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

Was taken up for immediate consideration.

Senator Perchlik, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

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

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

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

Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

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

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

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

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

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

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

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

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

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

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

* * * Summary of Transportation Investments * * *

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

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

(1) Park and Ride Program. This act provides for a fiscal year expenditure of \$5,220,233.00, which will fund three park and ride construction projects, including the creation of two new park and ride facilities; the design

of two additional park and ride facilities scheduled for construction in future fiscal years; and paving projects for existing park and ride facilities. This year's Park and Ride Program will create 226 new State-owned spaces. Specific additions and improvements include:

(A) Berlin (Exit 6)—Design for 62 spaces;

(B) Berlin (Exit 7)—Construction of 34 new spaces;

(C) Manchester—Design for 50 spaces;

(D) Williamstown-Northfield (Exit 5)—Construction of 50 new spaces; and

(E) Williston—Construction of 142 new spaces.

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

(3) Transportation Alternatives Program. This act provides for a fiscal year expenditure of \$5,567,868.00, including local funds, which will fund 22 transportation alternatives construction projects and 20 transportation alternatives design, right-of-way, or design and right-of-way projects. Of these 42 projects, seven involve environmental mitigation related to clean water, stormwater, or both clean water and stormwater concerns, and nine involve bicycle and pedestrian facilities. Projects are funded in Bennington, Bridgewater, Bridport, Burlington, Castleton, Chester, Colchester, Derby, Duxbury, East Montpelier, Enosburg, Essex, Essex Junction, Fair Haven,

Fairfax, Franklin, Granville, Hartford, Hyde Park, Jericho, Montgomery, Newfane, Norwich, Pittsford, Proctor, Rutland Town, South Burlington, St. Albans City, St. Johnsbury, Vergennes, Warren, Wilmington, and Winooski.

(4) Public Transit Program.

(A) Sec. 31 of this act expresses the General Assembly's intent that all public transit, both rural and urban, be operated on a zero-fare basis in fiscal year 2022, as practicable, with monies for public transit from the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (CARES Act); the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260; and the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA).

(B) Sec. 32 of this act requires the Agency to review and implement coordinated intermodal connections, to the extent practicable, to ensure efficient and accessible intermodal transportation opportunities in Vermont and support the cross promotion of intermodal connections.

(C) Sec. 34 of this act requires the Agency to prepare a long-range plan that outlines the costs, timeline, training, maintenance, and operational actions required to move to a fully electric public transportation fleet.

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

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

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

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

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

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

12 additional PHEVs and eight additional BEVs to the fleet.

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

(A) Sec. 29 of this act authorizes up to \$1,000,000.00 to the Interagency EVSE Grant Program for a pilot program for EVSE at multi-unit affordable housing and multi-unit dwellings owned by a nonprofit; and

(B) Sec. 30 of this act sets a State goal to have a level 3 EVSE charging port available to the public within five miles of every exit of the Dwight D. Eisenhower National System of Interstate and Defense Highways within the State and 50 miles of another level 3 EVSE charging port available to the public along a State highway and requires the annual filing of an up-to-date map showing the locations of all level 3 EVSE available to the public within the State with the House and Senate Committees on Transportation until this goal is met.

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

(A) Incentive Program for New PEVs and partnership with Drive Electric Vermont. Sec. 17 of this act authorizes:

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

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

(B) MileageSmart. Sec. 20 of this act authorizes up to \$1,250,000.00 for purchase incentives under MileageSmart, which is the State's used high-fuel-efficiency vehicle incentive program, and capped administrative costs.

(C) Emissions repairs. Sec. 25 of this act authorizes up to \$375,000.00 for emissions repair vouchers and capped startup and administrative costs.

(D) Replace Your Ride Program. Sec. 27 of this act creates a new program to be known as the Replace Your Ride Program, which will be the State's program to incentivize Vermonters to remove older low-efficiency vehicles from operation and switch to modes of transportation that produce fewer greenhouse gas emissions, and authorizes up to \$1,500,000.00 for incentives under the Program and capped startup and administrative costs.

(E) Electric bicycle incentives. Sec. 28 of this act authorizes up to \$50,000.00 for \$200.00 incentives for the purchase of an electric bicycle.

(9) PEV rate design. Sec. 33 of this act requires the State's electric distribution utilities to offer PEV rates for public and private EVSE not later than June 30, 2024.

(10) Improvements to high-use corridors. Sec. 39 of this act requires the Agency to continue to improve highways as required under statute in order to enhance safety and accessibility on highways with a particular focus on high-use corridors identified in the On-Road Bicycle Plan prepared in April 2016 or a subsequent update.

(11) Transportation equity framework. Sec. 41 of this act requires the Agency, in consultation with the State's 11 Regional Planning Commissions (PRCs), to complete and report back on a comprehensive analysis of the State's existing transportation programs and develop a recommendation on a transportation equity framework that can be used to advance mobility equity, which is a transportation system that increases access to mobility options, reduces air pollution, and enhances economic opportunity for Vermonters in communities that have been underserved by the State's transportation system. As part of this analysis, the RPCs are required to engage in a targeted public outreach process.

* * * Highway Maintenance * * *

Sec. 3. HIGHWAY MAINTENANCE

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

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

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

Sec. 4. BRIDGE 61 IN SPRINGFIELD, VT

(a) Within the Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program, the following project is moved from Program Development to Town Highway Bridges: Springfield BF 0134(49).

(b) Authorized spending for Springfield BF 0134(49) is not modified in any way.

* * * DMV IT System Replacement * * *

Sec. 5. DMV IT SYSTEM REPLACEMENT

(a) The following project is added to the Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program for the Department of Motor Vehicles: DMV IT System Replacement.

(b) Within the Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program for the Department of Motor Vehicles, spending authority for the DMV IT System Replacement Project is authorized as follows:

<u>FY22</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Operating Expenses	0	24,500,000	24,500,000
Total	0	24,500,000	24,500,000
<u>Sources of funds</u>			
Federal	0	24,500,000	24,500,000
Total	0	24,500,000	24,500,000

(c) Notwithstanding any other provision of law and subject to the approval of the Secretary of Administration, any amount of the appropriation for the DMV IT System Replacement Project remaining unexpended on June 30, 2022 shall be carried forward and designated for expenditure on the DMV IT System Replacement Project in the subsequent fiscal year.

* * * Roadway Projects; Phosphorus Control Planning * * *

Sec. 6. ROADWAY PROJECTS; STATEWIDE PHOSPHORUS CONTROL PLANNING

(a) The following project is added to the Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program for Roadway: Statewide PCP().

(b) Within the Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program for Roadway, spending authority for the Statewide

PCP() Project is authorized as follows:

<u>FY22</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
PE	0	2,250,000	2,250,000
ROW	0	150,000	150,000
Construction	0	600,000	600,000
Total	0	3,000,000	3,000,000
<u>Sources of funds</u>			
Federal	0	3,000,000	3,000,000
Total	0	3,000,000	3,000,000

(c) Notwithstanding any other provision of law and subject to the approval of the Secretary of Administration, any amount of the appropriation for the Statewide PCP() Project remaining unexpended on June 30, 2022 shall be carried forward and designated for expenditure on the Statewide PCP() Project in the subsequent fiscal year.

* * * Municipal Mitigation Assistance Program * * *

Sec. 7. MUNICIPAL MITIGATION ASSISTANCE PROGRAM

Within the Agency of Transportation's Proposed Fiscal Year 2022 Transportation Program for Municipal Mitigation Assistance Program, spending is amended as follows:

<u>FY22</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Operating Expenses	265,000	265,000	0
Grants	5,845,000	6,345,000	500,000
Total	6,110,000	6,610,000	500,000
<u>Sources of funds</u>			
State	705,000	705,000	0
Federal	1,428,000	1,928,000	500,000
Other	3,977,000	3,977,000	0
Total	6,110,000	6,610,000	500,000

* * * New Haven Train Depot * * *

Sec. 8. NEW HAVEN TRAIN DEPOT

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

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

Sec. 9. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly not to repeal 23 V.S.A. § 1432(c), pursuant to Secs. 10 and 42(b) of this act, until the Agency of Transportation:

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

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

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

Sec. 10. 23 V.S.A. § 1432(c) is amended to read:

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

* * * Town Highway Aid * * *

Sec. 11. TOWN HIGHWAY AID

(a) Notwithstanding 19 V.S.A. § 306(a), the fiscal year 2022 budget increases the annual appropriation for aid to town highways by \$3,000,000.00 in one-time Transportation Fund monies to a total of \$30,105,769.00, which shall be distributed to municipalities in the same apportionments and for the same purposes as prescribed under 19 V.S.A. § 306(a)(3).

(b) The additional \$3,000,000.00 in one-time Transportation Fund monies shall not be included in any subsequent calculations for the annual

appropriation for aid to town highways pursuant to 19 V.S.A. § 306(a).

* * * Federal Infrastructure Funding * * *

Sec. 12. FEDERAL INFRASTRUCTURE FUNDING

(a) Notwithstanding Sec. 1 of this act; 2020 Acts and Resolves No. 121, Sec. 1; 19 V.S.A. § 10g(n); and 32 V.S.A. § 706, if a federal infrastructure bill or other federal legislation that provides for infrastructure funding is enacted that provides Vermont with additional federal funding for transportation-related projects, the Secretary, with approval from the Joint Transportation Oversight Committee pursuant to subdivision (c)(2) of this section, is authorized to exceed federal monies spending authority in the Fiscal Year 2021 and Fiscal Year 2022 Transportation Programs and to obligate and expend federal monies and up to \$2,000,000.00 in State Transportation Fund monies on development and evaluation for additional projects that meet federal eligibility and readiness criteria and have been evaluated through the Agency's prioritization process but are not in the Fiscal Year 2021 or Fiscal Year 2022 Transportation Program.

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

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

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

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

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

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

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

(B) If the Joint Transportation Oversight Committee disapproves of the anticipated obligation or expenditure of monies under the authority of this

section, it shall provide notice of that disapproval, and an explanation of the basis for the disapproval, to the Agency within 30 calendar days following receipt of the report of the anticipated expenditure.

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

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

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

* * * Inclusion of Maintenance for the Lamoille Valley Rail Trail in the
Annual Proposed Transportation Program * * *

Sec. 13. 19 V.S.A. § 10g(p) is added to read:

(p) The Agency shall include the annual maintenance required for the Lamoille Valley Rail Trail (LVRT), running from Swanton to St. Johnsbury, in the Transportation Program it presents to the General Assembly under subsection (a) of this section. The proposed authorization for the maintenance of the LVRT shall be sufficient to cover:

(1) maintenance and repair or replacement of any bridges along the LVRT;

(2) maintenance and repair of the fencing along the LVRT and any leased lines;

(3) maintenance and repair of the stormwater systems for the LVRT;

(4) any large-scale surface maintenance required due to dangerous conditions along the LVRT or compromise of the rail bed of the LVRT, or both;

(5) resolution of any unauthorized encroachments related to the rail bed, but not the recreational use of the LVRT; and

(6) any other maintenance obligations required of the Agency under a memorandum of understanding entered into regarding the maintenance of the LVRT.

* * * Town Highway Structures and
Class 2 Town Highway Roadway Programs * * *

* * * Fiscal Year 2021 * * *

Sec. 14. TOWN HIGHWAY STRUCTURES AND CLASS 2 TOWN
HIGHWAY ROADWAY PROGRAMS IN FISCAL YEAR 2021

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

* * * Minimum Total Grant Awards; Maximum Grant Award * * *

Sec. 15. 19 V.S.A. § 306 is amended to read:

§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

* * *

(e) State aid for town highway structures.

(1) There shall be an annual appropriation for grants to municipalities for maintenance (including actions to extend life expectancy) and for construction of bridges and culverts; for maintenance and construction of other structures, including causeways and retaining walls, intended to preserve the integrity of the traveled portion of class 1, 2, and 3 town highways; and for alternatives that eliminate the need for a bridge, culvert, or other structure, such as the construction or reconstruction of a highway, the purchase of parcels of land that would be landlocked by closure of a bridge, the payment of damages for loss of highway access, and the substitution of other means of access.

(2) Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of ~~\$5,833,500.00~~ \$7,200,000.00 at a minimum as new grants. The Agency's proposed appropriation for the Program shall take into account the estimated amount of qualifying invoices submitted to the Agency with respect to project grants approved in prior years but not yet completed as well as with respect to new project grants to be approved in the fiscal year. In a given fiscal year, should expenditures in the Town Highway Structures Program exceed the amount appropriated, the Agency shall advise the Governor of the need to request a supplemental appropriation from the General Assembly to fund the additional project cost, provided that the Agency has previously committed to completing those projects.

* * *

(h) Class 2 Town Highway Roadway Program. There shall be an annual appropriation for grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2 town highways. However, municipalities that have no State highways or class 1 town highways within their borders may use the grants for such activities with respect to both class 2 and class 3 town highways. Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of ~~\$7,648,750.00~~ \$8,600,000.00 at a minimum as new grants. The Agency's proposed appropriation for the Program shall take into account the estimated amount of qualifying invoices submitted to the Agency with respect to project grants approved in prior years but not yet completed as well as with respect to new project grants to be approved in the fiscal year. In a given fiscal year, should expenditures in the Class 2 Town Highway Roadway Program exceed the amount appropriated, the Agency shall advise the Governor of the need to request a supplemental appropriation from the General Assembly to fund the additional project cost, provided that the Agency has previously committed to completing those projects. Funds received as grants for State aid under the Class 2 Town Highway Roadway Program may be used by a municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.

* * *

Sec. 16. 19 V.S.A. § 309b is amended to read:

§ 309b. LOCAL MATCH; CERTAIN TOWN HIGHWAY PROGRAMS

(a) Notwithstanding subsection 309a(a) of this title, grants provided to towns under the town highway structures program shall be matched by local funds sufficient to cover 20 percent of the project costs, unless the town has adopted road and bridge standards, has completed a network inventory, and has submitted an annual certification of compliance for town road and bridge standards to the ~~secretary~~ Secretary, in which event the local match shall be sufficient to cover 10 percent of the project costs. The ~~secretary~~ Secretary may adopt rules to implement the town highway structures program. Town highway structures projects receiving funds pursuant to this subsection shall be the responsibility of the applicant municipality.

(b) Notwithstanding subsection 309a(a) of this title, grants provided to towns under the class 2 town highway roadway program shall be matched by local funds sufficient to cover 30 percent of the project costs, unless the town has adopted road and bridge standards, has completed a network inventory, and has submitted an annual certification of compliance for town road and bridge standards to the ~~secretary~~ Secretary, in which event the local match shall be sufficient to cover 20 percent of the project costs. The ~~secretary~~

Secretary may adopt rules to implement the class 2 town highway roadway program. Class 2 town highway roadway projects receiving funds pursuant to this subsection shall be the responsibility of the applicant municipality, and a municipality shall not receive a grant in excess of ~~\$175,000.00~~ \$200,000.00.

* * *

* * * One-Time Transportation Fund Monies Authorizations for
Electrification of the Transportation Sector * * *

* * * Incentive Program for New PEVs; Partnership with Drive Electric * * *

Sec. 17. INCENTIVE PROGRAM FOR NEW PEVS; PARTNERSHIP WITH
DRIVE ELECTRIC VERMONT

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

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

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

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

Sec. 18. 2019 Acts and Resolves No. 59, Sec. 34(a)(4), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

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

Sec. 19. 2019 Acts and Resolves No. 59, Sec. 34(b), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

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

* * *

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

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

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

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

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

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

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

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

~~(B)~~(C) an individual who is part of a married couple with at least one spouse domiciled in the State whose federal income tax filing status is married

filing jointly with an adjusted gross income under the laws of the United States at or below ~~\$50,000.00~~ \$75,000.00; or

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

(4) provide not more than five incentives of either \$3,000.00 for a PHEV or \$4,000.00 for a BEV, or a combination thereof, in fiscal year 2022 to a tax-exempt organization incorporated in the State for the purpose of providing Vermonters with transportation alternatives to personal vehicle ownership;

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

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

(6) provide incentives that may be in addition to any other available incentives, including through another program funded by the State, provided that not more than one incentive under the Incentive Program for New PEVs is used for the purchase or lease of any one PEV.

* * * MileageSmart * * *

Sec. 20. MILEAGESMART

The Agency is authorized to spend up to \$750,000.00 in one-time Transportation Fund monies in fiscal years 2021 and 2022 combined and up to \$500,000.00 in one-time General Fund monies in fiscal year 2022 on MileageSmart, which was established in 2019 Acts and Resolves No. 59, Sec. 34, as amended, with up to 10 percent of the total amount that is distributed in incentives in fiscal year 2022, including incentive funding authorized by this section and incentive funding carried over from prior fiscal years pursuant to 2019 Acts and Resolves No. 59, Sec. 34, as amended, available for costs associated with administering MileageSmart.

Sec. 21. 2019 Acts and Resolves No. 59, Sec. 34(c)(1), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

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

* * *

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

* * *

* * * Emissions Repair Program * * *

Sec. 22. 2019 Acts and Resolves No. 59, Sec. 34(a)(3), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

(3) Subject to State procurement requirements, the Agency may retain a contractor or contractors to assist with marketing, program development, and administration of the programs. Up to \$150,000.00 of program funding may be set aside for this purpose for the ~~programs~~ program described in subsection (c) of this section in fiscal year 2020 and \$50,000.00 of program funding shall be set aside for this purpose for the ~~programs~~ program described in ~~subdivision subsection~~ (c)(4) of this section in fiscal year 2021.

Sec. 23. 2019 Acts and Resolves No. 59, Sec. 34(a)(5), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

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

Sec. 24. 2019 Acts and Resolves No. 59, Sec. 34(c), as amended by 2020 Acts and Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, and 2021 Acts and Resolves No. 3, Sec. 56, is further amended to read:

(c) High fuel efficiency vehicle incentive ~~and emissions repair programs~~ program. ~~Used~~ A used high fuel efficiency vehicle purchase incentive ~~and emissions repair programs~~ program for Vermont residents shall structure high fuel efficiency purchase incentive payments ~~and emissions repair vouchers~~ by

income to help Vermonters benefit from more efficient driving, including Vermont's most vulnerable. Not less than \$750,000.00 shall be provided in point-of-sale and point-of-repair vouchers.

* * *

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

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

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

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

Sec. 25. EMISSIONS REPAIR PROGRAM

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

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

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

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

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

* * * Repeal of Emissions Inspections Waiver * * *

Sec. 26. REPEALS

(a) 2018 Acts and Resolves No. 206, Sec. 23(e) (establishment of emissions inspections waiver) is repealed on January 1, 2023.

(b) 2018 Acts and Resolves No. 158, Sec. 42(e) (establishment of emissions inspections waiver) is repealed on January 1, 2023.

* * * Replace Your Ride Program * * *

Sec. 27. REPLACE YOUR RIDE PROGRAM

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

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

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

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

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

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

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

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

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

(2) Vehicle removal.

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

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

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

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

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

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

(IV) is at least 10 model years old;

(V) has an internal combustion engine; and

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

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

used for parts or destruction.

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

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

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

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

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

* * * Electric Bicycle Incentives * * *

Sec. 28. ELECTRIC BICYCLE INCENTIVES

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

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

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

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

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

* * * EVSE Grant Program * * *

Sec. 29. GRANT PROGRAMS FOR LEVEL 2 CHARGERS IN MULTI-UNIT DWELLINGS; REPORT

(a) As used in this section:

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

(2) “Multi-unit affordable housing” means a multi-unit dwelling where:

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

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

(3) “Multi-unit dwelling” means a housing project, such as cooperatives, condominiums, dwellings, or mobile home parks, with 10 or more units constructed or maintained on a tract or tracts of land.

(4) “Multi-unit dwelling owned by a nonprofit” means a multi-unit dwelling owned by a person that has nonprofit status under Section 501(c)(3) of the U.S. Internal Revenue Code, as amended, and is registered as a nonprofit corporation with the Office of the Secretary of State.

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

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

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

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

(f) If the Agency of Transportation, in consultation with the interagency team, determines that programmatic funding remains available following the first round of grant awards, then the pilot program shall be opened up and made available to any multi-unit dwelling.

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

* * * EVSE Network in Vermont * * *

Sec. 30. EVSE NETWORK IN VERMONT; REPORT OF ANNUAL MAP

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

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

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

(b) Notwithstanding 2 V.S.A. § 20(d), the Agency of Transportation shall file an up-to-date map showing the locations of all level 3 EVSE available to the public within the State with the House and Senate Committees on Transportation not later than January 15 each year until the goal identified in subsection (a) of this section is met.

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

Sec. 31. ZERO-FARE PUBLIC TRANSIT IN FISCAL YEAR 2022

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

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

* * * Coordinated Intermodal Connections Review * * *

Sec. 32. COORDINATED INTERMODAL CONNECTIONS REVIEW

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

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

Sec. 33. PEV ELECTRIC DISTRIBUTION UTILITY RATE DESIGN

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

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

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

(2) participation in the PEV rates;

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

(4) greater adoption of PEVs.

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

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

(A) support greater adoption of PEVs;

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

(C) adequately compensate the electric distribution utility and its customers for the additional costs that are directly attributable to the delivery

of electricity through a PEV rate;

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

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

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

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

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

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

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

* * * Public Transportation Electrification Plan * * *

Sec. 34. PUBLIC TRANSPORTATION ELECTRIFICATION PLAN

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

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

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

Sec. 35. 10 V.S.A. § 494 is amended to read:

§ 494. EXEMPT SIGNS

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

* * *

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

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

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

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

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

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

* * *

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

* * *

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

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

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

Sec. 36. 24 V.S.A. § 4416 is amended to read:

§ 4416. SITE PLAN REVIEW

* * *

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

Sec. 37. 24 V.S.A. § 4463(e) is added to read:

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

any conditions that the Agency proposes to attach to the permit required under 19 V.S.A. § 1111.

Sec. 38. 19 V.S.A. § 1112(b) is amended to read:

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

* * *

(6) permit amendments: \$0.00.

* * * Improvement of High-Use Corridor Segments * * *

Sec. 39. IMPROVEMENT OF HIGH-USE CORRIDOR SEGMENTS FOR BICYCLISTS

(a) The Agency of Transportation shall continue to improve highways consistent with 19 V.S.A. § 2310 in order to enhance safety and accessibility on highways, and in particular for high-use corridor segments identified in the On-Road Bicycle Plan prepared in April 2016, or a subsequent update.

(b) The Agency shall consider traffic volumes, the scope of the project, and other factors such as environmental or right-of-way impacts when making improvements.

* * * Work Zone Highway Safety

Automated Traffic Law Enforcement Study and Report * * *

Sec. 40. WORK ZONE HIGHWAY SAFETY AUTOMATED TRAFFIC LAW ENFORCEMENT STUDY AND REPORT

(a) Findings. The General Assembly finds that:

(1) There are times, either because of insufficient staffing or inherent onsite difficulties, where law enforcement personnel cannot practically be utilized in a work zone.

(2) The objectives of utilizing an automated traffic law enforcement system in a work zone are improved work crew safety and reduced traffic crashes resulting from an increased adherence to traffic laws achieved by effective deterrence of potential violators, which could not be achieved by traditional law enforcement methods.

(3) The use of automated traffic law enforcement systems in work zones is not intended to replace traditional law enforcement personnel, nor is it intended to mitigate problems caused by deficient road design, construction, or maintenance. Rather, it provides deterrence and enforcement at times when and in locations where law enforcement personnel cannot be utilized safely or

are needed for other law enforcement activities.

(b) Definitions. As used in this section:

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

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

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

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

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

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

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

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

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

* * * Transportation Equity Framework * * *

Sec. 41. TRANSPORTATION EQUITY FRAMEWORK; REPORT

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

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

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

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

* * * Effective Dates * * *

Sec. 42. EFFECTIVE DATES

(a) This section and Secs. 12 (federal infrastructure funding), 17 (authorization for the Incentive Program for New PEVs), and 20 (authorization for MileageSmart) shall take effect on passage.

(b) Sec. 10 (repeal of 23 V.S.A. § 1432(c)) shall take effect on July 1, 2022.

(c) Sec. 13 (19 V.S.A. § 10g(p); Lamoille Valley Rail Trail maintenance) shall take effect on July 1, 2021 and apply to Transportation Programs commencing with fiscal year 2023.

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

*RICHARD T. MAZZA
ANDREW J. PERCHLIK
THOMAS CHITTENDEN*

Committee on the part of the Senate

*DIANE M. LANPHER
CHARLES "BUTCH" H. SHAW
TIMOTHY R. CORCORAN*

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

**Rules Suspended; Report of Committee of Conference Accepted and
Adopted on the Part of the Senate; Bill Messaged**

H. 449.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on House bill entitled:

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

Was taken up for immediate consideration.

Senator White, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference, to which were referred the disagreeing votes of the two Houses upon House Bill, entitled:

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

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. chapter 17 is amended to read:

~~CHAPTER 17. VERMONT STATE POLICE AND MOTOR VEHICLE
INSPECTORS' RETIREMENT SYSTEM VERMONT PENSION
INVESTMENT COMMISSION~~

§ 521. DEFINITIONS

As used in this chapter,:

(1) ~~“Committee”~~ “Commission” means the Vermont Pension Investment ~~Committee~~ Commission.

(2) “Financial expert” means an individual with material expertise and experience in institutional fund management, or other significant pension or other relevant financial expertise.

(3) “Independent” means an individual who does not have a direct or indirect material interest in the Plans.

(A) An individual has a direct or indirect material interest in the Plans if:

(i) the individual or the individual’s spouse is a beneficiary of any of the Plans; or

(ii) the individual or the individual’s spouse, parent, child, sibling, or in-law is or has been within the past five years an employee, director, owner officer, consultant, or manager, or had another material role with an entity servicing the Plans.

(B) An individual is considered an owner of a publicly traded company if the individual owns, directly or indirectly, five percent or more of a class of the company’s equity securities registered under the Securities Exchange Act of 1934 (15 U.S.C. § 78 et seq.), as amended.

(4) “Plans” means the Vermont State Teachers’ Retirement System, the Vermont State Employees’ Retirement System, and the Vermont Municipal Employees’ Retirement System pursuant to section 472 of this title, 16 V.S.A. § 1943, and 24 V.S.A. § 5063.

§ 522. VERMONT PENSION INVESTMENT COMMITTEE
COMMISSION

(a) Members. There is created the Vermont Pension Investment ~~Committee~~ Commission, an independent commission, to comprise ~~seven~~ nine members as follows:

(1) ~~one member and one alternate, who may or may not be trustees of the Board of the Vermont State Employees' Retirement System,~~ elected by the employee and retiree members of ~~that board~~ the Board of the Vermont State Employees' Retirement System;

(2) ~~one member and one alternate, who may or may not be trustees of the Board of the State Teachers' Retirement System of Vermont,~~ elected by the employee and retiree members of ~~that~~ the Board of the Vermont State Teachers' Retirement System;

(3) ~~one member and one alternate, who may or may not be trustees of the Board of the Vermont Municipal Employees' Retirement System,~~ elected by the municipal employee and municipal official members of ~~that~~ the Board of the Vermont Municipal Employees' Retirement System;

(4) ~~two members and one alternate, who shall each be a financial expert and independent,~~ appointed by the Governor;

(5) ~~the State Treasurer or designee,~~ an ex-officio voting member; and

(6) ~~one member, appointed by the other six voting~~ eight members of the ~~Committee~~ Commission, who shall serve as Chair of the ~~Committee~~ Commission and at the pleasure of the ~~Committee~~ Commission;

(7) ~~one member representing a municipal employer, appointed by the Executive Director of the Vermont League of Cities and Towns; and~~

(8) ~~one member representing a school employer, appointed by the Vermont School Boards Association.~~

(b) Training. ~~An authority responsible for electing or appointing a member or alternate shall consider the experience and knowledge of potential members and alternates consistent with the purposes of the Committee, and shall inform potential members and alternates that they shall participate in~~ Members and alternates of the Commission shall be required to participate in onboarding and ongoing periodic training in investments, securities, and fiduciary responsibilities as directed by the Commission. The Commission shall provide an annual report to the respective authorities responsible for electing and appointing members and alternates regarding attendance at Commission meetings and relevant educational programs attended.

~~(c) Initially, one appointee and the alternate appointee of the Governor shall serve a two-year term, and the second appointee shall serve for a four-year term. Thereafter, the Governor's appointees and alternate appointee shall serve for four-year terms. Initially, the member and alternate chosen by the Vermont Municipal Employees' Retirement Board shall serve for a two-year term, the member and alternate chosen by the Vermont State Teachers' Retirement Board shall serve for a three-year term and the member and alternate chosen by the Vermont State Employees' Retirement Board shall serve for a four-year term. Thereafter, all members and alternates shall serve for four-year terms. Member terms.~~

(1) Except as provided in subdivision (2) of this section and for the ex-officio members of the Commission, all members and alternates of the Commission shall serve staggered four-year terms. A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term. A member or alternate appointed to fill a vacancy created before the expiration of a term shall not be deemed to have served a term for the purpose of this subsection. Members and alternates of the Commission shall be eligible for reappointment and shall serve not more than three terms; provided, however, that a single term served as an alternate shall not be used to calculate a member's total term limit. Members and alternates of the Commission may be removed only for cause. The Commission shall adopt rules pursuant to chapter 25 of this title to define the basis and process for removal.

(2) The Chair shall serve not more than 20 years on the Commission as a chair or Commission member. If the Chair is unable to perform his or her duties, the Commission shall elect an interim chair who shall be a financial expert and independent.

(3) Terms shall end on June 30 with new terms beginning on July 1.

(4) Notwithstanding subdivision (3) of this subsection, members and alternates shall serve until their successors are appointed subject to the term limits provided in this subsection.

(d) Chair and vice chair.

(1)(A) The Chair of the Vermont Pension Investment Committee shall have the financial, investment, leadership, and governance expertise as required by policies adopted by the Commission.

(B) The Chair shall be a nonvoting member, except in the case of a tie vote.

(2) The Vermont Pension Investment Commission shall elect a vice chair from among its members.

~~(e) The Vermont Pension Investment Committee shall elect a vice chair from among its members Eligibility. No legislator who is currently serving in the General Assembly shall serve on the Commission.~~

~~(f) Four Meetings.~~

~~(1) Five members of the Committee Commission shall constitute a quorum.~~

~~(2) If a member is not in attendance, the alternate of that member shall be eligible to act as a member of the Committee Commission during the absence of the member.~~

~~(3) Four Five concurring votes shall be necessary for a decision of the Committee Commission at any meeting of the Committee Commission, except that any decision of the Commission relating to setting actuarial assumptions pursuant to subdivision 523(b)(1) of this title shall require six concurring votes. The Committee shall be attached to the Office of the State Treasurer for administrative support, and the expenses of the Committee and the Treasurer's office in support of the Committee shall be paid proportionately from the funds of the three retirement systems and any individual municipalities that have been allowed to invest their retirement funds pursuant to subsection 523(a) of this title.~~

~~(g) Leave time. Public employee members and alternates shall be granted reasonable leave time by their employers to attend Committee Commission meetings and Committee-related Commission-related educational programs.~~

~~(h) The Committee shall provide an annual report to the respective authorities responsible for electing and appointing members and alternates regarding attendance at Committee meetings and relevant educational programs attended Compensation and reimbursements. Members and alternates of the Commission who are not public employees shall be entitled to compensation as set forth in 32 V.S.A. § 1010 and reimbursement for all necessary expenses that they may incur through service on the Commission from the funds of the retirement systems. The Chair of the Commission may be compensated from the funds at a level not to exceed one-third of the salary of the State Treasurer, as determined by the other members of the Commission.~~

~~(i) A vacancy of an elected or appointed member or alternate shall be filled for the remainder of the term by the authority responsible for electing or appointing that member or alternate Assistance and expenses.~~

~~(1) The Commission shall have the administrative and technical support of the Office of the State Treasurer.~~

(2) The Commission may collect proportionally from the funds of the three retirement systems and any individual municipalities that have been allowed to invest their retirement funds pursuant to subsection 523(a) of this title, any expenses incurred that are associated with carrying out its duties, and any expenses incurred by the Treasurer's office in support of the Commission.

(3) The Attorney General shall serve as legal advisor to the Commission.

§ 523. VERMONT PENSION INVESTMENT COMMITTEE
COMMISSION; DUTIES

(a) General. The Vermont Pension Investment ~~Committee~~ Commission shall be responsible for the investment of the assets of the ~~State Teachers' Retirement System of Vermont~~ Vermont State Teachers' Retirement System, the Vermont State Employees' Retirement System, and the Vermont Municipal Employees' Retirement System pursuant to section 472 of this title, 16 V.S.A. § 1943, and 24 V.S.A. § 5063. The ~~Committee~~ Commission shall strive to maximize total return on investment, within acceptable levels of risk for public retirement systems, in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902. The ~~Committee~~ Commission may, in its discretion, subject to approval by the Attorney General, also enter into agreements with municipalities administering their own retirement systems to invest retirement funds for those municipal pension plans. The State Treasurer shall serve as the custodian of the funds of all three retirement systems. The ~~Committee~~ Commission may, in its discretion, also enter into agreements with the State Treasurer to invest the State Employees' Postemployment Benefits Trust Fund, established in ~~3 V.S.A. § section~~ 479a of this title, and the Retired Teachers' Health and Medical Benefits Fund, established in 16 V.S.A. § 1944b.

(b) ~~Members and alternates of the Committee who are not public employees shall be entitled to compensation as set forth in 32 V.S.A. § 1010 and reimbursement for all necessary expenses that they may incur through service on the committee from the funds of the retirement systems. The Chair of the Committee may be compensated from the funds at a level not to exceed one-third of the salary of the State Treasurer, as determined by the other members of the Committee~~ Powers and duties. The Commission shall have the following duties:

(1) Set the following actuarial assumptions:

(A) the investment rate of return;

(B) the inflation rate; and

(C) the smoothing rate method used for the actuarial valuation of assets and returns.

(2) Not more than 180 days after the end of each fiscal year, conduct an asset allocation study that reviews the expected return of each fund, including a risk analysis using best practices methodologies to estimate potential risks to the fund's asset values over a five-, 10-, and 20-year period, and the remainder of the statutory amortization period. The study shall be submitted to the House and Senate Committees on Government Operations and the Office of the Governor and made publicly available within 10 days of completion.

(c) Recordkeeping. The ~~Committee~~ Commission shall keep a record of all its proceedings, which shall be open for public inspection.

(d) Policies. The ~~Committee~~ Commission shall formulate policies and procedures deemed necessary and appropriate to carry out its functions, including a written statement of the responsibilities of and expectations for the Chair of the ~~Committee~~ Commission and standards of conduct for members and employees of the Commission in order to maintain and promote public confidence in the integrity of the Commission. The standard of conduct policies shall prohibit members and employees from receiving or soliciting any gift, including meals, alcoholic beverages, travel fare, room and board, or any other thing of value, tangible or intangible, from any vendor or potential vendor of investment services, management services, brokerage services, and other services to the Commission.

(e) The Attorney General shall serve as legal advisor to the Committee Contracts.

(f) Contracts approved by the ~~Committee~~ Commission and related documents may be executed by the Chair, or, in the Chair's absence, the Vice Chair.

(f) Asset and liability study. Beginning on July 1, 2022, and every three years thereafter, based on the most recent actuarial valuations of each Plan, the Commission shall study the assets and liabilities of each Plan over a 20-year period. The study shall:

(1) project the expected path of the key indicators of each Plan's financial health based on all current actuarial and investment assumptions; current contribution and benefit policies, including the Plans' mark-to-market funded ratio; actuarially required contributions by source; payout ratio; and related liquidity obligations; and

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

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

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

~~(g) Changes to actuarial rate of return. Notwithstanding any other provision of law to the contrary, Any changes to the actuarial rate of return shall be made at a joint meeting of by the Committee Commission and the appropriate Retirement Board. The Board and Committee shall review the recommendations of the actuary and the investment consultant. A change to an actuarial rate of return shall be by joint resolution of the Board and Committee. Each body shall vote according to its own procedures. In the event that the Board and Committee are unable to agree on an actuarial rate of return, the existing assumed rate of return shall remain in effect.~~

(h) Annual reports.

(1) Beginning on January 15, 2022, and every year thereafter, the Commission shall submit to the House and Senate Committees on Government Operations:

(A) a report on the performance of each Plan versus its demographic investment and other actuarial assumptions over a three-, five-, seven-, and 10-year period, and the funding ratio of each Plan to each Plan beneficiary at the end of each fiscal year; and

(B) a report on the status of the funding and investment performance of each Plan and any relevant information from the asset liability and scenario testing completed during the prior fiscal year.

(2) The Commission shall send to each participant or beneficiary of each Plan a written or electronic copy of the report described in subdivision (1) of this subsection, in the format authorized by the participant or beneficiary. The report shall be consolidated with any other reports required to be sent by the Commission to the participants or beneficiaries of each Plan.

Sec. 2. VERMONT PENSION INVESTMENT COMMISSION; TRANSITION OF MEMBER TERMS

The transition of the member terms of the Vermont Pension Investment Commission, created in Sec. 1 of this act, are as follows:

(1) Beginning on July 1, 2021, members shall be appointed to fill the new member seats established in 3 V.S.A. § 522(a)(7) and (8) in Sec. 1 of this act. The member appointed pursuant to 3 V.S.A. § 522(a)(7) in Sec. 1 of this

act shall serve an initial term of one year, and the member appointed pursuant to 3 V.S.A. § 522(a)(8) in Sec. 1 of this act shall serve an initial term of two years.

(2) Members and alternates serving on the Commission as of the date of enactment of this act shall serve until the June 30 in the year prior to the expiration of their current terms or June 30, 2023, whichever is earlier. Current members and alternates may be reappointed if they meet the eligibility, qualification, and term limit requirements of 3 V.S.A. § 522 in Sec. 1 of this act.

Sec. 3. VERMONT PENSION INVESTMENT COMMISSION; FISCAL
YEAR 2022 REPORTS

(a) On or before January 15, 2022, the Commission shall develop a written policy for implementing the asset allocation study and the asset and liability study required by 3 V.S.A. § 523 and shall make the policy publicly available.

(b) On or before July 1, 2021, the Commission shall hire an independent third party to review and report on the operations of the Commission and the Retirement Division of the State Treasurer's office and make recommendations on best practices and necessary actions to transfer the Commission to an independent entity. The report shall include a review of budgetary authority, frequency of trainings, transfer or hiring of personnel, and compensation of the Commission Chair and Commission employees. On or before January 15, 2022, the Commission shall submit a copy of the report to the House and Senate Committees on Government Operations.

Sec. 4. 3 V.S.A. § 471 is amended to read:

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

* * *

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

System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this subchapter.

* * *

Sec. 5. 3 V.S.A. § 472 is amended to read:

§ 472. INVESTMENTS; INTEREST RATE; DISBURSEMENTS

* * *

(d) Except as otherwise herein provided, no trustee and no employee of the Board or member of the ~~Committee~~ Commission shall have any direct interest in the gains or profits of any investment made by the ~~Committee~~ Commission; nor shall any trustee or employee of the Board or the ~~Committee~~ Commission, directly or indirectly, for himself or herself or as an agent, in any manner use the same except to make such current and necessary payments as are authorized by the Board or ~~Committee~~ Commission; nor shall any trustee or employee of the Board or the ~~Committee~~ Commission become an endorser or surety, or in any manner an obligor, for the monies loaned to or borrowed from the Board. The Treasurer, with the approval of the Board and the ~~Committee~~ Commission, shall adopt by rule standards of conduct for trustees, ~~members of the Committee~~, and employees of the Board and ~~Committee~~ in order to maintain and promote public confidence in the integrity of the Board and ~~Committee~~. Such rules shall prohibit trustees and employees from receiving or soliciting any gift, including meals, alcoholic beverages, travel fare, room and board, or any other thing of value, tangible or intangible, from any vendor or potential vendor of investment services, management services, brokerage services, and other services to the Board or ~~Committee~~ Commission.

Sec. 6. 16 V.S.A. § 1942 is amended to read:

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

* * *

(m) Immediately after the establishment of the System, the actuary shall make such investigation of the mortality, service, and compensation experience of the members of the System, as the actuary shall recommend and the Board shall authorize, for the purpose of determining the proper mortality and service tables to be prepared and submitted to the Board for adoption. Having regard to such investigation and recommendation, the Board shall adopt for the System such mortality and service tables as shall be deemed necessary, and shall certify the rates of contribution payable under the provisions of this chapter. At least once in each ~~five-year~~ three-year period following the

establishment of the ~~system~~ System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the System, and taking into account the results of such investigation, the Board shall adopt for the System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

* * *

Sec. 7. 16 V.S.A. § 1943 is amended to read:

§ 1943. INVESTMENTS; INTEREST RATE; DISBURSEMENTS

* * *

(d) Except as otherwise provided in this section, no trustee and no employee of the Board or member of the Vermont Pension Investment ~~Committee~~ Commission shall have any direct interest in the gains or profits of any investment made by the ~~Committee~~ Commission; nor shall any trustee or employee of the Board or ~~Committee~~ Commission, directly or indirectly, for himself or herself or as an agent, in any manner use the same except to make such current and necessary payments as are authorized by the Board or ~~Committee~~ Commission; nor shall any trustee or employee of the Board or ~~Committee~~ Commission become an endorser or surety, or in any manner an obligor, for the monies loaned to or borrowed from the Board. The State Treasurer, with the approval of the Board and the Committee, shall adopt by rule standards of conduct for trustees and employees of the Board in order to maintain and promote public confidence in the integrity of the Board. Such rules shall prohibit trustees, ~~members of the Committee~~, and employees from receiving or soliciting any gift, including meals, alcoholic beverages, travel fare, room and board, or any other thing of value, tangible or intangible, from any vendor or potential vendor of investment services, management services, brokerage services, and other services to the Board.

Sec. 8. 24 V.S.A. § 5062 is amended to read:

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

* * *

(k) Immediately after the establishment of the Retirement System, the Retirement Board shall adopt for the Retirement System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter. At least once in each ~~five-year~~ three-year period following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and

compensation experience of the members and beneficiaries of the Retirement System, and taking into account the results of such investigation, the Retirement Board shall adopt for the Retirement System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

* * *

Sec. 9. 24 V.S.A. § 5063 is amended to read:

§ 5063. INVESTMENTS; INTEREST RATE; DISBURSEMENTS

* * *

(e) Except as otherwise herein provided, no trustee and no employee of the Retirement Board or Vermont Pension Investment ~~Committee~~ Commission shall have any direct interest in the gains or profits of any investment made by the ~~Committee~~ Commission, nor shall any trustee, member of the ~~Committee~~ Commission, or employee of the Board or ~~Committee~~ Commission, directly or indirectly, for himself or herself or as an agent, in any manner use the same except to make such current and necessary payments as are authorized by the Board or ~~Committee~~ Commission; nor shall any trustee or employee of the Board or ~~Committee~~ Commission become an endorser or surety, or in any manner an obligor, for monies loaned to or borrowed from the Board.

Sec. 10. PENSION BENEFITS, DESIGN, AND FUNDING TASK FORCE;
STATE EMPLOYEES' RETIREMENT SYSTEM; STATE
TEACHERS' RETIREMENT SYSTEM; REPORT

(a) Creation. There is created the Pension Benefits, Design, and Funding Task Force to review and report on the benefits, design, and funding of retirement and retiree health benefit plans for the Vermont State Employees' Retirement System and the Vermont State Teachers' Retirement System.

(b) Membership.

(1) The Task Force shall be composed of the following members:

(A) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House;

(B) two current members of the Senate, not from the same political party, who shall be appointed by the Committee on Committees;

(C) the Commissioner of Financial Regulation or designee;

(D) one member, who shall be appointed by the State Treasurer and who shall be a nonvoting member;

(E) three members, who shall be appointed by the President of the Vermont-NEA;

(F) two members, who shall be appointed by the President of the Vermont State Employees' Association; and

(G) one member of the Vermont Troopers' Association, who shall be appointed by the President of the Vermont Troopers' Association.

(2)(A) The members appointed pursuant to subdivisions (1)(A) and (B) of this subsection (b) shall not be direct or indirect beneficiaries of the Vermont State Employees' Retirement System or the Vermont State Teachers' Retirement System.

(B) The members appointed pursuant to subdivisions (1)(E)–(G) of this subsection (b) shall not be currently serving as a legislator or the spouse or partner of an individual currently serving as a legislator.

(c) Powers and duties.

(1) The Task Force shall make recommendations about benefit provisions and appropriate funding sources along with other recommendations it deems appropriate for consideration, consistent with actuarial and governmental accounting standards, as well as demographic and workforce trends and the long-term sustainability of the benefit programs, including the following:

(A) developing and evaluating a range of strategies to lower the actuarially determined employer contributions and unfunded actuarially accrued liability based on actuarial value of assets in the State Employees' Retirement System and the Teachers' Retirement System by between 25 and 100 percent of the size of the increases from fiscal year 2021 to fiscal year 2022, as reported in the respective Actuarial Valuation and Review for each retirement system, dated June 30, 2020, while maintaining the 2038 amortization date;

(B) a five-year review of benefit expenditure levels as well as employer and employee contribution levels and growth rates and a three-, five-, and 10-year projection of these levels and rates;

(C) identifying potential options for limiting the growth in the actuarially determined employer contributions to not more than inflation;

(D) assessing the impacts associated with any modifications to the current amortization schedule;

(E) based on benefit and funding benchmarks;

(i) proposed benefit structures with the objective of adequate benefits, including an evaluation of a shared-risk model for employer and employee contributions and cost-of-living adjustments, with a focus on reducing any future increases to the unfunded actuarially accrued liability;

(ii) an estimate of the cost of current and any proposed benefit structures on a budgetary and full actuarial accrual basis;

(iii) the State's pension contributions as a percentage of direct general spending and a comparison of other states' pension contributions; and

(iv) how proposed benefit changes for new members may reduce the impact of future actuarial assumption losses;

(F) evaluating any cross-subsidization between all groups within the Vermont State Employees' Retirement System and adjusting contribution amounts to eliminate any cross-subsidization;

(G) examining permanent and temporary revenue streams to fund the Vermont State Employees' Retirement System and the State Teachers' Retirement System;

(H) a plan for prefunding other postemployment benefits, with an evaluation of using federal funds to the extent permissible, including identifying long-term impacts of pay-as-you-go funding;

(I) evaluating the intermediate and long-term impacts to the State and local economies because of any proposed changes to current benefit structures and contribution characteristics and their potential effects on retiree spending power, including retirees who identify as female and retirees who are persons with disabilities; and

(J) an examination of the effects of current benefit structures and contribution characteristics on the recruitment and retention of public school educators and State employees and an evaluation of any proposed changes to current benefit structures and contribution characteristics on the recruitment and retention of public school educators and State employees in the future.

(2) The Task Force shall not make recommendations on adjusting the assumed rates of return.

(d) Stakeholder input. During the course of its deliberations, and prior to any final recommendations being made, the Task Force shall:

(1) solicit input, including through public hearings, from affected stakeholders, including those impacted by issues of inequities; and

(2) consult with representatives designated by the Supreme Court acting in its constitutional role as the administrator of the Judicial Branch, Group D

members of the State Employees' Retirement System, and members of the State Employees' Retirement System who are employees of the Department of Corrections.

(e) Assistance.

(1) The Task Force shall have:

(A) fiscal assistance from the Joint Fiscal Office and Office of the State Treasurer; and

(B) committee support services from the Office of Legislative Operations.

(2) The Office of Legislative Counsel and Joint Fiscal Office are authorized to contract for advisory services for the Task Force from an independent actuary, benefits expert, and legal expert, as necessary.

(f) Leave time. Public employee members of the Task Force shall be granted reasonable leave time by their employers to attend Task Force meetings.

(g) Report. On or before October 15, 2021, the Task Force shall submit an interim written report to the Governor and to the House and Senate Committees on Government Operations with an update on the work of the Task Force. The Task Force shall submit a final report with its findings and any recommendations for legislative action on or before December 2, 2021. The Task Force shall also provide the report to the Board of Trustees of the State Employees' and Teachers' Retirement Systems for their consideration and comment to the General Assembly.

(h) Meetings.

(1) The members appointed pursuant to subdivisions (b)(1)(A) and (B) of this section shall appoint a House and Senate member as co-chairs, who shall call the first meeting of the Task Force to occur on or before June 15, 2021.

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

(3) The Co-Chairs may establish subcommittees within the Task Force to perform the work set forth in this section.

(4) The Task Force shall cease to exist on June 30, 2022.

(i) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force serving in his or her capacity as a legislator shall be entitled to per diem compensation and

reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 20 meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Task Force who are not State employees shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 20 meetings. These payments shall be made from monies appropriated to the State Treasurer.

Sec. 11. 2 V.S.A. chapter 31 is added to read:

CHAPTER 31. JOINT PUBLIC PENSION OVERSIGHT COMMITTEE

§ 1001. CREATION OF COMMITTEE

(a) Creation. There is created a Joint Public Pension Oversight Committee for the purpose of working with and providing assistance to other legislative committees on matters related to State's retirement system other postemployment benefits.

(b) Members. The Committee shall be composed of the following members, who shall be appointed each biennial session of the General Assembly:

(1) three members of the House, who shall not be from the same party, appointed by the Speaker of the House; and

(2) three members of the Senate, who shall not be from the same party, appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall evaluate and make recommendations on the following:

(1) issues of public policy related to the provision of retirement benefits to the State's public sector workforce;

(2) changes to statutory provisions regarding the provision, design, and administration of retirement benefits and the retirement systems;

(3) issues of public policy relating to health benefit design innovations, State regulatory measures, and alternative methods of providing pooled health care benefits to both active and retired school employees to lower health care costs for employees, retirees, school boards, and the State; and

(4) the appropriate annual appropriation to fund the State's retirement obligations in accordance with actuarial recommendations, statutory amortization schedules, and funding policies.

(d) Policies. The Committee shall elect a chair, vice chair, and clerk from among its members and shall adopt rules of procedures. The Chair shall rotate

biennially between the House and Senate members. The Committee shall keep minutes of its meetings.

(e) Meetings.

(1) When the General Assembly is in session, the Committee shall meet at the call of the Chair.

(2) The Committee may meet six times during adjournment and may meet more often subject to approval of the Speaker of the House and the President Pro Tempore of the Senate.

(3) A quorum shall consist of four members.

(f) Assistance. The Committee shall have assistance from the Office of Legislative Counsel, the Office of Legislative Operations, and the Joint Fiscal Office.

(g) Compensation and reimbursement. For attendance at a meeting when the General Assembly is not in session, members of the Committee shall be entitled to compensations for services and reimbursement of expenses as provided under subsection 23(a) of this title.

(h) Reports. Annually, on or before December 1 each year, the Vermont Investment Pension Commission and the Boards of Trustees for the State Employees' Retirement System, Teachers' Retirement System, and Municipal Employees' Retirement, shall report to the Committee.

Sec. 12. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall replace "Vermont Pension Investment Committee" with "Vermont Pension Investment Commission" throughout the statutes as needed for consistency with Secs. 1-9 of this act, provided the revisions have no other effect on the meaning of the affected statutes.

Sec. 13. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 11 shall take effect on October 1, 2021.

*JEANETTE K. WHITE
ANTHONY POLLINA
BRIAN P. COLLAMORE*

Committee on the part of the Senate

*SARAH L. COPELAND HANZAS
JOHN M. GANNON
ROBERT B. LACLAIR*

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Rules Suspended; Bill Delivered

On motion of Senator Balint, the rules were suspended, and the following a bill was ordered delivered to the Governor forthwith:

S. 15.

Recess

On motion of Senator Balint the Senate recessed until 3:00 P.M.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Bill Passed; Bill Messaged

H. 443.

On motion of Senator Balint, the rules were suspended and House bill entitled:

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

Was placed on all remaining stages of its passage in concurrence with proposal of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposal.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Adjournment

On motion of Senator Balint, the Senate adjourned until ten o'clock in the morning.