

Journal of the Senate

TUESDAY, MAY 10, 2022

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

House Proposal of Amendment Concurred In

S. 140.

House proposal of amendment to Senate bill entitled:

An act relating to prohibiting civil arrests at courthouses.

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:

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly to ensure that every person in the State of Vermont retains the right to free and unfettered access to justice under the law. No person should be denied access to justice because they fear being subject to civil arrest when attending a court hearing or traveling to or from a courthouse. All persons should have the opportunity to use the court system to advocate for themselves and their interests. Prohibiting civil arrests at a courthouse prevents disruption of court proceedings, protects the proper functioning of courts, provides a safe and secure location for the resolution of disputes, and promotes public safety by ensuring that victims and witnesses are not discouraged from attending court proceedings. It is the intent of the General Assembly, consistent with long-established common law, to prohibit civil arrests of individuals at courthouses or traveling to and from a courthouse to uphold the principle set forth in Article 4 of the Vermont Constitution that provides, in part, that “every person within this state ought to find a certain remedy, by having recourse to our laws, for all injuries and wrongs,” and that “every person ought to obtain [that] right freely . . . completely and without denial . . . [or] delay.”

Sec. 2. 12 V.S.A. § 3577 is amended to read:

§ 3577. PRIVILEGE FROM ARREST

(a) The Governor, Lieutenant Governor, State Treasurer, Secretary of State, Auditor of Accounts, Attorney General, and members of the General Assembly and officers and witnesses whose duty it is to attend thereon, in all cases except treason, felony, and breach of the peace, shall be privileged from arrest and imprisonment during their necessary attendance on and in going to and returning from the General Assembly.

(b) A party or witness in a cause pending in any court in the State or before special masters, auditors, referees, or commissioners, and a witness in a criminal cause pending in any such court, shall not be arrested, imprisoned, or detained by virtue of civil process. Any witness summoned from outside the State in a criminal cause, pending in any court within the State, shall be privileged from the service of papers of any kind whatsoever, and from arrest for any cause while going to, attending at, or returning from such court or trial of such cause.

(c)(1) Prohibition. A person shall not be subject to civil arrest while traveling to, entering, remaining at, or returning from a court proceeding.

(2) Exceptions. Subdivision (1) of this subsection shall not apply to:

(A) an arrest pursuant to a judicially issued warrant or a court order;

(B) an arrest for contempt of the court where the proceeding is occurring; or

(C) an arrest to maintain order or safety in the court where the proceeding is occurring.

(3) Remedies.

(A) A person who violates this subsection by knowingly and willfully executing or assisting with an arrest prohibited by subdivision (1) of this subsection (c) shall be subject to contempt proceedings and may be liable in a civil action for false imprisonment.

(B) A person who is arrested in violation of subdivision (1) of this subsection (c) may bring a civil action against the violator for damages; injunctive, equitable, or declaratory relief; punitive damages; and reasonable costs and attorney's fees.

(C) The Office of the Attorney General may bring a civil action on behalf of the State of Vermont for appropriate injunctive, equitable, or declaratory relief if there is reasonable cause to believe that a violation of subdivision (1) of this subsection (c) has occurred or will occur.

(D) No action under this subsection shall be brought against the Judiciary or any of its members or employees for actions taken to maintain order or safety in the courts.

(E) This section shall not be construed to limit or infringe upon any right, privilege, or remedy available under common law or any other provision of law or rule.

(F) Notwithstanding section 3578 of this title, the protections and remedies afforded by this subsection apply irrespective of when the privilege against civil arrest is invoked.

(4) Definition. As used in this subsection, “civil arrest” means an arrest for purposes of obtaining a person’s presence or attendance at a civil proceeding, including an immigration proceeding.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 489.

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

An act relating to miscellaneous provisions affecting health insurance regulation.

Was taken up.

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

By adding a new Sec. 10 to read:

Sec. 10. UNMERGED HEALTH INSURANCE MARKETS; REPORT

(a) The Department of Financial Regulation, in consultation with the Green Mountain Care Board, shall convene a working group of interested stakeholders to identify options for, consider the advantages and disadvantages of, and develop recommendations regarding maintaining separate individual and small group health insurance markets in future plan years in a manner that reduces premiums in the small group market without increasing costs in the individual market.

(b) On or before January 15, 2023, the Department of Financial Regulation shall provide the working group's findings and recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

and by renumbering the existing Sec. 10, effective dates, to be Sec. 11

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

Proposal of Amendment; Bill Passed in Concurrence with Proposal of Amendment

H. 353.

House bill entitled:

An act relating to pharmacy benefit management.

Was taken up.

Thereupon, pending third reading of the bill, Senator Cummings moved to amend the Senate proposal of amendment by striking out Secs. 4, 8 V.S.A. § 4089j, and 5, Department of Financial Regulation; pharmacy benefit management; report, in their entireties and inserting in lieu thereof new Secs. 4 and 5 to read as follows:

Sec. 4. Sec. 4. 8 V.S.A. § 4089j is amended to read:

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

* * *

(d)(1) A health insurer or pharmacy benefit manager shall not, by contract, written policy, or written procedure, require that a pharmacy designated by the health insurer or pharmacy benefit manager dispense a medication directly to a patient with the expectation or intention that the patient will transport the medication to a health care setting for administration by a health care professional.

(2) A health insurer or pharmacy benefit manager shall not, by contract, written policy, or written procedure, require that a pharmacy designated by the health insurer or pharmacy benefit manager dispense a medication directly to a health care setting for a health care professional to administer to a patient.

Sec. 5. DEPARTMENT OF FINANCIAL REGULATION; PHARMACY BENEFIT MANAGEMENT; REPORTS

(a) The Department of Financial Regulation, in collaboration with the Office of Professional Regulation, including the Board of Pharmacy, and the

Department of Vermont Health Access and in consultation with other interested stakeholders, shall consider:

(1) whether pharmacy benefit managers should be required to be licensed to operate in this State;

(2) whether pharmacy benefit managers should be prohibited from conducting or participating in spread pricing;

(3) the cost impacts of pharmacy benefit manager licensure and related regulatory measures in other states that have enacted such legislation;

(4) whether any amendments to the Board of Pharmacy's rules are needed to reflect necessary distinctions or appropriate limitations on pharmacist scope of practice;

(5) whether health insurers and pharmacy benefit managers should be required to permit a participating network pharmacy to perform all pharmacy services within the lawful scope of the profession of pharmacy as set forth in 26 V.S.A. chapter 36;

(6) whether there should be a minimum dispensing fee that pharmacy benefit managers and health insurers must pay to pharmacies and pharmacists for dispensing prescription drugs;

(7) how a pharmacy should be reimbursed for a claim if a pharmacy benefit manager denies a pharmacy's appeal in whole or in part, including whether the pharmacy should be allowed to submit a claim to the health insurer for the balance between the pharmacy benefit manager's reimbursement and the pharmacy's reasonable acquisition cost plus a dispensing fee;

(8) whether there is a problem in Vermont of pharmacies soliciting health insurance plan beneficiaries directly to market the pharmacy's services and, if so, how best to address the problem;

(9) whether pharmacy benefit managers and health insurers should be required to provide the same level of reimbursement to retail pharmacists for dispensing prescription drugs as for drugs dispensed by all other pharmacies, including pharmacy benefit manager affiliates, and not just mail-order pharmacies as in 8 V.S.A. § 4089j(b);

(10) whether pharmacy benefit managers and health insurers should be prohibited from one or more of the following:

(A) requiring a covered individual, as a condition of payment or reimbursement, to purchase pharmacist services, including prescription drugs, exclusively through a mail-order pharmacy or a pharmacy benefit manager

affiliate;

(B) offering or implementing plan designs that require a covered individual to use a mail-order pharmacy or a pharmacy benefit manager affiliate;

(C) ordering a covered individual, orally or in writing, including through online messaging, to use a mail-order pharmacy or a pharmacy benefit manager affiliate;

(D) establishing network requirements that are more restrictive than or inconsistent with State or federal law, rules adopted by the Board of Pharmacy, or guidance provided by the Board of Pharmacy or by drug manufacturers that operate to limit or prohibit a pharmacy or pharmacist from dispensing or prescribing drugs; or

(E) offering or implementing plan designs that increase plan or patient costs if the covered individual chooses not to use a mail-order pharmacy or a pharmacy benefit manager affiliate, including requiring a covered individual to pay the full cost for a prescription drug when the covered individual chooses not to use a mail-order pharmacy or a pharmacy benefit manager affiliate; and

(11) other issues relating to pharmacy benefit management and its effects on Vermonters, on pharmacies and pharmacists, and on health insurance in this State.

(b)(1) On or before January 15, 2023, the Department of Financial Regulation shall provide an update on its findings and recommendations to date regarding the issues described in subsection (a) of this section to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

(2) On or before January 15, 2024, the Department of Financial Regulation shall provide its final findings and recommendations regarding the issues described in subsection (a) of this section to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Which was disagreed to.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Bill Passed in Concurrence with Proposal of Amendment**H. 446.**

House bill of the following title was read the third time and passed in concurrence with proposal of amendment:

An act relating to miscellaneous natural resources and development subjects.

Proposal of Amendment; Bill Passed in Concurrence with Proposal of Amendment**H. 518.**

House bill entitled:

An act relating to municipal energy resilience initiatives.

Was taken up.

Thereupon, pending third reading of the bill, Senator Bray moved to amend the Senate proposal of amendment in Sec. 4, Municipal Energy Resilience Grant Program; appropriation, by striking out subdivision (2)(C) in its entirety and inserting in lieu thereof a new subdivision (2)(C) to read as follows:

(C) \$36,600,000.00 for grants to covered municipalities for weatherization, for thermal efficiency, and to supplement or replace heating systems with more efficient renewable or electric heating systems.

Which was agreed to.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Bills Passed in Concurrence with Proposal of Amendment

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

H. 572. An act relating to the retirement allowance for interim educators.

H. 626. An act relating to the sale, use, or application of neonicotinoid pesticides.

H. 697. An act relating to eligibility of reserve forestland for enrollment in the Use Value Appraisal Program.

H. 709. An act relating to miscellaneous agricultural subjects.

Bills Passed in Concurrence

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

H. 742. An act relating to approval of amendments to the charter of the Town of Milton.

H. 745. An act relating to the approval of the adoption of the charter of the Town of Montgomery.

H. 746. An act relating to an amendment to the charter of the City of Burlington.

Rules Suspended; Bills and Resolutions Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills and resolutions were severally taken up for immediate consideration:

S.R. 26, S.R. 27, S. 53, S. 224, H. 465, H. 512, H. 533, H. 720, H. 729, H. 739.

Third Reading Ordered**S.R. 26.**

Senator White, for the Committee on Government Operations, to which was referred Senate resolution entitled:

Senate resolution urging the Vermont Congressional Delegation to introduce and pursue the enactment of legislation authorizing permanent U.S. residency eligibility for the more than 800 international victims of the Vermont EB-5 scandal.

Reported that the resolution ought to adopted.

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

Third Reading Ordered**S.R. 27.**

Senate committee resolution entitled:

Senate resolution reaffirming the friendship between Vermont and the Republic of China (Taiwan) and supporting both enhanced United States-Taiwan bilateral relations and Taiwan's participation in the international community.

Was taken up.

Thereupon, the Senate Resolution was read the second time by title only pursuant to Rule 43, and third reading of the Senate Resolution was ordered.

Proposals of Amendment; Third Reading Ordered

H. 512.

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

An act relating to modernizing land records and notarial acts law.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: In Sec. 2, 27 V.S.A. chapter 5, subchapter 8, by striking out section 625 in its entirety and inserting in lieu thereof a new section 625 to read as follows:

§ 625. STANDARDS AND BEST PRACTICES

To ensure consistency in the standards and best practices of, and the technologies used by, recorders in this State, all recordings of deeds and other instruments or evidences respecting real estate, regardless of format, shall comply with standards and best practices issued by the Vermont State Archives and Records Administration pursuant to 3 V.S.A. § 117. Recorders shall seek services from the Vermont State Archives and Records Administration to comply with the standards and best practices issued in accordance with this subchapter. No provisions of this subchapter shall be implemented unless a recorder has complied with the standards and best practices issued by the Vermont State Archives and Records Administration in accordance with this subchapter.

Second: In Sec. 3, Vermont State Archives and Records Administration; report, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a)(1) On or before January 15, 2024, the Vermont State Archives and Records Administration shall submit a report to the House Committees on Commerce and Economic Development and on Government Operations and the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations concerning the fiscal, governance, and operational sustainability of uniform approaches to the modernization of the acceptance, recording, and availability of deeds and other property records, regardless of format.

(2) For the report required by this subsection, the Vermont State Archives and Records Administration shall consult with:

- (A) the Joint Fiscal Office;
- (B) the Vermont League of Cities and Towns;
- (C) the Vermont Municipal Clerks' and Treasurers' Association;
- (D) representatives from the banking, bar, title insurance, and real estate industry; and
- (E) other interested parties.

Third: In Sec. 5 (effective date), by striking Sec. 5 in its entirety and inserting in lieu thereof a Sec. 6 to read as follows:

Sec. 6. EFFECTIVE DATES

(a) This section and Sec. 4 (Vermont State Archives and Records Administration; position) shall take effect on passage.

(b) Secs. 1, 2, 3, and 5 shall take effect on July 1, 2022.

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

Senator MacDonald, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Government Operations.

Senator Starr, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Government Operations.

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

Proposal of Amendment; Third Reading Ordered

H. 533.

Senator Sears, for the Committee on Judiciary, to which was referred House bill entitled:

An act relating to converting civil forfeiture of property in drug-related prosecutions into a criminal process.

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:

Sec. 1. DRUG-RELATED PROPERTY SEIZURE AND FORFEITURE;
WORKING GROUP; REPORT

(a) Creation. There is created the Property Seizure and Forfeiture Working Group to study Vermont's use of property seizure and forfeiture processes under federal and State law for drug-related offenses.

(b) Membership. The Working Group shall be composed of the following members:

(1) the Chief Judge of the Vermont Superior Court or designee;

(2) the Attorney General or designee;

(3) the State Treasurer or designee;

(4) the Defender General or designee;

(5) the Commissioner of Public Safety or designee;

(6) the Executive Director of the Department of State's Attorney and Sheriffs or designee;

(7) the President of the Vermont Sheriffs' Association or designee; and

(8) the Center for Justice Reform at Vermont Law School.

(c) Powers and duties. The Working Group shall study how Vermont law enforcement used federal and State law to seize and forfeit property in drug-related offenses since 2015. In particular, the study shall examine:

(1) the date, type, quantity, value, and location of any seized property;

(2) the number of State property seizures resulting in federal adoption;

(3) forfeiture actions commenced using the State and federal processes, including the date of commencement, type of forfeiture process used, and why the specific forfeiture process was selected;

(4) drug offenses related to any State and federal forfeiture actions, including the date the offense is charged and date of final judgment, plea agreement, or other agreement disposing of the matter;

(5) whether innocent owners, lienholders, or other interested parties aggrieved by a seizure or forfeiture intervened or otherwise participated in any State and federal forfeiture actions;

(6) the outcomes of State and federal forfeiture actions, including the dates of disposition and whether property was forfeited, returned, or otherwise disposed;

(7) how and when the proceeds of forfeited property were distributed using the State and federal processes, including the share of proceeds received by any law enforcement agencies and prosecutors' offices;

(8) how any proceeds were used by law enforcement agencies and prosecutors' offices;

(9) any problems, impediments, or issues with the State process, including impacts on the State court system if it is expanded; and

(10) any complaints concerning abuse of the State and federal processes by law enforcement agencies or prosecutors' offices.

(d) Report. On or before December 15, 2022, the Working Group shall submit a written report in the form of proposed legislation to the Joint Legislative Justice Oversight Committee.

(e) Meetings.

(1) The Chief Judge of the Vermont Superior Court or designee shall call the first meeting of the Working Group to occur on or before July 15, 2022.

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

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

(4) The Working Group shall cease to exist on January 31, 2023.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

An act relating to a study of seizure and forfeiture of property in drug-related offenses.

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

Senator Baruth, 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 Judiciary.

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.

House Proposal of Amendment Concurred In**S. 224.**

House proposal of amendment to Senate bill entitled:

An act relating to juvenile proceedings.

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:

* * * Pause of Juvenile Jurisdiction Expansion * * *

Sec. 1. 2018 Acts and Resolves No. 201, Sec. 21 is amended to read:

Sec. 21. EFFECTIVE DATES

* * *

(d) Secs. 17–19 shall take effect on ~~July 1, 2022~~ July 1, 2023.

Sec. 2. 2020 Acts and Resolves No. 124, Sec. 12 is amended to read:

Sec. 12. EFFECTIVE DATES

(a) Secs. 3 (~~33 V.S.A. § 510(e)~~) (33 V.S.A. § 5103(c)) and 7 (33 V.S.A. § 5206) shall take effect on ~~July 1, 2022~~ July 1, 2023.

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* * * Victims Compensation and Restitution in Juvenile Proceedings * * *

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

§ 5119. SEALING OF RECORDS

* * *

(i) Upon receipt of a court order to seal a record relating to an offense for which there is an identifiable victim, a State's Attorney shall record the name and date of birth of the victim, the offense, and the date of the offense. The name and any identifying information regarding the defendant shall not be recorded. Victim information retained by a State's Attorney pursuant to this subsection shall be available only to victims' advocates, the ~~Victims'~~ Victims Compensation Program, and the victim and shall otherwise be confidential. The Victims Compensation Program may be provided with a copy, redacted of all information identifying the youth or delinquent child, of the affidavit for the sole purpose of verifying the expenses in a victims compensation application submitted pursuant to 13 V.S.A. § 5353.

* * *

Sec. 4. 33 V.S.A. § 5235 is amended to read:

§ 5235. JUVENILE RESTITUTION

* * *

(e) In the event the juvenile is unable to pay the restitution judgment order at the time of disposition, the court shall fix the amount thereof, which shall not exceed an amount the juvenile can or will be able to pay, ~~and shall fix the manner of performance or refer to a restorative justice program that will address how loss resulting from the delinquency will be addressed, and establish a restitution payment schedule based upon the juvenile's current and reasonably foreseeable future ability to pay,~~ subject to modification under section 5264 of this title.

* * *

(k)(1) The Restitution Unit may bring an action to enforce a restitution order issued under this section in the Superior or Small Claims Court of the county where the offender resides or in the county where the order was issued. In an action under this subsection, a restitution order issued in a juvenile proceeding shall be enforceable in Superior or Small Claims Court in the same manner as a civil judgment. Superior and Small Claims Court filing fees shall be waived for an action under this subsection and for an action to renew a restitution judgment.

(2) An action under this subsection may be brought only after the offender reaches 18 years of age and shall not be subject to any limitations period.

(3) For purposes of this subsection, a restitution order issued in a juvenile proceeding shall not be confidential. The sealing of a juvenile record shall not affect the authority of the Restitution Unit to enforce a restitution order in the same manner as a civil judgment under subdivision (1) of this subsection.

* * * Rights of Victims in Juvenile and Youthful Offender Proceedings * * *

Sec. 5. 13 V.S.A. § 5304 is amended to read:

§ 5304. VICTIMS ASSISTANCE PROGRAM

* * *

(2) Notification. ~~Victims, other than victims of acts of delinquency,~~ shall be notified in a timely manner when a court proceeding involving their case is scheduled to take place and when a court proceeding to which they have been summoned will not take place as scheduled. Victims shall also be notified as to the final disposition of the case, and shall be notified of their

right to request notification of a person's release or escape under section 5305 of this title. Notwithstanding this subdivision, the notification rights of victims of delinquent acts are governed by 33 V.S.A. chapters 52 and 52A.

* * *

Sec. 6. 13 V.S.A. § 5305 is amended to read:

§ 5305. INFORMATION CONCERNING RELEASE FROM CUSTODY

(a) ~~Victims, other than victims of acts of delinquency,~~ and affected persons shall have the right to request notification by the agency having custody of the defendant before the defendant is released, including a release on bail or conditions of release, furlough, or other community program; upon termination or discharge from probation; or whenever the defendant escapes, is recaptured, dies, or receives a pardon or commutation of sentence. Notice shall be given to the victim or affected person as expeditiously as possible at the address or telephone number provided to the agency having custody of the defendant by the person requesting notice. Any address or telephone number so provided shall be kept confidential. The prosecutor's office shall ensure that victims are made aware of their right to notification of an offender's scheduled release date pursuant to this section. Notwithstanding this subsection, the right to information for victims of delinquent acts is governed by 33 V.S.A. chapters 52 and 52A.

* * *

Sec. 7. 33 V.S.A. § 5110 is amended to read:

§ 5110. CONDUCT OF HEARINGS

(a) Hearings under the juvenile judicial proceedings chapters shall be conducted by the court without a jury and shall be confidential.

(b) The general public shall be excluded from hearings under the juvenile judicial proceedings chapters, and only the parties, their counsel, witnesses, persons accompanying a party for ~~his or her~~ the party's assistance, and such other persons as the court finds to have a proper interest in the case or in the work of the court, including a foster parent or a representative of a residential program where the child resides, may be admitted by the court. An individual without party status seeking inclusion in the hearing in accordance with this subsection may petition the court for admittance by filing a request with the clerk of the court. ~~This subsection shall not prohibit a victim's exercise of his or her rights under sections 5233 and 5234 of this title, and as otherwise provided by law.~~

(c) There shall be no publicity given by any person to any proceedings under the authority of the juvenile judicial proceedings chapters except with

the consent of the child, the child's guardian ad litem, and the child's parent, guardian, or custodian. A person who violates this provision may be subject to contempt proceedings pursuant to Rule 16 of the Vermont Rules for Family Proceedings. This subsection shall not prohibit a victim from discussing underlying facts of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim, provided that, unless otherwise provided by law or court order, a victim shall not disclose what occurs during a court proceeding or information learned through a court proceeding that is not an underlying fact of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim.

(d) This section shall not prohibit a victim's exercise of rights provided by section 5234 of this title and as otherwise provided by law.

Sec. 8. 33 V.S.A. § 5126 is added to read:

§ 5126. INFORMATION FROM LAW ENFORCEMENT AGENCY

(a) Information to all victims in juvenile and youthful offender proceedings. After initial contact between a victim and a law enforcement agency responsible for investigating the offense, the agency shall promptly give in writing to the victim:

(1) an explanation of the victim's rights under this chapter and chapters 52 and 52A of this title; and

(2) information concerning the availability of:

(A) assistance to victims, including medical, housing, counseling, and emergency services;

(B) compensation for victims under 13 V.S.A. chapter 167 and the name, street address, and telephone number of the Center for Crime Victim Services;

(C) protection for the victim, including protective court orders; and

(D) access by the victim and the offender to records related to the case that are public under the provisions of 1 V.S.A. chapter 5, subchapter 3 (access to public records).

(b) Information to victims of listed crimes. As soon as practicable, the law enforcement agency shall use reasonable efforts to give to the victim of a listed crime, as relevant, all of the following:

(1) information as to the offender's identity unless inconsistent with law enforcement purposes;

(2) information as to whether the offender has been taken into custody;

(3) the file number of the case and the name, office street address, and telephone number of the law enforcement officer currently assigned to investigate the case;

(4) the prosecutor's name, office street address, and telephone number;

(5) an explanation that no individual is under an obligation to respond to questions that may be asked outside a courtroom or deposition; and

(6) information concerning any conditions of release imposed on the offender prior to an initial court appearance, unless otherwise limited by court order.

Sec. 9. 33 V.S.A. § 5127 is added to read:

§ 5127. VICTIM'S RIGHT TO PRESENCE OF VICTIM'S ADVOCATE

When a victim in a juvenile or youthful offender proceeding is ordered by the court to attend or has a right to attend the proceeding, the victim may be accompanied at the proceeding by a victim's advocate.

Sec. 10. 33 V.S.A. § 5234 is amended to read:

§ 5234. RIGHTS OF VICTIMS IN DELINQUENCY PROCEEDINGS INVOLVING A LISTED CRIME

(a) The victim in a delinquency proceeding involving a listed crime shall have the following rights:

(1) To be notified by the prosecutor's office in a timely manner of the following:

(A) when a delinquency petition has been filed, the name of the child and any conditions of release initially ordered for the child or modified by the court ~~that are related to the victim or a member of the victim's family or current household, unless otherwise limited by court order;~~

(B) ~~his or her~~ the victim's rights as provided by law, information regarding how a case proceeds through a delinquency proceeding, the confidential nature of delinquency proceedings, and that it is unlawful to disclose confidential information concerning the proceedings to another person;

(C) when a predispositional or dispositional court proceeding is scheduled to take place and when a court proceeding of which ~~he or she~~ the victim has been notified will not take place as scheduled; and

(D) whether delinquency has been found and disposition has occurred, and any conditions of release or conditions of probation ~~that are related to the victim or a member of the victim's family or current household~~

and any restitution, ~~when ordered~~ unless otherwise limited by court order.

(2) To file with the court a written or recorded statement of the impact of the delinquent act on the victim and the need for restitution.

(3) ~~To be present during all court proceedings subject to the provisions of Rule 615 of the Vermont Rules of Evidence; to attend the disposition hearing and to present a victim impact statement and to express reasonably the victim's views concerning the offense and the youth, including testimony in support of his or her the victim's claim for restitution pursuant to section 5235 of this title, and; to be notified as to the disposition, including probation; and to submit oral or written statements to the court at such other times as the court may allow.~~ The court shall consider the victim's statement when ordering disposition. ~~The victim shall not be personally present at any portion of the disposition hearing except to present a victim impact statement or to testify in support of his or her claim for restitution unless the court finds that the victim's presence is necessary in the interest of justice.~~

(4) ~~Upon request, to~~ To be notified by the agency having custody of the delinquent child before he or she the child is discharged released into the community from a secure or staff-secured residential facility. The name of the facility shall not be disclosed. An agency's inability to give notification shall not preclude the release. However, in such an event, the agency shall take reasonable steps to give notification of the release as soon thereafter as practicable. Notification efforts shall be deemed reasonable if the agency attempts to contact the victim at the address or telephone number provided to the agency in the request for notification.

(5) To have the court take ~~his or her~~ the victim's views into consideration in the court's disposition order. If the victim is not present, the court shall consider whether the victim has expressed, either orally or in writing, views regarding disposition and shall take those views into account when ordering disposition.

(6) [Repealed.]

(b) The prosecutor's office shall keep the victim informed and consult with the victim through the delinquency proceedings.

Sec. 11. 33 V.S.A. § 5234a is amended to read:

§ 5234a. RIGHTS OF VICTIMS IN DELINQUENCY PROCEEDINGS
INVOLVING A NONLISTED CRIME

(a) The victim in a delinquency proceeding involving an offense that is not a listed crime shall have the following rights:

(1) To be notified by the prosecutor's office in a timely manner of the following:

(A) ~~his or her~~ the victim's rights as provided by law, information regarding how a delinquency proceeding is adjudicated, the confidential nature of juvenile proceedings, and that it is unlawful to disclose confidential information concerning the proceedings;

(B) when a delinquency petition is filed;

(C) the child's name and the conditions of release ordered for the child or modified by the court ~~if the conditions relate to the victim or a member of the victim's family or current household~~ unless otherwise limited by court order; and

(D) when a dispositional court proceeding is scheduled to take place and when a court proceeding of which ~~he or she~~ the victim has been notified will not take place as scheduled.

(2) That delinquency has been found and disposition has occurred, ~~and any conditions of release or conditions of probation that are related to the victim or a member of the victim's family or current household,~~ and any restitution ~~ordered~~ unless otherwise limited by court order.

(3) To file with the court a written or recorded statement of the impact of the delinquent act on the victim and any need for restitution.

(4) To attend the disposition hearing for the sole purpose of presenting to the court a victim impact statement, including testimony in support of ~~his or her~~ the victim's claim for restitution pursuant to section 5235 of this title. The victim shall not be personally present at any portion of the disposition hearing except to present a victim impact statement or to testify in support of ~~his or her~~ the victim's claim for restitution unless the court finds that the victim's presence is necessary in the interest of justice.

(5) To be notified by the agency having custody of the child, if agreed to by the parties, before the child is released into the community from a secure or staff-secured residential facility.

(6) To have the court take ~~his or her~~ the victim's views into consideration in the court's disposition order. If the victim is not present, the court shall consider whether the victim has expressed, either orally or in writing, views regarding disposition and shall take those views into account when ordering disposition. The court shall order that the victim be notified as to the identity of the child upon disposition if the court finds that release of the child's identity to the victim is in the best interests of both the child and the victim and serves the interests of justice.

(b) The prosecutor's office shall keep the victim informed and consult with the victim through the delinquency proceedings.

Sec. 12. 33 V.S.A. § 5288 is amended to read:

§ 5288. RIGHTS OF VICTIMS IN YOUTHFUL OFFENDER PROCEEDINGS

(a) The victim in a proceeding involving a youthful offender shall have the following rights:

(1) ~~to~~ To be notified by the prosecutor in a timely manner:

(A) ~~when a court proceeding is scheduled to take place and when a court proceeding to which he or she~~ the victim has been notified will not take place as scheduled; and

(B) of any conditions of release or conditions of probation and of any restitution unless otherwise limited by court order.

(2) ~~to~~ To be present during all court proceedings subject to the provisions of Rule 615 of the Vermont Rules of Evidence ~~and to express reasonably his or her views concerning the offense and the youth; to attend the disposition hearing to present a victim impact statement and to express reasonably the victim's views concerning the offense and the youth, including testimony in support of the victim's claim for restitution; and to submit oral or written statements to the court at such other times as the court may allow. The court shall consider the victim's statement when ordering disposition.~~

(3) ~~to request notification~~ To be notified by the agency having custody of the youth before the youth is released into the community from a secure or staff-secured residential facility;

(4) ~~to~~ To be notified by the prosecutor as to the final disposition of the case; ~~and.~~

(5) ~~to~~ To be notified by the prosecutor of the victim's rights under this section.

(b) In accordance with court rules, at a hearing on a motion for youthful offender treatment, the court shall ask if the victim is present and, if so, whether the victim would like to be heard regarding disposition. In ordering disposition, the court shall consider any views offered at the hearing by the victim. If the victim is not present, the court shall ask whether the victim has expressed, either orally or in writing, views regarding disposition and shall take those views into consideration in ordering disposition.

(c) No youthful offender proceeding shall be delayed or voided by reason of the failure to give the victim the required notice or the failure of the victim to appear.

(d) As used in this section, "victim" shall have the same meaning as in 13 V.S.A. § 5301(4).

(e) This section shall not prohibit a victim from discussing underlying facts of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim, provided that, unless otherwise provided by law or court order, a victim shall not disclose what occurs during a court proceeding or information learned through a court proceeding that is not an underlying fact of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim.

* * * Public Safety Requirement in Juvenile and Youthful
Offender Cases * * *

Sec. 13. 33 V.S.A. § 5284 is amended to read:

§ 5284. YOUTHFUL OFFENDER DETERMINATION AND DISPOSITION
ORDER

(a)(1) In a hearing on a motion for youthful offender status, the court shall first consider whether public safety will be protected by treating the youth as a youthful offender. If the court finds that public safety will not be protected by treating the youth as a youthful offender, the court shall deny the motion and transfer the case to the Criminal Division of the Superior Court pursuant to subsection 5281(d) of this title. If the court finds that public safety will be protected by treating the youth as a youthful offender, the court shall proceed to make a determination under subsection (b) of this section.

(2) When determining whether public safety will be protected by treating the youth as a youthful offender, the court shall consider, on the basis of the evidence admitted:

(A) the nature and circumstances of the charge and whether violence was involved;

(B) the youth's mental health treatment history and needs;

(C) the youth's substance abuse history and needs;

(D) the youth's residential housing status;

(E) the youth's employment and educational situation;

(F) whether the youth has complied with conditions of release;

(G) the youth's criminal record and whether the youth has engaged in subsequent criminal or delinquent behavior since the original charge;

(H) whether supervising the youth on youthful offender probation is appropriate considering the nature of the charged offense and the age and specialized needs of the youth;

(I) whether the youth has connections to the community; and

(J) the youth's history of violence and history of illegal or violent conduct involving firearms or other deadly weapons.

* * *

Sec. 14. 33 V.S.A. § 5204 is amended to read:

§ 5204. TRANSFER FROM FAMILY DIVISION OF THE SUPERIOR COURT

(a) After a petition has been filed alleging delinquency, upon motion of the State's Attorney and after hearing, the Family Division of the Superior Court may transfer jurisdiction of the proceeding to the Criminal Division of the Superior Court, if the child had attained 16 years of age but not 19 years of age at the time the act was alleged to have occurred and the delinquent act set forth in the petition is a felony not specified in subdivisions (1)–(12) of this subsection or if the child had attained 12 years of age but not 14 years of age at the time the act was alleged to have occurred, and if the delinquent act set forth in the petition was any of the following:

- (1) arson causing death as defined in 13 V.S.A. § 501;
- (2) assault and robbery with a dangerous weapon as defined in 13 V.S.A. § 608(b);
- (3) assault and robbery causing bodily injury as defined in 13 V.S.A. § 608(c);
- (4) aggravated assault as defined in 13 V.S.A. § 1024;
- (5) murder as defined in 13 V.S.A. § 2301;
- (6) manslaughter as defined in 13 V.S.A. § 2304;
- (7) kidnapping as defined in 13 V.S.A. § 2405;
- (8) unlawful restraint as defined in 13 V.S.A. § 2406 or 2407;
- (9) maiming as defined in 13 V.S.A. § 2701;
- (10) sexual assault as defined in 13 V.S.A. § 3252(a)(1) or (a)(2);
- (11) aggravated sexual assault as defined in 13 V.S.A. § 3253; or

(12) burglary into an occupied dwelling as defined in 13 V.S.A. § 1201(c).

(b) The State's Attorney of the county where the juvenile petition is pending may move in the Family Division of the Superior Court for an order transferring jurisdiction under subsection (a) of this section at any time prior to adjudication on the merits. The filing of the motion to transfer jurisdiction shall automatically stay the time for the hearing provided for in section 5225 of this title, which stay shall remain in effect until such time as the Family Division of the Superior Court may deny the motion to transfer jurisdiction.

(c) Upon the filing of a motion to transfer jurisdiction under subsection (b) of this section, the Family Division of the Superior Court shall conduct a hearing in accordance with procedures specified in subchapter 2 of this chapter to determine whether:

(1) there is probable cause to believe that the child committed the charged offense; and

(2) public safety and the interests of the community would not be served by treatment of the child under the provisions of law relating to the Family Division of the Superior Court and delinquent children.

(d) In making its determination as required under subsection (c) of this section, the court may consider, among other matters:

(1) the maturity of the child as determined by consideration of ~~his or her~~ the child's age, home, and environment; emotional, psychological, and physical maturity; and relationship with and adjustment to school and the community;

(2) the extent and nature of the child's prior record of delinquency;

(3) the nature of past treatment efforts and the nature of the child's response to them, including the child's mental health treatment and substance abuse treatment and needs;

(4) the nature and circumstances of the alleged offense, including whether the alleged offense was committed in an aggressive, violent, premeditated, or willful manner;

(5) the nature of any personal injuries resulting from or intended to be caused by the alleged act;

(6) the prospects for rehabilitation of the child by use of procedures, services, and facilities available through juvenile proceedings;

(7) whether the protection of the community would be better served by transferring jurisdiction from the Family Division to the Criminal Division of

the Superior Court;

(8) the youth's residential housing status;

(9) the youth's employment and educational situation;

(10) whether the youth has complied with conditions of release;

(11) the youth's criminal record and whether the youth has engaged in subsequent criminal or delinquent behavior since the original charge;

(12) whether the youth has connections to the community; and

(13) the youth's history of violence and history of illegal or violent conduct involving firearms.

* * *

* * * Youthful Offender Risk and Needs Screening * * *

Sec. 15. 33 V.S.A. § 5280 is amended to read:

§ 5280. COMMENCEMENT OF YOUTHFUL OFFENDER
PROCEEDINGS IN THE FAMILY DIVISION

* * *

(d)(1) Within 15 days after the commencement of a youthful offender proceeding pursuant to subsection (a) of this section, ~~the youth shall be offered a risk and needs screening~~ the court shall notify the youth that the youth is required to complete a risk and needs screening, which shall be conducted by the Department or by a community provider that has contracted with the Department to provide risk and needs screenings. The notice shall inform the youth that youthful offender status may be denied if the youth fails to participate in the risk and needs screening.

(2) The risk and needs screening shall be completed prior to the youthful offender status hearing held pursuant to section 5283 of this title. Unless the court extends the period for the risk and needs screening for good cause shown, the Family Division shall reject the case for youthful offender treatment if the youth does not complete the risk and needs screening within 15 days of after the offer for the risk and needs screening.

(1)(3) The Department or the community provider shall report the risk level result of the screening, the number and source of the collateral contacts made, and the recommendation for charging or other alternatives to the State's Attorney.

(2)(4) Information related to the present alleged offense directly or indirectly derived from the risk and needs screening or other conversation with the Department or community-based provider shall not be used against the

youth in the youth's criminal or juvenile case for any purpose, including impeachment or cross-examination. However, the fact of participation in risk and needs screening may be used in subsequent proceedings.

* * *

* * * Psychosexual Evaluation * * *

Sec. 16. 33 V.S.A. § 5230 is amended to read:

§ 5230. DISPOSITION CASE PLAN

* * *

(d) Psychosexual evaluation. For purposes of determining appropriate conditions of probation for a disposition case plan under this section, the court may order a psychosexual evaluation if clinically indicated for a child charged with:

- (1) lewd and lascivious conduct in violation of 13 V.S.A. § 2601;
- (2) lewd and lascivious conduct with a child in violation of 13 V.S.A. § 2602;
- (3) sexual assault in violation of 13 V.S.A. § 3252;
- (4) aggravated sexual assault in violation of 13 V.S.A. § 3253;
- (5) aggravated sexual assault of a child in violation of 13 V.S.A. § 3253a;
- (6) kidnapping with intent to commit sexual assault in violation of 13 V.S.A. § 2405(a)(1)(D); or
- (7) an offense involving sexual exploitation of children in violation of 13 V.S.A. chapter 64.

* * * Interests of Justice Hearing * * *

Sec. 17. 33 V.S.A. § 5294 is added to read:

§ 5294. INTERESTS OF JUSTICE HEARING

Not later than the next business day after a juvenile who is awaiting trial or other legal process and who is treated as an adult for prosecution in the Criminal Division is taken into custody, the court shall hold a hearing and determine whether to issue a written order, pursuant to 34 U.S.C. § 11133(a)(11)(B), that it is in the interests of justice to hold the juvenile in a jail or other secure facility for adults owned or operated by the Department of Corrections and, if such an order is issued, whether to allow sight or sound contact with adult inmates. Hearings held and orders issued pursuant to this section shall conform with the requirements of 34 U.S.C. § 11133(a)(11)(B),

including the criteria set forth therein.

* * * Plan on Secure Placements * * *

Sec. 18. PLAN FOR SECURE PLACEMENTS

(a)(1) On or before December 1, 2022, the Department for Children and Families and the Department of Corrections shall propose a plan to the Senate Committees on Judiciary, on Health and Welfare, and on Institutions and the House Committees on Judiciary, on Corrections and Institutions, and on Human Services to ensure the availability of secure placements, treatment, and transitional housing for persons 18 years of age and older who are subject to juvenile and youthful offender proceedings. The plan shall include:

(A) data on the number and location of current secure placements and a plan for how current and future secure placements will be accomplished;

(B) provisions ensuring that placements are available for youth going forward;

(C) a description of the services to be provided; and

(D) a recommendation as to whether dual custody with the Department of Corrections should be considered.

(2) The plan required by this section shall include a progress report on the requirement of Secs. 1 and 2 of this act that the Raise the Age initiative take effect on July 1, 2023.

(b) On or before July 1, 2022, the Department for Children and Families shall file a preliminary report to the Joint Legislative Justice Oversight Committee describing the progress made toward completion of the plans required by subsections (a) and (c) of this section.

(c) The Department for Children and Families shall, on or before December 1, 2022, propose a plan to the Senate Committees on Judiciary, on Health and Welfare, and on Institutions and the House Committees on Judiciary, on Corrections and Institutions, and on Human Services to ensure the availability of secure treatment placements and aftercare planning for 12–17-year-olds who are subject to juvenile and youthful offender proceedings.

(d) The plans required by subsections (a) and (c) of this section shall be based on research-informed, evidence-based best practices in support of children and families that are trauma-responsive, culturally informed, and consider alternatives to incarceration.

* * * Effective Date * * *

Sec. 19. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposals of Amendment Concurred In

H. 729.

House proposals of amendment to Senate bill entitled:

An act relating to miscellaneous judiciary procedures.

Were taken up.

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

First: In Sec. 38, unification of animal welfare and related public safety functions; report, by inserting a subsection (c) to read as follows:

(c) As used in this section, "domestic animal" includes domestic animals and pets.

Second: In Sec. 38, unification of animal welfare and related public safety functions; report, in subsection (b), after "Federation," by inserting the Vermont Livestock Care Standards Advisory Council, the Vermont Veterinary Medical Association,

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

**Report of Committee of Conference Accepted and Adopted on the Part of
the Senate**

H. 720.

Senator Hooker, 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:

An act relating to the system of care for individuals with developmental disabilities.

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 Sec. 3, report; case manager quality assurance review, in its entirety and inserting in lieu thereof the following:

Sec. 3. REPORT; QUALITY ASSURANCE REVIEW

(a) On or before November 15, 2022, the Department of Disabilities, Aging, and Independent Living shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the oversight of services for individuals with developmental disabilities. The report shall, at a minimum:

(1) identify the current level of quality service reviews required by the Department for home- and community-based services provided by the designated and specialized service agencies and other contracted agencies that provide services to individuals with developmental disabilities and recommend any modifications to these requirements or processes; and

(2) identify the current requirements for the designated and specialized service agencies and other providers to perform on-site visits to individuals with a developmental disability receiving Medicaid-funded residential services, including the residences of individuals residing with shared living providers; the residences of individuals receiving services in their own home or the home of their family; and the residences of individuals residing in residential care homes, therapeutic community residences, nursing facilities, and any other residential settings.

(b) On or before January 15, 2023, the Department of Disabilities, Aging, and Independent Living shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the oversight of services for individuals with developmental disabilities. The report shall develop an implementation plan that shall address the fiscal and workforce requirements for conducting a minimum of at least one annual on-site quality assurance and improvement visit by the Department to the designated and specialized service agencies and other providers serving individuals with developmental disabilities to address the quality of home- and community-based services, including health and safety, in accordance with personalized service plans for the individuals served.

*CHERYL M. HOOKER
RUTH E. HARDY
JOSHUA TERENCE*

Committee on the part of the Senate

*THERESA A. WOOD
FRANCIS M. MCFAUN
DANIEL A. NOYES*

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.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 53.

Senator Cummings, 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 Senate bill entitled:

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

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:

Sec. 1. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

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

* * *

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

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

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

* * *

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

(C) For C corporations with Vermont gross receipts from ~~\$0–\$2,000,000.00~~ \$0.00–\$500,000.00, the greater of the amount determined under subdivision (1) of this section or ~~\$300.00~~ \$100.00; or

(D) For C corporations with Vermont gross receipts from ~~\$2,000,001.00–\$5,000,000.00~~ \$500,001.00–\$1,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$500.00; or

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

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

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

Sec. 3. 32 V.S.A. § 5833(a) is amended to read:

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

~~(1) the average of the value of all the real and tangible property within this State (A) at the beginning of the taxable year and (B) at the end of the taxable year (but the Commissioner may require the use of the average of such value on the 15th or other day of each month, in cases where he or she determines that such computation is necessary to more accurately reflect the average value of property within Vermont during the taxable year), expressed as a percentage of all such property both within and outside this State;~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 4. 32 V.S.A. § 5862(d) is amended to read:

(d) A taxable corporation that is part of an affiliated group engaged in a unitary business shall be treated as a single taxpayer and shall file a group return containing the combined net income of the affiliated group and such other informational returns as the Commissioner shall require by rule. A unitary combined return shall include the income and apportionment factors of any taxable corporation incorporated in the United States or formed under the

laws of any state, the District of Columbia, or any territory or possession of the United States and in a unitary relationship with the taxpayer. The income, gain, or losses from members of a combined group shall be combined to the extent allowed under the Internal Revenue Code for consolidated filing as if the combined group was a consolidated filing group, provided that a state tax credit shall not be combined and shall be limited to the member to which the credit is attributed.

Sec. 5. TRANSITION FROM JOYCE TO FINNIGAN METHOD

For taxable years beginning on and after January 1, 2023, for purposes of determining whether sales are in Vermont and are included in the numerator of the sales apportionment factor, if the activities of any member of a unitary group create nexus with this State, then sales of tangible personal property into Vermont from outside the State by all members of the unitary group shall be included in the Vermont sales factor numerator.

Sec. 6. RULEMAKING; REPORT

The Department of Taxes shall adopt rules relating to the unitary combined reporting requirements imposed under this act. The rules required under this section shall include a change from the Joyce to the Finnigan approach to applying Vermont jurisdiction to corporations within a unitary group. The Department shall report to the House Committee on Ways and Means and the Senate Committee on Finance on or before January 15, 2024 on the Department's proposed rules and any recommendations for legislation with respect to unitary combined reporting.

Sec. 7. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect on ~~March 31, 2021~~ December 31, 2021, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter, and shall continue in effect as adopted until amended, repealed, or replaced by act of the General Assembly.

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

(8) "Laws of the United States" means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2020~~ 2021. As used in this chapter, "Internal Revenue Code" has the same meaning as "laws of the United States" as defined in this subdivision. The date through which amendments to the U.S. Internal Revenue Code of 1986 are adopted under this subdivision shall continue in effect until amended, repealed, or replaced by act of the General Assembly.

Sec. 9. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Secs. 1–6 (corporate income tax) shall take effect on January 1, 2023 and shall apply to taxable years beginning on and after January 1, 2023.

(c) Notwithstanding 1 V.S.A. § 214, Secs. 7 and 8 (annual link to federal statutes) shall take effect retroactively on January 1, 2022 and shall apply to taxable years beginning on and after January 1, 2021.

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

An act relating to changes to Vermont corporate income tax and conformity to federal tax laws”

*ANN E. CUMMINGS
RANDOLPH D. BROCK
RUTH E. HARDY*

Committee on the part of the Senate

*JANET ANCEL
EMILIE K. KORNHEISER
SCOTT L. BECK*

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.

Rules Suspended; Bill Committed

Pending entry on the Calendar for notice, on motion of Senator Ram Hinsdale the rules were suspended and House bill entitled:

H. 244. An act relating to authorizing the natural organic reduction of human remains.

was committed to the Committee on Finance pursuant to Rule 31 with the report of the Committee on Economic Development, Housing and General Affairs *intact*.

Rules Suspended; Action Messaged

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

S. 53, S. 140, S. 224.

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. 353, H. 446, H. 489, H. 518, H. 572, H. 626, H. 697, H. 709, H. 720, H. 729, H. 742, H. 745, H. 746.

Adjournment

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

Called to Order

The Senate was called to order by the President.

Message from the House No. 75

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 bills originating in the Senate of the following titles:

S. 91. An act relating to the Parent Child Center Network.

S. 173. An act relating to the State House art collection.

S. 181. An act relating to authorizing miscellaneous regulatory authority for municipal governments.

S. 201. An act relating to best management practices for trapping.

S. 281. An act relating to hunting coyotes with dogs.

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

The House has considered Senate proposals of amendment to House proposals of amendment to the following Senate bills:

S. 188. An act relating to regulating licensed small cannabis cultivation as farming.

S. 280. An act relating to miscellaneous changes to laws related to vehicles.

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

Message from the House No. 76

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 Senate proposals of amendment to the following House bills:

H. 265. An act relating to the Office of the Child, Youth, and Family Advocate.

H. 466. An act relating to surface water withdrawals and interbasin transfers.

H. 728. An act relating to opioid overdose response services.

And has severally concurred therein.

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

H. 736. An act relating to the Transportation Program and miscellaneous changes to laws related to transportation.

And has severally concurred therein.

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

S. 100. An act relating to universal school breakfast and the creation of the Task Force on Universal School Lunch.

And has concurred therein.

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

S. 285. An act relating to health care reform initiatives, data collection, and access to home- and community-based services.

And has concurred therein.

Bill Passed in Concurrence with Proposal of Amendment**H. 716.**

House bill of the following title was read the third time and passed in concurrence with proposal of amendment:

An act relating to making miscellaneous changes in education law.

Proposal of Amendment; Third Reading Ordered**H. 175.**

Senator Bray, for the Committee on Natural Resources and Energy, to which was referred House bill entitled:

An act relating to the beverage container redemption system.

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:

Sec. 1. 10 V.S.A. chapter 53 is amended to read:

CHAPTE 53. BEVERAGE CONTAINERS; DEPOSIT-REDEMPTION
SYSTEM

§ 1521. DEFINITIONS

~~For the purpose of~~ As used in this chapter:

(1) “Beverage” means ~~beer or other malt beverages and mineral waters, mixed wine drink, soda water and carbonated soft~~ all drinks in liquid form and intended for human consumption, except for milk, dairy products, plant-based beverages, infant formula, meal replacement drinks, nonalcoholic cider, or wine in glass containers. As of January 1, 1990, “beverage” also ~~shall mean~~ means liquor.

(2) “Biodegradable material” means material that is capable of being broken down by bacteria into basic elements.

(3) “Container” means the individual, separate, bottle, can, or jar, ~~or earthen~~ composed of glass, metal, ~~paper,~~ plastic, or any combination of those materials and containing a consumer product beverage. This definition shall does not include:

(A) containers made of biodegradable material;

(B) noncarbonated beverage containers with a volume greater than two and one-half liters and carbonated beverage containers with a volume greater than three liters; or

(C) pouches.

(4) “Distributor” means every person who engages in the sale of consumer products in containers to a dealer in this State including any manufacturer who engages in such sales. Any dealer or retailer who sells, at the retail level, beverages in containers without having purchased them from a person otherwise classified as a distributor, ~~shall be~~ is a distributor.

(5) “Manufacturer” means every person bottling, canning, packing, or otherwise filling containers for sale to distributors or dealers.

(6) “Recycling” means the process of sorting, cleansing, treating, and reconstituting waste and other discarded materials for the purpose of reusing the materials in the same or altered form.

(7) “Redemption center” means a store or other location where any person may, during normal business hours, redeem the amount of the deposit for any empty beverage container labeled or certified pursuant to section 1524 of this title.

(8) “Secretary” means the Secretary of Natural Resources.

(9) “Mixed wine drink” means a beverage containing wine and more than 15 percent added plain, carbonated, or sparkling water; and that contains added natural or artificial blended material, such as fruit juices, flavors, flavoring, adjuncts, coloring, or preservatives; that contains not more than 16 percent alcohol by volume; or other similar product marketed as a wine cooler.

(10) “Liquor” means spirits as defined in 7 V.S.A. § 2.

(11) “Plant-based beverage” means a liquid intended for human consumption that imitates dairy milk, consists of plant material suspended in water, and the primary protein source in the beverage is from plant material or a derivative of plant materials. Plant-based beverages include beverages made from rice, soy, nuts, oats, and hemp.

§ 1522. BEVERAGE CONTAINERS; DEPOSIT

(a) Except with respect to beverage containers that contain liquor, a deposit of not less than five cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. With respect to beverage containers of volume greater than 50 ml. that contain liquor, a deposit of 15 cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. The difference between liquor bottle deposits collected and refunds made is hereby retained by the Liquor Control Enterprise Fund for administration of this subsection.

(b) A retailer or a person operating a redemption center who redeems beverage containers shall be reimbursed by the manufacturer or distributor of such beverage containers in an amount that is three and one-half cents per container for containers of beverage brands that are part of a commingling program and ~~four~~ five cents per container for containers of beverage brands that are not part of a commingling program.

(c) [Repealed.]

(d) Containers shall be redeemed during no fewer than 40 hours per week during the regular operating hours of the establishment.

§ 1522a. RULES

~~The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter. These rules may include the following:~~

~~(1) Provisions to ensure that beverage containers not labeled in accordance with section 1524 of this title are not redeemed.~~

~~(2) Provisions to ensure that beverage containers are commingled.~~

~~(3) Administrative penalties for the failure by a redemption center or retailer to remove beverage containers that are not labeled prior to pickup by a distributor or manufacturer. Penalties may include nonpayment of the deposit and handling fee established under section 1522 of this title for a reasonable period of time and for the number of beverage containers that were not labeled.~~

~~(4) Any other provision that may be necessary for the implementation of this chapter. [Repealed.]~~

§ 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

(a) Except as provided in section 1522 of this title:

(1) A retailer shall not refuse to accept from any person any empty beverage containers, labeled in accordance with section 1524 of this title, of the kind, size, and brand sold by the retailer, or refuse to pay to that person the refund value of a beverage container as established by section 1522 of this title, except as provided in subsection (b) of this section.

(2) A manufacturer or distributor may not refuse to pick up from a retailer that sells its product or a person operating a certified redemption center any empty beverage containers, labeled in accordance with section 1524 of this title, of the kind, size, and brand sold by the manufacturer or distributor, or refuse to pay the retailer or a person operating a redemption center the refund value of a beverage container as established by section 1522 of this title.

(b) ~~A retailer, with the prior approval of the Secretary, may refuse to redeem beverage containers if a redemption center or centers are established that serve the public need stewardship plan that meets the requirements of section 1532 of this title has been implemented by a producer responsibility organization in the State and the retailer's building is less than 5,000 square feet.~~

(c) A retailer or a person operating a redemption center may refuse to redeem beverage containers that are not clean, or are broken, and shall not redeem beverage containers that are not labeled in accordance with section 1524 of this title.

§ 1524. LABELING

(a) Every beverage container sold or offered for sale at retail in this State shall clearly indicate by embossing or, ~~imprinting on the normal product label, or in the case of a metal beverage container on the top of the container, other approved method secured to the container~~ the word "Vermont" or the letters "VT" ~~and the refund value of the container~~ in not less than one-eighth inch type size or such other alternate indications as may be approved by the Secretary. The label shall be on the top lid of the beverage container, the side of the beverage container, or in a clearly visible location of the beverage container. This subsection does not prohibit including names or abbreviations of other states with deposit legislation comparable to this chapter.

(b) Each beverage container sold or offered for sale in the State that has a deposit pursuant to section 1522 of this title shall include a Universal Product Code and barcode. Each distributor shall provide the Universal Product Code and barcode as part of its beverage registration or within 60 days of March 1, 2024, whichever occurs first.

(c) The Commissioner of Liquor and Lottery may allow, in the case of liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the deposit information required in subsection (a) of this section, provided that the size, placement, and adhesive qualities of the sticker are as approved by the Commissioner. The stickers shall be affixed to the bottles by the manufacturer, except that liquor that is sold in the State in quantities less than 100 cases per year may have stickers affixed by personnel employed by the Division of Liquor Control.

~~(e)~~(d) This section shall not apply to permanently labeled beverage containers.

* * *

§ 1527. PENALTY

~~A person who violates a provision of this chapter shall be fined not more than \$1,000.00 for each violation. [Repealed.]~~

§ 1528. BEVERAGE REGISTRATION

No distributor or manufacturer shall sell a beverage container in the State of Vermont without ~~the manufacturer registering the beverage container with the Agency of Natural Resources prior to sale,~~ registering 30 days in advance of

~~initiating sale of the beverage container and participating in a stewardship plan approved by the Secretary unless distributed by the Department of Liquor and Lottery. This registration shall take place on a form provided by the Secretary and include the following:~~

- ~~(1) the name and principal business address of the manufacturer;~~
- ~~(2) the name of the beverage and the container size;~~
- ~~(3) whether the beverage is a part of an approved commingling agreement; and~~
- ~~(4) the name of the person picking up the empty beverage container, if that person is different from the manufacturer.~~

§ 1529. REDEMPTION CENTER CERTIFICATION

A person operating a redemption center may obtain a certification from the Secretary. A redemption center certification shall include the following:

- (1) Specification of the name and location of the facility;
- (2) ~~If the certified redemption center redeems more than 250,000 containers per year, a requirement that the certified redemption center shall participate in an approved commingling agreement; and~~
- (3) Additional conditions, requirements, and restrictions as the Secretary may deem necessary to implement the requirements of this chapter. This may include requirements concerning reporting, recording, and inspections of the operation of the site.

* * *

§ 1531. MANUFACTURER PARTICIPATION IN PRODUCER RESPONSIBILITY ORGANIZATION

(a) No manufacturer or distributor may sell or distribute a beverage container in this State without participating in a Secretary-approved producer responsibility organization.

(b) On or before January 1, 2023, a manufacturer or manufacturers representing at least 51 percent of the beverage containers sold or distributed within the State may apply to the Secretary to form a producer responsibility organization.

(c) The Secretary may approve, for a period not longer than 10 years, a producer responsibility organization, provided that:

- (1) the producer responsibility organization has the capacity to administer the requirements of a stewardship plan required by section 1532 of this title; and

(2) the producer responsibility organization does not create any unreasonable barriers to joining the producer responsibility organization and shall take into the consideration the needs of small manufacturers that do not generate a significant volume of containers.

(d) After approval, a producer responsibility organization shall maintain a website that identifies:

(1) the name and principal business address of each manufacturer participating in the producer responsibility organization; and

(2) the name of each beverage and the container size covered by the stewardship plan.

(e) If a producer responsibility organization fails to implement the requirements of this chapter, the rules adopted by the Secretary, or an approved stewardship plan, the Secretary may dissolve the producer responsibility organization.

(f) If no producer responsibility organization is formed, the Secretary may require the formation of a producer responsibility organization or adopt and administer a plan that meets the requirements of section 1532 of this title. If the Secretary administers the plan adopted under section 1532, the Secretary shall charge each manufacturer the costs of plan administration, the Agency's oversight costs, and a recycling market development assessment of 10 percent of the plan's total cost to be deposited Waste Management Assistance Fund, Solid Waste Account for the purpose of providing grants to develop markets to recycle materials.

(g) The producer responsibility organization shall reimburse the Agency of Natural Resources for all oversight costs in administering this chapter.

§ 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS

(a) Plan elements. On or before October 1, 2023, an approved producer responsibility organization shall submit a stewardship plan to the Secretary. A stewardship plan shall, at a minimum, meet all of the following the requirements of this section:

(1) Convenience of collection. A plan shall ensure that consumers have convenient opportunities to redeem beverage containers. The plan shall take reasonable efforts to site points of collection in areas with high population density or located in centers designated under 24 V.S.A. chapter 76A. A plan shall document how redemption services will be available to consumers as follows:

(A) at least three points of redemption per county that provide an immediate return of a deposit to a consumer unless a waiver is granted by the

Secretary:

(B) at least one point of redemption per municipality with a population of 7,000 or more persons that provides an immediate return of a deposit to a consumer unless a waiver is granted by the Secretary; and

(C) statewide coverage of points of redemption so that consumers are not required to drive more than 15 minutes unless a waiver is granted by the Secretary.

(2) Fair operation and compensation to redemption centers. The plan shall satisfy all of the following requirements.

(A) The plan shall describe how all locations that redeem beverage containers are fairly compensated for their participation in the collection program.

(B) There shall not be barriers to the participation in the collection program for a redemption center, except for restrictions that are authorized by the Secretary, by rule.

(C) The plan shall describe how management and sorting of containers at redemption centers is minimized. The plan shall document how brand sorting will be eliminated at points of redemption.

(D) The plan shall describe how materials will be picked up from redemption centers on a timely basis.

(E) The plan shall maximize the use of existing infrastructure when establishing points of collection under subdivision (a)(1) of this section.

(3) Impacts to municipal recycling. The plan shall document how facilities certified under chapter 159 of this title that process beverage containers to make them usable as recycled commodities will be compensated by the producer responsibility organization.

(4) Education to consumers. The plan shall describe what education efforts will be undertaken to increase the number of beverage containers redeemed in the State.

(5) Consultation with stakeholders. The producer responsibility organization shall consult with stakeholders on the development of the plan. The plan shall include processes for regular consultation, which shall be not less than annually, with stakeholders including the Agency, redemption centers, municipal and private recycling organizations, and other stakeholders.

(b) Reporting. At a frequency required by the Secretary but not less than annually, the producer responsibility organization shall report the following to the Secretary:

(1) the name, address, and business hours of each redemption center participating in the approved stewardship plan;

(2) the amount, in containers and tons, and material type of beverage containers redeemed under the plan;

(3) the location and amount of beverage container material that was recycled and what products that beverage container material was recycled into;

(4) the carbon impacts associated with the administration of the stewardship plan;

(5) the costs associated with administration of the stewardship plan, including the costs of collection, management, and transportation of redeemed containers and the amount received for commodities;

(6) a description of any improvements made in the reporting year to increase ease and convenience for consumers to return beverage containers for redemption;

(7) efforts taken by or on behalf of the distributor to reduce environmental impacts throughout the product life cycle and to increase reusability or recyclability at the end of the life cycle by material type;

(8) efforts taken by or on behalf of the producer responsibility organization to improve the environmental outcomes of the program by improving operational efficiency, such as reduction of truck trips through improved material handling or compaction or the increased use of refillable containers in a local refilling system;

(9) a description and copies of educational materials and educational strategies the producer uses for the purposes of this program; and

(10) any additional information required by the Secretary.

(c) Secretary of Natural Resources approval. The plan shall be submitted to the Secretary, and after concluding that the elements of the plan will maximize diversion of recyclable materials, provide convenience to users, and create a more circular economy, the Secretary's approval pursuant to this subsection shall be for a period not greater than five years.

§ 1533. PROGRAM AND FISCAL AUDIT

(a) Program audit. Every five years, the producer responsibility organization shall conduct an independent third-party program audit of the operation of the stewardship plan. The audit shall make recommendations to improve the operation of the collection program established by this chapter.

(b) Fiscal audit. Annually, the producer responsibility organization shall conduct an independent third-party fiscal audit of the program. The fiscal audit shall provide a transparent fiscal analysis of the producer responsibility organization, its expenditures, the number of beverage containers collected, and the amount of unclaimed deposits. The audit shall also provide the redemption rate of beverage containers redeemed in the State after approval by the Secretary.

§ 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL;
REPORT

(a) It is a goal of the State that the following minimum beverage container redemption rates shall be satisfied by the specified dates:

- (1) Beginning on July 1, 2025: 75 percent.
- (2) Beginning on July 1, 2030: 80 percent.
- (3) Beginning on July 1, 2035: 85 percent.
- (4) Beginning on July 1, 2050: 90 percent.

(b) Beginning July 1, 2025 and every five years thereafter, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Finance and the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means a written report containing:

- (1) the current beverage container redemption rate in the State; and
- (2) a recommendation of whether the beverage container deposit should be increased to improve redemption of beverage containers.

§ 1535. RULEMAKING

The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter.

Sec. 2. 10 V.S.A. § 1530(c)(1) is amended to read:

(c)(1) ~~On or before January 1, 2020, and quarterly thereafter, Every quarter,~~ at the time a report is filed pursuant to subsection (d) of this section, each deposit initiator shall remit to the Commissioner of Taxes ~~any~~ 50 percent of the abandoned beverage container deposits from the preceding quarter. ~~The remaining 50 percent of the abandoned beverage container deposits shall be retained by the producer responsibility organization implementing the requirements of this chapter for the deposit initiator.~~ The amount of abandoned beverage container deposits for a quarter is the amount equal to the amount of deposits that the deposit initiator collected in the quarter less the

amount of the total refund value paid out by the deposit initiator for beverage containers during the quarter.

Sec. 3. 10 V.S.A. § 1530(c)(1) is amended to read:

(c)(1) Every quarter, at the time a report is filed pursuant to subsection (d) of this section, each deposit initiator shall remit to the Commissioner of Taxes ~~50 percent of the~~ any abandoned beverage container deposits from the preceding quarter. ~~The remaining 50 percent of the abandoned beverage container deposits shall be retained by the producer responsibility organization implementing the requirements of this chapter for the deposit initiator.~~ The amount of abandoned beverage container deposits for a quarter is the amount equal to the amount of deposits that the deposit initiator collected in the quarter less the amount of the total refund value paid out by the deposit initiator for beverage containers during the quarter.

Sec. 4. 10 V.S.A. § 7714 is amended to read:

§ 7714. TYPE 3 PROCEDURES

(a) Purpose; scope.

(1) The purpose of this section is to establish the public notice and comment requirements that the Department must follow when adopting general permits, except for general permits governed by section 7712 of this chapter, and when considering other permits listed in this section.

(2) The procedures under this section shall be known as Type 3 Procedures. This section governs each of the following:

(A) Each general permit issued pursuant to the Secretary's authority under this title other than a general permit subject to section 7712 of this chapter. However, this section does not apply to a notice of intent under a general permit.

(B) Issuance of a dam safety order under chapter 43 of this title, except for an unsafe dam order under section 1095 of this title.

(C) An application or request for approval of:

(i) an aquatic nuisance control permit under chapter 50 of this title;

(ii) a change in treatment for a public water supply under chapter 56 of this title;

(iii) a collection plan for mercury-containing lamps under section 7156 of this title;

(iv) an individual plan for the collection and recycling of electronic waste under section 7554 of this title; and

(v) a primary battery stewardship plan under section 7586 of this title; and

(vi) approval of a stewardship plan required under chapter 53 of this title.

(b) Notice of application. The Secretary shall provide notice of an administratively complete application through the environmental notice bulletin.

(c) Notice of draft decision; comment period. The Secretary shall provide notice of the draft decision through the environmental notice bulletin and shall post the draft decision to the bulletin. The Secretary shall provide a public comment period.

(d) Public meeting. The Secretary shall hold a public meeting whenever any person files a written request for such a meeting. The Secretary otherwise may hold a public meeting at ~~his or her~~ the Secretary's discretion.

(e) Notice of final decision. The Secretary shall provide notice of the final decision through the environmental notice bulletin and shall post the final decision to the bulletin. The Secretary shall provide a response to comments.

Sec. 5. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the Clean Water Fund to be administered by the Secretary of Administration. The Fund shall consist of:

(1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) 50 percent of the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title;

(4) six percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and

(5) other revenues dedicated for deposit into the Fund by the General Assembly.

(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund

from year to year.

Sec. 6. 10 V.S.A. § 6618(a) is amended to read:

(a) There is hereby created in the State Treasury a fund to be known as the Waste Management Assistance Fund, to be expended by the Secretary of Natural Resources. The Fund shall have three accounts: one for Solid Waste Management Assistance, one for Hazardous Waste Management Assistance, and one for Electronic Waste Collection and Recycling Assistance. The Hazardous Waste Management Assistance Account shall consist of a percentage of the tax on hazardous waste under the provisions of 32 V.S.A. chapter 237, as established by the Secretary, the toxics use reduction fees under subsection 6628(j) of this title, and appropriations of the General Assembly. In no event shall the amount of the hazardous waste tax that is deposited to the Hazardous Waste Management Assistance Account exceed 40 percent of the annual tax receipts. The Solid Waste Management Assistance Account shall consist of the franchise tax on waste facilities assessed under the provisions of 32 V.S.A. chapter 151, subchapter 13; 50 percent of the unclaimed beverage container deposits remitted to the State under chapter 53 of this title, and appropriations of the General Assembly. The Electronic Waste Collection and Recycling Account shall consist of the program and implementation fees required under section 7553 of this title. All balances in the Fund accounts at the end of any fiscal year shall be carried forward and remain a part of the Fund accounts, except as provided in subsection (e) of this section. Interest earned by the Fund shall be deposited into the appropriate Fund account. Disbursements from the Fund accounts shall be made by the State Treasurer on warrants drawn by the Commissioner of Finance and Management.

Sec. 7. SYSTEMS ANALYSIS OF BEVERAGE CONTAINER SYSTEM

On or before January 15, 2028, the Agency of Natural Resources shall submit to the House Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy a written report on the total system costs associated with the implementation of the beverage container redemption system under 10 V.S.A. chapter 53, including climate impacts.

Sec. 8. BEVERAGE CONTAINER IMPLEMENTATION STUDY

(a) On or before January 15, 2023, the Secretary of Natural Resources shall submit to the House Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy a written report including all of the following:

(1) Recommendations on whether a minimum size limit should be included under 10 V.S.A. chapter 53 (beverage containers; deposit redemption system).

(2) A recommendation on whether glass wine bottles should be included under 10 V.S.A. chapter 53 and recommendations on the deposit amount for glass wine bottles. If the recommendation is to not include wine bottles under 10 V.S.A. chapter 53, the report shall explain the impacts of wine bottles on municipal recycling infrastructure, the costs in handling wine bottles within the municipal recycling infrastructure, and recommendation on an assessment on wine bottles to address the impacts of wine bottles on municipal recycling infrastructure and to develop markets for the use of recycled glass.

(b) The Secretary of Natural Resources shall convene a stakeholder process or processes when developing recommendations required by subsection (a) of this section.

Sec. 9. EFFECTIVE DATES

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

(1) In Sec. 1, 10 V.S.A. § 1521(1) (expansion of the definition of beverage types) shall take effect on January 1, 2025;

(2) In Sec. 1, 10 V.S.A. § 1523 (requiring product registration to take place with the producer responsibility organization) shall take effect on March 1, 2024;

(3) In Sec. 1, 10 V.S.A. § 1524(b) (requiring a UPC label on containers) shall take effect on March 1, 2024;

(4) In Sec. 1, 10 V.S.A. § 1531(a) (prohibiting the sale or distribution without participating in a producer responsibility organization) shall take effect on March 1, 2024;

(5) Sec. 2 (remittance of abandoned beverage container deposits) shall take effect on January 1, 2025.

(6) Sec. 3. (repeal of remittance of beverage container deposit) shall take effect on July 1, 2030.

(7) Sec. 5 (changing the amount of funds deposited in the Clean Water Fund) shall take effect on January 1, 2025; and

(8) Sec. 6 (Waste Management Assistance Fund) shall take effect on July 1, 2030.

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

Senator Pearson, for the Committee on Finance, 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 Natural Resources and Energy.

Senator Nitka, for the Committee on Appropriations, to which the bill was referred, reported the same without recommendation.

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

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs?, Senators Bray, MacDonald and McCormack moved to amend the proposal of amendment of the Committee on Economic Development, Housing and General Affairs, as follows:

First: In Sec. 1, 10 V.S.A. chapter 53, section 1521, by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1)(A) “Beverage” means beer or other malt beverages and mineral waters, mixed wine drink, soda water and carbonated soft all drinks in liquid form and intended for human consumption, except for milk, dairy products, plant-based beverages, infant formula, meal replacement drinks, or nonalcoholic cider.

(B) As of January 1, 1990, “beverage” also shall mean means liquor.

(C) Notwithstanding subdivision (A) of this subdivision (1), “beverage” does not include vinous beverages until January 1, 2026.

and by adding subdivisions (12) and (13) to read as follows:

(12) “Cider” means a beverage, made a majority from the fermented natural sugar content of apples or pears, that contains an alcoholic content of not less than one percent or more than 16 percent by volume at 60 degrees Fahrenheit. “Cider” includes sweetened, flavored, and carbonated cider.

(13) “Vinous beverages” means all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits or other agricultural product, containing sugar, the total alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit. As used in this section, “vinous beverages” does not mean cider.

Second: In Sec. 1, 10 V.S.A. chapter 53, section 1532, by striking out subdivision (a)(3) in its entirety and inserting in lieu thereof the following:

(3) Impacts to municipal recycling. The plan shall propose a protocol for documenting the amount of Bottle Bill materials that are processed and marketed by solid waste management entities, including at materials recovery facilities, and shall propose a compensation formula for glass-, plastic-, and aluminum-covered beverage containers that are made usable as recycled commodities.

Third: By striking out Sec. 8, beverage container implementation study, in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. BEVERAGE CONTAINER SCOPE AND IMPLEMENTATION
STUDY

(a) On or before January 15, 2023, the Secretary of Natural Resources shall submit to the House Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy a written report including all of the following:

(1) a recommendation on whether minimum and maximum size limits on containers should be included as part of the beverage container deposit redemption system in 10 V.S.A. chapter 53;

(2) a recommended beverage container deposit amount for glass wine bottles;

(3) a summary of the logistical and financial impacts of wine bottles on the operation of the beverage container deposit-redemption system and municipal recycling infrastructure; and

(4) recommended strategies to aid in the development of markets for the use of recycled glass.

(b) The Secretary of Natural Resources shall convene a stakeholder process or processes when developing recommendations required by subsection (a) of this section. The process shall include all current stakeholders in the bottle redemption system as well as the nonbottle redemption system.

Fourth: In Sec. 9, effective dates, subdivision (7), after “shall take effect on” and before the semicolon, by striking out “January 1, 2025” and inserting in lieu thereof July 1, 2030

Which was agreed to.

Thereupon, the pending question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Natural Resources and Energy, as amended?, was decided in the affirmative on a division of the Senate, Yeas 17, Nays 11.

Thereupon, third reading of the bill was ordered on a roll call, Yeas 17, Nays 11.

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

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Bray, Champion, Clarkson, Cummings, Hardy, Hooker, Lyons, MacDonald, McCormack, Pearson, Perchlik, Pollina, Ram Hinsdale, Sirotkin, Westman.

Those Senators who voted in the negative were: Benning, Brock, Chittenden, Collamore, Ingalls, Mazza, Nitka, Parent, Starr, Terenzini, White.

Those Senators absent and not voting were: Kitchel, Sears.

Rules Suspended; Bill Messaged

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

H. 716.

Adjournment

On motion of Senator Balint, the Senate adjourned until ten o'clock in the forenoon on Wednesday, May 11, 2022.