

Journal of the House

Thursday, March 23, 2023

At one o'clock in the afternoon, the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Rev. Jeff Fuller, Living Hope Wesleyan Church, Waterbury Center.

Message from the Senate No. 30

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

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part passed Senate bills of the following titles:

S. 6. An act relating to law enforcement interrogation policies.

S. 65. An act relating to commercial insurance coverage of epinephrine auto-injectors.

S. 93. An act relating to the sales tax exemption for advanced wood boilers.

S. 104. An act relating to designating August 31 as Overdose Awareness Day.

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

The Senate has on its part adopted joint resolution of the following title:

J.R.S. 19. Joint resolution relating to State lands transactions in Jamaica State Park and Coolidge State Forest.

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

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

J.R.H. 3. Joint resolution authorizing the Green Mountain Boys State educational program to use the State House facilities on June 29, 2023.

And has adopted the same in concurrence.

House Bills Introduced

House bills of the following titles were severally introduced, read the first time, and referred to committee as follows:

H. 487

By Reps. LaLonde of South Burlington, Burke of Brattleboro, Ode of Burlington, Pajala of Londonderry, and Small of Winooski,

House bill, entitled

An act relating to Executive Branch officials' ethical misconduct

To the Committee on Government Operations and Military Affairs.

H. 488

By Rep. Nicoll of Ludlow,

House bill, entitled

An act relating to approval of the adoption of the charter of the Town of Ludlow

To the Committee on Government Operations and Military Affairs.

Senate Bills Referred

Senate bills of the following titles were severally taken up, read the first time, and referred as follows:

S. 6

Senate bill, entitled

An act relating to law enforcement interrogation policies

To the Committee on Judiciary.

S. 65

Senate bill, entitled

An act relating to commercial insurance coverage of epinephrine auto-injectors

To the Committee on Health Care.

S. 93

Senate bill, entitled

An act relating to the sales tax exemption for advanced wood boilers

To the Committee on Ways and Means.

S. 104

Senate bill, entitled

An act relating to designating August 31 as Overdose Awareness Day

To the Committee on General and Housing.

**Bills Referred to Committee on Appropriations
Pending Entry on the Notice Calendar**

House bills of the following titles, pending entry on the Notice Calendar, carrying appropriations, under House Rule 35(a), were referred to the Committee on Appropriations:

H. 282

House bill, entitled

An act relating to the Psychology Interjurisdictional Compact

H. 479

House bill, entitled

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

H. 486

House bill, entitled

An act relating to school construction

Joint Resolution Referred to Committee**J.R.S. 19**

By Senate Committee on Institutions,

J.R.S. 19. Joint resolution relating to State lands transactions in Jamaica State Park and Coolidge State Forest.

Whereas, the Department of Forests, Parks and Recreation (the Department) owns and manages the Jamaica State Park (the Park) in Jamaica and the Coolidge State Forest (the Forest), which includes the Curtis Hollow Block in Woodstock, and

Whereas, Jamaica State Park, which is situated adjacent to the West River, includes the widely used West River Trail, and a segment of this trail passes across a 5.4-acre inholding that the Nancy J. Winslow Revocable Trust (the Trust) owns, and which is known as the Salmon Hole Lot (the Lot), and

Whereas, the public uses the Lot to access and picnic along the West River, and for bicycling, cross-country skiing, and hiking on the West River and Overlook Trails, which pass through the Lot, and Peter Winslow has agreed to acquire this parcel from the Trust, and

Whereas, Peter Winslow owns two non-contiguous parcels adjacent to the Park, and the Department recently discovered that development on one of the parcels encroaches on the Park, and

Whereas, the Department proposes to convey to Peter Winslow an approximately 24.7-acre parcel that is of little conservation or recreational value, which will resolve the encroachment, in exchange for the Department's acquisition of the Lot and an associated right-of-way easement across the West River Trail to access the Lot, and

Whereas, the Department will retain a right-of-way easement along Jacobs Road, across the property to be conveyed to Peter Winslow, to provide access to the Park for both public access and forest management, and

Whereas, Jaime Ellertson owns a 160-acre parcel that separates a segment of the Forest from another parcel of the Forest, and he also owns a second parcel that the Forest separates from his 160-acre parcel, and

Whereas, the 160-acre Ellertson parcel and the separated segment of the Forest are both landlocked and lacking in legal access, and the Vermont Land Trust (VLT) holds a conservation easement on the 160-acre Ellertson parcel that allows for the subdivision and development of one residential lot, and

Whereas, Jaime Ellertson has agreed to convey to the Department a 102-acre parcel and a 400-foot-wide right-of-way easement for a public recreational trail to the summit of Old Baldy Mountain, and, in exchange, the Department will convey to Jaime Ellertson a 102-acre parcel, subject to a conservation easement to be conveyed from the Department to VLT, and these transactions will eliminate the privately held subdivision and development right under the VLT easement, either through extinguishment or conveyance to the Department, resolve the access issues related to the 160-acre Ellertson parcel and the separated Forest parcel, and provide permanent public recreational access to the summit of Old Baldy Mountain, and

Whereas, 10 V.S.A. § 2606(b) authorizes the Commissioner of Forests, Parks and Recreation (the Commissioner) to sell, convey, exchange, or lease land, or interests in land, or to amend deeds, leases, and easement interests subject to General Assembly approval, and both the Commissioner and the General Assembly find the following actions to be in the best interests of the State, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly authorizes the Commissioner of Forests, Parks and Recreation to take the following actions:

First: With respect to Jamaica State Park: To convey to Peter Winslow a parcel of approximately 24.7 acres in the Town of Jamaica with certain deed restrictions prohibiting commercial and residential development and use and limiting use of the parcel to forestry, recreation, and vehicular access by Peter Winslow. In exchange for the conveyance of the Department, Peter Winslow will convey to the Department a parcel of approximately 5.4 acres, known as the Salmon Hole Lot, via a warranty deed, without restrictions on use other than commercial and residential restrictions that currently exist in the deed held by the Trust. The Department shall retain a right-of-way easement for forest management and public recreation purposes across the 24.7-acre parcel from or along Town Legal Trail 12 to access the Park.

Second: With respect to Coolidge State Forest: To convey to the Vermont Land Trust a conservation easement restricting development and use on a 102-acre parcel, which is part of the Curtis Hollow Block, to forestry, educational, recreational, and open-space purposes, and then to convey the parcel to Jaime Ellertson, subject to the conservation easement. In exchange for the conveyance of the currently Department-owned 102-acre parcel to Jaime Ellertson, he shall convey to the Department a separate 102-acre parcel adjacent to the Forest, subject only to the existing VLT easement, along with a 400-foot-wide right-of-way easement for a public recreation trail to the summit of Old Baldy Mountain. Additionally, Jaime Ellertson shall eliminate, either through conveyance or extinguishment, his existing right to subdivide and develop one residential lot on the 160-acre parcel, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Commissioner of Forests, Parks and Recreation.

Was read by title and, in the Speaker's discretion under Rule 52, treated as a bill and referred to the Committee on Corrections and Institutions.

Ceremonial Readings**H.C.R. 47**

House concurrent resolution honoring Rotary International for its continuing good works and congratulating the Burlington, Bellows Falls, Montpelier, St. Johnsbury, and Windsor Rotary Clubs on their centennial

Offered by: Representatives Nugent of South Burlington, Krasnow of South Burlington, Priestley of Bradford, Waters Evans of Charlotte, Andriano

of Orwell, Arsenault of Williston, Austin of Colchester, Birong of Vergennes, Boyden of Cambridge, Brumsted of Shelburne, Buss of Woodstock, Campbell of St. Johnsbury, Casey of Montpelier, Chapin of East Montpelier, Chase of Chester, Chesnut-Tangerman of Middletown Springs, Conlon of Cornwall, Dolan of Essex Junction, Donahue of Northfield, Farlice-Rubio of Barnet, Galfetti of Barre Town, Garofano of Essex, Goslant of Northfield, Hango of Berkshire, Harrison of Chittenden, Holcombe of Norwich, Houghton of Essex Junction, Lalley of Shelburne, Leavitt of Grand Isle, McCann of Montpelier, McCoy of Poultney, McGill of Bridport, Minier of South Burlington, Morgan of Milton, Morrissey of Bennington, Mrowicki of Putney, Nicoll of Ludlow, Ode of Burlington, Page of Newport City, Rachelson of Burlington, Toleno of Brattleboro, Torre of Moretown, and White of Bethel

Offered by: Senator Chittenden

Whereas, Rotary International has strong Vermont roots as the convenor of the first Rotary meeting, held in Chicago on February 23, 1905, was Wallingford native Paul P. Harris, and

Whereas, the objective of Rotary “is to encourage and foster the ideal of service as a basis of worthy enterprise,” and

Whereas, in 1917, the leadership of Rotary International established the Rotary Foundation “for the purpose of doing good in the world,” and in 1921, “the advancement of peace and international goodwill” was added to the Rotary Constitution, and

Whereas, the mission of Rotary International is implemented through its international programs to fight life-threatening diseases, improve health care, provide clean water and sanitation systems, offer nutritional programs, and support literacy education, and through its Interact and student exchange youth programs, and

Whereas, in 2011, Rotary Clubs in Vermont were a major financial contributor to Tropical Storm Irene relief efforts, and

Whereas, 2023 marks the centennial of the chartering of the Burlington (the first in Vermont), Bellows Falls, Montpelier, St. Johnsbury, and Windsor Rotary Clubs, which are among the many now-operating Rotary Clubs in this international organization’s Districts 7850 and 7870, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly honors Rotary International for its continuing good works and congratulates the Burlington, Bellows Falls, Montpelier, and St. Johnsbury Rotary Clubs on their centennial, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the presidents of Rotary Districts 7850 and 7870, and to the Burlington, Bellows Falls, Montpelier, St. Johnsbury, and Windsor Rotary Clubs.

Having been adopted in concurrence on Friday, March 3, 2023 in accord with Joint Rule 16b, was read.

H.C.R. 54

House concurrent resolution honoring Bruce Sklar, Harwood Union Middle and High School jazz teacher extraordinaire

Offered by: Representatives Dolan of Waitsfield, Holcombe of Norwich, Stevens of Waterbury, Torre of Moretown, and Wood of Waterbury

Whereas, the exciting jazz melodies and rhythms created at Harwood Union Middle and High School resulted from the creativity of faculty member Bruce Sklar, and

Whereas, his interest in jazz began as a youngster in Newton, Massachusetts, where he grew up in a musically astute family, and

Whereas, the hours spent in the local Kota Audio store and the lessons absorbed from his first jazz teacher, Gene Ashton, later known as Cooper Moore, proved invaluable, and

Whereas, although an aspiring jazz musician, Bruce Sklar auditioned for entrance into the University of Massachusetts Amherst as a classical music student, as the jazz program, of which he was the first graduate, was only established after his admission, and

Whereas, his move to the Mad River Valley began with visits to friends' ski houses, regular trips to participate in Warren's Fourth of July celebration, and, eventually, to join the jazz band Pure Pressure, and

Whereas, in 1994, Chris Rivers, the Harwood music teacher, invited Bruce Sklar to teach jazz part-time at Harwood, and Bruce Sklar developed both high school and middle school jazz bands, and, in 1999, he became a full-time faculty member who taught students to synthesize their musical ideas, thereby not only producing great jazz players, but establishing an intellectual skill they have applied in amazing careers unrelated to music, and

Whereas, his jazz nights at Harwood were truly memorable musical collaborations and improvisations, and

Whereas, in the 2022–2023 academic year, Bruce Sklar is bidding farewell to Harwood Union Middle and High School, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly honors Bruce Sklar, Harwood Union Middle and High School jazz teacher extraordinaire, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to Bruce Sklar.

Having been adopted in concurrence on Friday, March 17, 2023 in accord with Joint Rule 16b, was read.

H.C.R. 55

House concurrent resolution honoring Chris Rivers on his transformative career as Harwood Union Middle and High School Music Department Chair

Offered by: Representatives Dolan of Waitsfield, Holcombe of Norwich, Stevens of Waterbury, Torre of Moretown, and Wood of Waterbury

Whereas, music studies at Harwood Union Middle and High School are renowned in large measure because of the innovative leadership of Chris Rivers, and

Whereas, his musical odyssey included the Crane School of Music at the State University of New York at Potsdam, from which he graduated, and continued with graduate studies at Florida State University, where he switched from a performance to a pedagogic focus and earned a master's degree in teaching, and

Whereas, as a trumpeter, Chris Rivers specialized in brass ensemble, and in leading the seventh grade, eighth grade, and high school bands at Harwood, as well as in teaching music theory and the history of rock and roll, the latter recently presented online for the Vermont Virtual Learning Cooperative, and

Whereas, he is responsible for an extensive private lesson program that both involves nine non-faculty instructors who teach lessons on clarinet, drums, guitar, trombone, trumpet, and other instruments and encourages participation regardless of a family's ability to afford an instrument, and

Whereas, problem-solving, discipline, and how to meet a challenge are essential lessons that Chris Rivers emphasizes in his classes, and

Whereas, after a stellar 33-year career at Harwood, Chris Rivers is concluding his teaching and school administrative duties and anticipates expanding his own performance schedule, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly honors Chris Rivers on his transformative career as Harwood Union Middle and High School Music Department Chair, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to Chris Rivers.

Having been adopted in concurrence on Friday, March 17, 2023 in accord with Joint Rule 16b, was read.

Third Reading; Bill Passed

H. 178

House bill, entitled

An act relating to commissioning Department of Corrections personnel as notaries public

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

**Amendments Offered; Consideration Interrupted;
Read Third Time; Bill Passed**

H. 230

House bill, entitled

An act relating to implementing mechanisms to reduce suicide

Was taken up and, pending third reading of the bill, **Rep. Donahue of Northfield** moved to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. REPORT ON FIREARMS DEATHS

(a) On or before January 15, 2024, the Department of Public Safety, in collaboration with the Office of the Chief Medical Examiner and local law enforcement agencies, shall submit a report to the General Assembly that reviews information from calendar years 2018–2022 regarding all deaths that resulted from firearms. To the extent possible the report shall identify:

(1) whether the death was accidental, a homicide, a suicide, or unknown;

(2) the type of firearm used and how it was obtained, including whether it was:

(A) purchased within 72 hours before the death; and

(B) located within premises under a person's custody and control and, if so:

(i) whether it was securely stored; and

(ii) whether the premises was the person's residence;

(3) with respect to any death involving a person under 18 years old:

(A) the relationship between the owner of the firearm and the deceased person; and

(B) the relationship between the owner of the property where the firearm was located and the deceased person; and

(4) whether the deceased person was a person who was prohibited from possessing a firearm by state or federal law or by court order.

(b)(1) The review required by this section shall rely on all available existing records related to the death and on interviews of any persons identified in existing records as potentially having information about the source of the firearm used in the death if the source is not stated in any existing records.

(2) A person providing information in an interview pursuant to this section shall be immune from criminal prosecution for any disclosure of responsive information that indicates criminal activity may have occurred if there is no existing criminal investigation underway at the time of the disclosure. Information provided by a person in an interview pursuant to this section shall not be used in any civil action brought against that person related to the death.

(c) On or before January 31, 2024, the Office of Legislative Counsel shall review 2023 federal cases citing *New York State Rifle & Pistol Ass'n, Inc. v. Bruen*, 142 S. Ct. 2111 (2022) and provide a summary of U.S. Court of Appeals and U.S. Supreme Court decisions citing *Bruen* to the General Assembly.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

Which was disagreed to.

Pending third reading of the bill, **Rep. Donahue of Northfield** moved to amend the bill as follows:

First: By striking out Sec. 4 in its entirety

Second: In Sec. 5, 13 V.S.A. § 4053, by striking out “family or household member” each time it appears and inserting in lieu thereof “law enforcement officer”

Third: In Sec. 6, 13 V.S.A. § 4054, by striking out “family or household member” each time it appears and inserting in lieu thereof “law enforcement officer”

and by renumbering the remaining sections to be numerically correct.

Which was disagreed to.

Pending third reading of the bill, **Rep. Morgan of Milton** moved to amend the bill as follows:

In Sec. 7, 13 V.S.A. § 4019a (Firearms Transfers; Waiting period), by inserting a new subsection (f) to read as follows:

(f) This section shall not apply to a firearm transfer if the transferee provides the licensed dealer facilitating the transfer with sales receipts or other documentation establishing that the transferee already owns firearms.

Which was disagreed to.

Pending third reading of the bill, **Rep. Morgan of Milton** moved to amend the bill as follows:

In Sec. 8 (Effective Date), by striking out “July 1, 2023” and inserting in lieu thereof “July 1, 2024”

Which was disagreed to.

At two o'clock and thirty-three minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At three o'clock in the afternoon, the Speaker called the House to order.

Pending the question, Shall the bill be read a third time?, **Rep. Donahue of Northfield** moved to amend the bill by inserting a new Sec. 8 to read as follows:

Sec. 8. REPORT ON FIREARMS DEATHS

(a) On or before January 15, 2024, the Department of Public Safety, in collaboration with the Office of the Chief Medical Examiner and local law enforcement agencies, shall submit a report to the General Assembly that reviews information from calendar years 2018–2022 regarding all deaths that resulted from firearms. To the extent possible the report shall identify:

(1) whether the death was accidental, a homicide, a suicide, or unknown;

(2) the type of firearm used and how it was obtained, including whether it was:

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- (A) purchased within 72 hours before the death; and
- (B) located within premises under a person's custody and control and, if so:
- (i) whether it was securely stored; and
- (ii) whether the premises was the person's residence;
- (3) with respect to any death involving a person under 18 years old:
- (A) the relationship between the owner of the firearm and the deceased person; and
- (B) the relationship between the owner of the property where the firearm was located and the deceased person; and
- (4) whether the deceased person was a person who was prohibited from possessing a firearm by state or federal law or by court order.
- (b)(1) The review required by this section shall rely on all available existing records related to the death and on interviews of any persons identified in existing records as potentially having information about the source of the firearm used in the death if the source is not stated in any existing records.
- (2) A person providing information in an interview pursuant to this section shall be immune from criminal prosecution for any disclosure of responsive information that indicates criminal activity may have occurred if there is no existing criminal investigation underway at the time of the disclosure. Information provided by a person in an interview pursuant to this section shall not be used in any civil action brought against that person related to the death.
- (c) On or before January 31, 2024, the Office of Legislative Counsel shall review 2023 federal cases citing *New York State Rifle & Pistol Ass'n, Inc. v. Bruen*, 142 S. Ct. 2111 (2022) and provide a summary of U.S. Court of Appeals and U.S. Supreme Court decisions citing *Bruen* to the General Assembly.
- and by renumbering the remaining section to be numerically correct.

Pending the question, Shall the bill be amended as offered by Rep. Donahue of Northfield?, **Rep. Donahue of Northfield** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as offered by Rep. Donahue of Northfield?, was decided in the negative. Yeas, 42. Nays, 104.

Those who voted in the affirmative are:

Bartley of Fairfax	Graham of Williamstown	Morrissey of Bennington
Beck of St. Johnsbury	Gregoire of Fairfield	Oliver of Sheldon
Branagan of Georgia	Hango of Berkshire	Page of Newport City
Brennan of Colchester	Harrison of Chittenden	Parsons of Newbury
Brownell of Pownal	Higley of Lowell	Peterson of Clarendon
Burditt of West Rutland	Labor of Morgan	Sammis of Castleton
Canfield of Fair Haven	Laroche of Franklin	Shaw of Pittsford
Chase of Colchester	Lipsky of Stowe	Sibilia of Dover
Clifford of Rutland City	Maguire of Rutland City	Smith of Derby
Demar of Enosburgh	Marcotte of Coventry	Taylor of Milton
Dickinson of St. Albans Town	Mattos of Milton	Toof of St. Albans Town
Donahue of Northfield *	McCoy of Poultney	Walker of Swanton
Galfetti of Barre Town	Morgan of Milton	Williams of Granby
Goslant of Northfield	Morris of Springfield	Wilson of Lyndon

Those who voted in the negative are:

Andrews of Westford	Dodge of Essex	Nicoll of Ludlow
Andriano of Orwell	Dolan of Essex Junction	Notte of Rutland City
Anthony of Barre City	Dolan of Waitsfield	Noyes of Wolcott
Arrison of Weathersfield	Durfee of Shaftsbury	Nugent of South Burlington
Arsenault of Williston	Elder of Starksboro	O'Brien of Tunbridge
Austin of Colchester	Emmons of Springfield	Ode of Burlington
Bartholomew of Hartland	Farlice-Rubio of Barnet	Pajala of Londonderry
Berbeco of Winooski	Garofano of Essex	Patt of Worcester
Birong of Vergennes	Goldman of Rockingham	Pearl of Danville
Black of Essex	Graning of Jericho	Pouech of Hinesburg
Bluemle of Burlington	Headrick of Burlington	Priestley of Bradford
Bongartz of Manchester	Holcombe of Norwich	Rachelson of Burlington
Bos-Lun of Westminster	Hooper of Randolph	Rice of Dorset
Boyden of Cambridge	Hooper of Burlington	Roberts of Halifax
Brady of Williston	Houghton of Essex Junction	Satcowitz of Randolph
Brown of Richmond	Howard of Rutland City	Scheu of Middlebury
Brumsted of Shelburne	Hyman of South Burlington	Sheldon of Middlebury
Burke of Brattleboro	James of Manchester	Sims of Craftsbury
Burrows of West Windsor	Jerome of Brandon	Small of Winooski
Buss of Woodstock	Kornheiser of Brattleboro	Squirrell of Underhill
Campbell of St. Johnsbury	Krasnow of South Burlington	Stebbins of Burlington
Carpenter of Hyde Park	LaBounty of Lyndon	Stevens of Waterbury
Carroll of Bennington	Lalley of Shelburne	Stone of Burlington
Casey of Montpelier	LaLonde of South Burlington	Surprenant of Barnard
Chase of Chester	LaMont of Morristown	Taylor of Colchester
Chesnut-Tangerman of Middletown Springs	Lanpher of Vergennes	Templeman of Brownington
Christie of Hartford	Leavitt of Grand Isle	Toleno of Brattleboro
Cina of Burlington	Logan of Burlington	Torre of Moretown
Coffey of Guilford		Troiano of Stannard
		Waters Evans of Charlotte

Cole of Hartford	Long of Newfane	White of Bethel
Conlon of Cornwall	Masland of Thetford	Whitman of Bennington
Corcoran of Bennington	McCarthy of St. Albans City	Williams of Barre City
Cordes of Lincoln	McFaun of Barre Town	Wood of Waterbury
Demrow of Corinth	McGill of Bridport	
	Mihaly of Calais	
	Minier of South Burlington	
	Mrowicki of Putney	

Those members absent with leave of the House and not voting are:

Chapin of East Montpelier	Mulvaney-Stanak of Burlington
McCann of Montpelier	

Rep. Donahue of Northfield explained her vote as follows:

“Madam Speaker:

What are we afraid of finding? That we made a mistake with this bill? This is data we should have had and is easy to gather. If not before passing major new laws affecting constitutional rights, then why not for next year, in order to refine and improve targeted responses and protect all Vermonters.”

Thereupon, the bill was read a third time and passed.

Third Reading; Bills Passed

House bills of the following titles were severally taken up, read the third time, and passed:

H. 288

House bill, entitled

An act relating to liability for the sale of alcoholic beverages

H. 473

House bill, entitled

An act relating to radiologist assistants

H. 476

House bill, entitled

An act relating to miscellaneous changes to law enforcement officer training laws

Committee Bill; Second Reading; Third Reading Ordered**H. 481**

Rep. Cina of Burlington spoke for the Committee on Health Care.

House bill, entitled

An act relating to public health initiatives to address death by suicide

Having appeared on the Notice Calendar and appearing on the Action Calendar, was taken up, read the second time, and third reading ordered.

Committee Bill; Second Reading; Third Reading Ordered**H. 482**

Rep. Waters Evans of Charlotte spoke for the Committee on Government Operations and Military Affairs.

House bill, entitled

An act relating to Vermont Criminal Justice Council recommendations for law enforcement officer training

Having appeared on the Notice Calendar and appearing on the Action Calendar, was taken up, read the second time, and third reading ordered.

Action on Bill Postponed**H. 483**

House bill, entitled

An act relating to the accountability and oversight of approved independent schools that are eligible to receive public tuition

Was taken up and, pending the reading of the report of the Committee on Education, on motion of **Rep. Conlon of Cornwall**, action on the bill was postponed until March 29, 2023.

Second Reading; Bill Amended; Third Reading Ordered**H. 126**

Rep. Sheldon of Middlebury, for the Committee on Environment and Energy, to which had been referred House bill, entitled

An act relating to community resilience and biodiversity protection

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

Sec. 1. SHORT TITLE

This act may be cited as the “Community Resilience and Biodiversity Protection Act” or “CRBPA.”

Sec. 2. FINDINGS

The General Assembly finds:

(1) Nature is facing a catastrophic loss of biodiversity, both globally and locally.

(2) In addition to its intrinsic value, biodiversity is essential to human survival.

(3) According to the United Nations:

(A) one million species of plants and animals are threatened with extinction;

(B) human activity has altered almost 75 percent of the Earth’s surface, squeezing wildlife and nature into ever-smaller natural areas of the planet;

(C) the health of ecosystems on which humans and all other species depend is deteriorating more rapidly than ever, affecting the very foundations of economies, livelihoods, food security, health, and quality of life worldwide; and

(D) the causes of the drivers of changes in nature rank as follows:

(i) changes in land and sea use;

(ii) direct exploitation of organisms;

(iii) climate change;

(iv) pollution, and

(v) invasive species.

(4) The 2017 Vermont Forest Action Plan found that fragmentation and parcelization represent major threats to forest health and productivity and exacerbate the impacts of climate change.

(5) The 2021 Vermont Climate Assessment highlights an increase in extreme weather events such as droughts and floods as a significant impact of climate change in Vermont and recommends nature-based solutions as a proven, low-cost strategy for climate adaptation and resilience.

(6) The initial Vermont Climate Action Plan calls for investing in strategic conservation to increase the pace of permanent conservation towards

30 by 30 targets, with Vermont Conservation Design guiding prioritization of efforts.

(7) The Nature Conservancy has developed the Resilient and Connected Landscapes project and found that Vermont plays a key role in the conservation of biodiversity regionally.

(8) The Staying Connected Initiative is an international partnership of public and private organizations. Its goal is to maintain, enhance, and restore landscape connectivity for wide-ranging mammals across the Northern Appalachians-Acadian region, from the Adirondack Mountains to the Maritime Provinces. The Staying Connected Initiative has identified nine linkages across this vast region that are extremely important to wildlife. Six of these linkages lie within Vermont.

(9) The Vermont Department of Fish and Wildlife, working within the Agency of Natural Resources and with Vermont conservation organizations, has developed Vermont Conservation Design, a framework to sustain the State's ecologically functional landscape into the future.

(10) Intact and connected ecosystems support Vermont's biodiversity, reduce flood risks, mitigate drought, and sequester and store carbon.

(11) Vermont's most effective and efficient contribution to conserving biological diversity and maintaining a landscape resilient to climate change is to conserve an intact and connected landscape.

(12) In order to maintain ecological functions in intact and connected ecosystems, the full range of conservation approaches is needed, including supporting private landowner education, technical assistance, and programs; conservation easements that promote sustainable forest management; and conservation easements and fee acquisitions focused on passive management.

(13) The Vermont Housing Finance Agency's 2020 Housing Needs Assessment projected an urgent pre-pandemic need for new housing. Strategic investment in conservation is consistent with construction of housing in Vermont's villages and town centers.

(14) The land and waters, forests and farms, and ecosystems and natural communities in Vermont are the traditional and unceded home of the Abenaki people. Access to land and land-based enterprises has excluded Black, Indigenous, and Persons of Color (BIPOC) Vermonters and others from historically marginalized and disadvantaged communities in the centuries of European settlement. Efforts to increase land conservation must also include opportunities to increase access to land and land-based enterprise for Indigenous People and all who come from historically marginalized and disadvantaged communities.

Sec. 3. 10 V.S.A. chapter 89 is added to read:

CHAPTER 89. COMMUNITY RESILIENCY AND BIODIVERSITY
PROTECTION

§ 2801. DEFINITIONS

As used in this section:

(1) “Ecological reserve area” means an area having permanent protection from conversion of natural land cover and that is managed to maintain a natural state within which natural ecological processes and disturbance events are allowed to proceed with minimal interference.

(2) “Biodiversity conservation area” means an area having permanent protection from conversion of natural land cover for the majority of the area and that is managed for the primary goal of sustaining species or habitats. These areas may include regular, active interventions to address the needs of particular species or to maintain or restore habitats.

(3) “Natural resource management area” means an area having permanent protection from conversion of natural land cover for the majority of the area but that is subject to long-term sustainable forest management.

(4) “Sustainable forest management” means the stewardship and use of forests and forestlands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality, and their potential to fulfill, now and in the future, relevant ecological, economic, and social functions at local, State, and regional levels, and that does not degrade ecosystem function.

(5) “Conserved” means permanently protected and meeting the definition of ecological reserve area, biodiversity conservation area, or natural resource management area as defined in this section.

§ 2802. CONSERVATION VISION AND GOALS

(a) The vision of the State of Vermont is to maintain an ecologically functional landscape that sustains biodiversity, maintains landscape connectivity, promotes climate resilience, supports working farms and forests, provides opportunities for recreation and appreciation of the natural world, and supports the historic settlement pattern of compact villages surrounded by rural lands and natural areas.

(b) It is the goal of the State that 30 percent of Vermont’s total land area shall be conserved by 2030, and 50 percent of the State’s total land area shall be conserved by 2050. The Secretary of Natural Resources shall lead the effort in achieving these goals. The land conserved shall include State, federal, municipal, and private land.

(c) Reaching 30 percent by 2030 and 50 percent by 2050 shall include a mix of ecological reserve areas, biodiversity conservation areas, and natural resource management areas. In order to support an ecologically functional and connected landscape with sustainable production of natural resources and recreational opportunities, the approximate percentages of each type of conservation category shall be guided by the principles of conservation science and the conservation targets within Vermont Conservation Design, prioritizing ecological reserve areas to protect highest priority natural communities and maintain or restore old forests.

§ 2803. CONSERVED LAND INVENTORY

(a) On or before July 1, 2024, the Secretary, with assistance from the Vermont Housing and Conservation Board, shall create an inventory of Vermont's conserved land and conservation policies to serve as the basis of meeting the conservation goals of Vermont Conservation Design and to meet the goals established in section 2802 of this title. The inventory shall be submitted for review to the House Committees on Environment and Energy and on Agriculture, Food Resiliency, and Forestry and the Senate Committee on Natural Resources and Energy.

(b) The inventory shall include:

(1) a review of the three conservation categories defined in section 2801 of this title and suggestions for developing any modifications or additions to these categories that maintain the core concepts of ecological reserve areas, biodiversity conservation areas, and natural resource management areas in order to complete the conserved land inventory;

(2) the amount of conserved land in Vermont that fits into each of the three conservation categories defined in section 2801 of this title, including public and private land. The inventory shall also include other lands permanently protected from development by fee ownership or subject to conservation easements;

(3) a summary of the totality of conservation practices, both permanent and intermediate, available for reaching the goals of this chapter, including what they are, what they do, how they contribute, and what metrics are available to quantify them;

(4) an assessment of how State lands will be used to increase conserved ecological reserve areas;

(5) the implementation methods that could be utilized for achieving the goals of this chapter using Vermont Conservation Design as a guide;

(6) an assessment of how water is protected in the State and how protection of aquatic systems may be addressed in the plan;

(7) how existing programs will be used to meet the permanent, nonconversion conservation goals of this chapter and recommendations for new programs that will be needed to meet the goals;

(8) an assessment of existing funding and recommendations for new funding sources that will be needed for acquisition of land, purchase or donation of conservation easements, staffing capacity, and long-term stewardship to meet the goals;

(9) an equity assessment of existing land protection and conservation strategies and programs; and

(10) an evaluation of the opportunities related to intergenerational land transfer trends and how the State could proactively direct resources to achieve conservation at the time of transfer.

§ 2804. CONSERVATION PLAN

(a) On or before December 31, 2025, the Secretary, with assistance from the Vermont Housing and Conservation Board, shall develop a plan to implement the conservation goals of Vermont Conservation Design and to meet the goals established in section 2802 of this title. The plan shall be submitted for review to the House Committees on Environment and Energy and on Agriculture, Food Resiliency, and Forestry and the Senate Committee on Natural Resources and Energy.

(b) The plan shall include:

(1) a comprehensive strategy for achieving the goals of section 2802 of this title;

(2) the implementation methods for achieving the vision and goals of this chapter using Vermont Conservation Design as a guide; and

(3) recommendations to increase equitable access to protected and conserved lands and land-based enterprises.

(c) In developing the plan, the Secretary, with assistance from the Vermont Housing and Conservation Board, shall hold 12 or more public meetings on the plan between July 1, 2023 and December 31, 2025 to solicit input from stakeholders. Stakeholders shall include private owners of forestlands and agricultural lands, land trusts, conservation organizations, environmental organizations, working lands enterprises, outdoor recreation groups and businesses, Indigenous groups and representatives from historically marginalized and disadvantaged communities, municipalities, regional

planning commissions, conservation commissions, and relevant State and federal agencies. At least three of the meetings shall be designed to solicit comments from the general public.

(d) The conserved land inventory established in 2803 of this title shall be updated biennially to track progress toward meeting the goals of this chapter, which shall be publicly available, and the Secretary shall submit a report to the relevant committees on or before January 15 following each update.

Sec. 4. APPROPRIATION

The sum of \$75,000.00 is appropriated from the General Fund to the Vermont Housing and Conservation Board in fiscal year 2024 to support public education and outreach to inform the development of the statewide conservation plan. The funds shall be available for use for two years and shall support equitable engagement with community members from historically marginalized and disadvantaged communities, including costs for travel vouchers, food, and childcare where necessary to accommodate participation, as well as compensation for community members who might be asked to serve on more formal subcommittees and who would otherwise not be able to participate.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2023.

Rep. Squirrell of Underhill, for the Committee on Appropriations, recommended that the report of the Committee on Environment and Energy be amended as follows:

In Sec. 4, appropriation, by striking out the second sentence.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on Environment and Energy was amended as recommended by the Committee on Appropriations.

Pending the question, Shall the bill be amended as recommended by the Committee on Environmental and Energy, as amended?, **Reps. Durfee of Shaftsbury, Cole of Hartford, Graham of Williamstown, Leavitt of Grand Isle, Lipsky of Stowe, O'Brien of Tunbridge, Pearl of Danville, Surprenant of Barnard, and Templeman of Brownington** moved to amend the report of the Committee on Environmental and Energy, as amended, as follows:

First: In Sec.2, findings, by adding a new subdivision (5) to read as follows:

(5) In 2022 Acts and Resolves No. 183, Department of Forests, Park and Recreations was tasked with developing a Vermont Forest Future Strategic Roadmap to strengthen, modernize, promote, and protect the forest products sector, the greater forest economy, and promote the importance of healthy, resilient, and sustainably managed working forests that provide a diverse array of high-quality products now and in the future.

and by renumbering the remaining subdivisions to be numerically correct.

Second: In Sec. 3, 10 V.S.A. chapter 89, in section 2803, in subsection (b), by striking out subdivisions (1) and inserting in lieu thereof a new subsection (1) to read as follows:

(1) a review of the three conservation categories defined in section 2801 of this title and suggestions for developing any modifications or additions to these categories that maintain or complement the core concepts of ecological reserve areas, biodiversity conservation areas, and natural resource management areas in order to complete the conserved land inventory and inform the comprehensive strategy in the conservation plan;

Third: In Sec. 3, 10 V.S.A. chapter 89, in section 2804, in subsection (b), by striking out subdivisions (1) through (3) and inserting in lieu thereof the following:

(1) a comprehensive strategy for achieving the goals of section 2802 of this title while continuing to conserve and protect Vermont's agricultural land, working forests, historic properties, recreational lands, and surface waters;

(2) the implementation methods for achieving the vision and goals of this chapter using Vermont Conservation Design as a guide;

(3) recommendations to increase equitable access to protected and conserved lands and land-based enterprises; and

(4) recommendations to implement the vision and goals of this chapter while also enhancing the State of Vermont's current investments and commitments to working lands enterprises, rural landowners, and the broad conservation mission implemented by the Secretary and VHCB, including conservation of agricultural land, working forests, historic properties, recreational lands, and surface waters.

Which was agreed to.

Rep. Long of Newfane presiding.

Speaker presiding.

Pending the question, Shall the bill be amended as recommended by the Committee on Environment and Energy, as amended?, **Rep. Toof of St. Albans Town** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as recommended by the Committee on Environment and Energy, as amended?, was decided in the affirmative. Yeas, 108. Nays, 36.

Those who voted in the affirmative are:

Andrews of Westford	Cordes of Lincoln	Morris of Springfield
Andriano of Orwell	Demrow of Corinth	Mrowicki of Putney
Anthony of Barre City	Dodge of Essex	Nicoll of Ludlow
Arrison of Weathersfield	Dolan of Essex Junction	Notte of Rutland City
Arsenault of Williston	Dolan of Waitsfield	Noyes of Wolcott
Austin of Colchester	Donahue of Northfield	Nugent of South Burlington
Bartholomew of Hartland	Durfee of Shaftsbury	O'Brien of Tunbridge
Beck of St. Johnsbury	Elder of Starksboro	Ode of Burlington
Berbeco of Winooski	Emmons of Springfield	Pajala of Londonderry
Birong of Vergennes	Farlice-Rubio of Barnet	Patt of Worcester
Black of Essex	Garofano of Essex	Pearl of Danville
Bluemle of Burlington	Goldman of Rockingham	Pouech of Hinesburg
Bongartz of Manchester	Graning of Jericho	Priestley of Bradford
Bos-Lun of Westminster	Headrick of Burlington	Rachelson of Burlington
Boyden of Cambridge	Holcombe of Norwich	Rice of Dorset
Brady of Williston	Hooper of Randolph	Roberts of Halifax
Brown of Richmond	Hooper of Burlington	Satcowitz of Randolph
Brownell of Pownal	Houghton of Essex Junction	Scheu of Middlebury
Brumsted of Shelburne	Howard of Rutland City	Sheldon of Middlebury
Burke of Brattleboro	Hyman of South Burlington	Sibilia of Dover
Burrows of West Windsor	James of Manchester *	Sims of Craftsbury
Buss of Woodstock	Jerome of Brandon	Small of Winooski
Campbell of St. Johnsbury	Kornheiser of Brattleboro	Squirrell of Underhill
Carpenter of Hyde Park	Krasnow of South Burlington	Stebbins of Burlington *
Carroll of Bennington	LaBounty of Lyndon	Stone of Burlington
Casey of Montpelier	Lalley of Shelburne	Surprenant of Barnard
Chapin of East Montpelier	LaLonde of South Burlington	Taylor of Colchester
Chase of Chester	LaMont of Morristown	Toleno of Brattleboro
Chase of Colchester	Lanpher of Vergennes	Torre of Moretown
Chesnut-Tangerman of Middletown Springs	Leavitt of Grand Isle	Troiano of Stannard
Christie of Hartford	Logan of Burlington	Waters Evans of Charlotte
Cina of Burlington	Long of Newfane	White of Bethel
Coffey of Guilford	Masland of Thetford	Whitman of Bennington
Cole of Hartford	McCarthy of St. Albans City	Williams of Barre City
Conlon of Cornwall	McGill of Bridport	Wood of Waterbury
Corcoran of Bennington	Mihaly of Calais	
	Minier of South Burlington	

Those who voted in the negative are:

Bartley of Fairfax	Hango of Berkshire	Page of Newport City
Branagan of Georgia	Harrison of Chittenden	Parsons of Newbury
Brennan of Colchester	Higley of Lowell	Peterson of Clarendon
Burditt of West Rutland	Labor of Morgan	Sammis of Castleton
Canfield of Fair Haven	Laroche of Franklin	Shaw of Pittsford
Clifford of Rutland City	Lipsky of Stowe	Smith of Derby
Demar of Enosburgh	Maguire of Rutland City	Taylor of Milton
Dickinson of St. Albans Town	Mattos of Milton	Toof of St. Albans Town
Galfetti of Barre Town	McCoy of Poultney	Walker of Swanton
Goslant of Northfield	McFaun of Barre Town	Williams of Granby
Graham of Williamstown	Morgan of Milton	Wilson of Lyndon
Gregoire of Fairfield	Morrissey of Bennington	
	Oliver of Sheldon	

Those members absent with leave of the House and not voting are:

Marcotte of Coventry	Mulvaney-Stanak of Burlington	Stevens of Waterbury
McCann of Montpelier		Templeman of Brownington

Rep. James of Manchester explained her vote as follows:

“Madam Speaker:

I voted yes in favor of H.126 because it sets the table for Vermonters to collaboratively identify, through a science-based approach, how and where we want to grow, how and where we want to preserve our state, for future generations.”

Rep. Stebbins of Burlington explained her vote as follows:

“Madam Speaker:

There is at least one thing that we all have in common: we love Vermont. I am proud to support H.126, which will aid us greatly as we balance ourselves with our green hills and silver waters.”

Thereupon, third reading was ordered.

Recess

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

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

**Second Reading; Bill Amended; Amendment Offered and Withdrawn;
Third Reading Ordered**

H. 66

Rep. Chesnut-Tangerman of Middletown Springs, for the Committee on General and Housing, to which had been referred House bill, entitled

An act relating to paid family and medical leave insurance

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

Sec. 1. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

(1) “Commissioner” means the Commissioner of Labor.

(2) “Domestic partner” has the same meaning as in 17 V.S.A. § 2414.

(3) “Domestic violence” has the same meaning as in 15 V.S.A. § 1151.

(4) “Employer” means an individual, organization, or governmental body, partnership, association, corporation, legal representative, trustee, receiver, trustee in bankruptcy, and any common carrier by rail, motor, water, air, or express company doing business in or operating within this State which a person who for the purposes of parental leave and safe leave employs 10 or more individuals who are employed for an average of at least 30 hours per week during a year and for the purposes of family leave employs 15 or more individuals for an average of at least 30 hours per week during a year.

~~(2)~~(5) “Employee” means a person who, in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of one year for an average of at least 30 hours per week. For purposes of safe leave only, “employee” means a person who in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of six months for an average of at least 20 hours per week.

~~(3)~~(6) “Family leave” means a leave of absence from employment by an employee who works for an employer which employs 15 or more individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

(A) the serious ~~illness~~ health condition of the employee; or

~~(B) the serious illness~~ health condition of the employee's ~~child, stepchild or ward who lives with the employee, foster child, parent, spouse, or parent of the employee's spouse~~ family member.

~~(4)(7)~~ “Parental leave” means a leave of absence from employment by an employee who works for an employer which employs 10 or more individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

~~(A)~~ the employee's pregnancy;

~~(B)~~ recovery from childbirth or miscarriage;

~~(A)(C)~~ the birth of the employee's child and to care for or bond with the child within one year after the child's birth; or

~~(B)(D)~~ the initial placement of a child 16 18 years of age or younger with the employee for the purpose of adoption or foster care and to care for or bond with the child within one year after the placement for adoption or foster care.

~~(8)~~ “Family member” means:

~~(A)~~ regardless of age, an employee's biological, adopted, or foster child; an employee's stepchild or legal ward; a child of the employee's spouse or civil union or domestic partner; a child to whom the employee stands in loco parentis; or an individual to whom the employee stood in loco parentis when the individual was under 18 years of age;

~~(B)(i)~~ a parent of an employee or an employee's spouse or civil union or domestic partner, regardless of whether the relationship to the employee or employee's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship;

~~(ii)~~ a legal guardian of an employee or employee's spouse or civil union or domestic partner; or

~~(iii)~~ a person who stands in loco parentis for the employee or who stood in loco parentis when the employee or employee's spouse or civil union or domestic partner was under 18 years of age;

~~(C)~~ A person to whom the employee is legally married under the laws of any state or a civil union or domestic partner of an employee;

~~(D)~~ A grandparent, grandchild, or sibling of the employee or the employee's spouse or civil union or domestic partner, regardless of whether the relationship to the employee or the employee's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship; or

(E) As shown by the employee, any other individual with whom the employee has a significant personal bond that is or is like a family relationship, regardless of biological or legal relationship under the totality of the circumstances surrounding the relationship, including:

(i) evidence of shared financial responsibility, such as a shared lease, common ownership of property, joint liability for bills, and beneficiary designations;

(ii) evidence of responsibility for the other's personal well-being, including emergency contact designations or an advance directive, as that term is defined pursuant to 18 V.S.A. § 9701;

(iii) evidence showing an expectation of care created by the relationship or the prior provision of care, or both;

(iv) cohabitation for a period of at least six months or geographic proximity; and

(v) other similar evidence demonstrating a significant personal bond.

(9) "Health care provider" means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

(10) "In loco parentis" means a relationship in which an individual has day-to-day responsibilities to care for and financially support a child.

(11) "Safe leave" means a leave of absence from employment by an employee because:

(A) the employee or the employee's family member is a victim or alleged victim of domestic violence, sexual assault, or stalking;

(B) the employee is using the leave for one of the following reasons related to the domestic violence, sexual assault, or stalking:

(i) to seek or obtain medical care, counseling, or social or legal services, either for themselves or for a family member;

(ii) to recover from injuries;

(iii) to participate in safety planning, either for themselves or for a family member;

(iv) to relocate or secure safe housing, either for themselves or for a family member; or

(v) to meet with a State's Attorney or law enforcement officer; and

(C) the employee is not the perpetrator or alleged perpetrator of the domestic violence, sexual assault, or stalking.

~~(5)~~(12) “Serious illness health condition” means:

(A) an accident, illness, injury, disease, or physical or mental condition that:

(A)(i) poses imminent danger of death;

(B)(ii) requires inpatient care in a hospital, hospice, or residential medical care facility; or

~~(C)(iii)~~ requires continuing ~~in-home care under the direction of treatment by a physician~~ health care provider; or

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (12), including treatment for substance use disorder.

(13) “Sexual assault” has the same meaning as in 15 V.S.A. § 1151.

(14) “Stalking” has the same meaning as in 15 V.S.A. § 1151.

Sec. 2. 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

(a)(1) During any 12-month period, an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks:

~~(1)(A)~~ for parental leave, ~~during the employee’s pregnancy and following the birth of an employee’s child or within a year following the initial placement of a child 16 years of age or younger with the employee for the purpose of adoption; or~~

~~(2)(B)~~ for family leave, ~~for the serious illness of the employee or the employee’s child, stepchild or ward of the employee who lives with the employee, foster child, parent, spouse, or parent of the employee’s spouse.~~

(2) In addition to the leave provided pursuant to subdivision (1) of this subsection, during any 12-month period an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks for safe leave.

(b) During the leave, at the employee’s option, the employee may use accrued sick leave ~~or~~, vacation leave ~~or~~, any other accrued paid leave, ~~not to exceed six weeks or short-term disability insurance or other insurance benefits.~~ Utilization of accrued paid leave or insurance benefits shall not extend the leave provided ~~herein~~ by this section.

* * *

(d) The employer shall post and maintain in a conspicuous place in and about each of ~~his or her~~ its places of business printed notices of the provisions of this subchapter on forms provided by the Commissioner of Labor.

(e)(1) An employee shall give the employee's employer reasonable written notice of intent to take leave under this ~~subchapter~~ section. Notice shall include the date the leave is expected to commence and the estimated duration of the leave.

(2) In the case of the adoption or birth of a child, an employer shall not require that notice be given more than six weeks prior to the anticipated commencement of the leave.

(3) In the case of an unanticipated serious health condition, a miscarriage, an unanticipated need for safe leave, or a premature birth, the employee shall give the employer notice of the commencement of the leave as soon as practicable.

(4)(A) In the case of ~~illness~~ health condition of the employee or a member of the employee's family, an employer may require certification from a physician to verify the condition and the amount and necessity for the leave requested.

(B) An employer may require an employee to provide documentation of the need for safe leave. An employee may provide documentation from any one of the following sources:

(i) a court or a law enforcement or other government agency;

(ii) a domestic violence, sexual assault, or stalking assistance program;

(iii) a legal, clerical, medical, or other professional from whom the employee, or the employee's family member, received counseling or other assistance concerning domestic violence, sexual assault, or stalking; or

(iv) a self-certification of the employee's, or the employee's family member's, status as a victim of domestic violence, sexual assault, or stalking, signed under penalty of perjury, on a standard form adopted for that purpose by:

(I) a federal or State government entity, including the Vermont Department for Children and Families; or

(II) a nonprofit organization that provides support services to protected tenants.

(C) An employer shall not disclose any private medical information or information relating to a safe leave that the employer receives pursuant to this subdivision (4) except to the extent the disclosure is permitted by law and:

- (i) consented to by the employee in writing;
- (ii) required pursuant to a court order; or
- (iii) required pursuant to State or federal law.

(5) An employee may return from leave earlier than estimated upon approval of the employer.

(6) An employee shall provide reasonable notice to the employer of his or her the need to extend leave to the extent provided by this chapter.

(f) Upon return from leave taken under this subchapter, an employee shall be offered the same or comparable job at the same level of compensation, employment benefits, seniority, or any other term or condition of the employment existing on the day leave began. This ~~subchapter~~ subsection shall not apply if, prior to requesting leave, the employee had been given notice or had given notice that the employment would terminate. This subsection shall not apply if the employer can demonstrate by clear and convincing evidence that:

(1) during the period of leave the employee's job would have been terminated or the employee laid off for reasons unrelated to the leave or the condition for which the leave was granted; or

(2) the employee performed unique services and hiring a permanent replacement during the leave, after giving reasonable notice to the employee of intent to do so, was the only alternative available to the employer to prevent substantial and grievous economic injury to the employer's operation.

(g) An employer may adopt a leave policy more generous than the leave policy provided by this subchapter. Nothing in this subchapter shall be construed to diminish an employer's obligation to comply with any collective bargaining agreement or any employment benefit program or plan ~~which that~~ provides greater leave rights than the rights provided by this subchapter. A collective bargaining agreement or employment benefit program or plan may not diminish rights provided by this subchapter. ~~Notwithstanding the provisions of this subchapter, an employee may, at the time a need for parental or family leave arises, waive some or all the rights under this subchapter provided the waiver is informed and voluntary and any changes in conditions of employment related to any waiver shall be mutually agreed upon between employer and employee.~~

(h) Except for ~~the serious illness~~ health condition of the employee or safe leave when the employee is the victim or alleged victim, an employee who does not return to employment with the employer who provided the leave shall return to the employer the value of any compensation that the employer paid to or on behalf of the employee during the leave, except payments for accrued ~~sick leave or vacation leave~~. An employer may elect to waive the rights provided pursuant to this subsection.

Sec. 3. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

* * *

(4) “Employer” means a person who ~~for the purposes of parental leave and safe leave employs 10 or more individuals who are employed for an average of at least 30 hours per week during a year and for the purposes of family leave employs 15 or more individuals for an average of at least 30 hours per week during a year~~ employs one or more individuals in Vermont.

(5) “Employee” means a person who:

(A) in consideration of direct or indirect gain or profit, has been continuously employed by the same employer;

(i) for a period of one year for an average of at least 30 hours per week; or

(ii) For purposes of safe leave only, ~~“employee” means a person who in consideration of direct or indirect gain or profit, has been continuously employed by the same employer~~ for a period of six months for an average of at least 20 hours per week; or

(B) is employed by an employer and, during at least two of the last four completed calendar quarters, has received payments with respect to services performed for any employer from which the employer is required to withhold Vermont income tax pursuant to 32 V.S.A. chapter 151, subchapter 4.

(6) “Family leave” means a leave of absence from employment by an employee for one of the following reasons:

(A) the serious health condition of the employee;

(B) the serious health condition of the employee’s family member.

(7) ~~“Parental leave” means a leave of absence from employment by an employee for one of the following reasons:~~

(A)(C) the employee’s pregnancy;

~~(B)~~(D) recovery from childbirth or miscarriage;

~~(C)~~(E) the birth of the employee's child and to care for or bond with the child within one year after the child's birth; or

~~(D)~~(F) the initial placement of a child 18 years of age or younger with the employee for the purpose of adoption or foster care and to care for or bond with the child within one year after the placement for adoption or foster care.

~~(8)~~(7) "Family member" means:

* * *

~~(9)~~(8) "Health care provider" means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

~~(10)~~(9) "In loco parentis" means a relationship in which an individual has day-to-day responsibilities to care for and financially support a child.

~~(11)~~(10) "Safe leave" means a leave of absence from employment by an employee because:

* * *

~~(12)~~(11) "Serious health condition" means:

* * *

~~(13)~~(12) "Sexual assault" has the same meaning as in 15 V.S.A. § 1151.

~~(14)~~(13) "Stalking" has the same meaning as in 15 V.S.A. § 1151.

Sec. 4. 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

(a)(1) During any 12-month period, an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks:

~~(A)~~ for parental leave; or

~~(B)~~ for family leave.

(2) In addition to the leave provided pursuant to subdivision (1) of this subsection, during any 12-month period an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks for safe leave.

(b) During the leave, at the employee's option, the employee may use accrued sick leave, vacation leave, any other accrued paid leave, Family and Medical Leave Insurance benefits pursuant to chapter 26 of this Title, or short-term disability insurance or other insurance benefits. Utilization of accrued

paid leave, Family and Medical Leave Insurance benefits, or insurance benefits shall not extend the leave provided by this section.

* * *

Sec. 5. 21 V.S.A. chapter 26 is added to read:

CHAPTER 26. FAMILY AND MEDICAL LEAVE INSURANCE

§ 2051. DIVISION OF FAMILY AND MEDICAL LEAVE; DIRECTOR

(a) The Division of Family and Medical Leave is established in the Office of the Treasurer to administer the Family and Medical Leave Insurance Program established pursuant to this chapter.

(b)(1) The Treasurer shall appoint a Director of the Division. The Director shall be a full-time State employee and exempt from the classified system and shall serve at the pleasure of the Treasurer.

(2) The Director shall be responsible for:

(A) the operation and supervision of the Division of Family and Medical Leave;

(B) the implementation of this chapter and any rules adopted pursuant to section 2063 of this chapter; and

(C) employing staff as necessary to implement and carry out the provisions of this chapter.

§ 2052. FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM;

SPECIAL FUND

(a) The Family and Medical Leave Insurance Program is established within the Division of Family and Medical Leave for the provision of Family and Medical Leave Insurance benefits to qualified individuals pursuant to the provisions of this chapter.

(b) The Family and Medical Leave Insurance Special Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5. The Fund may be expended by the Director and the Commissioner of Taxes for the administration of the Family and Medical Leave Insurance Program, for the payment of benefits provided pursuant to the provisions of this chapter, and for necessary costs incurred in administering the Fund. All interest earned on Fund balances shall be credited to the Fund.

(c) The Fund shall consist of:

(1) contributions collected pursuant to section 2053 of this chapter;

(2) amounts recovered or collected pursuant to sections 2061 and 2062 of this chapter; and

(3) any amounts appropriated to the Fund.

(d) The Director may seek and accept grants from any source, public or private, to be dedicated for deposit into the Fund.

§ 2053. CONTRIBUTIONS; RATE; COLLECTION

(a) The following contribution rates shall apply to employees and enrolled self-employed individuals.

(1)(A) Contributions for employees shall equal 0.55 percent of each employee's covered wages.

(B) An employer may deduct and withhold up to one half of the contribution required for each employee from the employee's covered wages and shall remit the full amount of the contribution required for the employee to the Department of Taxes pursuant to the provisions of subsection (c) of this section.

(C) As used in this subdivision (1), the term "covered wages" means all wages paid to an employee by an employer up to an amount equal to two times the maximum Social Security Contribution and Benefit Base.

(2)(A) Contributions from enrolled self-employed individuals shall equal 0.55 percent of each enrolled self-employed individual's covered work income.

(B) As used in this subdivision (2), the term "covered work income" means self-employment work income earned by an enrolled self-employed individual in Vermont up to an amount equal to two times the maximum Social Security Contribution and Benefit Base.

(b)(1) Annually, on or before October 1, the Director shall establish the rate of contribution for the coming year. The Director shall annually set the rate so that it generates contributions in an amount equal to the sum of the projected amount necessary to provide benefits pursuant to this chapter during the next calendar year plus a reserve equal to at least nine months of the projected benefit payments for the next calendar year plus the projected cost to administer the Program during the next calendar year minus any balance projected to be remaining in the Fund from the prior calendar year.

(2) The rate of contribution shall be the same for the covered wages of employees and the covered work income of enrolled self-employed individuals and shall not exceed one percent.

(3) In the event that the Director determines that the rate of contribution for any calendar year shall be one percent, the Director shall, not more than 14 days after making the determination, submit a written report to the Joint Fiscal Committee, the House Committees on Appropriations, on General and Housing, and on Ways and Means, and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Finance that provides a detailed explanation of the reason for the increase, whether the rate is sufficient to pay the projected benefits and administrative costs during the next calendar year while maintaining the required reserve, the solvency of the Fund, and recommended legislative action to reduce the rate of contribution in the following calendar year.

(c)(1) The Commissioner of Taxes shall collect the contributions required pursuant to this section and shall deposit them into the Fund.

(2)(A) Employers shall withhold contributions pursuant to subdivision (a)(1) of this section from wages that employers pay to employees as if the contributions were Vermont income tax subject to the withholding requirements of 32 V.S.A. chapter 151, subchapter 4. The administrative and enforcement provisions of 32 V.S.A. chapter 151 shall apply to the contribution and withholding requirements under this section as if the contributions due pursuant to subdivision (a)(1) of this section were Vermont income tax.

(B) Employers shall be responsible for the full amount of any unpaid contributions due pursuant to subdivision (a)(1) of this section.

(3) Enrolled self-employed individuals shall make installment payments of estimated contributions pursuant to subdivision (a)(2) of this section from the enrolled self-employed individual's covered work income as if the contributions were Vermont income tax subject to the estimated payment requirements of 32 V.S.A. chapter 151, subchapter 5. The administrative and enforcement provisions of 32 V.S.A. chapter 151 shall apply to the estimated payment requirement under this section as if the contributions due pursuant to subdivision (a)(2) of this section were Vermont income tax.

(d) An employer with an approved private plan pursuant to section 2059 of this chapter shall not be required to withhold and pay contributions pursuant to this section.

§ 2054. BENEFITS

(a)(1) A qualified individual shall be permitted to receive a total of not more than 12 weeks of benefits in a 12-month period for family and medical leave and safe leave taken by the employee.

(2) A qualified individual may use up to two out of the 12 weeks of benefits available to the individual during a 12-month period for bereavement leave.

(b) A qualified individual awarded benefits under this section shall receive 100 percent of the individual's average weekly earnings or an amount equal to the State average weekly wage determined pursuant to section 1338 of this title, whichever is less.

(c) A qualified individual may receive benefits for an intermittent leave or leave for a portion of a week. The benefit amount for an intermittent leave or leave for a portion of a week shall be calculated in increments of one full day or one-fifth of the qualified individual's weekly benefit amount.

(d) Benefits paid pursuant to this chapter may be used as wage replacement for a leave taken pursuant to section 472 of this title or the federal Family and Medical Leave Act, 29 U.S.C. §§ 2611–2654. The receipt of benefits paid pursuant to this chapter shall not extend the leave provided pursuant to section 472 of this title or the federal Family and Medical Leave Act.

§ 2055. ELIGIBILITY

An individual shall be eligible to receive benefits pursuant to the provisions of this chapter if:

(1) the individual is an employee or an enrolled self-employed individual who:

(A) earned wages from which contributions were withheld pursuant to section 2053 of this chapter in two of the last four calendar quarters;

(B) made contributions to the Fund on covered work income that was earned during two of the last four calendar quarters; or

(C) both;

(2) the individual is unable to work because the individual:

(A) has a serious health condition;

(B) is caring for a family member with a serious health condition;

(C) is pregnant;

(D) is recovering from childbirth or miscarriage;

(E) is caring for a new child during the first year following the birth, adoption, or placement for foster care of that child;

(F) is taking safe leave; or

(G) is taking a bereavement leave; and

(3) the Director determines that the individual is not disqualified pursuant to section 2065 of this chapter.

§ 2056. APPLICATION FOR BENEFITS

(a)(1) An employee or enrolled self-employed individual, or the employee's or enrolled self-employed individual's agent, may apply for benefits pursuant to this chapter by filing an application with the Division in a form approved by the Director.

(2) An employee or enrolled self-employed individual, or the employee's or enrolled self-employed individual's agent, shall, to the extent possible, submit documentation of the need for the leave together with the application filed pursuant to subdivision (1) or this subsection. The Director shall specify acceptable forms of documentation on the application form.

(b)(1) The Division shall review each application and any accompanying documentation and determine if the employee or enrolled self-employed individual is eligible to receive benefits pursuant to section 2055 of this chapter not later than five business days after the date the application is filed with the Division.

(2) Notwithstanding subdivision (1) of this subsection, the Director may extend the time in which to make a determination by not more than 15 business days if necessary to obtain documents or information that are needed to make the determination.

(c) An employee or enrolled self-employed individual may file an application for benefits up to 60 calendar days before an anticipated family and medical leave, safe leave, or bereavement leave or, in the event of a premature birth, an unanticipated serious health condition, safe leave or, the death of a family member within 60 calendar days after commencing a family and medical leave, safe leave, or bereavement leave.

§ 2057. PAYMENT OF BENEFITS; TAX WITHHOLDING

(a) Benefits shall be paid to a qualified individual for the time period beginning on the day the qualified individual's leave began.

(b) A qualified individual's first benefit payment shall be sent within 14 calendar days after the qualified individual's claim is approved or the individual's leave begins, whichever is later, and subsequent payments shall be sent biweekly.

(c)(1) Except as otherwise provided pursuant to section 2062 of this chapter and subdivision (2) and (3) of this subsection, benefits paid pursuant to the provisions of this chapter shall not be assignable before payment and shall be exempt from all claims of creditors, and from levy, execution, attachment,

trustee process, and any other remedy provided for the recovery or collection of a debt.

(2)(A) An individual filing a new claim for benefits pursuant to this chapter shall, at the time of filing, notify the Division of whether the individual owes child support obligations.

(B) If, during the review of the individual's application, the Director determines that the individual has outstanding, unpaid child support obligations, the Director shall deduct and withhold an amount necessary to pay the outstanding, unpaid child support obligations from any benefits payable to the individual pursuant to this chapter and remit that amount to the appropriate child support enforcement agency. The amount deducted and withheld from an individual's benefits pursuant to this subdivision (B) shall not exceed 30 percent of the benefit payment to the individual.

(C) In the absence of any outstanding, unpaid child support obligation, an individual may request that the Director deduct and withhold a specified amount from the individual's benefits and remit that amount to the appropriate entity as payment of the individual's child support obligations.

(3) If an individual has outstanding Vermont State tax liability, the Director shall deduct and withhold the outstanding amount from the benefits payable to the individual pursuant to this chapter and remit it to the Commissioner of Taxes. The amount deducted and withheld from an individual's benefits pursuant to this subdivision shall not exceed 30 percent of the benefit payment to the individual.

(d)(1) An individual filing a claim for benefits pursuant to this chapter shall, at the time of filing, be advised that Family and Medical Leave Insurance benefits may be subject to income tax and that the individual's benefits may be subject to withholding.

(2) All procedures specified by 26 U.S.C. chapter 24 and 32 V.S.A. chapter 151, subchapter 4 pertaining to the withholding of income tax shall be followed in relation to the payment of benefits.

§ 2058. ELECTIVE COVERAGE

(a) A self-employed individual may elect to obtain coverage through the Program for an initial period of three years by filing a notice of the election with the Division on a form provided by the Director.

(b) A self-employed individual who elects to obtain coverage pursuant to this section shall agree as a condition of obtaining coverage to provide to the Director and the Commissioner of Taxes any documentation of the self-employed individual's work income and any related information that the

Director, in consultation with the Commissioner of Taxes, determines is necessary.

(c)(1) An enrolled self-employed individual may terminate the coverage at the end of the initial three-year period by providing the Director with written notice of the termination at least 30 calendar days before the end of the period.

(2) An enrolled self-employed individual who does not terminate coverage at the end of the initial three-year period may terminate the coverage at the end of any succeeding annual period by providing the Director with written notice of the termination at least 30 calendar days before the end of the period.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, an enrolled self-employed individual who becomes an employee or stops working in Vermont may elect to terminate coverage pursuant to this section by providing the Director with 30 calendar days' written notice in accordance with rules adopted by the Director.

(d) Nothing in this section shall be construed to prevent an individual who is both an employee and a self-employed individual from electing to obtain coverage pursuant to this section.

§ 2059. EMPLOYER OPTION; PRIVATE PLAN

(a)(1) As an alternative to and in lieu of participating in the Program, an employer may, upon approval by the Director, comply with the requirements of this chapter through a private plan that provides to all of its employees benefits that are equal to or more generous than the benefits provided pursuant to this chapter.

(2) An employer may elect to provide such benefits by:

(A) establishing and maintaining to the satisfaction of the Director necessary self-insurance; or

(B) purchasing insurance coverage from an insurance carrier authorized to provide family and medical leave insurance in this State.

(b)(1) The Director shall approve a private plan under this section upon making a determination that it:

(A) provides leave for periods that are equal to or more generous than the leave provided pursuant to this chapter;

(B) provides coverage for all employees who would otherwise be eligible for benefits pursuant to this chapter;

(C) costs employees the same or less than the employees' portion of the contribution would be pursuant to subsection 2053(a) of this chapter;

(D) provides coverage for all forms of leave for which benefits may be paid pursuant to this chapter;

(E) provides wage replacement in an amount that is equal to or greater than the rate of wage replacement provided pursuant to section 2054 of this chapter;

(F) imposes no additional restrictions or conditions on the use of paid leave benefits beyond the restrictions and conditions that are established pursuant to this chapter and the rules adopted by the Director; and

(G) satisfies any additional requirements established in rules adopted by the Director in consultation with the Commissioner of Financial Regulation.

(2) Nothing in this section shall be construed to require the benefits provided by a private insurance or benefit plan to be identical to the benefits provided pursuant to this chapter.

(c)(1)(A) An employer shall submit an application to the Director for approval of a new or modified private plan on or before October 15 of the calendar year prior to when it is proposed to take effect.

(B) The Director shall make a determination and notify the employer of whether its application has been approved on or before December 1. If the application is approved, the Director shall also provide a copy of the notice to the Commissioner of Taxes on or before December 1.

(2) Following the approval of its private plan, an employer shall cease to participate in the Program beginning on the next January 1 and the approval shall remain in effect until it is terminated pursuant to subdivision (3) of this subsection.

(3) An employer with an approved private plan may terminate the approval effective January 1 of any year by filing notice of termination with the Director and the Commissioner of Taxes on or before November 1 of the prior year.

(d) A contested determination or a denial of benefits under a private plan approved pursuant to this section shall be subject to appeal pursuant to section 2060 of this chapter.

(e)(1) The Director may terminate the approval of a private plan approved pursuant to this section if the Director determines that the terms and conditions of the plan have been violated, including if the plan:

(A) fails to pay benefits in a timely manner or in a manner that is consistent with the plan's terms;

(B) misuses private plan funds;

(C) fails to submit required reports to the Director; or

(D) fails to comply with any applicable provisions of law or with rules adopted by the Director.

(2) The Director shall provide notice to the employer of the proposed termination that includes the date on which the approval will terminate and the reason for the termination.

(3) An employer may appeal the termination to the Director in accordance with rules adopted by the Director.

(f) Each employee covered by an approved private plan on the date it is terminated shall, for purposes of determining eligibility for benefits pursuant to the provisions of this chapter, be treated as if the employer had paid contributions for that employee pursuant to the provisions of section 2053 of this chapter throughout the period of the employee's employment with the employer.

§ 2060. APPEALS

(a)(1) An employer or individual aggrieved by a decision of the Director relating to eligibility for benefits, the amount of benefits that a qualified individual is entitled to receive, or the amount of contributions due may file with the Director a petition for reconsideration within 30 calendar days after receipt of the decision. The petition shall set forth in detail the grounds upon which it is claimed that the decision is erroneous and may include materials supporting that claim.

(2) If an employer petitions the Director to reconsider a decision relating to an application for benefits or the amount of benefits that a qualified individual is entitled to receive, the Director shall promptly notify the individual who applied for the benefits of the petition by ordinary, certified, or electronic mail and provide the individual with an opportunity to file an answer to the employer's petition.

(3) The Director shall promptly notify the employer or individual, or both, as appropriate, of the Director's decision by ordinary, certified, or electronic mail.

(b) An employer or individual aggrieved by the Director's decision on reconsideration may file an appeal with the Supreme Court within 30 calendar days after receiving the decision.

(c) Any determination, redetermination, finding of fact, conclusion of law, decision, order, or judgment entered or made pursuant to this section shall only be binding on the Division and all parties in that proceeding and is not binding, conclusive, or admissible in any separate or subsequent action between an individual and any other party brought before an arbitrator, court, or judge of this State or of the United States, regardless of whether the prior proceeding was between the same or related parties or involved the same facts.

§ 2061. FALSE STATEMENT OR REPRESENTATION; PENALTY

(a)(1) An individual who intentionally makes a false statement or representation for the purpose of obtaining any benefit or payment or to avoid payment of any required contributions under the provisions of this chapter, whether for themselves or for any other person, after notice and opportunity for hearing, shall be prohibited from receiving benefits pursuant to this chapter for a period of not less than one year and not more than three years as determined to be appropriate by the Director.

(2) The penalty imposed pursuant to this section shall be in addition to any liability incurred by the individual pursuant to section 2062 of this chapter.

(b) A person who intentionally makes a false statement to avoid payment of any required contributions under the provisions of this chapter shall, after notice and an opportunity for a hearing, be liable for:

- (1) the full amount of unpaid contributions; and
- (2) an administrative penalty of not more than \$5,000.00.

(c)(1) The administrative penalty imposed pursuant to subsection (b) of this section may be collected in a civil action in Superior Court brought in the name of the Director. If the action is successful, the Director shall be entitled to recover the Division's costs and reasonable attorney's fees incurred in bringing the action.

(2) Any amounts recovered and any penalties collected pursuant to this section shall be deposited in the Fund.

§ 2062. OVERPAYMENT OF BENEFITS; COLLECTION

(a)(1) Any individual who by nondisclosure or misrepresentation of a material fact, by either the individual or another person, receives benefits that the individual is not eligible to receive shall be liable to repay to the Division the amount received in excess of the amount, if any, that the individual is eligible to receive.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, the Director shall waive an overpayment if it was:

(A) caused by the Division's mistake or an unintentional error or omission by another person; and

(B) the Director determines that requiring repayment would be against equity and good conscience.

(3) Upon determining that an individual is liable for an overpayment of benefits pursuant to subdivision (1) of this subsection, the Director shall provide the individual with notice of the determination. The notice shall include a statement that the individual is liable to repay to the Division the amount of overpaid benefits and shall identify the basis of the overpayment and the time period in which the benefits were paid. The notice shall also provide information regarding the individual's right to appeal the determination pursuant to the provisions of section 2060 of this chapter.

(4) The determination shall be made within not more than three years after the date of the overpayment.

(b)(1) An individual liable under this section shall repay the overpaid amount to the Director for deposit into the Fund.

(2) The Director may collect the amounts due under this section in a civil action in the Superior Court.

(3) An individual may, at any time, request that the Director reduce or waive the amount for which the individual is liable pursuant to subsection (a) of this section. Upon receipt of a request, the Director may reduce or waive the amount for which an individual is liable for good cause or as the Director deems appropriate and just.

(c) If an individual is liable to repay any amount pursuant to this section, the Director may withhold, in whole or in part, any future benefits payable to the individual pursuant to this chapter and credit the withheld benefits against the amount due from the individual until it is repaid in full.

(d) In addition to the remedy provided pursuant to this section, an individual who intentionally misrepresented or failed to disclose a material fact with respect to the individual's claim for benefits may be subject to the penalties provided pursuant to section 2061 of this chapter.

§ 2063. RULEMAKING

(a) The Commissioner of Taxes, in consultation with the Director, shall adopt rules as necessary to implement the provisions of this chapter related to the collection of contributions pursuant to section 2053 of this chapter.

(b) The Director shall adopt rules as necessary to implement all other provisions of this chapter.

§ 2064. CONFIDENTIALITY OF INFORMATION

(a) Information obtained from an employer or individual in the administration of this chapter and determinations of an individual's right to receive benefits that reveal an employer's or individual's identity in any manner shall be kept confidential and shall be exempt from public inspection and copying under the Public Records Act. Such information shall not be admissible as evidence in any action or proceeding other than one brought pursuant to the provisions of this chapter.

(b) Notwithstanding subsection (a) of this section:

(1) an individual or the individual's agent may be provided with information to the extent necessary for the proper presentation of the individual's claim for benefits or to inform the individual of the individual's existing or prospective rights to benefits; and

(2) an employer may be provided with information that the Director or the Commissioner of Taxes determines is necessary to enable the employer to discharge fully its obligations and protect its rights under this chapter.

§ 2065. DISQUALIFICATIONS

(a) An individual shall be disqualified from receiving benefits for any week in which the individual has received:

(1)(A) compensation for temporary total disability under the workers' compensation law of any state or under a similar law of the United States; or

(B) compensation for temporary partial disability related to the serious health condition for which the individual is seeking benefits pursuant to this chapter; or

(2) unemployment compensation benefits under the law of any state.

(b) An individual shall be disqualified from receiving benefits for any day in which the individual has received:

(1) wages; or

(2) remuneration for vacation leave, sick leave, or any other accrued paid leave.

§ 2066. PROTECTION FROM RETALIATION OR INTERFERENCE

(a) An employer shall not discharge or in any other manner retaliate against an employee who exercises or attempts to exercise the rights provided pursuant to this chapter. The provisions against retaliation in subdivision 495(a)(8) of this title shall apply to this chapter.

(b) An employer shall not interfere with, restrain, or otherwise prevent an employee from exercising or attempting to exercise the employee's rights pursuant to this chapter.

(c) An employer shall not treat any leave for which benefits are provided pursuant to this chapter as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse employment action.

(d) An employee aggrieved by a violation of the provisions of this section may bring an action in Superior Court seeking compensatory and punitive damages or equitable relief, including restraint of prohibited acts, restitution of wages or other benefits, reinstatement, costs, reasonable attorney's fees, and other appropriate relief.

§ 2067. NOTICE

(a) An employer shall post and maintain in a conspicuous place in and about each of its places of business printed notices of the provisions of this chapter on forms provided by the Director.

(b) An employer shall provide written notice of the provisions of this chapter to new employees within 30 calendar days after the date on which they are hired.

§ 2068. EMPLOYER OBLIGATIONS; EMPLOYEE RIGHTS

(a) Nothing in this chapter shall be construed to diminish an employer's obligation to comply with any collective bargaining agreement, employer policy, or employment agreement that provides more generous benefits than the benefits provided pursuant to this chapter.

(b) Nothing in this chapter shall be construed to diminish any rights, privileges, and protections provided to an employee pursuant to a collective bargaining agreement, employer policy, or employment agreement.

(c)(1) An employee taking family and medical leave shall be entitled to all of the rights and protections provided pursuant to section 472 of this title and the federal Family and Medical Leave Act, 29 U.S.C. §§ 2611–2654.

(2) An employee taking safe leave shall be entitled to all of the rights and protections provided pursuant to section 472d of this title.

(d) Any agreement to waive the rights and protections provided to an employee pursuant to this chapter shall be void.

(e) An employee taking bereavement leave for which benefits are paid pursuant to this chapter shall be entitled to the following rights and protections:

(1) Upon return from the leave, the employee shall be offered the same or a comparable job at the same level of compensation, employment benefits, seniority, or any other term or condition of the employment existing on the day the leave began.

(A) The provisions of this subdivision (1) shall not apply if, prior to requesting leave, the employee had been given notice or had given notice that the employment would terminate.

(B) The provisions of this subdivision (1) shall not apply if the employer can demonstrate by clear and convincing evidence that:

(i) during the period of leave the employee's job would have been terminated or the employee laid off for reasons unrelated to the leave; or

(ii) the employee performed unique services and hiring a permanent replacement during the leave, after giving reasonable notice to the employee of intent to do so, was the only alternative available to the employer to prevent substantial and grievous economic injury to the employer's operation.

(2) The employer shall continue the employee's employment benefits for the duration of the leave at the level and under the conditions coverage would be provided if the employee continued in employment continuously for the duration of the leave. The employer may require that the employee contribute to the cost of the employment benefits during the leave at the existing rate of employee contribution.

§ 2069. DEFINITIONS

As used in this chapter:

(1) "Agent" means an individual who holds a valid power of attorney for an employee or self-employed individual or another legal authorization to act on the employee or self-employed individual's behalf that is acceptable to the Director.

(2) "Average weekly earnings" means the sum of a qualified individual's wages, if any, upon which contributions have been paid pursuant to section 2053 of this chapter during the individual's two highest-earning quarters plus the qualified individual's self-employment income, if any, upon which contributions have been paid pursuant to section 2053 of this chapter during the individual's two highest-earning quarters divided by 26.

(3) "Benefits" means Family and Medical Leave Insurance benefits provided pursuant to this chapter.

(4) “Bereavement leave” means a leave of absence from employment or self-employment by an individual due to the death of the individual’s family member that occurs not more than one year after the family member’s death. Bereavement leave includes leave taken in relation to the administration or settlement of the deceased family member’s estate. Leave taken in relation to the administration or settlement of the deceased family member’s estate may occur more than one year after the family member’s death.

(5) “Director” means the Director of the Division of Family and Medical Leave.

(6) “Division” means the Division of Family and Medical Leave in the Office of the Treasurer.

(7) “Domestic partner” has the same meaning as in 17 V.S.A. § 2414.

(8) “Domestic violence” has the same meaning as in 15 V.S.A. § 1151.

(9) “Employee” means an individual who receives payments with respect to services performed for an employer from which the employer is required to withhold Vermont income tax pursuant to 32 V.S.A. chapter 151, subchapter 4.

(10) “Employer” means a person who employs one or more employees.

(11) “Enrolled self-employed individual” means a self-employed individual who has obtained coverage under the Program pursuant to section 2058 of this chapter.

(12) “Family and medical leave” means a leave of absence from employment or from self-employment by a qualified individual for one of the following reasons:

(A) the qualified individual’s own serious health condition;

(B) to care for a family member with a serious health condition;

(C) the qualified individual’s pregnancy;

(D) recovery from childbirth or miscarriage;

(E) the birth of the qualified individual’s child and to care for or bond with the qualified individual’s child within one year after the child’s birth;

(F) the initial placement of a child 18 years of age or younger with the qualified individual for the purpose of adoption or foster care and to care for or bond with the child within one year after the placement for adoption or foster care; or

(G) a qualifying exigency arising out of a qualified individual's family member's active duty service in the U.S. Armed Forces or notice of an impending call or order to active duty in the U.S. Armed Forces.

(13) "Family member" means:

(A) regardless of age, a qualified individual's biological, adopted, or foster child; a qualified individual's stepchild or legal ward; a child of the qualified individual's spouse or civil union or domestic partner; a child to whom the qualified individual stands in loco parentis; or an individual to whom the qualified individual stood in loco parentis when the individual was under 18 years of age;

(B)(i) a parent of a qualified individual or qualified individual's spouse or civil union or domestic partner, regardless of whether the relationship to the qualified individual or qualified individual's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship;

(ii) a legal guardian of a qualified individual or qualified individual's spouse or civil union or domestic partner; or

(iii) a person who stands in loco parentis for the qualified individual or who stood in loco parentis when the qualified individual or qualified individual's spouse or civil union or domestic partner was under 18 years of age;

(C) a person to whom the qualified individual is legally married under the laws of any state or a civil union or domestic partner of a qualified individual;

(D) a grandparent, grandchild, or sibling of the qualified individual or qualified individual's spouse or civil union or domestic partner, regardless of whether the relationship to the qualified individual or the qualified individual's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship; or

(E) as shown by the qualified individual, any other individual with whom the qualified individual has a significant personal bond that is or is like a family relationship, regardless of biological or legal relationship, under the totality of the circumstances surrounding the relationship, including:

(i) evidence of shared financial responsibility, such as a shared lease, common ownership of property, joint liability for bills, and beneficiary designations;

(ii) evidence of responsibility for the other's personal well-being, including emergency contact designations or an advance directive, as that term is defined pursuant to 18 V.S.A. § 9701;

(iii) evidence showing an expectation of care created by the relationship or the prior provision of care, or both;

(iv) cohabitation for a period of at least six months or geographic proximity; and

(v) other similar evidence demonstrating a significant personal bond.

(14) “Health care provider” means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

(15) “Highest earning quarters” means the two calendar quarters of the last four completed calendar quarters when an individual earned the highest combined total of wages upon which contributions were paid pursuant to section 2053 of this chapter and self-employment income upon which contributions were paid pursuant to section 2053 of this chapter.

(16) “In loco parentis” means a relationship in which an individual has day-to-day responsibilities to care for and financially support a child.

(17) “Program” means the Family and Medical Leave Insurance Program created pursuant to this chapter.

(18) “Qualified individual” means an employee or enrolled self-employed individual who:

(A) satisfies the eligibility requirements established pursuant to section 2056 of this chapter; and

(B) has submitted an application and all necessary documentation of the need for the leave pursuant to section 2057 of this chapter.

(19) “Qualifying exigency” means a qualifying exigency related to active duty service in the U.S. Armed Forces that is identified pursuant to 29 C.F.R. § 825.126.

(20) “Safe leave” means a leave of absence from employment or self-employment by a qualified individual because:

(A) the qualified individual or the qualified individual’s family member is a victim of domestic violence, sexual assault, or stalking;

(B) the qualified individual is using the leave for one of the following reasons related to the domestic violence, sexual assault, or stalking:

(i) to seek or obtain medical care, counseling, or social or legal services, either for themselves or for a family member;

(ii) to recover from injuries;

(iii) to participate in safety planning, either for themselves or for a family member;

(iv) to relocate or secure safe housing, either for themselves or for a family member; or

(v) to meet with a State's Attorney or law enforcement officer;
and

(C) the qualified individual is not the alleged perpetrator of the domestic violence, sexual assault, or stalking.

(21) "Self-employed individual" means a sole proprietor or partner owner of an unincorporated business, the sole member of an LLC, or the sole shareholder of a corporation.

(22) "Self-employment income" has the same meaning as in 26 U.S.C. § 1402.

(23) "Serious health condition" means:

(A) an accident, illness, injury, disease, or physical or mental condition that:

(i) poses imminent danger of death;

(ii) requires inpatient care in a hospital, hospice, or residential medical care facility; or

(iii) requires continuing treatment by a health care provider; or

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (23), including treatment for substance use disorder.

(24) "Sexual assault" has the same meaning as in 15 V.S.A. § 1151.

(25) "Stalking" has the same meaning as in 15 V.S.A. § 1151.

(26) "U.S. Armed Forces" means:

(A) the U.S. Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard;

(B) a reserve component of the U.S. Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard; or

(C) the National Guard of any state.

(27) "Wages" means payments that are included in the definition of wages set forth in 26 U.S.C. § 3401.

Sec. 6. 32 V.S.A. § 3102(e) is amended to read:

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(22) To the Treasurer and to the Director of the Division of Family and Medical Leave, provided the return or return information relates to the provision of family and medical leave insurance under 21 V.S.A. chapter 26.

Sec. 7. ADOPTION OF RULES

(a) On or before April 1, 2025, the Director of the Division of Family and Medical Leave shall adopt rules necessary to implement the provisions of 21 V.S.A. chapter 26.

(b) On or before April 1, 2025, the Commissioner of Taxes, in consultation with the Director of the Division of Family and Medical Leave, shall adopt rules as necessary to carry out the provisions of 21 V.S.A. § 2053.

Sec. 8. EDUCATION AND OUTREACH

(a) On or before June 1, 2025, the Director of the Division of Family and Medical Leave shall develop and make available on the Division's website information and materials to educate and inform employers and employees about the Family and Medical Leave Insurance Program established pursuant to 21 V.S.A. chapter 26.

(b) The Director shall make available translations of all information and materials created pursuant to subsection (a) of this section on the Division's website in the five most commonly spoken languages in Vermont after English.

(c) The Division's website shall be accessible to individuals with disabilities in accordance with WCAG 2.1 AA or a similar updated standard.

Sec. 9. APPROPRIATION; ADVANCE PAYMENT OF STATE

CONTRIBUTIONS

(a) The amount of \$20,000,000.00 is appropriated to the Family and Medical Leave Insurance Special Fund from the General Fund.

(b) The amount appropriated pursuant to subsection (a) of this section shall be considered an advance payment of the State's portion of the contributions due for State employees pursuant to 21 V.S.A. § 2053(a). The State shall receive a credit against the contributions due from the State pursuant to 21

V.S.A. § 2053 equal to 100 percent of the State's portion of the contributions due until the cumulative amount of the credit equals the amount appropriated pursuant to subsection (a) of this section.

Sec. 10. ADEQUACY OF RESERVES; REPORT

Annually, on or before January 15, 2026, 2027, 2028, and 2029, the Director of the Division of Family and Medical Leave, in consultation with the Commissioners of Finance and Management, of Financial Regulation, and of Taxes, shall submit a written report to the House Committees on Appropriations; on General and Housing; and on Ways and Means and the Senate Committees on Appropriations; on Economic Development, Housing and General Affairs; and on Finance regarding the amount and adequacy of the reserves in the Family and Medical Leave Insurance Special Fund and any recommendations for legislative action necessary to ensure that an adequate reserve is maintained in the Fund.

Sec. 11. PRIVATE PLANS; INITIAL APPROVAL

(a) An employer wishing to utilize a private plan to meet the employer's obligations pursuant to 21 V.S.A. chapter 26 beginning on October 1, 2026 shall submit an application for approval of a private plan on or before October 15, 2025.

(b) The Director of the Division of Family and Medical Leave shall review the proposed plan as provided pursuant to the provisions of 21 V.S.A. § 2059.

(c) An employer that receives approval for a private plan pursuant to this section shall:

(1) beginning on January 1, 2026, be exempt from withholding and paying contributions as provided pursuant to 21 V.S.A. 2053(d);

(2) notwithstanding any provision of 21 V.S.A. § 2059 to the contrary, begin providing benefits pursuant to the private plan on or before October 1, 2026; and

(3) on or before January 15, 2026, be reimbursed by the Director for any contributions that the employer paid for the calendar quarters ending September 30, 2025 and December 31, 2025.

Sec. 12. EFFECTIVE DATES

(a) This section and Secs. 1, 2, 5, 6, 7, 8, 9, 10, and 11 shall take effect on July 1, 2023.

(b) Secs. 3 and 4 shall take effect on October 1, 2026.

(c) Contributions shall begin to be paid pursuant to 21 V.S.A. § 2053 on July 1, 2025, and, beginning on October 1, 2026, employees may begin to apply for and receive benefits pursuant to 21 V.S.A. chapter 26.

Rep. Demrow of Corinth, for the Committee on Ways and Means, recommended that the report of the Committee on General and Housing be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Leave from Employment * * *

Sec. 1. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

(1) “Bereavement leave” means a leave of absence from employment or self-employment by an individual due to the death of the individual’s family member that occurs not more than one year after the family member’s death. Bereavement leave includes leave taken in relation to the administration or settlement of the deceased family member’s estate. Leave taken in relation to the administration or settlement of the deceased family member’s estate may occur more than one year after the family member’s death.

(2) “Commissioner” means the Commissioner of Labor.

(3) “Domestic partner” means an individual with whom the employee has an enduring domestic relationship of a spousal nature, provided the employee and the domestic partner:

(A) have shared a residence for at least six consecutive months;

(B) are at least 18 years of age;

(C) are not married to or considered a domestic partner of another individual;

(D) are not related by blood closer than would bar marriage under State law; and

(E) have agreed between themselves to be responsible for each other’s welfare.

(4) “Domestic violence” has the same meaning as in 15 V.S.A. § 1151.

(5) “Employer” means an individual, organization, or governmental body, partnership, association, corporation, legal representative, trustee, receiver, trustee in bankruptcy, and any common carrier by rail, motor, water, air, or express company doing business in or operating within this State which

a person who for the purposes of parental leave, bereavement leave, safe leave, and leave for a qualifying exigency employs 10 or more individuals who are employed for an average of at least 30 hours per week during a year and for the purposes of family leave employs 15 or more individuals for an average of at least 30 hours per week during a year.

~~(2)~~(6) “Employee” means a person who, in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of one year for an average of at least 30 hours per week. For purposes of safe leave only, “employee” means a person who in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of six months for an average of at least 20 hours per week.

~~(3)~~(7) “Family leave” means a leave of absence from employment by an employee who works for an employer which employs 15 or more individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

(A) the serious ~~illness~~ health condition of the employee; or

(B) the serious ~~illness~~ health condition of the employee’s ~~child, stepchild or ward who lives with the employee, foster child, parent, spouse, or parent of the employee’s spouse~~ family member.

~~(4)~~(8) “Parental leave” means a leave of absence from employment by an employee who works for an employer which employs 10 or more individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

(A) the employee’s pregnancy;

(B) recovery from childbirth or miscarriage;

(C) the birth of the employee’s child and to care for or bond with the child within one year after the child’s birth; or

~~(B)~~(D) the initial placement of a child 16 18 years of age or younger with the employee for the purpose of adoption or foster care and to care for or bond with the child within one year after the placement for adoption or foster care.

(9) “Family member” means:

(A) regardless of age, an employee’s biological, adopted, or foster child; an employee’s stepchild or legal ward; a child of the employee’s spouse or civil union or domestic partner; a child to whom the employee stands in

loco parentis; or an individual to whom the employee stood in loco parentis when the individual was under 18 years of age;

(B)(i) a parent of an employee or an employee's spouse or civil union or domestic partner, regardless of whether the relationship to the employee or employee's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship;

(ii) a legal guardian of an employee or employee's spouse or civil union or domestic partner; or

(iii) a person who stands in loco parentis for the employee or who stood in loco parentis when the employee or employee's spouse or civil union or domestic partner was under 18 years of age;

(C) A person to whom the employee is legally married under the laws of any state or a civil union or domestic partner of an employee;

(D) A grandparent, grandchild, or sibling of the employee or the employee's spouse or civil union or domestic partner, regardless of whether the relationship to the employee or the employee's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship; or

(E) As shown by the employee, any other individual with whom the employee has a significant personal bond that is or is like a family relationship, regardless of biological or legal relationship under the totality of the circumstances surrounding the relationship, including:

(i) evidence of shared financial responsibility, such as a shared lease, common ownership of property, joint liability for bills, and beneficiary designations;

(ii) evidence of responsibility for the other's personal well-being, including emergency contact designations or an advance directive, as that term is defined pursuant to 18 V.S.A. § 9701;

(iii) evidence showing an expectation of care created by the relationship or the prior provision of care, or both;

(iv) cohabitation for a period of at least six months or geographic proximity; and

(v) other similar evidence demonstrating a significant personal bond.

(10) "Health care provider" means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

(11) “In loco parentis” means a relationship in which an individual has day-to-day responsibilities to care for and financially support a child.

(12) “Qualifying exigency” means a qualifying exigency identified pursuant to 29 C.F.R. § 825.126 that is related to active duty service by a family member in the U.S. Armed Forces.

(13) “Safe leave” means a leave of absence from employment by an employee because:

(A) the employee or the employee’s family member is a victim or alleged victim of domestic violence, sexual assault, or stalking;

(B) the employee is using the leave for one of the following reasons related to the domestic violence, sexual assault, or stalking:

(i) to seek or obtain medical care, counseling, or social or legal services, either for themselves or for a family member;

(ii) to recover from injuries;

(iii) to participate in safety planning, either for themselves or for a family member;

(iv) to relocate or secure safe housing, either for themselves or for a family member;

(v) to meet with a State’s Attorney or law enforcement officer; or

(vi) to attend a hearing concerning an order against stalking or sexual assault pursuant to 12 V.S.A. § 5133, when the employee seeks the order as plaintiff; and

(C) the employee is not the perpetrator or alleged perpetrator of the domestic violence, sexual assault, or stalking.

~~(5)~~(14) “Serious illness health condition” means:

(A) an accident, illness, injury, disease, or physical or mental condition that:

(A)(i) poses imminent danger of death;

(B)(ii) requires inpatient care in a hospital, hospice, or residential medical care facility; or

(C)(iii) requires continuing in-home care under the direction of treatment by a physician health care provider; or

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (14), including treatment for substance use disorder.

(15) “Sexual assault” has the same meaning as in 15 V.S.A. § 1151.

(16) “Stalking” has the same meaning as in 15 V.S.A. § 1151.

(17) “U.S. Armed Forces” means:

(A) the U.S. Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard;

(B) a reserve component of the U.S. Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard; or

(C) the National Guard of any state.

Sec. 2. 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

(a)(1) During any 12-month period, an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks:

~~(1)(A) for parental leave, during the employee’s pregnancy and following the birth of an employee’s child or within a year following the initial placement of a child 16 years of age or younger with the employee for the purpose of adoption;~~

~~(2)(B) for family leave, for the serious illness of the employee or the employee’s child, stepchild or ward of the employee who lives with the employee, foster child, parent, spouse, or parent of the employee’s spouse; or~~

(C) for a qualifying exigency.

(2) During any 12-month period, an employee may use up to two out of the 12 weeks of leave available pursuant to subdivision (1) of this subsection for bereavement leave.

(3) In addition to the leave provided pursuant to subdivisions (1) and (2) of this subsection, during any 12-month period an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks for safe leave.

(b) During the leave, at the employee’s option, the employee may use accrued sick leave or, vacation leave or, any other accrued paid leave, ~~not to exceed six weeks or short-term disability insurance or other insurance benefits.~~ Utilization of accrued paid leave or insurance benefits shall not extend the leave provided ~~herein~~ by this section.

* * *

(d) The employer shall post and maintain in a conspicuous place in and about each of ~~his or her~~ its places of business printed notices of the provisions of this subchapter on forms provided by the Commissioner of Labor.

(e)(1) An employee shall give the employee's employer reasonable written notice of intent to take leave under this subchapter section. Notice shall include the date the leave is expected to commence and the estimated duration of the leave.

(2) In the case of the adoption or birth of a child, an employer shall not require that notice be given more than six weeks prior to the anticipated commencement of the leave.

(3) In the case of an unanticipated serious health condition, a miscarriage, an unanticipated need for safe leave, a premature birth, the death of a family member; or a short-notice qualifying exigency, the employee shall give the employer notice of the commencement of the leave as soon as practicable.

(4)(A) In the case of serious illness health condition of the employee or a member of the employee's family, an employer may require certification from a physician to verify the condition and the amount and necessity for the leave requested.

(B) An employer may require an employee to provide documentation of the need for safe leave. An employee may provide documentation from any one of the following sources:

(i) a court or a law enforcement or other government agency;

(ii) a domestic violence, sexual assault, or stalking assistance program;

(iii) a legal, clerical, medical, or other professional from whom the employee, or the employee's family member, received counseling or other assistance concerning domestic violence, sexual assault, or stalking; or

(iv) a self-certification of the employee's, or the employee's family member's, status as a victim of domestic violence, sexual assault, or stalking, signed under penalty of perjury, on a standard form adopted for that purpose by:

(I) a federal or State government entity, including the Vermont Department for Children and Families; or

(II) a nonprofit organization that provides support services to victims of domestic violence, sexual violence, or stalking.

(C) An employer may require an employee to provide documentation of the need for bereavement leave. An employee may provide any of the following forms of documentation:

(i) a death certificate;

(ii) a published obituary; or

(iii) a written notice or verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious organization, or governmental agency.

(D) An employer may require an employee to provide documentation of the need for leave for a qualifying exigency as set forth in 29 C.F.R. § 825.309.

(E) An employer shall not disclose any private medical information or information relating to a safe leave that the employer receives pursuant to this subdivision (4) except to the extent the disclosure is permitted by law and:

(i) consented to by the employee in writing;

(ii) required pursuant to a court order; or

(iii) required pursuant to State or federal law.

(5) An employee may return from leave earlier than estimated upon approval of the employer.

(6) An employee shall provide reasonable notice to the employer of his or her ~~the~~ need to extend leave to the extent provided by this chapter.

(f) Upon return from leave taken under this subchapter, an employee shall be offered the same or comparable job at the same level of compensation, employment benefits, seniority, or any other term or condition of the employment existing on the day leave began. This ~~subchapter~~ subsection shall not apply if, prior to requesting leave, the employee had been given notice or had given notice that the employment would terminate. This subsection shall not apply if the employer can demonstrate by clear and convincing evidence that:

(1) during the period of leave the employee's job would have been terminated or the employee laid off for reasons unrelated to the leave or the condition for which the leave was granted; or

(2) the employee performed unique services and hiring a permanent replacement during the leave, after giving reasonable notice to the employee of intent to do so, was the only alternative available to the employer to prevent substantial and grievous economic injury to the employer's operation.

(g) An employer may adopt a leave policy more generous than the leave policy provided by this subchapter. Nothing in this subchapter shall be construed to diminish an employer's obligation to comply with any collective bargaining agreement or any employment benefit program or plan ~~which~~ that provides greater leave rights than the rights provided by this subchapter. A

collective bargaining agreement or employment benefit program or plan may not diminish rights provided by this subchapter. ~~Notwithstanding the provisions of this subchapter, an employee may, at the time a need for parental or family leave arises, waive some or all the rights under this subchapter provided the waiver is informed and voluntary and any changes in conditions of employment related to any waiver shall be mutually agreed upon between employer and employee.~~

(h) Except for the serious illness health condition of the employee or safe leave when the employee is the victim or alleged victim, an employee who does not return to employment with the employer who provided the leave shall return to the employer the value of any compensation that the employer paid to or on behalf of the employee during the leave, except payments for accrued sick leave or vacation leave. An employer may elect to waive the rights provided pursuant to this subsection.

Sec. 3. 21 V.S.A. § 472c is amended to read:

§ 472c. LEAVE; ALLEGED CRIME VICTIMS; RELIEF FROM
STALKING OR ABUSE

* * *

(b) In addition to the leave provided in section 472 of this title, an employee shall be entitled to take unpaid leave from employment for the purpose of attending a deposition or court proceeding related to:

* * *

(2) a relief from abuse hearing pursuant to 15 V.S.A. § 1103, when the employee seeks the order as plaintiff; or

(3) ~~a hearing concerning an order against stalking or sexual assault pursuant to 12 V.S.A. § 5133, when the employee seeks the order as plaintiff;~~
~~or~~

(4) a relief from abuse, neglect, or exploitation hearing pursuant to 33 V.S.A. chapter 69, when the employee is the plaintiff.

* * *

Sec. 4. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

* * *

~~(5) “Employer” means a person who for the purposes of parental leave, bereavement leave, safe leave, and leave for a qualifying exigency employs 10 or more individuals who are employed for an average of at least 30 hours per week during a year and for the purposes of family leave employs 15 or more individuals for an average of at least 30 hours per week during a year~~ employs one or more individuals in Vermont.

(6) “Employee” means a person who:

~~(A) in consideration of direct or indirect gain or profit, has been continuously employed by the same employer;~~

~~(i) for a period of one year for an average of at least 30 hours per week;~~ or

~~(ii) For purposes of safe leave only, “employee” means a person who in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of six months for an average of at least 20 hours per week;~~ or

~~(B) is employed by an employer and:~~

~~(i) during at least two of the last four completed calendar quarters, has received payments with respect to services performed for any employer from which that employer was required to withhold Family and Medical Leave Insurance Program contributions pursuant to 21 V.S.A. § 2553;~~ or

~~(ii) has worked for the employer during at least two of the last four calendar quarters and the employer is required to provide the employee with coverage under a private plan approved pursuant to 21 V.S.A. § 2559.~~

(7) “Family leave” means a leave of absence from employment by an employee for one of the following reasons:

(A) the serious health condition of the employee;

(B) the serious health condition of the employee’s family member.

~~(8) “Parental leave” means a leave of absence from employment by an employee for one of the following reasons:~~

~~(A)~~(C) the employee’s pregnancy;

~~(B)~~(D) recovery from childbirth or miscarriage;

~~(C)~~(E) the birth of the employee’s child and to care for or bond with the child within one year after the child’s birth; or

~~(D)~~(F) the initial placement of a child 18 years of age or younger with the employee for the purpose of adoption or foster care and to care for or

bond with the child within one year after the placement for adoption or foster care.

~~(9)~~(8) “Family member” means:

* * *

~~(10)~~(9) “Health care provider” means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

~~(11)~~(10) “In loco parentis” means a relationship in which an individual has day-to-day responsibilities to care for and financially support a child.

~~(12)~~(11) “Qualifying exigency” means a qualifying exigency identified pursuant to 29 C.F.R. § 825.126 that is related to active duty service by a family member in the U.S. Armed Forces.

~~(13)~~(12) “Safe leave” means a leave of absence from employment by an employee because:

* * *

~~(14)~~(13) “Serious health condition” means:

* * *

~~(15)~~(14) “Sexual assault” has the same meaning as in 15 V.S.A. § 1151.

~~(16)~~(15) “Stalking” has the same meaning as in 15 V.S.A. § 1151.

~~(17)~~(16) “U.S. Armed Forces” means:

* * *

Sec. 5. 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

(a)(1) During any 12-month period, an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks:

(A) ~~for parental leave; or~~

~~(B) for family leave; or~~

~~(C)~~(B) for a qualifying exigency.

(2) During any 12-month period, an employee may use up to two out of the 12 weeks of leave available pursuant to subdivision (1) of this subsection for bereavement leave.

(3) In addition to the leave provided pursuant to subdivisions (1) and (2) of this subsection, during any 12-month period an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks for safe leave.

(b) During the leave, at the employee's option, the employee may use accrued sick leave, vacation leave, any other accrued paid leave, Family and Medical Leave Insurance benefits pursuant to chapter 26 of this title, or short-term disability insurance or other insurance benefits. Utilization of accrued paid leave, Family and Medical Leave Insurance benefits, or insurance benefits shall not extend the leave provided by this section.

* * *

* * * Paid Family and Medical Leave Insurance Program * * *

Sec. 6. 21 V.S.A. chapter 26 is added to read:

CHAPTER 26. FAMILY AND MEDICAL LEAVE INSURANCE

§ 2051. DIVISION OF FAMILY AND MEDICAL LEAVE; DIRECTOR

(a) The Division of Family and Medical Leave is established in the Office of the Treasurer to administer the Family and Medical Leave Insurance Program established pursuant to this chapter.

(b)(1) The Treasurer shall appoint a Director of the Division. The Director shall be a full-time State employee and exempt from the classified system and shall serve at the pleasure of the Treasurer.

(2) The Director shall be responsible for:

(A) the operation and supervision of the Division of Family and Medical Leave;

(B) the implementation of this chapter and any rules adopted pursuant to section 2063 of this chapter; and

(C) employing staff as necessary to implement and carry out the provisions of this chapter.

§ 2052. FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM;

SPECIAL FUND

(a) The Family and Medical Leave Insurance Program is established within the Division of Family and Medical Leave for the provision of Family and Medical Leave Insurance benefits to qualified individuals pursuant to the provisions of this chapter.

(b) The Family and Medical Leave Insurance Special Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 and shall be administered by the Division of Family and Medical Leave and the Department of Taxes. Monies in the Fund may be expended for the administration of the Family and Medical Leave Insurance Program, for the payment of benefits provided pursuant to the

provisions of this chapter, and for necessary costs incurred in administering the Fund. All interest earned on Fund balances shall be credited to the Fund.

(c) The Fund shall consist of:

(1) contributions collected pursuant to section 2053 of this chapter;

(2) amounts recovered or collected pursuant to sections 2061 and 2062 of this chapter;

(3) any amounts transferred or appropriated to the Fund by the General Assembly; and

(4) any interest earned by the Fund.

(d) The Director may seek and accept grants from any source, public or private, to be dedicated for deposit into the Fund.

§ 2053. CONTRIBUTIONS; RATE; COLLECTION

(a)(1) An employer shall be responsible for the full amount of the contributions required on covered wages paid to the employers' employees pursuant to subsection (c) of this section and shall remit those amounts to the Department of Taxes pursuant to the provisions of subsection (d) of this section. For purposes of paying the required contributions, an employer may deduct and withhold from an employee's covered wages an amount equal to not more than one-half of the contribution required pursuant to subsection (c) of this section.

(2) As used in this subsection, the term "covered wages" means all wages paid to an employee by an employer up to an amount equal to two times the Social Security Contribution and Benefit Base.

(b)(1) An enrolled self-employed individual shall be responsible for the full amount of the contributions required on the enrolled self-employed individual's covered work income pursuant to subsection (c) of this section and shall remit those amounts to the Department of Taxes.

(2) As used in this subsection, the term "covered work income" means an enrolled self-employed individual's net earnings from self-employment in Vermont up to an amount equal to two times the Social Security Contribution and Benefit Base.

(c)(1) For the period from July 1, 2025 through December 31, 2025, the contribution rate on covered wages paid to employees and on enrolled self-employed individuals' covered work income shall be 0.55 percent.

(2) Beginning with calendar year 2026 and annually thereafter the Director shall establish the rate of contribution for each calendar year on or

before the preceding October 1. The Director shall set the rate so that it generates contributions in an amount equal to the sum of the projected amount necessary to provide benefits pursuant to this chapter during the next calendar year plus the projected cost to administer the Program during the next calendar year plus a reserve equal to six months of the projected benefit payments and administrative costs for the next calendar year minus any balance projected to be remaining in the Fund from the prior calendar year.

(3) The rate of contribution shall be the same for the covered wages of employees and the covered work income of enrolled self-employed individuals and shall not exceed one percent.

(4) In the event that the Director determines that the rate of contribution for any calendar year shall be one percent, the Director shall, not more than 14 days after making the determination, submit a written report to the Joint Fiscal Committee, the House Committees on Appropriations, on General and Housing, and on Ways and Means, and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Finance that provides a detailed explanation of the reason for the increase, whether the rate is sufficient to pay the projected benefits and administrative costs during the next calendar year while maintaining the required reserve, the solvency of the Fund, and recommended legislative action to reduce the rate of contribution in the following calendar year.

(d)(1) The Commissioner of Taxes shall collect the contributions required pursuant to this section and shall deposit them into the Fund.

(2)(A) Employers shall withhold contributions pursuant to subdivision (a)(1) of this section from wages that employers pay to employees as if the contributions were Vermont income tax subject to the withholding requirements of 32 V.S.A. chapter 151, subchapter 4. The administrative and enforcement provisions of 32 V.S.A. chapter 151 shall apply to the contribution and withholding requirements under this section as if the contributions due pursuant to subdivision (a)(1) of this section were Vermont income tax.

(B) Employers shall be responsible for the full amount of any unpaid contributions due pursuant to subdivision (a)(1) of this section.

(3) Enrolled self-employed individuals shall make installment payments of estimated contributions pursuant to subdivision (a)(2) of this section from the enrolled self-employed individual's covered work income as if the contributions were Vermont income tax subject to the estimated payment requirements of 32 V.S.A. chapter 151, subchapter 5. The administrative and enforcement provisions of 32 V.S.A. chapter 151 shall apply to the estimated

payment requirement under this section as if the contributions due pursuant to subdivision (a)(2) of this section were Vermont income tax.

(e) An employer with an approved private plan pursuant to section 2059 of this chapter shall not be required to withhold and pay contributions pursuant to this section.

§ 2054. BENEFITS

(a)(1) Benefits provided pursuant to this chapter shall only be available for leaves beginning on or after July 1, 2026.

(2) A qualified individual shall be permitted to receive a total of not more than 12 weeks of benefits in a 12-month period for family and medical leave and safe leave taken by the employee.

(3) A qualified individual may use up to two out of the 12 weeks of benefits available to the individual during a 12-month period for bereavement leave.

(b) A qualified individual awarded benefits under this section shall receive 90 percent of the individual's average weekly earnings or an amount equal to the State average weekly wage determined pursuant to section 1338 of this title, whichever is less.

(c) A qualified individual may receive benefits for an intermittent leave or leave for a portion of a week. The benefit amount for an intermittent leave or leave for a portion of a week shall be calculated in increments of one full day or one-fifth of the qualified individual's weekly benefit amount.

(d) Benefits paid pursuant to this chapter may be used as wage replacement for a leave taken pursuant to section 472 of this title or the federal Family and Medical Leave Act, 29 U.S.C. §§ 2611–2654. The receipt of benefits paid pursuant to this chapter shall not extend the leave provided pursuant to section 472 of this title or the federal Family and Medical Leave Act.

§ 2055. ELIGIBILITY

An individual shall be eligible to receive benefits pursuant to the provisions of this chapter for a leave beginning on or after July 1, 2026 if:

(1) the individual is currently an employee or an enrolled self-employed individual, or both;

(2) except as otherwise provided pursuant to subsection 2059(f) of this chapter:

(A) the individual has:

(i) earned wages from which contributions were withheld during at least two calendar quarters in the preceding calendar year;

(ii) made contributions to the Fund on covered work income that was earned during at least two calendar quarters in the preceding calendar year; or

(iii) both; or

(B) if the individual does not meet the requirements of subdivision (A) of this subdivision (2), the individual has:

(i) earned wages from which contributions were withheld pursuant to section 2053 of this chapter in two of the last four calendar quarters and provided documentation of those wages that is acceptable to the Director;

(ii) made contributions to the Fund on covered work income that was earned during two of the last four calendar quarters and provided documentation of that covered work income that is acceptable to the Director;
or

(iii) both;

(3) the individual is unable to work because the individual:

(A) has a serious health condition;

(B) is caring for a family member with a serious health condition;

(C) is pregnant;

(D) is recovering from childbirth or miscarriage;

(E) is caring for a new child during the first year following the birth, adoption, or placement for foster care of that child;

(F) is taking safe leave;

(G) is taking a bereavement leave; or

(H) is taking leave related to a qualifying exigency of a family member who is on active duty in the U.S. Armed Forces or who has been called to active duty in the U.S. Armed Forces; and

(4) the Director determines that the individual is not disqualified pursuant to section 2065 of this chapter.

§ 2056. APPLICATION FOR BENEFITS

(a)(1) An employee or enrolled self-employed individual, or the employee's or enrolled self-employed individual's agent, may apply for

benefits pursuant to this chapter by filing an application with the Division in a form approved by the Director.

(2) An employee or enrolled self-employed individual, or the employee's or enrolled self-employed individual's agent, shall, to the extent possible, submit documentation of the need for the leave together with the application filed pursuant to subdivision (1) or this subsection. The Director shall specify acceptable forms of documentation on the application form.

(b)(1) The Division shall review each application and any accompanying documentation and determine if the employee or enrolled self-employed individual is eligible to receive benefits pursuant to section 2055 of this chapter not later than 10 business days after the date the application is filed with the Division.

(2) Notwithstanding subdivision (1) of this subsection, the Director may extend the time in which to make a determination by not more than 30 business days if necessary to obtain documents or information that are needed to make the determination.

(c) An employee or enrolled self-employed individual may file an application for benefits up to 60 calendar days before an anticipated family and medical leave, safe leave, or bereavement leave or, in the event of a premature birth, an unanticipated serious health condition, safe leave or, the death of a family member within 60 calendar days after commencing a family and medical leave, safe leave, or bereavement leave.

(d)(1) In the event that an application is not approved within the time period provided pursuant to subsection (b) of this section because there was insufficient information or documentation for the Division to approve the application, the employee or enrolled self-employed individual, or the employee's or enrolled self-employed individual's agent, may submit a new application with additional information or documentation, provided that the second application is submitted within the time period required pursuant to subsection (c) of this section.

(2) An employee or enrolled self-employed individual who submits a second application pursuant to this subsection shall only be permitted to file an appeal pursuant to section 2060 of this chapter in relation to the determination made on the second application.

§ 2057. PAYMENT OF BENEFITS; TAX WITHHOLDING

(a) Benefits shall be paid to a qualified individual for the time period beginning on the day the qualified individual's leave began.

(b) A qualified individual's first benefit payment shall be sent within 14 calendar days after the qualified individual's claim is approved or the individual's leave begins, whichever is later, and subsequent payments shall be sent biweekly.

(c)(1) Except as otherwise provided pursuant to section 2062 of this chapter and subdivision (2) and (3) of this subsection, benefits paid pursuant to the provisions of this chapter shall not be assignable before payment and shall be exempt from all claims of creditors, and from levy, execution, attachment, trustee process, and any other remedy provided for the recovery or collection of a debt.

(2)(A) An individual filing a new claim for benefits pursuant to this chapter shall, at the time of filing, notify the Division of whether the individual owes child support obligations.

(B) If, during the review of the individual's application, the Director determines that the individual has outstanding, unpaid child support obligations, the Director shall deduct and withhold an amount necessary to pay the outstanding, unpaid child support obligations from any benefits payable to the individual pursuant to this chapter and remit that amount to the appropriate child support enforcement agency. The amount deducted and withheld from an individual's benefits pursuant to this subdivision (B) shall not exceed 30 percent of the benefit payment to the individual.

(C) In the absence of any outstanding, unpaid child support obligation, an individual may request that the Director deduct and withhold a specified amount from the individual's benefits and remit that amount to the appropriate entity as payment of the individual's child support obligations.

(3) If an individual has outstanding Vermont State tax liability, the Director shall deduct and withhold the outstanding amount from the benefits payable to the individual pursuant to this chapter and remit it to the Commissioner of Taxes. The amount deducted and withheld from an individual's benefits pursuant to this subdivision shall not exceed 30 percent of the benefit payment to the individual.

(d)(1) An individual filing a claim for benefits pursuant to this chapter shall, at the time of filing, be advised that Family and Medical Leave Insurance benefits may be subject to income tax and that the individual's benefits may be subject to withholding.

(2) All procedures specified by 26 U.S.C. chapter 24 and 32 V.S.A. chapter 151, subchapter 4 pertaining to the withholding of income tax shall be followed in relation to the payment of benefits.

§ 2058. ELECTIVE COVERAGE

(a)(1) A self-employed individual may elect to obtain coverage through the Program for an initial period of three years by filing a notice of the election with the Division on a form provided by the Director.

(2) After electing to obtain coverage pursuant to this section, an enrolled self-employed individual shall, if otherwise eligible pursuant to section 2055 of this chapter, be able to receive benefits through the Program after paying contributions pursuant to section 2053 of this chapter in two calendar quarters within a four-calendar quarter period.

(b) A self-employed individual who elects to obtain coverage pursuant to this section shall agree as a condition of obtaining coverage to provide to the Director and the Commissioner of Taxes any documentation of the self-employed individual's work income and any related information that the Director, in consultation with the Commissioner of Taxes, determines is necessary.

(c)(1) An enrolled self-employed individual may terminate the coverage at the end of the initial three-year period by providing the Director with written notice of the termination at least 30 calendar days before the end of the period.

(2) An enrolled self-employed individual who does not terminate coverage at the end of the initial three-year period may terminate the coverage at the end of any succeeding annual period by providing the Director with written notice of the termination at least 30 calendar days before the end of the period.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, an enrolled self-employed individual who becomes an employee or stops working in Vermont may elect to terminate coverage pursuant to this section by providing the Director with 30 calendar days' written notice in accordance with rules adopted by the Director.

(d) Nothing in this section shall be construed to prevent an individual who is both an employee and a self-employed individual from electing to obtain coverage pursuant to this section.

§ 2059. EMPLOYER OPTION; PRIVATE PLAN

(a)(1) As an alternative to and in lieu of participating in the Program, an employer may, upon approval by the Director, comply with the requirements of this chapter through a private plan that provides to all of its employees benefits that are equal to or more generous than the benefits provided pursuant to this chapter.

(2) An employer may elect to provide such benefits by:

(A) establishing and maintaining to the satisfaction of the Director necessary self-insurance; or

(B) purchasing insurance coverage from an insurance carrier authorized to provide family and medical leave insurance in this State.

(b)(1) The Director shall approve a private plan under this section upon making a determination that it:

(A) provides leave for periods that are equal to or more generous than the leave provided pursuant to this chapter;

(B) provides coverage for all employees who would otherwise be eligible for benefits pursuant to this chapter;

(C) costs employees the same or less than the employees' portion of the contribution would be pursuant to subsection 2053(a) of this chapter;

(D) provides coverage for all forms of leave for which benefits may be paid pursuant to this chapter;

(E) provides wage replacement in an amount that is equal to or greater than the rate of wage replacement provided pursuant to section 2054 of this chapter;

(F) imposes no additional restrictions or conditions on the use of paid leave benefits beyond the restrictions and conditions that are established pursuant to this chapter and the rules adopted by the Director; and

(G) satisfies any additional requirements established in rules adopted by the Director in consultation with the Commissioner of Financial Regulation.

(2) Nothing in this section shall be construed to require the benefits provided by a private insurance or benefit plan to be identical to the benefits provided pursuant to this chapter.

(c)(1)(A) An employer shall submit an application to the Director for approval of a new or modified private plan on or before October 15 of the calendar year prior to when it is proposed to take effect.

(B) The Director shall make a determination and notify the employer of whether its application has been approved on or before December 1. If the application is approved, the Director shall also provide a copy of the notice to the Commissioner of Taxes on or before December 1.

(2) Following the approval of its private plan, an employer shall cease to participate in the Program beginning on the next January 1 and the approval shall remain in effect until it is terminated pursuant to subdivision (3) of this

subsection.

(3) An employer with an approved private plan may terminate the approval effective January 1 of any year by filing notice of termination with the Director and the Commissioner of Taxes on or before November 1 of the prior year.

(d) A contested determination or a denial of benefits under a private plan approved pursuant to this section shall be subject to appeal pursuant to section 2060 of this chapter.

(e)(1) The Director may terminate the approval of a private plan approved pursuant to this section if the Director determines that the terms and conditions of the plan have been violated, including if the plan:

(A) fails to pay benefits in a timely manner or in a manner that is consistent with the plan's terms;

(B) misuses private plan funds;

(C) fails to submit required reports to the Director; or

(D) fails to comply with any applicable provisions of law or with rules adopted by the Director.

(2) The Director shall provide notice to the employer of the proposed termination that includes the date on which the approval will terminate and the reason for the termination.

(3) An employer may appeal the termination to the Director in accordance with rules adopted by the Director.

(f)(1) An employee who ceases to be covered by an approved private plan shall, for purposes of determining eligibility for benefits pursuant to the provisions of section 2055 of this chapter, be treated as if the employee had earned wages from which contributions were withheld during the period of the employee's employment with the employer.

(2) For purposes of this subsection (f), an employee ceases to be covered by a private plan if:

(A) the employee separates from employment with the employer due to a layoff or the end of seasonal employment with the employer;

(B) the employer terminates the employer's private plan pursuant to subdivision (c)(3) of this section;

(C) the approval of the employer's private plan is terminated by the Director pursuant to subsection (e) of this section; or

(D) the employer becomes insolvent or ceases to do business in Vermont.

§ 2060. APPEALS

(a)(1) An employer or individual aggrieved by a decision of the Director relating to eligibility for benefits, the amount of benefits that a qualified individual is entitled to receive, or the amount of contributions due may file with the Director a petition for reconsideration within 30 calendar days after receipt of the decision. The petition shall set forth in detail the grounds upon which it is claimed that the decision is erroneous and may include materials supporting that claim.

(2) If an employer petitions the Director to reconsider a decision relating to an application for benefits or the amount of benefits that a qualified individual is entitled to receive, the Director shall promptly notify the individual who applied for the benefits of the petition by ordinary, certified, or electronic mail and provide the individual with an opportunity to file an answer to the employer's petition.

(3) The Director shall promptly notify the employer or individual, or both, as appropriate, of the Director's decision by ordinary, certified, or electronic mail.

(b) An employer or individual aggrieved by the Director's decision on reconsideration may file an appeal with the Supreme Court within 30 calendar days after receiving the decision.

(c) Any determination, redetermination, finding of fact, conclusion of law, decision, order, or judgment entered or made pursuant to this section shall only be binding on the Division and all parties in that proceeding and is not binding, conclusive, or admissible in any separate or subsequent action between an individual and any other party brought before an arbitrator, court, or judge of this State or of the United States, regardless of whether the prior proceeding was between the same or related parties or involved the same facts.

§ 2061. FALSE STATEMENT OR REPRESENTATION; PENALTY

(a)(1) An individual who intentionally makes a false statement or representation for the purpose of obtaining any benefit or payment or to avoid payment of any required contributions under the provisions of this chapter, whether for themselves or for any other person, after notice and opportunity for hearing, shall be prohibited from receiving benefits pursuant to this chapter for a period of not less than one year and not more than three years as determined to be appropriate by the Director.

(2) The penalty imposed pursuant to this section shall be in addition to any liability incurred by the individual pursuant to section 2062 of this chapter.

(b) A person who intentionally makes a false statement to avoid payment of any required contributions under the provisions of this chapter shall, after notice and an opportunity for a hearing, be liable for:

(1) the full amount of unpaid contributions; and

(2) an administrative penalty of not more than \$5,000.00.

(c)(1) The administrative penalty imposed pursuant to subsection (b) of this section may be collected in a civil action in Superior Court brought in the name of the Director. If the action is successful, the Director shall be entitled to recover the Division's costs and reasonable attorney's fees incurred in bringing the action.

(2) Any amounts recovered and any penalties collected pursuant to this section shall be deposited in the Fund.

§ 2062. OVERPAYMENT OF BENEFITS; COLLECTION

(a)(1) Any individual who by nondisclosure or misrepresentation of a material fact, by either the individual or another person, receives benefits that the individual is not eligible to receive shall be liable to repay to the Division the amount received in excess of the amount, if any, that the individual is eligible to receive.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, the Director shall waive an overpayment if it was:

(A) caused by the Division's mistake or an unintentional error or omission by another person; and

(B) the Director determines that requiring repayment would be against equity and good conscience.

(3) Upon determining that an individual is liable for an overpayment of benefits pursuant to subdivision (1) of this subsection, the Director shall provide the individual with notice of the determination. The notice shall include a statement that the individual is liable to repay to the Division the amount of overpaid benefits and shall identify the basis of the overpayment and the time period in which the benefits were paid. The notice shall also provide information regarding the individual's right to appeal the determination pursuant to the provisions of section 2060 of this chapter.

(4) The determination shall be made within not more than three years after the date of the overpayment.

(b)(1) An individual liable under this section shall repay the overpaid amount to the Director for deposit into the Fund.

(2) The Director may collect the amounts due under this section in a civil action in the Superior Court.

(3) An individual may, at any time, request that the Director reduce or waive the amount for which the individual is liable pursuant to subsection (a) of this section. Upon receipt of a request, the Director may reduce or waive the amount for which an individual is liable for good cause or as the Director deems appropriate and just.

(c) If an individual is liable to repay any amount pursuant to this section, the Director may withhold, in whole or in part, any future benefits payable to the individual pursuant to this chapter and credit the withheld benefits against the amount due from the individual until it is repaid in full.

(d) In addition to the remedy provided pursuant to this section, an individual who intentionally misrepresented or failed to disclose a material fact with respect to the individual's claim for benefits may be subject to the penalties provided pursuant to section 2061 of this chapter.

§ 2063. RULEMAKING

(a) The Commissioner of Taxes, in consultation with the Director, shall adopt rules as necessary to implement the provisions of this chapter related to the collection of contributions pursuant to section 2053 of this chapter.

(b) The Director shall adopt rules as necessary to implement all other provisions of this chapter.

§ 2064. CONFIDENTIALITY OF INFORMATION

(a) Information obtained from an employer or individual in the administration of this chapter and determinations of an individual's right to receive benefits that reveal an employer's or individual's identity in any manner shall be kept confidential and shall be exempt from public inspection and copying under the Public Records Act. Such information shall not be admissible as evidence in any action or proceeding other than one brought pursuant to the provisions of this chapter.

(b) Notwithstanding subsection (a) of this section:

(1) an individual or the individual's agent may be provided with information to the extent necessary for the proper presentation of the individual's claim for benefits or to inform the individual of the individual's existing or prospective rights to benefits; and

(2) an employer may be provided with information that the Director or the Commissioner of Taxes determines is necessary to enable the employer to discharge fully its obligations and protect its rights under this chapter.

§ 2065. DISQUALIFICATIONS; LIMITATIONS

(a) An individual shall be disqualified from receiving benefits for any week in which the individual has received:

(1)(A) compensation for temporary total disability under the workers' compensation law of any state or under a similar law of the United States; or

(B) compensation for temporary partial disability related to the serious health condition for which the individual is seeking benefits pursuant to this chapter; or

(2) unemployment compensation benefits under the law of any state.

(b) An individual shall not receive benefits provided pursuant to this chapter and remuneration from the individual's employer that would result in the individual earning more than:

(1) the individual's average daily wage on any single day; or

(2) the individual's average weekly wage in any calendar week.

(c) Subject to the limitation set forth in subsection (b) of this section, an employer may provide an employee with remuneration to supplement the amount of the benefits provided to the employee pursuant to this chapter.

(d) As used in this section:

(1) "Average daily wage" means one-fifth of an individual's average weekly wage.

(2) "Average weekly wage" means either:

(A) the sum of a qualified individual's wages, if any, upon which contributions were paid pursuant to section 2053 of this chapter during the preceding calendar year divided by 52, provided those wages are used for purposes of determining the amount of the individual's benefits pursuant to this chapter; or

(B) the sum of a qualified individual's documented wages during the individual's two highest earning calendar quarters out of the last four completed calendar quarters divided by 26, provided those wages are used for purposes of determining the amount of the individual's benefits pursuant to this chapter.

(3) "Remuneration" means wages and payments for vacation leave, sick leave, or any other accrued paid leave.

§ 2066. PROTECTION FROM RETALIATION OR INTERFERENCE

(a) An employer shall not discharge or in any other manner retaliate against an employee who exercises or attempts to exercise the rights provided pursuant to this chapter. The provisions against retaliation in subdivision 495(a)(8) of this title shall apply to this chapter.

(b) An employer shall not interfere with, restrain, or otherwise prevent an employee from exercising or attempting to exercise the employee's rights pursuant to this chapter.

(c) An employer shall not treat any leave for which benefits are provided pursuant to this chapter as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse employment action.

(d) An employee aggrieved by a violation of the provisions of this section may bring an action in Superior Court seeking compensatory and punitive damages or equitable relief, including restraint of prohibited acts, restitution of wages or other benefits, reinstatement, costs, reasonable attorney's fees, and other appropriate relief.

§ 2067. NOTICE

(a) An employer shall post and maintain in a conspicuous place in and about each of its places of business printed notices of the provisions of this chapter on forms provided by the Director.

(b) An employer shall provide written notice of the provisions of this chapter to new employees within 30 calendar days after the date on which they are hired.

§ 2068. EMPLOYER OBLIGATIONS; EMPLOYEE RIGHTS

(a) Nothing in this chapter shall be construed to diminish an employer's obligation to comply with any collective bargaining agreement, employer policy, or employment agreement that provides more generous benefits than the benefits provided pursuant to this chapter.

(b) Nothing in this chapter shall be construed to diminish any rights, privileges, and protections provided to an employee pursuant to a collective bargaining agreement, employer policy, or employment agreement.

(c) An employee receiving benefits for family and medical leave, safe leave, leave for a qualifying exigency, or bereavement leave shall be entitled to all rights and protections provided pursuant to section 472 of this title and the federal Family and Medical Leave Act, 29 U.S.C. §§ 2611–2654, to which the employee would otherwise be entitled.

(d) Any agreement to waive the rights and protections provided to an employee pursuant to this chapter shall be void.

§ 2069. ANNUAL REPORT

(a) Beginning in 2027, the Director, on or before February 15 of each year, shall publish a report regarding the usage of the Program during the preceding calendar year.

(b) The report shall include the following information:

(1) the total number of claims filed;

(2) the total number and percentage of claims approved;

(3) the total number and percentage of claims denied, broken down by the reason for denial;

(4) the percentage of claims, both total and approved claims, attributable to each eligible reason for leave;

(5) average weekly benefit and average length of leave, broken down by eligible reason for leave;

(6) the total number and percentage of claim denials that are reversed on appeal;

(7) the total number of claims that are approved following a second application submitted pursuant to subsection 2056(d) of this chapter;

(8) the total number of enrolled self-employed individuals;

(9) the total number of covered employees and enrolled self-employed individuals and the percentage of working Vermonters who are covered by the Program;

(10) the gross benefits paid by the Program and any changes in the amount of gross benefits paid in comparison to prior years; and

(11) the average time required to process an initial claim and an appeal, as well as the average time from submission of a benefits application to final determination.

(c) All information provided pursuant to subdivisions (b)(1)–(8) of this section shall be further broken down by claimant demographics, including age, gender, race, ethnicity, income, geographic distribution by county, and occupation.

§ 2070. DEFINITIONS

As used in this chapter:

(1) “Agent” means an individual who holds a valid power of attorney for an employee or self-employed individual or another legal authorization to act on the employee or self-employed individual’s behalf that is acceptable to the Director.

(2) “Average weekly earnings” means either:

(A) the sum of a qualified individual’s wages, if any, upon which contributions were paid pursuant to section 2053 of this chapter during the preceding calendar year plus the qualified individual’s net earnings from self-employment, if any, upon which contributions were paid pursuant to section 2053 of this chapter during the preceding calendar year divided by 52; or

(B) if the individual did not have wages or net earnings from self-employment, or both, upon which contributions were paid during at least two calendar quarters in the preceding calendar year, the sum of a qualified individual’s documented wages, if any, upon which contributions were paid pursuant to section 2053 of this chapter during the individual’s two highest earning calendar quarters out of the last four completed calendar quarters, plus the qualified individual’s net earnings from self-employment, if any, upon which contributions were paid pursuant to section 2053 of this chapter during those two calendar quarters divided by 26.

(3) “Benefits” means Family and Medical Leave Insurance benefits provided pursuant to this chapter.

(4) “Bereavement leave” means a leave of absence from employment or self-employment by an individual due to the death of the individual’s family member that occurs not more than one year after the family member’s death. Bereavement leave includes leave taken in relation to the administration or settlement of the deceased family member’s estate. Leave taken in relation to the administration or settlement of the deceased family member’s estate may occur more than one year after the family member’s death.

(5) “Director” means the Director of the Division of Family and Medical Leave.

(6) “Division” means the Division of Family and Medical Leave in the Office of the Treasurer.

(7) “Domestic partner” means an individual with whom the qualified individual has an enduring domestic relationship of a spousal nature, provided the qualified individual and the domestic partner:

(A) have shared a residence for at least six consecutive months;

(B) are at least 18 years of age;

(C) are not married to or considered a domestic partner of another individual;

(D) are not related by blood closer than would bar marriage under State law; and

(E) have agreed between themselves to be responsible for each other's welfare.

(8) "Domestic violence" has the same meaning as in 15 V.S.A. § 1151.

(9) "Employee" means an individual who receives payments with respect to services performed for an employer from which the employer is required to withhold Vermont income tax pursuant to 32 V.S.A. chapter 151, subchapter 4.

(10) "Employer" means a person who employs one or more employees. "Employer" does not include the U.S. Government or any instrumentality of the United States.

(11) "Enrolled self-employed individual" means a self-employed individual who has obtained coverage under the Program pursuant to section 2058 of this chapter.

(12) "Family and medical leave" means a leave of absence from employment or from self-employment by a qualified individual for one of the following reasons:

(A) the qualified individual's own serious health condition;

(B) to care for a family member with a serious health condition;

(C) the qualified individual's pregnancy;

(D) recovery from childbirth or miscarriage;

(E) the birth of the qualified individual's child and to care for or bond with the qualified individual's child within one year after the child's birth;

(F) the initial placement of a child 18 years of age or younger with the qualified individual for the purpose of adoption or foster care and to care for or bond with the child within one year after the placement for adoption or foster care; or

(G) a qualifying exigency arising out of a qualified individual's family member's active duty service in the U.S. Armed Forces or notice of an impending call or order to active duty in the U.S. Armed Forces.

(13) "Family member" means:

(A) regardless of age, a qualified individual's biological, adopted, or foster child; a qualified individual's stepchild or legal ward; a child of the qualified individual's spouse or civil union or domestic partner; a child to whom the qualified individual stands in loco parentis; or an individual to whom the qualified individual stood in loco parentis when the individual was under 18 years of age;

(B)(i) a parent of a qualified individual or qualified individual's spouse or civil union or domestic partner, regardless of whether the relationship to the qualified individual or qualified individual's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship;

(ii) a legal guardian of a qualified individual or qualified individual's spouse or civil union or domestic partner; or

(iii) a person who stands in loco parentis for the qualified individual or who stood in loco parentis when the qualified individual or qualified individual's spouse or civil union or domestic partner was under 18 years of age;

(C) a person to whom the qualified individual is legally married under the laws of any state or a civil union or domestic partner of a qualified individual;

(D) a grandparent, grandchild, or sibling of the qualified individual or qualified individual's spouse or civil union or domestic partner, regardless of whether the relationship to the qualified individual or the qualified individual's spouse or civil union or domestic partner is a biological, foster, adoptive, or step relationship; or

(E) as shown by the qualified individual, any other individual with whom the qualified individual has a significant personal bond that is or is like a family relationship, regardless of biological or legal relationship, under the totality of the circumstances surrounding the relationship, including:

(i) evidence of shared financial responsibility, such as a shared lease, common ownership of property, joint liability for bills, and beneficiary designations;

(ii) evidence of responsibility for the other's personal well-being, including emergency contact designations or an advance directive, as that term is defined pursuant to 18 V.S.A. § 9701;

(iii) evidence showing an expectation of care created by the relationship or the prior provision of care, or both;

(iv) cohabitation for a period of at least six months or geographic proximity; and

(v) other similar evidence demonstrating a significant personal bond.

(14) "Health care provider" means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

(15) "Highest earning quarters" means the two calendar quarters of the last four completed calendar quarters when an individual earned the highest combined total of wages upon which contributions were paid pursuant to section 2053 of this chapter and net earnings from self-employment upon which contributions were paid pursuant to section 2053 of this chapter.

(16) "In loco parentis" means a relationship in which an individual has day-to-day responsibilities to care for and financially support a child.

(17) "Net earnings from self-employment" has the same meaning as in 26 U.S.C. § 1402.

(18) "Program" means the Family and Medical Leave Insurance Program created pursuant to this chapter.

(19) "Qualified individual" means an employee or enrolled self-employed individual who:

(A) satisfies the eligibility requirements established pursuant to section 2056 of this chapter; and

(B) has submitted an application and all necessary documentation of the need for the leave pursuant to section 2057 of this chapter.

(20) "Qualifying exigency" means a qualifying exigency identified pursuant to 29 C.F.R. § 825.126 that is related to active duty service by a family member in the U.S. Armed Forces.

(21) "Safe leave" means a leave of absence from employment or self-employment by a qualified individual because:

(A) the qualified individual or the qualified individual's family member is a victim of domestic violence, sexual assault, or stalking;

(B) the qualified individual is using the leave for one of the following reasons related to the domestic violence, sexual assault, or stalking:

(i) to seek or obtain medical care, counseling, or social or legal services, either for themselves or for a family member;

(ii) to recover from injuries;

(iii) to participate in safety planning, either for themselves or for a family member;

(iv) to relocate or secure safe housing, either for themselves or for a family member; or

(v) to meet with a State’s Attorney or law enforcement officer;
and

(C) the qualified individual is not the alleged perpetrator of the domestic violence, sexual assault, or stalking.

(22) “Self-employed individual” means a sole proprietor or partner owner of an unincorporated business, the sole member of an LLC, or the sole shareholder of a corporation.

(23) “Serious health condition” means:

(A) an accident, illness, injury, disease, or physical or mental condition that:

(i) poses imminent danger of death;

(ii) requires inpatient care in a hospital, hospice, or residential medical care facility; or

(iii) requires continuing treatment by a health care provider; or

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (23), including treatment for substance use disorder.

(24) “Sexual assault” has the same meaning as in 15 V.S.A. § 1151.

(25) “Stalking” has the same meaning as in 15 V.S.A. § 1151.

(26) “U.S. Armed Forces” means:

(A) the U.S. Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard;

(B) a reserve component of the U.S. Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard; or

(C) the National Guard of any state.

(27) “Wages” means all remuneration paid by an employer to an employee for services or work performed by the employee. Wages include salaries, tips, commissions, bonuses, and the cash value of any remuneration paid in a medium other than cash. The reasonable cash value of remuneration paid in a medium other than cash shall be estimated and determined in accordance with rules adopted pursuant to 21 V.S.A. chapter 17. Wages shall not include the amount of any payment that is:

(A) made to, or on behalf of, an employee or any of the employee's dependents under a plan or system established by an employer that:

(i) provides:

(I) insurance;

(II) annuities; or

(III) a fund or plan that provides for the employees or their dependents, or both, or any class or classes of the employees or their dependents, or both;

(ii) on account of:

(I) sickness, accident, or disability;

(II) medical or hospitalization expenses in connection with sickness, accident, or disability; or

(III) death;

(B) made by an employer to, or on behalf of, an employee more than six calendar months after the last calendar month in which the employee worked for the employer and is on account of:

(i) sickness, accident, or disability; or

(ii) any medical or hospitalization expenses in connection with sickness, accident, or disability; or

(C) made to, or on behalf of, an employee or the employee's beneficiary:

(i) from or to a trust described in 26 U.S.C. § 401(a) that is exempt from tax under 26 U.S.C. § 501(a) at the time of the payment, unless the payment is made to an employee of the trust as remuneration for services rendered as the employee and not as a beneficiary of the trust; or

(ii) under or to an annuity plan that, at the time of such payment, is a plan described in 26 U.S.C. § 403(a).

Sec. 7. 32 V.S.A. § 3102(e) is amended to read:

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(22) To the Treasurer and to the Director of the Division of Family and Medical Leave, provided the return or return information relates to the provision of family and medical leave insurance under 21 V.S.A. chapter 26.

Sec. 8. ADOPTION OF RULES

(a) On or before April 1, 2025, the Director of the Division of Family and Medical Leave shall adopt rules necessary to implement the provisions of 21 V.S.A. chapter 26.

(b) On or before April 1, 2025, the Commissioner of Taxes, in consultation with the Director of the Division of Family and Medical Leave, shall adopt rules as necessary to carry out the provisions of 21 V.S.A. § 2053.

Sec. 9. EDUCATION AND OUTREACH

(a)(1) On or before June 1, 2025, the Director of the Division of Family and Medical Leave shall develop and make available on the Division's website information and materials to educate and inform employers and employees about the Family and Medical Leave Insurance Program established pursuant to 21 V.S.A. chapter 26.

(2)(A) During the period from June 1, 2025 through May 31, 2026, the Division shall offer monthly informational sessions for employers, employees, and self-employed individuals. The Director shall ensure that sessions are available to both individuals attending in person and to individuals who are not physically present by:

(i) using technology that permits the attendance of individuals through electronic or other means;

(ii) allowing individuals to access the session by telephone; and

(iii) posting information that allows individuals to directly access and participate in each session electronically and providing that information on the Division's website and in any public notice for a session.

(B) Sessions for employers shall be developed in consultation with the Department of Taxes and shall be designed to educate employers regarding employers' rights and obligations under 21 V.S.A. chapter 25 and shall include information regarding resources available to employers through the Division and the Department of Taxes.

(C) Sessions for employees shall be developed in consultation with the Department of Taxes and shall be designed to educate employees regarding employees' rights and obligations under 21 V.S.A. chapter 25, the tax credit available to certain individuals pursuant to 32 V.S.A. § 5830g, and resources available to employees through the Division and the Department of Taxes.

(D) Sessions for self-employed individuals shall be developed in consultation with the Department of Taxes and shall be designed to educate self-employed individuals regarding self-employed individuals' rights and obligations under 21 V.S.A. chapter 25, the tax credit available to certain individuals pursuant to 32 V.S.A. § 5830g, and resources available to self-employed individuals through the Division and the Department of Taxes.

(b) The Director shall make available translations of all information and materials created pursuant to subsection (a) of this section on the Division's website in the five most commonly spoken languages in Vermont after English.

(c) The Division's website shall be accessible to individuals with disabilities in accordance with WCAG 2.1 AA or a similar updated standard.

Sec. 10. ESTABLISHMENT OF PROGRAM; REPORT

Annually, on or before December 15, 2023, 2024, and 2025, the Director of the Division of Family and Medical Leave and the Commissioner of Taxes shall submit a written report to the House Committees on Appropriations; on General and Housing; and on Ways and Means and the Senate Committees on Appropriations; on Economic Development, Housing and General Affairs; and on Finance regarding the implementation of the Family and Medical Leave Insurance Program established pursuant to 21 V.S.A. chapter 26. The report shall provide detailed information regarding any progress made in implementing the provisions of 21 V.S.A. chapter 26, including the development of information technology needed to implement the Program, the adoption of rules, the creation of forms, the hiring and training of staff, and the development of informational materials and outreach programs. The report shall also provide a projected timeline for the implementation of the Program and include any recommendations for legislative action necessary to ensure that the Program can be implemented as required pursuant to this act.

Sec. 11. ADEQUACY OF RESERVES; REPORT

Annually, on or before December 15, 2025, 2026, 2027, and 2028, the Director of the Division of Family and Medical Leave, in consultation with the Commissioners of Finance and Management, of Financial Regulation, and of Taxes, shall submit a written report to the House Committees on Appropriations; on General and Housing; and on Ways and Means and the Senate Committees on Appropriations; on Economic Development, Housing and General Affairs; and on Finance regarding the amount and adequacy of the reserves in the Family and Medical Leave Insurance Special Fund and any recommendations for legislative action necessary to ensure that an adequate reserve is maintained in the Fund. The report shall also include an analysis of

informational resources, legislation, or other measures that could potentially improve the long-term solvency of the Fund and the Division's ability to accurately determine an appropriate reserve, including the potential for use of actuarial analysis or the implementation of a countercyclical funding mechanism.

Sec. 12. PRIVATE PLANS; INITIAL APPROVAL

(a) An employer wishing to utilize a private plan to meet the employer's obligations pursuant to 21 V.S.A. chapter 26 beginning on January 1, 2026 shall submit an application for approval of a private plan on or before October 15, 2025.

(b) The Director of the Division of Family and Medical Leave shall review the proposed plan as provided pursuant to the provisions of 21 V.S.A. § 2059.

(c) An employer that receives approval for a private plan pursuant to this section shall:

(1) beginning on January 1, 2026, be exempt from withholding and paying contributions as provided pursuant to 21 V.S.A. 2053(d);

(2) begin providing benefits pursuant to the private plan on or before January 1, 2026; and

(3) on or before January 15, 2026, be reimbursed by the Director for any contributions that the employer paid for the calendar quarters ending September 30, 2025 and December 31, 2025.

Sec. 13. APPROPRIATIONS

(a) The amount of \$46,159,585.00 is appropriated to the Division of Family and Medical Leave for fiscal years 2024, 2025, and 2026 to be deposited in the Family and Medical Leave Insurance Special Fund and used for the establishment of the Family and Medical Leave Insurance Program.

(b) The amount of \$6,504,916.00 is appropriated to the Department of Taxes for fiscal years 2024, 2025, and 2026 to be deposited in the Family and Medical Leave Insurance Special Fund and used for the establishment of the Family and Medical Leave Insurance Program.

(c) The amount of \$58,810,448.00 is transferred from the General Fund to the Family and Medical Leave Insurance Special Fund for the costs of operating the Family and Medical Leave Insurance Program during calendar year 2026 and the maintenance of the reserve required pursuant to 21 V.S.A. § 2053(b).

Sec. 14. DEPARTMENT OF TAXES; POSITIONS

The establishment of the following 15 new permanent classified positions is authorized in the Department of Taxes in fiscal year 2025:

(1) eight full-time, classified tax examiners within the Taxpayer Services Division;

(2) two full-time, classified tax examiners within the Compliance Division;

(3) three full-time, classified tax compliance officers within the Compliance Division;

(4) one full-time, classified financial specialist III within the Revenue Accounting and Returns Processing Division; and

(5) one business analyst–tax within the VTax Division.

Sec. 15. DIVISION OF FAMILY AND MEDICAL LEAVE; POSITIONS

(a) The establishment of the following six new permanent classified positions is authorized in the Division of Family and Medical Leave in fiscal year 2024:

(1) one full-time, classified administrative assistant;

(2) one full-time, classified private insurance regulation supervisor;

(3) one full-time, classified financial and accounting supervisor;

(4) one full-time, classified information technology director;

(5) one full-time, classified applications developer; and

(6) one full-time, classified information technology service desk specialist.

(b) The establishment of the following three new permanent exempt positions is authorized in the Division of Family and Medical Leave in fiscal year 2024:

(1) one full-time, exempt Director;

(2) one full-time, exempt Deputy Director; and

(3) one full-time, exempt general counsel.

(c) The establishment of the following eight new permanent classified positions is authorized in the Division of Family and Medical Leave in fiscal year 2025:

(1) two full-time, classified communications and outreach specialists;

- (2) one full-time, classified administrative support specialist;
- (3) three full-time, classified accounting support specialists;
- (4) one full-time, classified claims supervisor; and
- (5) one full-time, classified assistant claims supervisor.

(d) The establishment of the following 24 new permanent classified positions is authorized in the Division of Family and Medical Leave in fiscal year 2026:

- (1) one full-time, classified regulatory specialist;
- (2) fifteen full-time, classified claims processors;
- (3) five full-time, classified claims adjudicators; and
- (4) three full-time, classified compliance officers.

Sec. 16. BUILDINGS AND GENERAL SERVICES; SPACE ALLOCATION

The Commissioner of Buildings and General Services shall allocate space for the Division of Family and Medical Leave established pursuant to section 6 of this act. The space shall be allocated on or before September 30, 2023.

* * * Income Tax Credit; Family and Medical Leave Contributions * * *

Sec. 17. 32 V.S.A. § 5830g is added to read:

§ 5830g. FAMILY AND MEDICAL LEAVE CONTRIBUTION CREDIT

(a) A qualified individual shall be entitled to a credit against the tax imposed under section 5822 of this title for the taxable year in which the individual made family and medical leave contributions pursuant to 21 V.S.A. chapter 26, provided the qualified individual's combined annual total of covered wages and covered work income does not exceed \$25,000.00 in the taxable year. The credit under this section shall be in the amount of:

- (1) \$40.00 for a qualified individual whose combined annual total of covered wages and covered work income does not exceed \$15,000.00; or
- (2) \$70.00 for a qualified individual whose combined annual total of covered wages and covered work income exceeds \$15,000.00 but is less than or equal to \$25,000.00.

(b) The Commissioner of Taxes shall annually adjust for inflation the dollar amounts of the maximum combined annual totals of covered wages and covered work income and the dollar amounts of the credit in subsection (a) of this section by using the adjustment percentage of the national average wage index computed and published for the taxable year by the Commissioner of the Social Security Administration.

(c) The Commissioner of Taxes shall transfer the amount of family and medical leave contribution credits paid to qualified individuals for the taxable year pursuant to this section from the Family and Medical Leave Insurance Program Special Fund created under 21 V.S.A. § 2052 to the General Fund created under section 435 of this title.

(d) As used in this section:

(1) “Covered wages” has the same meaning as in 21 V.S.A. § 2053(a)(1)(B).

(2) “Covered work income” has the same meaning as in 21 V.S.A. § 2053(a)(2)(B).

(3) “National average wage index” has the same meaning as in 42 U.S.C. § 409(k)(1).

(4) “Qualified individual” has the same meaning as in 21 V.S.A. § 2070(18).

Sec. 18. 32 V.S.A. § 5813(aa) is added to read:

(aa) The statutory purpose of the family and medical leave contribution credit in section 5830g of this title is to lower the cost of contributing to the family and medical leave insurance program for qualifying individuals with low income.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) This section and Secs. 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16 shall take effect on July 1, 2023.

(b) Secs. 4 and 5 shall take effect on July 1, 2026.

(c) Secs. 17 and 18 (family and medical leave contribution credit) shall take effect on January 1, 2025 and shall apply to taxable years beginning on and after January 1, 2025.

(d) Contributions shall begin to be paid pursuant to 21 V.S.A. § 2053 on July 1, 2025, and, beginning on July 1, 2026, employees may begin to apply for and receive benefits pursuant to 21 V.S.A. chapter 26.

Rep. Scheu of Middlebury, for the Committee on Appropriations, recommended that the report of the Committee on Ways and Means, be amended as follows:

First: By striking out Sec. 13, appropriations, in its entirety and inserting in lieu thereof a new Sec. 13 to read as follows:

Sec. 13. APPROPRIATIONS

(a) The amount of \$37,000,000.00 is appropriated to the Division of Family and Medical Leave for fiscal year 2024 to be used for the establishment of the Family and Medical Leave Insurance Program.

(b) The funds appropriated pursuant to subsection (a) of this section shall be transferred from the General Fund to the Family and Medical Leave Insurance Special Fund.

Second: By striking out Sec. 14, Department of Taxes; positions, in its entirety and inserting in lieu thereof a new Sec. 14 to read as follows:

Sec. 14. [Deleted.]

Third: By striking out Sec. 15, Division of Family and Medical Leave; positions, in its entirety and inserting in lieu thereof a new Sec. 15 to read as follows:

Sec. 15. DIVISION OF FAMILY AND MEDICAL LEAVE; POSITIONS

(a) The establishment of the following six new permanent classified positions is authorized in the Division of Family and Medical Leave in fiscal year 2024:

(1) one full-time, classified administrative assistant;

(2) one full-time, classified private insurance regulation supervisor;

(3) one full-time, classified financial and accounting supervisor;

(4) one full-time, classified information technology director;

(5) one full-time, classified applications developer; and

(6) one full-time, classified information technology service desk specialist.

(b) The establishment of the following three new permanent exempt positions is authorized in the Division of Family and Medical Leave in fiscal year 2024:

(1) one full-time, exempt Director;

(2) one full-time, exempt Deputy Director; and

(3) one full-time, exempt general counsel.

Fourth: In Sec. 12, private plans; initial approval, in subsection (a), by striking out “beginning on January 1,” and inserting in lieu thereof the words “for calendar year”

Fifth: In Sec. 12, private plans; initial approval, in subdivision (c)(2), by striking out the word “January” and inserting in lieu thereof the word “July”

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

Pending the question, Shall the bill be amended as recommended by the report of the Committee on General and Housing, as amended?, **Reps. Toof of St. Albans Town and Beck of St. Johnsbury** moved to amend the report of the Committee on General and Housing, as amended, as follows:

First: In Sec. 6, 21 V.S.A. chapter 26, by striking out section 2051 in its entirety and inserting in lieu thereof a new section 2051 to read as follows:

§ 2051. DIVISION OF FAMILY AND MEDICAL LEAVE; DIRECTOR;

THIRD-PARTY CLAIMS ADMINISTRATION

(a) The Division of Family and Medical Leave is established in the Office of the Treasurer to administer the Family and Medical Leave Insurance Program established pursuant to this chapter.

(b)(1) The Treasurer shall appoint a director of the Division. The Director shall be a full-time State employee and exempt from the classified system and shall serve at the pleasure of the Treasurer.

(2) The Director shall be responsible for:

(A) the operation and supervision of the Division of Family and Medical Leave;

(B) the implementation of this chapter and any rules adopted pursuant to section 2063 of this chapter;

(C) contracting with a third-party claims administrator to administer all aspects of the benefits claim process as provided pursuant to subsection (c) of this section; and

(D) employing staff as necessary to implement and carry out the provisions of this chapter.

(c) The Director shall contract with a third-party claims administrator to carry out all aspects of the benefits claim process on behalf of the Division, including:

(1) developing, maintaining, and periodically updating a claimant portal and application forms;

(2) reviewing benefits claims and making determinations of eligibility for benefits;

(3) paying benefits to qualified individuals; and

(4) hearing initial appeals related to benefits determinations pursuant to subsection 2060(a) of this chapter.

Second: In Sec. 6, 21 V.S.A. chapter 26, in section 2053, by striking out subdivision (a)(1) in its entirety and inserting in lieu thereof a new subdivision (a)(1) to read as follows:

(a)(1) An employer shall be responsible for remitting the contributions required on each of the employer's employees' covered wages to the Department of Taxes as provided in subsection (d) of this section. The employer may deduct and withhold from each of the employee's covered wages some or all of the contributions required pursuant to subsection (c) of this section.

Third: In Sec. 6, 21 V.S.A. chapter 26, section 2053, by striking out subsection (e) in its entirety and inserting in lieu thereof a new subsection (e) to read as follows:

(e)(1) An employer with an approved private plan pursuant to section 2059 of this chapter shall not be required to withhold and pay contributions pursuant to this section.

(2) An employer shall not withhold or be required to remit contributions pursuant to this section for an employee who has opted out of the Program pursuant to section 2059a of this subchapter.

Fourth: In Sec. 6, 21 V.S.A. chapter 26, section 2059, by striking out subdivisions (b)(1)(F) and (G) in their entirety and inserting in lieu thereof subdivisions (b)(1)(F), (G), and (H) to read as follows:

(F) imposes no additional restrictions or conditions on the use of paid leave benefits beyond the restrictions and conditions that are established pursuant to this chapter and the rules adopted by the Director;

(G) satisfies any additional requirements established in rules adopted by the Director in consultation with the Commissioner of Financial Regulation; and

(H) if the private plan will require employees to pay a portion of the private plan premiums or costs, permits employees to annually elect to opt out of or reenroll in the coverage provided by the private plan during a specified

period of not less than two weeks.

Fifth: In Sec. 6, 21 V.S.A. chapter 26, after section 2059, by inserting section 2059a to read as follows:

§ 2059a. EMPLOYEE OPT-OUT

(a) An employee may elect to opt out of the Program by providing notice to the Director in a form provided by the Director. The form shall include a space for the employee to identify the employee's current employers.

(b)(1) An employee who wishes to opt out of the Program shall submit the required form to the Director between November 1 and December 1 of the year prior to the year in which the employee intends to opt out of the Program.

(2) An employee from whom the Director has received a timely notice of intent to opt out shall, on January 1 of the next calendar year, no longer be eligible for Program benefits or required to pay contributions pursuant to section 2053 of this chapter.

(c) Upon receiving a timely notice of intent to opt out of the Program from an employee, the Director shall notify the Commissioner of Taxes and each employer listed on the notice that the employee's wages shall no longer be subject to withholding of contributions beginning on January 1 of the next calendar year.

(d)(1) An employee who has elected to opt out of the Program pursuant to this section may elect to reenroll in the Program by notifying the Director in a form specified by the Director. The form shall include a space for the employee to identify the employee's current employers.

(2) A notice of intent to reenroll may only be filed between November 1 and December 1 of the year prior to the year in which the employee intends to reenroll in the Program.

(3)(A) The wages of an employee who elects to reenroll in the Program shall be subject to withholding of contributions pursuant to section 2053 of this chapter beginning on January 1 of the next calendar year after the notice of intent to reenroll is submitted.

(B)(i) The employee shall become eligible for benefits upon satisfying the eligibility requirements set forth in section 2055 of this chapter.

(ii) Notwithstanding any provision of section 2055 of this chapter to the contrary, for an employee who elects to reenroll in the Program pursuant to this subsection (d), time worked and wages on which contributions were paid prior to the employee opting out of the Program shall not count toward

the determination of whether the employee is eligible for benefits pursuant to section 2055 of this chapter.

(4) Upon receiving a timely notice of intent to reenroll in the Program from an employee, the Director shall notify the Commissioner of Taxes and each employer listed on the notice that the employee's wages shall become subject to withholding of contributions beginning on January 1 of the next calendar year.

(e)(1) Notwithstanding any provision of subsection (b) of this section to the contrary, for calendar year 2025, an employee who wishes to opt out of the Program shall submit the required form to the Commissioner between April 1 and May 1.

(2) An employee from whom the Commissioner has received a timely notice of intent to opt out shall, beginning July 1, 2025, not be eligible for Program benefits or required to pay contributions pursuant to section 2053 of this chapter.

(3) Upon receiving a timely notice of intent to opt out of the Program pursuant to this subsection, the Director shall notify the Commissioner of Taxes and each employer listed on the notice that the employee's wages shall not be subject to withholding of contributions beginning on July 1, 2025.

Sixth: In Sec. 6, 21 V.S.A. chapter 26, subdivision 2055(1), before the word “employee” by inserting the word “enrolled”

Seventh: In Sec. 6, 21 V.S.A. chapter 26, section 2056, by inserting the word “enrolled” before the word “employee” and the word “employee's” wherever they appear

Eighth: In Sec. 6, 21 V.S.A. chapter 26, subdivision 2070(19), before the word “employee” by inserting the word “enrolled”

Ninth: In Sec. 6, 21 V.S.A. chapter 26, section 2070, after subdivision (27), by inserting a subdivision (28) to read as follows:

(28) “Enrolled employee” means an employee for whom the Commissioner of Taxes collects contributions pursuant to section 2053 of this chapter.

Thereupon, **Rep. Toof of St. Albans Town** asked and was granted leave of the House to withdraw his amendment.

Pending the question, Shall the bill be amended as recommended by the Committee on General and Housing, as amended?, **Rep. Chesnut-Tangerman of Middletown Springs** demanded the Yeas and Nays, which demand was

sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as recommended by the Committee on General and Housing, as amended?, was decided in the affirmative. Yeas, 99. Nays, 32.

Those who voted in the affirmative are:

Andrews of Westford	Conlon of Cornwall	McCarthy of St. Albans City *
Andriano of Orwell	Corcoran of Bennington	McGill of Bridport
Anthony of Barre City	Demrow of Corinth	Mihaly of Calais
Arrison of Weathersfield	Dodge of Essex	Minier of South Burlington
Arsenault of Williston	Dolan of Essex Junction	Morris of Springfield
Austin of Colchester	Dolan of Waitsfield	Mrowicki of Putney
Bartholomew of Hartland	Durfee of Shaftsbury	Notte of Rutland City
Berbeco of Winooski	Elder of Starksboro	Noyes of Wolcott
Birong of Vergennes	Emmons of Springfield	Nugent of South Burlington
Black of Essex	Farlice-Rubio of Barnet	Ode of Burlington
Bluemle of Burlington	Garofano of Essex	Patt of Worcester
Bongartz of Manchester	Goldman of Rockingham	Pouech of Hinesburg
Bos-Lun of Westminster	Graning of Jericho	Priestley of Bradford
Boyden of Cambridge	Headrick of Burlington	Rice of Dorset
Brady of Williston	Holcombe of Norwich	Roberts of Halifax
Brown of Richmond	Hooper of Randolph	Satcowitz of Randolph
Brownell of Pownal	Hooper of Burlington	Scheu of Middlebury
Brumsted of Shelburne	Houghton of Essex Junction	Sheldon of Middlebury
Burke of Brattleboro	Howard of Rutland City	Sims of Craftsbury
Burrows of West Windsor	Hyman of South Burlington	Small of Winooski
Buss of Woodstock	James of Manchester *	Squirrell of Underhill
Campbell of St. Johnsbury	Jerome of Brandon	Stebbins of Burlington
Carpenter of Hyde Park	Kornheiser of Brattleboro	Stone of Burlington
Carroll of Bennington	Krasnow of South Burlington	Surprenant of Barnard
Casey of Montpelier	LaBounty of Lyndon	Taylor of Colchester
Chapin of East Montpelier	Lalley of Shelburne	Toleno of Brattleboro
Chase of Chester	LaLonde of South Burlington	Torre of Moretown
Chase of Colchester	LaMont of Morristown	Troiano of Stannard
Chesnut-Tangerman of Middletown Springs	Lanpher of Vergennes	Waters Evans of Charlotte
Christie of Hartford	Leavitt of Grand Isle	White of Bethel
Cina of Burlington	Logan of Burlington	Whitman of Bennington
Coffey of Guilford	Long of Newfane	Williams of Barre City
Cole of Hartford	Masland of Thetford	Wood of Waterbury

Those who voted in the negative are:

Bartley of Fairfax	Hango of Berkshire	Oliver of Sheldon
Beck of St. Johnsbury	Harrison of Chittenden	Pajala of Londonderry
Branagan of Georgia	Higley of Lowell	Parsons of Newbury
Canfield of Fair Haven	Labor of Morgan	Peterson of Clarendon

Clifford of Rutland City	Laroche of Franklin	Shaw of Pittsford
Demar of Enosburgh	Lipsky of Stowe	Sibilia of Dover
Dickinson of St. Albans Town	Maguire of Rutland City	Smith of Derby *
Donahue of Northfield	McCoy of Poultney	Taylor of Milton
Galfetti of Barre Town	McFaun of Barre Town	Toof of St. Albans Town
Goslant of Northfield	Morgan of Milton	Walker of Swanton
	Morrissey of Bennington	Williams of Granby

Those members absent with leave of the House and not voting are:

Brennan of Colchester	McCann of Montpelier	Rachelson of Burlington
Burditt of West Rutland	Mulvaney-Stanak of Burlington	Sammis of Castleton
Cordes of Lincoln	Nicoll of Ludlow	Stevens of Waterbury
Graham of Williamstown	O'Brien of Tunbridge	Templeman of Brownington
Gregoire of Fairfield	Page of Newport City	Wilson of Lyndon
Marcotte of Coventry	Pearl of Danville	
Mattos of Milton		

Rep. James of Manchester explained her vote as follows:

“Madam Speaker:

H.66 offers paid, job-protected leave that will help Vermont workers to navigate life’s inevitable medical challenges and milestones. As our State faces a deadly opioid epidemic, I am especially grateful that it covers time off for substance misuse treatment. I’m proud to have voted yes.”

Rep. McCarthy of St. Albans City explained his vote as follows:

“Madam Speaker:

I vote yes. Every working Vermonter deserves to be able to take time off to welcome a child, recover from an illness or care for a loved one without the fear that they won’t be able to pay their bills. Universal paid leave is good for families, workers, and Vermont businesses. This plan would cover all Vermonters and won’t leave anyone behind.”

Rep. Smith of Derby explained his vote as follows:

“Madam Speaker:

The Governor has a plan that won’t further bury the State of Vermont into deeper debt. It’s pretty easy to spend taxpayer dollars as just witnessed by this vote. That is the reason for my No vote.”

Thereupon, third reading was ordered.

Second Reading; Bill Amended; Third Reading Ordered**H. 127**

Rep. Birong of Vergennes, for the Committee on Government Operations and Military Affairs, to which had been referred House bill, entitled

An act relating to sports wagering

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

Sec. 1. 31 V.S.A. chapter 25 is added to read:

CHAPTER 25. SPORTS WAGERING

Subchapter 1. Authority of the Department

§ 1301. DEFINITIONS

As used in this chapter:

(1) “Adjusted gross sports wagering revenue” means gross sports wagering receipts, excluding voided bets, less winnings paid to authorized participants and any federal excise tax.

(2) “Board” means the Board of Liquor and Lottery.

(3) “Collegiate sports event” means a sports or athletic event participated in or offered or sponsored by a public or private institution that offers educational services beyond the secondary level.

(4) “Commissioner” means the Commissioner of Liquor and Lottery or designee.

(5) “Department” means the Department of Liquor and Lottery.

(6) “High school sports event” means a sports or athletic event participated in or offered or sponsored by a public or private institution that offers educational services at the secondary level.

(7) “Mobile sports wagering platform” means the combination of hardware, software, and data networks used to manage, administer, record, or control sports wagers through mobile devices or the Internet.

(8) “Operator” means a party who is authorized by contract or agreement with the Department to conduct a sportsbook.

(9) “Prohibited sports bettor” means:

(A) any member or employee of the Department and any spouse, child, sibling, or parent residing in the same household as a member or employee of the Department;

(B) any principal or employee of any operator;

(C) any contractor of the Department or its operators when the contract relates to the conduct of sports wagering;

(D) any contractor or employee of an entity that conducts sports wagering in another jurisdiction when the bettor, as a result of the bettor's contract or employment, possesses confidential or nonpublic information relating to the wager being placed;

(E) any amateur or professional athlete if the sports wager is based in whole or part on a sport or athletic event overseen by the athlete's governing sports body;

(F) any sports agent, owner, or employee of a team; player; umpire; referee; coach; union official; or official of a sport's governing body if the sports wager is based in whole or in part on a sport or athletic event overseen by the governing body that oversees the individual's sport;

(G) any individual placing a wager as an agent of or proxy for a prohibited sports bettor; or

(H) any person under 21 years of age.

(10)(A) "Prohibited sports event" means any:

(i) collegiate sports event in which one of the participants is a collegiate team of a college institution that is primarily located in Vermont, unless the collegiate sports event is subject to the provisions of subdivision (B) of this subdivision (10);

(ii) high school or collegiate sports event that takes place in Vermont; and

(iii) amateur or professional sports event where the participants are primarily under 18 years of age.

(B) "Prohibited sports event" does not mean the games of a collegiate sports tournament in which a Vermont college team participates, nor does it include any games of a collegiate sports tournament that occur outside Vermont even though some of the individual games or events are held in Vermont.

(11) "Sportsbook" means the business of accepting sports wagers on any sports event by any system or method of wagering.

(12) "Sports event" means an event at which two or more persons participate in a sports or athletic event. "Sports event" also means horse racing and equestrian events.

(13) “Sports governing body” means the organization that prescribes final rules and enforces codes of conduct with respect to a sporting event and the participants in a sporting event.

(14) “Sports wager” means cash or cash equivalent paid by an individual to participate in sports wagering.

(15)(A) “Sports wagering” means wagering on:

(i) sporting events or any portion of a sporting event; or

(ii) the individual performance statistics of athletes participating in a sports event or a combination of sports events.

(B) “Sports wagering” means wagering on the matters enumerated in subdivision (A) of this subdivision (16) by any system or method of wagering, including in-person communication and electronic communication through Internet websites accessed via a mobile device or computer and mobile device applications.

(C) “Sports wagering” includes single game bets, teaser bets, parlays, over-under bets, money line bets, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.

(D) “Sports wagering” does not mean participation in a fantasy sports contest pursuant to subchapter 3 of this chapter.

(16) “Type of wager” means the form of a wager offered by an operator, such as those described in subdivision (15)(C) of this section.

§ 1302. DEPARTMENT OF LIQUOR AND LOTTERY; AUTHORITY AND DUTIES

(a) The Department is authorized to operate sports wagering within the State.

(b)(1) The Commissioner shall negotiate and contract to authorize a minimum of two but not more than six operators to operate a sportsbook in Vermont through a mobile sports wagering platform.

(2) This subsection shall not be construed to require the Department to authorize unqualified applicants to conduct a sportsbook. If the competitive bidding process fails to produce a sufficient number of qualified applicants, the Department may:

(A) decline to authorize any operators to operate a sportsbook; or

(B) authorize a single operator to conduct a sportsbook.

(c) The Department, either independently or through its operator, shall provide:

(1) Age verification measures to be undertaken to block access to and prevent sports wagers by persons under 21 years of age.

(2) Identity verification through secure online databases or by examination of a person's photo identification and the review of a supplemental, contemporaneous photograph of the person.

(3) That mobile sports wagers must be initiated and received within the State of Vermont and may not be intentionally routed outside the State. The incidental intermediate routing of a mobile sports wager shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

(4) Wager limits for daily, weekly, and monthly amounts consistent with the best practices in addressing problem gambling.

(5) A statewide voluntary self-exclusion program for players to exclude themselves from wagering for a set period of time. The Department shall establish a uniform self-exclusion program that ensures a listed player is excluded from placing wagers with any of the State's authorized sports wagering operators and fantasy sports contest operators.

(6) Security mechanisms to ensure the confidentiality of wagering and personal and financial information except as otherwise authorized by this chapter.

(7) Measures to ensure that wagers are not placed by a prohibited sports bettor.

(d) A sports governing body or college may request that the Department restrict, limit, or exclude wagering on a sporting event or series of sporting events. The Department shall review the request and seek input from the Department's operators. If the Department determines it is appropriate, then the Department may grant the request or part of the request to prohibit unlawful activity, protect the integrity of the event, or protect public confidence in the integrity of the sports event.

(e) The Department shall have authority to review and approve types of wagers and categories of sports events before an operator is permitted to offer the wager to the public. The Department shall approve types of wagers and categories of sports events in a reasonable time frame. Once a particular category of sports event or type of wager is approved for its first use, it may be used on multiple events without further approval. The Department may issue

general approval for operators to offer wagers on enumerated categories of sports events and types of wagers.

(f) The Department shall only approve wagers on sports events that:

(1) have verifiable outcomes that can be generated by a reliable and independent processes; and

(2) are conducted in conformity with applicable laws.

(g) The Department shall include in its contract with each operator a provision that prohibits the use of sports wagering advertisements, logos, trademarks, or brands on products that are sold in Vermont and intended primarily for persons under 21 years of age.

§ 1303. PROCEDURES

(a)(1) The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to govern the establishment and operation of any sportsbook authorized by this chapter. For each procedure proposed to be adopted or amended pursuant to this section, the Board shall publish the proposal on the Department of Liquor and Lottery's website, provide notice of the proposal to all operators, provide not less than 30 days for public comment on the proposal, and hold not less than two public hearings at which members of the public may seek additional information or submit oral or written comments on the proposal.

(2) The Board shall not be required to initiate rulemaking pursuant to 3 V.S.A. § 831(c) in relation to a procedure adopted pursuant to this section.

(3) A procedure adopted pursuant to this section shall have the force of law and be binding on all persons who play or offer sports wagering within the State.

(b) The Board shall adopt procedures pursuant to this section that govern the following minimum standards for the Department's operators:

(1) minimum computer system security, including:

(A) documented system security testing performed by a licensed third-party contractor approved by the Department;

(B) unique identification and verification systems for wagers;

(C) procedures to prevent past posting of wagers;

(D) minimum data that must be recorded relating to each wager;

(E) system redundancy to ensure recording of wagers during a system outage; and

(F) integration with an independent control system to ensure integrity of system wagering information;

(2) sports wagering system requirements that meet or exceed Gaming Laboratories International's GLI-33: Standards for Event Wagering Systems, and its appendices, as amended or modified;

(3) minimum house rules, including:

(A) the method for calculation and payment of winning wagers;

(B) the effect of schedule changes for a sports event;

(C) the method of notifying bettors of odds or proposition changes;

(D) acceptance of wagers at terms other than those posted;

(E) circumstances under which the operator will void a bet; and

(F) treatment of errors, late bets, and related contingencies;

(4) minimum accounting controls, including:

(A) processes for recording the collection of wagers, payment of wagers, and cancellation of wagers issued; and

(B) requirements for an annual audit of accounting controls;

(5) minimum internal control standards;

(6) minimum cash reserves to be maintained by each operator; and

(7) promotional play requirements that:

(A) require each operator to provide unambiguous notice of the:

(i) date and time the promotion or bonus is active and expires;

(ii) rules of play;

(iii) nature and value of prizes or awards;

(iv) eligibility restrictions or limitations;

(v) wagering and redemption requirements, including any limitations;

(vi) eligible events or wagers;

(vii) cancellation requirements; and

(viii) terms and conditions that are full, accurate, concise, transparent, and do not contain misleading information;

(B) prohibit promotions or bonuses from being described as free or risk-free if those promotions or bonuses require the player to incur any loss or risk the player's own money to use or withdraw winnings from the free wager;

(C) prohibit the operator from restricting the player from withdrawing the player's own funds or withdrawing winnings from wagers placed using the player's own funds;

(D) ensure that the promotion or bonus rules shall be available to patrons and the Department; and

(E) require operators to adopt procedures for the issuance, acceptance, and tracking of promotions or bonuses.

§ 1304. REVENUES TO GENERAL FUND

The revenue received by the Department from sports wagering, less the administrative costs of the Department and the amount due to the Problem Gambling Special Fund, shall be deposited in the General Fund.

§ 1305. CONFIDENTIALITY OF RECORDS

(a) When produced or acquired by the Department pursuant to this chapter, the following records are exempt from public inspection and copying under the Public Records Act and shall be kept confidential:

(1) personal information and background check documents;

(2) any lists of names, including information related to voluntary self-exclusion;

(3) trade secrets, business records, financial records, and related information; and

(4) records relating to operator security, technology, facilities, or systems.

(b) The Public Records Act exemptions created in this section shall not be subject to the provisions of 1 V.S.A. § 317(e) (repeal of Public Records Act exemptions).

§ 1306. EXEMPTION

The provisions of 13 V.S.A. chapter 51, relating to gambling and lotteries, shall not apply to sports wagering or a fantasy sports contest conducted pursuant to this chapter.

Subchapter 2. Sports Wagering Operators

§ 1320. SPORTS WAGERING OPERATORS; COMPETITIVE BIDDING PROCESS

(a) The Commissioner shall select operators through a competitive bidding process.

(b) The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to establish criteria for the selection of operators. At a minimum, the Board's guidelines shall require an applicant to include the following in the proposal:

(1) an estimate of the applicant's potential adjusted gross sports wagering revenue and the percentage of adjusted gross sports wagering revenue from mobile sports wagering the applicant will pay to the State if selected to be an operator;

(2) the number of individually branded websites the operator proposes to use for its sports wagering operations in Vermont;

(3) the applicant's responsible gaming plan and a description of responsible gaming safeguards that the applicant currently employs;

(4) a list of all jurisdictions where the applicant and any parent companies are currently authorized to conduct sports wagering operations;

(5) the applicant's player acquisition model, advertising and affiliate programs, and marketing budget, including details on how the applicant will convert customers from wagering through illegal channels to wagering legally in the State;

(6) the estimated time frame for implementing the applicant's sports wagering operations;

(7) the applicant's integrity monitoring systems, including any current affiliations related to integrity monitoring; and

(8) the applicant's plan for maximizing sustainable, long-term revenue for the State, including a detailed market analysis.

(c) The Department shall assess an annual operator fee of \$550,000.00, which shall be apportioned equally among the authorized operators.

(d) Each operator shall pay to the Department a revenue share that is determined by the Department through the competitive bidding process.

§ 1321. PROHIBITED ACTIVITIES

The Department's operators are prohibited from the following activities:

(1) accepting or making payment relating to sports wagers made by prohibited sports bettors;

(2) accepting sports wagers on prohibited sports events; or

(3) accepting sports wagers from persons who are physically outside the State of Vermont at the time the sports wager is placed.

§ 1322. MAINTAINING SPORTS INTEGRITY

The Department and its operators may participate in national and international monitoring services and associations and may share betting information with those entities and sports governing bodies in order to ensure the integrity of sports wagers and sports events. The Commissioner may restrict, limit, or exclude wagering on a sports event if the Commissioner determines that the restriction, limitation, or exclusion is necessary to ensure the integrity of the sportsbook.

§ 1323. ACCESS TO FINANCIAL REPORTS

The Department may require financial and compliance reports from its operators at any time and may conduct audits of these reports to ensure that the State receives the contractual share of revenue.

§ 1324. COMPLIANCE OVERSIGHT

(a) The Department shall retain oversight of its operators to ensure that all sports wagering activities are conducted in accordance with this chapter, any contractual terms, and any procedures adopted by the Department.

(b) Any failure to comply with this chapter, contractual terms, or any procedures adopted by the Department may be brought before the Board of Liquor and Lottery. The Board shall have the authority to impose sanctions on an operator for a violation, including monetary penalties, suspension of operator operations within the State, and the termination of all operator operations within the State. The Department may also bring an action in a Vermont court for damages, injunctive relief, or enforcement of monetary penalties related to any contract violation.

§ 1325. CRIMES AND PENALTIES

(a) A person who is not permitted to conduct sports wagering pursuant to this chapter that operates, conducts, or exposes sports wagering for play or accepts a bet or wager associated with sports wagering shall be fined not more than \$10,000.00 or imprisoned not more than six months, or both.

(b) A person convicted of a second violation of subsection (a) of this section shall be fined not more than \$25,000.00 or imprisoned not more than one year, or both.

(c) A person convicted of a third or subsequent violation of subsection (a) of this section shall be fined not more than \$50,000.00 or imprisoned not more than two years, or both.

Subchapter 3. Fantasy Sports Contests§ 1330. DEFINITIONS

As used in this subchapter:

(1) “Computer script” means a list of commands that can be executed by a program, scripting engine, or similar mechanism that a fantasy sports player can use to automate participation in a fantasy sports contest.

(2) “Confidential fantasy sports contest information” means nonpublic information available to a fantasy sports operator that relates to a fantasy sports player’s activity in a fantasy sports contest and that, if disclosed, may give another fantasy sports player an unfair competitive advantage in a fantasy sports contest.

(3) “Fantasy sports contest” means a virtual or simulated sporting event governed by a uniform set of rules adopted by a fantasy sports operator in which:

(A) a fantasy sports player may earn one or more cash prizes or awards, the value of which a fantasy sports operator discloses in advance of the contest;

(B) a fantasy sports player uses the player’s knowledge and skill of sports data, performance, and statistics to create and manage a fantasy sports team;

(C) a fantasy sports team earns fantasy points based on the sports performance statistics accrued by individual athletes or teams, or both, in real world sporting events;

(D) the outcome is determined by the number of fantasy points earned; and

(E) the outcome is not determined by the score, the point spread, the performance of one or more teams, or the performance of an individual athlete in a single real world sporting event.

(4) “Fantasy sports operator” means a person that offers to members of the public the opportunity to participate in a fantasy sports contest for consideration.

(5) “Fantasy sports player” means an individual who participates in a fantasy sports contest for consideration.

(6) “Location percentage” mean the percentage, rounded to the nearest tenth of a percent, of the total of all entry fees collected from fantasy sports

players located in Vermont, divided by the total entry fees collected from all fantasy sports players in fantasy sports contests.

(7) "Net fantasy sports contest revenues" means the amount equal to the total of all entry fees that a fantasy sports operator collects from all fantasy sports players, less the total of all sums paid out as winnings to all fantasy sports players, multiplied by the location percentage for Vermont.

§ 1331. CONSUMER PROTECTION

(a) A fantasy sports operator shall adopt commercially reasonable policies and procedures to:

(1) prevent participation in a fantasy sports contest it offers to the public with a cash prize of \$5.00 or more by:

(A) the fantasy sports operator;

(B) an employee of the fantasy sports operator or a relative of the employee who lives in the same household; or

(C) a professional athlete or official who participates in one or more real world sporting events in the same sport as the fantasy sports contest;

(2) prevent the disclosure of confidential fantasy sports contest information to an unauthorized person;

(3) require that a fantasy sports player is 18 years of age or older and verify the age of each player using one or more commercially available databases, which the government or businesses regularly use to verify and authenticate age and identity;

(4) limit and disclose to prospective players the number of entries a fantasy sports player may submit for each fantasy sports contest;

(5) limit a fantasy sports player to not more than one username or account;

(6) prohibit the use of computer scripts that provide a player with a competitive advantage over another player;

(7) segregate player funds from operational funds, or maintain a reserve in the form of cash, cash equivalents, payment processor receivables, payment processor reserves, an irrevocable letter of credit, a bond, or a combination thereof in an amount that equals or exceeds the amount of deposits in fantasy sports player accounts, for the benefit and protection of fantasy sports player funds held in the player's accounts; and

(8) notify fantasy sports players that winnings of a certain amount may be subject to income taxation.

(b) A fantasy sports operator shall have the following duties:

(1) The operator shall provide a link on its website to information and resources addressing addiction and compulsive behavior and where to seek assistance with these issues in Vermont and nationally.

(2)(A) The operator shall enable a fantasy sports player to restrict irrevocably the player's own ability to participate in a fantasy sports contest, for a period of time the player specifies, by submitting a request to the operator through its website or by online chat with the operator's agent.

(B) The operator shall provide to a player who self-restricts the player's participation information concerning:

(i) available resources addressing addiction and compulsive behavior;

(ii) how to close an account and restrictions on opening a new account during the period of self-restriction;

(iii) requirements to reinstate an account at the end of the period;
and

(iv) how the operator addresses reward points and account balances during and after the period of self-restriction, and when the player closes the player's account.

(3) The operator shall provide a player access to the following information for the previous six months:

(A) a player's play history, including money spent, games played, previous line-ups, and prizes awarded; and

(B) a player's account details, including deposit amounts, withdrawal amounts, and bonus information, including amounts remaining for a pending bonus and amounts released to the player.

(c)(1) A fantasy sports operator shall contract with a third party to perform an annual independent audit, consistent with the standards established by the American Institute of Certified Public Accountants, to ensure compliance with the requirements in this chapter.

(2) The fantasy sports operator shall submit the results of the independent audit to the Attorney General.

(d) A fantasy sports operator shall not extend credit to a fantasy sports player.

(e) A fantasy sports operator shall not offer a fantasy sports contest based on the performance of participants in college, high school, or youth athletic events.

§ 1332. FAIR AND TRUTHFUL ADVERTISING

(a) A fantasy sports operator shall not depict in an advertisement to consumers in this State:

(1) minors, other than professional athletes who may be minors;

(2) students;

(3) schools or colleges; or

(4) school or college settings, provided that an incidental depiction of nonfeatured minors does not violate this section.

(b) A fantasy sports operator shall not state or imply in an advertisement to consumers in this State endorsement by:

(1) minors, other than professional athletes who may be minors;

(2) collegiate athletes;

(3) colleges; or

(4) college athletic associations.

(c)(1) A fantasy sports operator shall include in an advertisement to consumers in this State information concerning assistance available to problem gamblers or shall direct consumers to a reputable source of that information.

(2) If an advertisement is of insufficient size or duration to provide the information required in subdivision (1) of this subsection, the advertisement shall refer to a website or application that does prominently include such information.

(d) A fantasy sports operator shall only make representations concerning winnings that are accurate, not misleading, and capable of substantiation at the time of the representation. For purposes of this subsection, an advertisement is misleading if it makes representations about average winnings without equally prominently representing the average net winnings of all players.

§ 1333. REGISTRATION

On or before October 15 of each year in which a fantasy sports operator offers a fantasy sports contest to consumers in this State, the operator shall file an annual registration with the Department on a form adopted for that purpose and pay to the Department an annual registration fee in the amount of \$5,000.00.

§ 1334. ENFORCEMENT

(a) A person that violates a provision of this chapter commits an unfair and deceptive act in commerce in violation of 9 V.S.A. § 2453.

(b) The Attorney General has the authority to adopt rules to implement the provisions of this chapter and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under 9 V.S.A. chapter 63, subchapter 1.

Subchapter 4. Responsible Gaming and Problem Gambling§ 1340. RESPONSIBLE GAMING AND PROBLEM GAMBLING;OPERATOR PLANS, DUTIES, AND REPORT

(a) Responsible gaming plan. Annually, each operator shall submit to the Department and the Department of Mental Health a responsible gaming plan that shall include information related to the posting of materials related to problem gambling, resources to be made available to bettors expressing concerns about problem gambling, house-imposed player limits, and self-exclusion programs. The Commissioner shall require each applicant to submit a responsible gaming plan prior to authorizing the applicant to conduct a sportsbook within the State.

(b) Plan review. At least every five years, each operator shall be subject to an independent review of the operator's responsible gaming plan, as assessed by industry standards and performed by a third party approved by the Department. The Department may require the operator to pay for the independent review.

(c) Problem gambling report. Annually on or before January 15, the Department, in consultation with the Department of Mental Health, shall submit to the General Assembly a report on the impact of sports wagering on problem gambling in Vermont, including an analysis of demographic populations that are disproportionately impacted by problem gambling. The Department may require the operators to pay for the costs associated with preparing and submitting the report.

(d) Operator platform requirements. The Department shall ensure that each operator utilizes a mobile sports wagering platform that:

(1) prohibits an individual from establishing more than one account;

(2) prohibits an individual from using a credit card to establish an account or place wagers;

(3) allows a person to limit the amount of money that may be deposited into an account and spent per day through an account;

(4) establishes a statewide voluntary self-exclusion process to allow a person to:

(A) exclude themselves from establishing an account;

(B) exclude themselves from placing wagers through an account; or

(C) limit the amount such person may spend using such an account;

(5) provides responsible gaming and problem gambling information to participants; and

(6) conspicuously displays on each applicable Internet website or mobile application:

(A) a link to a description of the provisions of this subsection (d);

(B) a link to responsible gaming and problem gambling information;

(C) a telephone number that an individual may use to obtain information about problem gambling;

(D) a link to information about the voluntary self-exclusion process described in subdivision (4) of this subsection (d);

(E) a periodic pop-up message displaying the amount of time an individual has spent on the operator's Internet website or mobile application;

(F) a means to initiate a break in play to discourage excessive play; and

(G) a clear display of the amount of money available to the individual in the individual's account.

(e) Advertising restrictions. Sports wagering advertisements shall not:

(1) depict any individual under 21 years of age, except live footage or images of athletes in sporting events on which sports wagering is permitted;

(2) depict any individual under 21 years of age in any way that may be construed as the underage individual participating in or endorsing sports wagering; or

(3) target individuals under 21 years of age, other individuals who are ineligible to participate in sports wagering, individuals with gambling problems, or other vulnerable individuals.

(f) Vermont postsecondary campuses. A postsecondary school located in the State shall not permit sports wagering to be advertised on property belonging to the postsecondary school, except for generally available advertising, including television, radio, and digital advertising. An operator

shall not advertise in a manner that targets the area of a college or university campus.

§ 1341. PROBLEM GAMBLING SPECIAL FUND

(a) There is established the Problem Gambling Special Fund that shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Annually, the following amounts of the annual sports wagering revenue received by the Department of Liquor and Lottery shall be credited to this Fund:

(1) in fiscal year 2024, five percent but not less than \$250,000.00; and

(2) in fiscal year 2025 and each year thereafter, five percent but not less than \$500,000.00.

(b) This Fund shall be available to the Department of Mental Health for:

(1) providing support to agencies, organizations, and persons that provide education, assistance, awareness, treatment, and recovery services to persons and families experiencing difficulty as a result of addictive or problematic gambling;

(2) promoting public awareness of and providing education about gambling addiction;

(3) establishing and funding programs to certify addiction counselors;

(4) promoting public awareness of assistance programs for gambling addiction; and

(5) funding a helpline with text messaging and online chat capabilities.

(c) On or before January 15 of each year, the Department of Mental Health shall submit to the General Assembly a report detailing the expenditures from the Fund in the preceding fiscal year and summarizing the programs and activities supported by those expenditures.

Sec. 2. DEPARTMENT OF LIQUOR AND LOTTERY; FANTASY SPORTS

CONTEST REPORT AND RECOMMENDATIONS

(a) On or before January 15, 2024, the Department of Liquor and Lottery shall submit to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs a report on the current status of fantasy sports contests in Vermont.

(b) The report shall include:

(1) an examination of the number of fantasy sports contest operators, the amount of players who participate in fantasy sports contests, and the State's

compliance monitoring and enforcement of the laws governing fantasy sports contests; and

(2) recommendations for how the current statutes governing fantasy sports contests may be amended to address any issues identified in the report.

Sec. 3. REPEAL

9 V.S.A. chapter 116 (fantasy sports contests) is repealed.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

Rep. Beck of St. Johnsbury, for the Committee on Ways and Means, recommended that the report of the Committee on Government Operations and Military Affairs be amended as follows:

First: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in section 1301 (definitions), in subdivision (7), following “hardware, software, and data networks” by inserting the words “that are” before the words “used to manage”

Second: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in section 1301 (definitions), in subdivision (15)(B), following the words “of this subdivision” by striking out “(16)” and inserting in lieu thereof “(15)”

Third: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in section 1302 (Department of Liquor and Lottery; authority and duties), in subdivision (c)(5), following the period at the end of the subdivision, by inserting the words “The Department shall establish a process that allows a holder of a joint bank account to exclude the joint account from all operator platforms in the State.”

Fourth: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in section 1302 (Department of Liquor and Lottery; authority and duties), by striking out subsection (g) in its entirety and inserting in lieu thereof a new subsection (g) to read as follows:

(g) The Department shall include in its contract with each operator:

(1) a provision that prohibits the use of sports wagering advertisements, logos, trademarks, or brands on products that are sold in Vermont and intended primarily for persons under 21 years of age;

(2) the requirement that the Department and its operators shall cooperatively develop an advertising plan, which shall include strategies to limit unwanted advertising and advertising aimed at persons under 21 years of age; and

(3) a cap on the amount spent by the Department and its operators on sports wagering advertising within the State.

Fifth: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), by striking out section 1304 (revenues to General Fund) in its entirety and inserting in lieu thereof a new section 1304 to read as follows:

§ 1304. REVENUES TO GENERAL FUND

The revenues and fees received by the Department pursuant to this chapter shall be deposited in the General Fund.

Sixth: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in section 1320 (sports wagering operators; competitive bidding process), in subsection (a), following the period at the end of the sentence, by inserting the following:

It is the intent of the General Assembly that the Department shall be guided by and prioritize the following when conducting the competitive bidding process, selecting operators, and structuring agreements with the operators:

(1) maximizing revenues to the State;

(2) reducing the illegal market and converting wagerers to the legal market; and

(3) protecting Vermonters from problem gambling.

Seventh: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in section 1320 (sports wagering operators; competitive bidding process), by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) The Department shall assess an annual operator fee based on the number of operators that are accepted through the competitive bidding process. The annual operator fee shall be assessed as follows:

(1) For one operator, \$550,000.00.

(2) For two operators, \$275,000.00 per operator.

(3) For three operators, \$200,000.00 per operator.

(4) For four operators, \$162,500.00 per operator.

(5) For five operators, \$140,000.00 per operator.

(6) For six operators, \$125,000.00 per operator.

Eighth: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in section 1320 (sports wagering operators; competitive bidding process), in subsection (d), following the words “through the competitive bidding process” by inserting “,

provided that the revenue share shall not be less than 20 percent of adjusted gross sports wagering revenue”

Ninth: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), in subchapter 4, by striking out section 1341 (Problem Gambling Special Fund) in its entirety and inserting in lieu thereof a new section 1341 to read as follows:

§ 1341. PROBLEM GAMBLING PROGRAM

(a) The Department of Mental Health shall manage and administer a problem gambling program to:

(1) support agencies, organizations, and persons that provide education, assistance, awareness, treatment, and recovery services to persons and families experiencing difficulty as a result of addictive or problematic gambling;

(2) promote public awareness of and provide education about gambling addiction;

(3) establish and fund programs for the certification of addiction counselors;

(4) promote public awareness of assistance programs for gambling addiction; and

(5) fund a helpline with text messaging and online chat capabilities.

(b) On or before January 15 of each year, the Department of Mental Health shall submit to the General Assembly a report detailing the activities supported by appropriations made for the problem gambling program.

Tenth: By inserting a new section to be Sec. 2a to read as follows:

Sec. 2a. APPROPRIATIONS

(a) The following sums are appropriated to the Department of Mental Health for purposes of establishing and administering a problem gambling program:

(1) in fiscal year 2024, \$250,000.00; and

(2) in fiscal year 2025, \$500,000.00.

(b) In fiscal year 2024, \$550,000.00 is appropriated from the General Fund to the Department of Liquor and Lottery. This appropriation is made in anticipation of receipts from sports wagering operator fees.

Rep. Harrison of Chittenden, for the Committee on Appropriations, recommended that the report of the Committee on Ways and Means be amended as follows:

First: In the fifth instance of amendment, by striking out section 1304 and inserting in lieu thereof a new section 1304 to read as follows:

§ 1304. REVENUES TO SPORTS WAGERING FUND

The revenues and fees received by the Department pursuant to this chapter shall be deposited in the Sports Wagering Fund.

Second: By striking out the ninth instance of amendment in its entirety and inserting in lieu thereof a new ninth instance of amendment to read as follows:

Ninth: In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), by striking out section 1341 in its entirety and inserting in lieu thereof two new sections to be Secs. 1341 and 1341a to read as follows:

§ 1341. SPORTS WAGERING FUND

(a) The Sports Wagering Fund is established. It shall consist of all revenues and fees received by the Department pursuant to this chapter and all amounts that are from time to time appropriated to the Department for purposes of this chapter.

(b) The Department's administrative and operating costs shall be allocated to and paid from the Fund based on generally accepted accounting principles.

§ 1341a. PROBLEM GAMBLING PROGRAM

(a) The Department of Mental Health shall establish and administer the Problem Gambling Program to:

(1) provide support to agencies, organizations, and persons that provide education, assistance, awareness, treatment, and recovery services to persons and families experiencing difficulty as a result of addictive or problematic gambling;

(2) promote public awareness of and provide education concerning gambling addiction;

(3) establish programs to certify addiction counselors;

(4) promote public awareness of assistance programs for gambling addiction; and

(5) fund a helpline with text messaging and online chat capabilities.

(b) On or before January 15 of each year, the Department of Mental Health shall submit to the General Assembly a report detailing the expenditures related to the Problem Gambling Program in the preceding fiscal year and summarizing the programs and activities supported by those expenditures.

Third: In the tenth instance of amendment, in Sec. 2a (appropriations), by striking out all after the section heading and inserting in lieu thereof the following:

(a) The following sums are appropriated from the Sports Wagering Fund to the Department of Mental Health for purposes of establishing and administering the Problem Gambling Program:

(1) in fiscal year 2024, \$250,000.00; and

(2) in fiscal year 2025, \$500,000.00.

(b) In fiscal year 2024, \$550,000.00 is appropriated from the Sports Wagering Fund to the Department of Liquor and Lottery. This appropriation is made in anticipation of receipts from sports wagering operator fees.

Thereupon, the bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on Ways and Means was amended as recommended by the Committee on Appropriations. Thereafter, the report of the Committee on Government Operations and Military Affairs was amended as recommended by the Committee on Ways and Means, as amended.

Thereafter, **Rep. Birong of Vergennes** moved to amend the report of the Committee on Government Operations and Military Affairs, as amended, as follows:

In Sec. 1, 31 V.S.A. chapter 25 (sports wagering), by striking out section 1325 (crimes and penalties) in its entirety and inserting in lieu thereof a new section 1325 to read as follows:

§ 1325. CRIMES AND PENALTIES

(a) A person who is not permitted to conduct sports wagering pursuant to this chapter that operates, conducts, or exposes sports wagering for play or accepts a bet or wager associated with sports wagering shall:

(1) for a first violation of this subchapter, be fined not more than \$25,000.00 or imprisoned not more than six months, or both;

(2) for a second violation of this subsection, be fined not more than \$75,000.00 or imprisoned not more than one year, or both; and

(3) for a third or subsequent violation of this subsection, be fined not more than \$150,000.00 or imprisoned not more than two years, or both.

(b) An operator who violates a provision of this chapter shall be fined:

(1) for a first violation, not more than \$25,000.00;

(2) for a second violation, not more than \$75,000.00; and

(3) for a third violation, not more than \$150,000.00.

(c) Upon the violation of a provision of this chapter by an operator, the Department may terminate its contract with the operator and revoke the operator's privilege to offer sports wagering within the State.

Which was agreed to. Thereafter, the bill was amended as recommended by the Committee on Government Operations and Military Affairs, as amended, and third reading ordered.

Second Reading; Bill Amended; Third Reading Ordered

H. 157

Rep. Burrows of West Windsor, for the Committee on General and Housing, to which had been referred House bill, entitled

An act relating to the Vermont basic needs budget

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

Sec. 1. BASIC NEEDS BUDGET TECHNICAL ADVISORY COMMITTEE;
REPORT

(a) Creation. The Basic Needs Budget Technical Advisory Committee is created to update the methodology utilized in calculating the basic needs budget pursuant to 2 V.S.A. § 526.

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

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

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

(3) the Secretary of Human Services or designee;

(4) one member, appointed by the Vermont Sustainable Jobs Fund;

(5) one member, appointed by the Society for Human Resources Management, Vermont State Council; and

(6) one member, appointed by Capstone Community Action.

(c) Duties.

(1)(A) On or before November 1, 2023, the Committee shall study the topics set forth in subdivision (B) of this subdivision (1) and submit a written report to the Joint Fiscal Committee, the House Committee on General and Housing, and the Senate Committee on Economic Development, Housing and General Affairs that details the Committee's findings and provides recommendations for revisions to the methodology for determining the basic needs budget pursuant to 2 V.S.A. § 526. The report may also include recommendations for legislative action.

(B) In preparing the report required pursuant to subdivision (A) of this subdivision (1), the Committee shall study the following topics:

(i) the current methodology for calculating the basic needs budget and determining what constitutes a livable wage;

(ii) potential changes to the methodology for calculating the basic needs budget and determining what constitutes a livable wage, including the identification of not more than seven household configurations to be utilized in future determinations of the basic needs budget and livable wage; and

(iii) potential changes to 2 V.S.A. § 526 to account for public policy changes, data availability, or any other factors that have had an impact on any aspects of the basic needs budget calculation or the cost to Vermonters of basic needs as that term is defined in 2 V.S.A. § 526(a)(1).

(2) The Committee shall:

(A) take testimony from subject-matter experts to assist with data analysis and methodological considerations; and

(B) take testimony from a variety of stakeholders, including employers and employees and organizations that represent employers and employees.

(d) Assistance. The Committee shall have the administrative and technical assistance of the Joint Fiscal Office, the technical assistance of the Department of Labor's Economic and Labor Market Information Division, and the legal assistance of the Office of Legislative Counsel.

(e) Meetings.

(1) The Joint Fiscal Office shall call the first meeting of the Committee to occur on or before August 15, 2023.

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

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

(4) The Committee shall cease to exist on January 30, 2025.

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than five meetings.

(2) Other members of the Committee who are not State employees shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings.

(g) Appropriations.

(1) The sum of \$7,000.00 is appropriated to the General Assembly from the General Fund in fiscal year 2024 for per diem compensation and reimbursement of expenses for members of the Committee.

(2) The sum of \$10,000.00 is appropriated to the Joint Fiscal Office from the General Fund in fiscal year 2024 for costs related to retaining experts and other services provided to the Committee by the Joint Fiscal Office.

Sec. 2. 2025 BASIC NEEDS BUDGET REPORT; METHODOLOGY

Notwithstanding any provision of 2 V.S.A. § 526(c) to the contrary, in preparing the basic needs budget report due January 15, 2025, the Joint Fiscal Office shall utilize the methodology and household configurations recommended by the Basic Needs Budget Technical Advisory Committee established pursuant to section 1 of this act.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2023.

Rep. Bluemle of Burlington, for the Committee on Appropriations, recommended the bill ought to pass when amended by the Committee on General and Housing.

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

Second Reading; Bill Amended; Third Reading Ordered

H. 165

Rep. Cole of Hartford, for the Committee on Agriculture, Food Resiliency, and Forestry, to which had been referred House bill, entitled

An act relating to school food programs and universal school meals

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

* * * Findings * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) According to the Vermont Agency of Education, an average of 38 percent of students across all supervisory unions during the 2019–2020 school year qualified for free or reduced-price lunch. As a result, some schoolchildren face more challenges than others in succeeding in school and in life. The General Assembly recognizes that students need fresh and nutritional foods to enable them to focus on their education and that many students come to school hungry. Providing universal school meals offered at no cost to students or their families creates a necessary foundation for learning readiness during the school day.

(2) A 2021 study by the National Food Access and COVID Research Team found that in the first year of the pandemic, nearly one-third of persons in Vermont faced hunger, and families with children were five times more likely to face hunger. Food insecurity rates remained above prepandemic levels a year after the start of the pandemic.

(3) In a 2019 research report, the Urban Institute found that up to 42 percent of children living in food-insecure homes may not be eligible for free or reduced-price school meals.

(4) In 2016, the Center for Rural Studies at the University of Vermont (UVM) partnered with the Vermont Farm to School Network to measure the economic contribution and impacts of Farm to School programs in Vermont. The final report found that school meal programs support a vibrant agricultural economy, with every \$1.00 spent on local food in schools contributing \$1.60 to the Vermont economy.

(5) A study analyzing trends in food sources and diet quality published in 2021 found that the most nutritious meals consumed by children in the United States are school meals, including when compared to meals cooked at home.

(6) A study conducted by UVM found that universal school meals programs in Vermont were associated with, among other benefits, improved overall school social climate as a result of financial difference being less visible and improved readiness to learn among students overall.

* * * School Food Programs * * *

Sec. 2. 16 V.S.A. chapter 27, subchapter 2 is amended to read:

Subchapter 2. School Food Programs

§ 1261a. DEFINITIONS

As used in this subchapter:

(1) “Food programs” means provision of food to persons under programs meeting standards for assistance under the National School Lunch Act, 42 U.S.C. § 1751 et seq., and in the Child Nutrition Act, 42 U.S.C. § 1771 et seq., each as amended.

(2) “School board” means the governing body of a school district responsible for the administration of a public school.

(3) “Independent school board” means a governing body responsible for the administration of a nonprofit independent school exempt from ~~United States~~ U.S. income taxes.

(4) “Approved independent school” means an independent school physically located in Vermont and approved by the State Board of Education under section 166 of this title.

(5) “Universal meals supplement” means the reimbursement amount paid by the State for the cost of a paid breakfast or lunch under the federal school breakfast and federal school lunch programs.

(A) For breakfast, the universal meals supplement is a sum equal to the federal reimbursement rate for a free school breakfast less the federal reimbursement rate for a paid school breakfast, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture.

(B) For lunch, the universal meals supplement is a sum equal to the federal reimbursement rate for a free school lunch less the federal reimbursement rate for a paid school lunch, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture.

§ 1262a. AWARD OF GRANTS

* * *

(e) Universal meals supplements shall be awarded in accordance with section 4017 of this title.

* * *

§ 1264. FOOD PROGRAM

(a)(1)(A) Each school board operating a public school shall cause to operate within the each school in the school district a food program that makes available a school lunch, as provided in the National School Lunch Act, as amended, and a school breakfast, as provided in the ~~National~~ Child Nutrition Act, as amended, to each attending student who qualifies for those meals under these acts every school day.

(B) In addition, each school board operating a public school shall cause to operate within each school in the school district the same school breakfast and school lunch program made available to students who qualify for those meals under the Child Nutrition Act and the National School Lunch Act, each as amended, for each attending student every school day at no charge. An approved independent school operating a school lunch and school breakfast program made available to students who qualify for those meals under the Child Nutrition Act and the National School Lunch Act, each as amended, shall offer the same to each attending student every school day at no charge in order to qualify for the universal meals supplement.

(C) In operating its school breakfast and lunch program, a school district and an approved independent school shall seek to achieve the highest level of student participation, which may include any or all of the following:

(i) providing breakfast meals that can be picked up by students;

(ii) making breakfast available to students in classrooms after the start of the school day; and

(iii) for school districts, collaborating with the school's wellness community advisory council, as established under subsection 136(e) of this title, in planning school meals.

(D) A school district and an approved independent school shall count time spent by students consuming school meals during class as instructional time.

* * *

§ 1265. EXEMPTION; PUBLIC DISCUSSION

~~(a) The school board of a public school district that wishes to be exempt from the provisions of section 1264 of this title may vote at a meeting warned and held for that purpose to exempt itself from the requirement to offer either the school lunch program or the school breakfast program, or both, for a period of one year.~~

~~(b) If a public school is exempt from offering a breakfast or lunch program, its school board shall conduct a discussion annually on whether to continue the exemption. The pending discussion shall be included on the agenda at a regular or special school board meeting publicly noticed in accordance with 1 V.S.A. § 312(c), and citizens shall be provided an opportunity to participate in the discussion. The school board shall send a copy of the notice to the Secretary and to the superintendent of the supervisory union at least ten days prior to the meeting. Following the discussion, the school board shall vote on whether to continue the exemption for one additional year.~~

~~(c) On or before the first day of November prior to the date on which an exemption voted under this section is due to expire, the Secretary shall notify the boards of the affected school district and supervisory union in writing that the exemption will expire.~~

~~(d) Following a meeting held pursuant to subsection (b) of this section, the school board shall send a copy of the agenda and minutes to the Secretary and the superintendent of the supervisory union.~~

~~(e) The Secretary may grant a supervisory union or a school district a waiver from duties required of it under this subchapter upon a demonstration that the duties would be performed more efficiently and effectively in another manner. [Repealed.]~~

* * * Universal Meals Supplement Awards * * *

Sec. 3. 16 V.S.A. § 4017 is added to read:

§ 4017. UNIVERSAL MEALS SUPPLEMENT

(a) Definition. For the purpose of this section, “universal meals supplement” has the same meaning as that term has in subdivision 1261a(5) of this title.

(b) Public schools. From State funds appropriated to the Agency from the Education Fund for the universal meals supplement, the Agency shall provide a universal meals supplement for the cost of each meal actually provided to each student in the district during the previous quarter when meals are offered to all students at no charge pursuant to subdivision 1264(a)(1)(B) of this title.

(1) Reimbursement from State funds shall be available only to districts that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision, under 7 C.F.R. § 245.9(f), or Provision 2, under 7 C.F.R. § 245.9(b), of these programs, or any other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that

program. At the start of each school year, the Agency of Education may require that a school food authority requesting the universal meals supplement begin a new cycle of the relevant federal provision and group sites in a manner the Agency determines will maximize the drawdown of federal funds.

(2) Second breakfasts, as allowed under 7 C.F.R. § 220.9(a), do not qualify for reimbursement under this subsection.

(3) A nonprofit prequalified private prekindergarten provider that is qualified pursuant to subsection 829(c) of this title and is not also an approved or recognized independent school is eligible for the universal meals supplement under this subsection if it operates a food program under a public school school food authority.

(c) Approved independent schools.

(1) From State funds appropriated to the Agency from the Education Fund for the universal meals supplement, the Agency shall provide a universal meals supplement for the cost of each meal actually provided to each qualifying student on public tuition when meals are offered to all students at no charge pursuant to subdivision 1264(a)(1)(B) of this title, provided that:

(A) If the approved independent school participates in the food programs as a site under a public school school food authority, the public school school food authority shall be reimbursed only for students attending the approved independent school on public tuition.

(B) If the approved independent school participates in the Community Eligibility Provision under 7 C.F.R. § 245.9(f), or is in a year other than the base year of Provision 2 under 7 C.F.R. § 245.9(b), the school shall provide the Agency with the number of students attending the school on public tuition and the total number of students enrolled in the school. The Agency shall calculate the percentage of students attending the school on public tuition and multiply that number by the paid student percentage, the results of which shall be the number of meals the school shall be reimbursed for.

(2) Second breakfasts, as allowed under 7 C.F.R. § 220.9(a), do not qualify for reimbursement under this subsection.

(3) Students attending an approved independent school on public tuition shall include a prekindergarten child if the approved independent school also qualifies as a prequalified private provider and the child's school district of residence pays tuition to the school pursuant to section 829 of this title.

(4) An approved independent school is eligible for the universal meals supplement only if it operates a food program that makes available a school

lunch, as provided in the National School Lunch Act as amended, and a school breakfast, as provided in the Child Nutrition Act as amended, to each attending student who qualifies for those meals under these acts every school day.

(5) Reimbursement from State funds shall be available only to approved independent schools that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision under 7 C.F.R. § 245.9(f), or Provision 2 under 7 C.F.R. § 245.9(b), of these programs, or any other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that program. At the start of each school year, the Agency of Education may require that a school food authority requesting the universal meals supplement begin a new cycle of the relevant federal provision and group sites in a manner the Agency determines will maximize the drawdown of federal funds.

(d) Universal meals supplement. The universal meals supplement amount for breakfast shall be a sum equal to the federal reimbursement rate for a free school breakfast less the federal reimbursement rate for a paid school breakfast, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture. The universal meals supplement amount for lunch shall be a sum equal to the federal reimbursement rate for a free school lunch less the federal reimbursement rate for a paid school lunch, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture.

* * * Local Foods Incentive Grant * * *

Sec. 4. 16 V.S.A. § 1264a is amended to read:

§ 1264a. **LOCALLY PRODUCED FOODS**

(a) It is a goal of the State that by the year 2023, at least 20 percent of all foods purchased by ~~supervisory unions and supervisory districts, together referred to in this section as “supervisory unions,”~~ eligible entities, as defined by subsection (e) of this section, be locally produced foods. ~~School boards~~ Eligible entities have the discretion to define what foods are included within the definition of “locally produced foods” for the purposes of this subsection and subsection (b) of this section.

(b) On or before December 31, 2021 and annually thereafter, ~~a school board~~ an eligible entity operating a school lunch, breakfast, or summer meals program shall report to the Agency of Education an estimate of the percentage of the cost of all foods purchased by the ~~school board~~ eligible entity for those

programs that were locally produced foods during the one-year period ending on June 30 of that year.

(c)(1) Beginning with the 2021–22 school year and thereafter, ~~supervisory unions~~ eligible entities shall be eligible for a local foods incentive grant (grant) from funds appropriated to the Agency of Education for this purpose.

(2) A ~~supervisory union~~ eligible entity may apply for the grant if it has:

(A) developed a locally produced foods purchasing plan that describes the ~~supervisory union's~~ eligible entity's goals for purchasing locally produced foods and its plan to achieve those goals;

(B) designated an individual as the food coordinator for locally produced foods, who shall be responsible for implementing the locally produced foods purchasing plan;

(C) developed a process for tracking the purchase of locally produced foods; and

(D) complied with the reporting requirement under subsection (b) of this section.

(3) ~~A supervisory union~~ An eligible entity that has satisfied the conditions under subdivision (2) of this subsection may, on or before January 15, 2022 or on or before January 15 of any year thereafter, apply to the Agency for the grant by submitting a certification, signed by the business manager for the ~~supervisory union~~ eligible entity, that the ~~supervisory union~~ eligible entity satisfies the conditions under subdivision (2) of this subsection.

(4) If a ~~supervisory union~~ an eligible entity is eligible for a grant under subdivision (3) of this subsection, then the Agency shall make the grant payment, subject to appropriation, on or before the following March 31 after submission of the ~~supervisory union's~~ eligible entity's application, which is due on or before January 15 of that year, which shall be equal to \$0.15 per reimbursable school lunch served by the ~~supervisory union~~ eligible entity in the prior school year through the National School Lunch Program. A ~~supervisory union~~ An eligible entity may apply for this grant and receive this grant funding only once.

(5)(A) ~~A supervisory union~~ An eligible entity that has received a grant under subdivision (4) of this subsection (c) may, on or before January 15, 2023 or on or before January 15 of any year thereafter, apply for a further grant by submitting to the Agency of Education information that demonstrates that at least 15 percent of the cost of all foods purchased or grown, raised, or produced by the ~~supervisory union~~ eligible entity during the one-year period

ending on June 30 of the previous year were local to Vermont as defined in 9 V.S.A. § 2465a(b), excluding:

(i) foods purchased or grown, raised, or produced by the ~~supervisory union~~ eligible entity that were used to provide catering services for which the ~~supervisory union~~ eligible entity received compensation; and

(ii) fluid milk.

(B) If a ~~supervisory union~~ an eligible entity grows, raises, or produces food, it shall assign a fair market value to that food for the purpose of reporting its cost.

(C) A vendor that contracts with a ~~supervisory union~~ an eligible entity to supply food products shall certify to the supervisory union which of the food products supplied meet the definition of local to Vermont, taking into account the exclusions under subdivision 5(A) of this ~~subsection~~ subdivision (c)(5).

(6) If a ~~supervisory union~~ an eligible entity is eligible for a grant under subdivision (5) of this subsection, the Agency shall, on or before the following April 30 after submission of the ~~supervisory union's~~ eligible entity's application, which is due on or before January 15 of that year, make the grant payment, subject to appropriation, which shall be determined as follows:

(A) \$0.15 per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 15 percent locally produced foods;

(B) \$0.20 per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 20 percent locally produced foods; or

(C) \$0.25 per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 25 percent locally produced foods.

(7) A ~~supervisory union~~ An eligible entity may apply for and receive grant funding under subdivisions (5) and (6) of this subsection for each year that it qualifies for this grant funding. For applications covering the 2020-2021 school year, meals served through the Summer Food Service Program shall also be counted for this grant payment.

(8) The Agency of Education may perform sample audits for any year that grant funds are paid to ~~supervisory unions~~ eligible entities under subdivision (6) of this subsection to verify that information provided to the Agency under subdivision (5) of this subsection is accurate. If the Agency makes a grant payment under subdivision (6) of this subsection to a

~~supervisory union~~ an eligible entity that was based on inaccurate information reported by the ~~supervisory union~~ eligible entity, the Agency may seek reimbursement from the ~~supervisory union~~ eligible entity for an overpayment or reimburse the ~~supervisory union~~ eligible entity for an underpayment or may adjust future grant amounts under this section to reflect the over- or underpayment.

(d)(1) On or before January 31, 2022 and annually thereafter, the Agency of Education shall submit to the Senate Committees on Agriculture and on Education and the House Committees on Agriculture and Forestry and on Education in an aggregated form:

(A) the information received from ~~supervisory unions~~ eligible entities regarding the percentage of locally produced foods, as the ~~supervisory unions~~ eligible entities define them, that were reported under subsection (b) of this section; and

(B) the percentage of locally produced foods, using the grant funding definition, that were reported under subdivision (c)(5) of this section and the amount of grant funding paid to ~~supervisory unions~~ eligible entities under subdivision (c)(6) of this section in the prior school year.

(2) The provisions of 2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the reports required by this subsection.

(e) As used in this section, “eligible entity” means:

(1) a supervisory union or supervisory district; or

(2) an approved independent school operating a food program, as defined by subdivision 1261a(1) of this title, that also qualifies for the universal meals supplement pursuant to section 4017 of this title.

* * * Effective Date * * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2023.

Rep. Sims of Craftsbury, for the Committee on Ways and Means, recommended the bill ought to pass when amended by the Committee on Agriculture, Food Resiliency, and Forestry.

Rep. Mihaly of Calais, for the Committee on Appropriations, recommended the bill ought to pass when amended by the Committee on Agriculture, Food Resiliency, and Forestry.

The bill, having appeared on the Notice Calendar, was taken up, read second time, the report of the Committee on Agriculture, Food Resiliency, and Forestry was agreed to, and third reading ordered.

Message from the Senate No. 31

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

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part passed Senate bills of the following titles:

S. 35. An act relating to the Town of Hartford's tax increment financing district.

S. 36. An act relating to permitting an arrest without a warrant for assaults and threats against health care workers and disorderly conduct at health care facilities.

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

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

H. 411. An act relating to extending COVID-19 health care regulatory flexibility.

And has passed the same in concurrence.

Adjournment

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