

Journal of the Senate

THURSDAY, MAY 11, 2023

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 61

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

Mr. President:

I am directed to inform the Senate that:

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

S. 135. An act relating to the establishment of VT Saves.

S. 137. An act relating to energy efficiency modernization.

And has passed the same in concurrence.

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

S. 100. An act relating to housing opportunities made for everyone.

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

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

H. 127. An act relating to sports wagering.

H. 305. An act relating to professions and occupations regulated by the Office of Professional Regulation.

And has severally concurred therein.

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

S. 17. An act relating to sheriff reforms.

S. 99. An act relating to miscellaneous changes to laws related to vehicles.

And has severally concurred therein.

The Governor has informed the House that on May 10, 2023, he approved and signed a bill originating in the House of the following title:

H. 89. An act relating to civil and criminal procedures concerning legally protected health care activity.

Bill Referred to Committee on Appropriations

H. 480.

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

An act relating to property valuation and reappraisals.

Bill Introduced

Senate bill of the following title was introduced, read the first time and referred:

S. 155.

By Senators Vyhovsky, Gulick and Watson,

An act relating to eliminating life without parole and implementing second look sentencing.

To the Committee on Judiciary.

Bill Passed in Concurrence with Proposal of Amendment

H. 158.

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

An act relating to the beverage container redemption system.

Bill Passed in Concurrence

H. 175.

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

An act relating to modernizing the Children and Family Council for Prevention Programs.

Bill Passed in Concurrence with Proposal of Amendment

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

H. 227. An act relating to the Vermont Uniform Power of Attorney Act.

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

H. 270.

House bill entitled:

An act relating to miscellaneous amendments to the adult-use and medical cannabis programs.

Was taken up.

Thereupon, pending third reading of the bill, Senator Harrison moved to amend the Senate proposal of amendment by striking out Sec. 8, 7 V.S.A. § 901, in its entirety and inserting in lieu thereof the following:

Sec. 8. 7 V.S.A. § 901 is amended to read:

§ 901. GENERAL PROVISIONS

(a) Except as otherwise permitted by law, a person shall not engage in the cultivation, preparation, processing, packaging, transportation, testing, or sale of cannabis or cannabis products without obtaining a license from the Board.

* * *

(d)(1) There shall be ~~six~~ seven types of licenses available:

- (A) a cultivator license;
- (B) a propagator license;
- (C) a wholesaler license;
- ~~(C)~~(D) a product manufacturer license;
- ~~(D)~~(E) a retailer license;
- ~~(E)~~(F) a testing laboratory license; and
- ~~(F)~~(G) an integrated license.

(2)(A) The Board shall develop tiers for:

(i) cultivator licenses based on the plant canopy size of the cultivation operation or plant count for breeding stock; and

(ii) retailer licenses.

(B) The Board may develop tiers for other types of licenses.

(3)(A) Except as provided in subdivisions (B) and (C) of this subdivision (3), an applicant and its affiliates may obtain a maximum of one type of each type of license as provided in subdivisions ~~(1)(A)–(E)~~ (1)(A)–(F) of this subsection (d). Each license shall permit only one location of the establishment.

(B) An applicant and its affiliates that control a dispensary registered on April 1, 2022 may obtain one integrated license provided in subdivision ~~(1)(F)~~ (1)(G) of this subsection (d) or a maximum of one of each type of license provided in subdivisions ~~(1)(A)–(E)~~ (1)(A)–(F) of this subsection (d). An integrated licensee may not hold a separate cultivator, propagator, wholesaler, product manufacturer, retailer, or testing laboratory license, and no applicant or its affiliates that control a dispensary shall hold more than one integrated license. An integrated license shall permit only one location for each of the types of activities permitted by the license: cultivation, propagator, wholesale operations, product manufacturing, retail sales, and testing.

(C) An applicant and its affiliates may obtain multiple testing laboratory licenses.

* * *

~~(h)(1) The following records shall be exempt from public inspection and copying under the Public Records Act and shall be confidential:~~

~~(A) any record in an application for a license relating to security, public safety, transportation, or trade secrets, including information provided in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and~~

~~(B) any licensee record relating to security, public safety, transportation, trade secrets, or employees.~~

~~(2) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption created in this subsection shall continue in effect and shall not be repealed through operation of 1 V.S.A. § 317(e). [Repealed.]~~

Which was agreed to.

Thereupon, Senator Vyhovsky moved to amend the Senate proposal of amendment by adding a Sec. 24a to read as follows:

Sec. 24a. RACIAL DISPARITIES IN THE CRIMINAL AND JUVENILE JUSTICE SYSTEM ADVISORY PANEL REPORTING; RACIAL EQUITY AND COMMUNITY REINVESTMENT

(a) The Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel shall collaborate with local and national stakeholders to study

the administration and funding of the Cannabis Business Development Fund and gather qualitative and quantitative data informing the establishment and funding of community reinvestment for individuals and communities disproportionately impacted by the criminalization of cannabis. The study shall do each of the following:

(1) Identify in an aggregated format the demographics of individuals who have been disproportionately impacted by cannabis prohibition in Vermont and nationally and identify communities most heavily impacted, while not disclosing the identity of any particular individual.

(2) Identify the ways in which such individuals and communities have been disproportionately impacted by cannabis prohibition in Vermont, including rates of poverty; access to employment, housing, and education; and involvement with the criminal justice system.

(3) Any other issues related to the impacts of the criminalization of cannabis in Vermont and the United States that will improve racial equity and community reinvestment in Vermont.

(b) The Panel shall convene not less than four times to complete its work.

(c) The Panel shall provide recommendations on how to administer and fund the Cannabis Business Development Fund and fund and administer reinvestment in individuals and communities disproportionately harmed by cannabis criminalization to the Senate Committee on Economic Development, Housing and General Affairs and on Finance on or before January 15, 2024.

Which was agreed to.

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

Bills Passed in Concurrence

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

H. 508. An act relating to approval of an amendment to the ranked choice voting provisions of the charter of the City of Burlington.

H. 509. An act relating to approval of amendments to the voter qualification provisions of the charter of the City of Burlington.

Proposal of Amendment; Third Reading Ordered

H. 125.

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

An act relating to boards and commissions.

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

First: In Sec. 2a, government accountability; Summer Government Accountability Committee; report, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Powers and duties. The Summer Government Accountability Committee shall consider the issue of accountability in the Legislative Branch, including the following:

(1) ways to ensure that the Legislative Branch is accountable to the people of Vermont by creating new processes and metrics by which to measure accountability;

(2) ways to ensure equity in pay across commissions, boards, and joint legislative committees based on the nature of the service and required skill level;

(3) ways to ensure equitable participation on boards and commissions and in any public engagement process mandated by the State or General Assembly by providing appropriate compensation and material support; and

(4) codifying mechanisms for controlling and restraining the increasing number of commissions, boards, and joint legislative committees.

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

Sec. 4. 3 V.S.A. § 522 is amended to read:

§ 522. VERMONT PENSION INVESTMENT COMMISSION

* * *

(h) Compensation and reimbursements. Members and alternates of the Commission who are not public employees shall be entitled to per diem compensation as ~~set forth~~ permitted in 32 V.S.A. § 1010 and reimbursement for all necessary expenses that they may incur through service on the Commission from the funds of the retirement systems. The Chair of the Commission may be compensated from the funds at a level ~~not to exceed one-third of the salary of the State Treasurer,~~ as ~~determined~~ recommended by the other members of the Commission and approved through the State budget process.

(i) Assistance and expenses.

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

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

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

Third: By adding a reader assistance heading and a new section to be Sec. 4a to read as follows:

* * * Commission on Women Quorum * * *

Sec. 4a. 3 V.S.A. § 5025 is amended to read:

§ 5025. THE COMMISSION ON WOMEN

* * *

(e) ~~Nine members~~ A majority of the currently appointed members of the Commission shall constitute a quorum ~~of the Commission~~. Once a quorum has been established, the vote of a majority of the members present at the time of the vote shall be an act of the Commission.

* * *

Fourth: By adding a reader assistance heading and two new sections to be Secs. 132a and 132b to read as follows:

* * * Regional Emergency Management Committees Quorum * * *

Sec. 132a. 20 V.S.A. § 6 is amended to read:

§ 6. LOCAL ORGANIZATION FOR EMERGENCY MANAGEMENT

* * *

(d) Regional emergency management committees shall be established by the Division of Emergency Management.

* * *

(3) A regional emergency management committee shall consist of voting and nonvoting members.

* * *

(C) Meeting quorum requirement. A regional emergency management committee may vote annually, at the committee's final meeting of

the calendar year, to modify its quorum requirement for meetings in the subsequent year; provided, however, that the quorum shall be not fewer than 20 percent of voting members.

* * *

Sec. 132b. INTERIM QUORUM

Notwithstanding 20 V.S.A. § 6(d)(3)(C), until December 31, 2023:

(1) not fewer than five voting members of a regional emergency management committee shall constitute a quorum for the conduct of a meeting; and

(2) a regional emergency management committee may vote at any time to modify its quorum requirement for meetings in 2024; provided, however, that the quorum shall be not fewer than 20 percent of voting members.

Fifth: By adding a reader assistance heading and one new section to be Sec. 139a to read as follows:

* * * State Ethics Commission Report on Municipal Ethics * * *

Sec. 139a. REPORT ON MUNICIPAL ETHICS

On or before January 15, 2024, the State Ethics Commission shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations with its recommendations for creating a framework for municipal ethics in Vermont. The report shall include a summary of the issues related to creating a framework for municipal ethics in Vermont and a summary of any relevant input received by the Commission in drafting the report. The report shall include specific recommendations on how to best provide cities and towns with informational resources about basic ethics practices. In drafting the report, the Commission may consult with any person it deems necessary to conduct a full and complete analysis of the issue of municipal ethics, including the Vermont League of Cities and Towns and the Office of the Secretary of State.

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

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

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

Proposal of Amendment; Third Reading Ordered**H. 472.**

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

An act relating to miscellaneous agricultural subjects.

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

First: In Sec. 7, 6 V.S.A. § 3024, in the first sentence, after “~~his or her~~” and before “the Secretary’s”, by striking out “or”

Second: In Sec. 8, 6 V.S.A. § 3025, in the first sentence, after “~~his or her~~” and before “the Secretary’s”, by striking out “or”

Third: In Sec. 13, 6 V.S.A. § 3031, in the first sentence, after “~~his or her authorized~~” and before “Secretary’s”, by inserting the

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

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

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

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

Thereupon, pending the question, Shall the bill be read at third time?, Senator Perchlik moved to amend the proposal of amendment as follows:

By striking out Sec. 23, effective date, and its reader assistance heading in their entirety and inserting in lieu thereof the following:

* * * Sales Tax Exemption; Advanced Wood Boilers * * *

Sec. 23. 2018 Acts and Resolves No. 194, Sec. 26b(a), as amended by 2019 Acts and Resolves No. 83, Sec. 14, is further amended to read:

(a) 32 V.S.A. § §§ 9741(52) (sales tax exemption for advanced wood boilers) and 9706(11) (statutory purpose; sales tax exemption for advanced wood boilers) shall be repealed on July 1, ~~2023~~ 2024.

* * * Effective Dates * * *

Sec. 24. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except Sec. 23 (sales tax exemption; advanced wood boilers) shall take effect on June 30, 2023.

Which was agreed to.

Thereupon, third reading was ordered.

House Proposal of Amendment Concurred In

S. 115.

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up.

The House proposes to the Senate to amend the bill by striking out Secs. 8 and 9 (report on municipal regulation of stormwater) in their entireties and inserting in lieu thereof new Secs. 8 and 9 to read as follows:

Sec. 8. 24 V.S.A. § 4414(9) is amended to read:

(9) Stormwater management and control. Any municipality may adopt bylaws to implement stormwater management and control consistent with the program developed by the Secretary of Natural Resources pursuant to 10 V.S.A. § 1264. Municipalities shall not charge an impervious surface fee or other stormwater fee under this subdivision or under other provisions of this title on property regulated under the Required Agricultural Practices for discharges of agricultural waste or agricultural nonpoint source pollution.

Sec. 9. IMPLEMENTATION PROSPECTIVE APPLICATION

Sec. 8 (municipal stormwater fees on agricultural nonpoint source pollution) of this act shall apply prospectively and shall not require a municipality to refund stormwater fees assessed prior to the effective date of this act on properties or activities that are exempt from such fees under 24 V.S.A. § 4414(9) as amended by this act.

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

Rules Suspended; Bills Passed in Concurrence with Proposals of Amendment**H. 125.**

On motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to boards and commissions.

Was placed in all remaining stages of its passage in concurrence with proposal of amendment.

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

H. 472.

On motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to miscellaneous agricultural subjects.

Was placed in all remaining stages of its passage in concurrence with proposal of amendment.

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

House Proposals of Amendment Concurred In**S. 112.**

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous subjects related to the Public Utility Commission.

Was taken up.

The House proposes to the Senate to amend the bill by adding a Sec. 10a to read as follows:

Sec. 10a. RENEWABLE ENERGY STANDARD WORKING GROUP

(a) Established. The Legislative Working Group on Renewable Energy Standard Reform is created to draft legislation to be considered by the General Assembly during the 2024 Legislative session.

(b) Membership.

(1) The Legislative Working Group on Renewable Energy Standard Reform will be convened by two members from the House appointed by the

Speaker of the House and two members of the Senate appointed by the Committee on Committees. One member from the House and one member from the Senate shall be the co-chairs of the Work Group.

(2) The Working Group shall also be made up of one representative from each of the following: Green Mountain Power, Burlington Electric Department, Vermont Public Power Supply Authority, Washington Electric Coop, Vermont Electric Coop, Vermont Public Interest Research Group, Renewable Energy Vermont, Conservation Law Foundation, Vermont Electric Power Company, Vermont Housing and Finance Agency, Vermont Natural Resources Council, GlobalFoundries, Associated Industries of Vermont, and the Sierra Club. Stowe Electric and Hyde Park Electric may each name a representative to the Working Group if they choose.

(c) Duties. In addition to submitting draft legislation, the Working Group shall report on the following:

(1) whether any changes to Vermont's existing renewable energy requirements, or other energy policies, are needed to increase grid stability, resiliency, modernization, and reliability;

(2) identifying any barriers to moving to a 100 percent renewable standard for all electrical utilities by 2030;

(3) recommending cost effective procurement policies to increase new renewable energy, storage, and flexible load management to offset increasing in-State load, improve grid stability and resiliency, and that consider integrated resource planning electric load growth projections;

(4) whether increasing the requirement for out-of-state renewable procurements within or delivered into the ISO-New England territory can ensure affordable electric rates;

(5) evaluating the impact legislative recommendations may have on Tier III implementation;

(6) evaluating the impact recommended legislative changes to procurement programs will have on Vermont jobs and the Vermont economy;

(7) how current programs impact environmental justice focus populations, households with low income, and households with moderate income and how a revised Renewable Energy Standard can ensure that benefits and burdens are distributed equitably; and

(8) how any changes to the Renewable Energy Standard will address the inequity of distribution of benefits of renewables between different residential properties.

(d) Assistance.

(1) The Working Group shall have legal assistance from the Office of Legislative Council and administrative assistance from the Office of Legislative Operations.

(2) On or before July 15, 2023, the Joint Fiscal Office may retain the services of one or more independent third parties to provide facilitation and mediation services to the Working Group, and data analysis recommendations at the direction of the legislative members.

(3) The Department of Public Service shall be invited to advise the Working Group on the results of its ongoing public process to review the Renewable Energy Standard and any other items as needed.

(e) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Working Group serving in the legislator's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than eight meetings.

(2) Other members of the Working Group who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings.

(3) The payments under this subsection (e) shall be made from monies appropriated by the General Assembly.

(f) Report. The Working Group shall submit draft legislation and a report on its deliberations and findings to the House Committee on Environment and Energy and Senate Committee on Natural Resources and Energy by December 1, 2023. Working Group members may submit minority opinions that shall be included with the report containing the draft legislation.

(g) Appropriation. In fiscal year 2024, it is the intent of the General Assembly to appropriate funds if available from the General Fund to the Joint Fiscal Office to hire the consultants pursuant to this section.

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

**Consideration Resumed; House Proposal of Amendment Concurred In
S. 33.**

Consideration resumed on Senate bill entitled:

An act relating to miscellaneous judiciary procedures.

Was taken up.

Thereupon, Senator Sears withdrew his amendment.

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

Appointments Confirmed

The following Gubernatorial appointments were confirmed separately by the Senate, upon full reports given by the Committees to which they were referred:

The nomination of

Katims, Robert of Hinesburg - Superior Judge - April 14, 2023 to March 31, 2028.

Was confirmed by the Senate on a roll call, Yeas 28, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bray, Champion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Harrison, Hashim, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Norris, Perchlik, Ram Hinsdale, Sears, Starr, Vyhovsky, Watson, Weeks, Westman, White, Williams, Wrenner.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Brock, Gulick.

The nomination of

Moore, Julie S. of Middlesex - Secretary, Agency of Natural Resources - March 1, 2023 to February 28, 2025.

Was confirmed by the Senate on a roll call, Yeas 28, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bray, Champion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Harrison, Hashim, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Norris, Perchlik, Ram Hinsdale, Sears, Starr, Vyhovsky, Watson, Weeks, Westman, White, Williams, Wrenner.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Brock, Gulick.

The nomination of

Corbett, H. Dickson of East Thetford - Superior Judge - April 14, 2023 to March 31, 2025.

Was confirmed by the Senate on a roll call, Yeas 29, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bray, Champion, Chittenden, Clarkson, Collamore, Cummings, Gulick, Hardy, Harrison, Hashim, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Norris, Perchlik, Ram Hinsdale, Sears, Starr, Vyhovsky, Watson, Weeks, Westman, White, Williams, Wrenner.

Those Senators who voted in the negative were: None.

The Senator absent and not voting was: Brock.

Th nomination of

Sherman, Abbie of Randolph - Executive Director, Vermont Economic Progress Council - April 3, 2023 to March 31, 2027.

Was confirmed by the Senate on a roll call, Yeas, 28, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bray, Champion, Chittenden, Clarkson, Collamore, Cummings, Gulick, Hardy, Harrison, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Norris, Perchlik, Ram Hinsdale, Sears, Starr, Vyhovsky, Watson, Weeks, Westman, White, Williams, Wrenner.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Brock, Hashim.

Rules Suspended; Action Messaged

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

S. 33, S.112, S.115.

Rules Suspended; Bills Messaged

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

H. 125, H. 175, H.227, H.270, H. 472.

Recess

On motion of Senator Baruth the Senate adjourned until three o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Message from the House No. 62

A message was received from the House of Representatives by Mr. Nigel Hicks-Tibbles, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

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

H. 470. An act relating to miscellaneous amendments to alcoholic beverage laws.

H. 493. An act relating to capital construction and State bonding.

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

House Proposal of Amendment Concurred In with Further Proposals of Amendment

S. 138.

House proposal of amendment to Senate bill entitled:

An act relating to school safety.

Was taken up.

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

First: In Sec. 1, 16 V.S.A. § 1481, in subsection (a), by striking out “The policy shall require options-based response drills, including fire drills, to be conducted following the guidance issued by the Vermont School Safety Center jointly with the Vermont School Crisis Planning Team” and inserting in lieu thereof “The policy shall require age-appropriate options-based response drills, including fire drills, to be conducted following the guidance issued by the Vermont School Safety Center jointly with the Vermont School Crisis Planning Team and shall require notification to parents and guardians not later than one school day before an options-based response drill is conducted”

Second: By striking out Sec. 4, 16 V.S.A. § 1485, in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. 16 V.S.A. § 1485 is added to read:

§ 1485. BEHAVIORAL THREAT ASSESSMENT TEAMS

(a) Legislative intent.

(1) It is the intent of the General Assembly that behavioral threat assessment teams be used for the purpose of preventing instances of severe and significant targeted violence against schools and school communities, such as threats related to weapons and mass casualties and bomb threats. The goal of these teams is to assess and appropriately respond to potential reported threats to school communities.

(2) It is the intent of the General Assembly that use of behavioral threat assessment teams shall not contribute to increased school exclusion or unnecessary referrals of students to the criminal justice and school discipline systems and shall not disproportionately impact students from historically marginalized backgrounds, including students with disabilities.

(b) Policy.

(1) As used in this section, “behavioral threat assessment” means a fact-based, systematic process designed to identify, gather information about, assess, and manage dangerous or violent situations.

(2) The Secretary of Education, in consultation with stakeholder groups, including the Commissioner of the Department for Children and Families, Vermont School Boards Association, and Vermont Legal Aid Disability Law Project, shall develop, and from time to time update, a model behavioral threat assessment team policy and procedures. In developing the model policy and procedures, the Secretary shall follow guidance issued by the Vermont School

Safety Center on best practices in the use of behavioral threat assessment teams. The model policy and procedure shall require law enforcement contact in the case of imminent danger to individuals or the school community and shall address the following:

(A) the criteria that shall be used to assess a student's threatening behavior;

(B) the process for reporting threatening behavior;

(C) the civil rights and due process protections to which students are entitled in school settings;

(D) when and how to refer to or involve law enforcement in the limited instances when such referral is appropriate, which shall not include student behavior that is a violation of the school conduct code but that is not also a crime; and

(E) the support resources that shall be made available, including mental health first aid, counseling, and safety plans.

(3) Each school district and each approved or recognized independent school shall develop, adopt, and ensure implementation of a policy and procedures for use of behavioral threat assessment teams that is consistent with and at least as comprehensive as the model policy and procedures developed by the Secretary. Any school board or independent school that fails to adopt such a policy or procedures shall be presumed to have adopted the most current model policy and procedures published by the Secretary.

(4) The Vermont School Safety Center shall issue guidance on the best practices of behavioral threat assessment teams. The guidance shall include best practices on bias and how to reduce incidents of bias, developed in consultation with the Office of Racial Equity.

(c) Discipline and student support.

(1) Consistent with the legislative intent in subsection (a) of this section, if a behavioral threat assessment team recommends, in addition to providing support resources, any action that could result in removal of a student from the student's school environment pending or after a behavioral threat assessment, the recommendation shall only be carried out in a manner consistent with existing law, regulation, and associated procedures on student discipline pursuant to section 1162 of this title and Agency of Education, Pupils (CVR 22-000-009), as well as federal and State law regarding students with disabilities or students who require additional support.

(2) Behavioral threat assessments shall be structured and used in a way that is intended to minimize interaction with the criminal justice system. Law

enforcement referral and involvement may be appropriate only in cases involving threats, which shall not include student behavior that is a violation of the school conduct code but that is not also a crime.

(d) Training.

(1) Each supervisory union, supervisory district, and approved or recognized independent school shall ensure behavioral threat assessment team members receive training at least annually in best practices of conducting behavioral threat assessments, as well as bias training. The annual training shall include the following topics:

(A) the rules governing exclusionary discipline, Agency of Education, Pupils (CVR 22-000-009);

(B) the purpose, use, and proper implementation of the manifestation determination review process;

(C) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; and other civil rights laws;

(D) the negative consequences of exclusion from school;

(E) the impact of trauma on brain development; and

(F) group bias training, specifically focused on bias in carrying out the duties of the behavioral threat assessment team.

(2) The Agency of Education, in consultation with the Department of Public Safety, shall develop guidance and resources to assist supervisory unions, supervisory districts, and independent schools in providing the annual training required under this subsection. In developing the guidance on bias training for behavioral threat assessment teams, the Agency and Department shall consult with the Vermont Office of Racial Equity.

(e) Data reporting and collection. Annually, each supervisory union, supervisory district, and approved or recognized independent school shall report data related to completion of and outcomes of all behavioral threat assessments and manifestation determination reviews to the Agency in a format approved by the Secretary. At a minimum, the annual report shall include:

(1) the names of the members of the behavioral assessment team;

(2) the number of behavioral threat assessments and manifestation determination reviews conducted in the preceding year and for each assessment or review conducted;

-
- (A) a description of the behavior requiring an assessment;
 - (B) the age, grade, race, gender, disability status, and eligibility for free or reduced-price school meals of the student requiring the assessment; and
 - (C) the results of each assessment or review;
 - (3) the number of students subjected to more than one behavioral threat assessment or manifestation determination review;
 - (4) the amount of time a student is out of school pending completion of a behavioral threat assessment;
 - (5) information regarding whether a student subject to a behavioral threat assessment was also subject to exclusionary discipline for the same behavior, including the length of such discipline;
 - (6) information regarding whether law enforcement was involved in a behavioral threat assessment;
 - (7) information regarding whether the threatening behavior was also reported to law enforcement; and
 - (8) any additional data the Secretary of Education determines may be necessary.

Third: By striking out Sec. 5, effective dates, in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. BEHAVIORAL THREAT ASSESSMENT TEAMS;

IMPLEMENTATION

(a) Creation of model policy.

(1) On or before November 1, 2023, the Agency of Education shall issue for public comment a draft model policy and procedures for use by behavioral threat assessment teams required pursuant to 16 V.S.A. § 1485(b)(2).

(2) On or before December 15, 2023, the Agency shall issue, publicly post, and communicate to school districts and independent schools the final model policy and procedures required pursuant to 16 V.S.A. § 1485(b)(2).

(3) School districts and independent schools currently using behavioral threat assessment teams shall update and implement a policy on the use of behavioral threat assessment teams consistent with the model policy created pursuant to 16 V.S.A. § 1485(b)(2) not later than the 2024–2025 school year.

(b) Establishment of behavioral threat assessment teams; training.

(1) School districts and independent schools not already using behavioral threat assessment teams shall take all actions necessary to establish a team not later than July 1, 2025, including:

(A) identifying and training team members, which shall include group bias training and the training requirements contained in 16 V.S.A. § 1485(d);

(B) adopting a behavioral threat assessment team policy;

(C) establishing procedures for proper, fair, and effective use of behavioral threat assessment teams;

(D) updating and exercising emergency operations plans; and

(E) providing education to the school community on the purpose and use of behavioral threat assessment teams.

(2) School districts and independent schools currently using behavioral threat assessment teams shall certify compliance with the training requirements contained in 16 V.S.A. § 1485(d) on or before the first day of the 2023–2024 school year.

(3) The Agency of Education and Department of Public Safety shall issue guidance and offer training necessary to assist school districts and independent schools with implementation of this subsection.

(c) The Agency of Education shall establish guidelines necessary to collect the data required pursuant to 16 V.S.A. § 1485(e). Each supervisory union, supervisory district, and independent school using behavioral threat assessment teams as of July 1, 2023 shall comply with the data collection requirements under 16 V.S.A. § 1485(e) beginning in the 2023–2024 school year.

(d) Reports.

(1) On or before January 15, 2024, the Agency of Education, in consultation with the Vermont School Safety Center, shall issue a written report on the status of the implementation of the duties and requirements established pursuant to 16 V.S.A. § 1485, including the status of:

(A) the development of the model policy;

(B) updates to training and guidance documents;

(C) updates on training and professional development requirements for behavioral threat assessment teams;

(D) data collected or voluntarily reported to the Agency or Center;

(E) the guidance issued, training developed, and measures implemented to prevent a disproportionate impact of behavioral threat

assessments on historically marginalized students, including students with disabilities, to ensure that use of behavioral threat assessments does not increase use of school removals or law enforcement referrals for these populations, as well as plans for future training and guidance; and

(F) any grants or funding secured to support the implementation or proper use of behavioral threat assessment teams.

(2) On or before January 15, 2025, the Agency of Education, in consultation with the Vermont School Safety Center, shall issue a written report on the status of the implementation of the duties and requirements established pursuant to 16 V.S.A. § 1485, including the status of:

(A) data collected from supervisory unions, supervisory districts, and independent schools for the 2023–2024 school year;

(B) completion of the development of the model policy; and

(C) additional guidance, training, and other measures to prevent disproportionate impacts on historically marginalized students, including students with disabilities, as well as plans for future training and guidance.

(3) On or before January 15, 2024, the Agency of Education shall submit a written report with any recommended legislative language from the policy stakeholder work undertaken during the creation of the model policy and accompanying guidance and training materials required pursuant to 16 V.S.A. § 1485.

Fourth: By adding a new section to be Sec. 6 to read as follows:

Sec. 6. EFFECTIVE DATES

(a) This section and Sec. 5 shall take effect on July 1, 2023.

(b) Secs. 1 (16 V.S.A. § 1481) and 3 (16 V.S.A. § 1484) shall take effect on August 1, 2023.

(c) Sec. 2 (16 V.S.A. § 1480) shall take effect on July 1, 2024.

(d) Sec. 4 (16 V.S.A. § 1485) shall take effect on July 1, 2025.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senator Hashim moved that the Senate concur in the House proposal of amendment with an amendment as follows:

First: By adding a new section to be Sec. 5a. to read as follows:

Sec. 5a. WORKING GROUP ON STUDENT PROTECTIONS FROM
HARASSMENT AND DISCRIMINATION IN SCHOOLS; REPORT

(a) Creation. There is created the Working Group on Student Protections from Harassment and Discrimination in Schools to study and give recommendations for how to address harassment and discrimination experienced by students.

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

(1) the Secretary of Education or designee;

(2) the Executive Director of the Vermont Human Rights Commission or designee;

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

(4) the Executive Director of the Vermont National Education Association or designee;

(5) the Executive Director of the Vermont School Boards Association or designee;

(6) the Executive Director of the Vermont Principals' Association or designee;

(7) the Executive Director of the Vermont Superintendents Association or designee;

(8) the Executive Director of Outright Vermont or designee;

(9) the Executive Director of Racial Equity or designee;

(10) the Executive Director of the Vermont chapter of the National Association of Social Workers or designee;

(11) the Executive Director of Vermont Legal Aid or designee; and

(12) the Chair of the Harassment, Hazing, and Bullying Prevention Advisory Council.

(c) Powers and duties. The Working Group shall study the current protections for students against harassment and discrimination in schools and make recommendations for legislative action to ensure Vermont students have the appropriate protections from harassment and discrimination. In conducting its analysis, the Working Group shall consider and make recommendations on the following issues:

(1) eliminating the severe and pervasive standard for harassment and discrimination for students in educational institutions;

(2) compulsory educational attendance requirements for students who have been victims of harassment; and

(3) the resources required for schools to develop harassment prevention initiatives as well as supports for students who have experienced harassment.

(d) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Agency of Education.

(e) Report. On or before December 1, 2023, the Working Group shall submit a written report to the House Committees on General and Housing and on Education and the Senate Committees on Economic Development, Housing and General Affairs and on Education with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Education shall call the first meeting of the Working Group to occur on or before July 15, 2023.

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

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

(4) The Working Group shall cease to exist on February 1, 2024.

Second: In Sec. 6, effective dates, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) This section and Secs. 5 and 5a shall take effect on July 1, 2023.

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

Rules Suspended; House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 493.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and Senate bill entitled:

An act relating to capital construction and State bonding.

Was taken up for immediate consideration.

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

* * * Legislative Intent * * *

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the \$122,767,376.00 authorized in this act, not more than \$56,520,325.00 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

(b) It is the intent of the General Assembly that in the second year of the biennium, any amendments to the appropriations or authorities granted in this act shall take the form of the Capital Construction and State Bonding Adjustment Bill. It is the intent of the General Assembly that unless otherwise indicated, all appropriations in this act are subject to capital budget adjustment.

Sec. 2. STATE BUILDINGS

(a) The following sums are appropriated to the Department of Buildings and General Services, and the Commissioner is authorized to direct funds appropriated in this section to the projects contained in this section; however, no project shall be canceled unless the Chairs of the Senate Committee on Institutions and the House Committee on Corrections and Institutions are notified before that action is taken.

(b) The following sums are appropriated in FY 2024:

<u>(1) Statewide, major maintenance:</u>	<u>\$8,001,244.00</u>
<u>(2) Statewide, physical security enhancements:</u>	<u>\$250,000.00</u>
<u>(3) Statewide, planning, reuse, and contingency:</u>	<u>\$425,000.00</u>
<u>(4) Bennington, Battle Monument, construction of safety fencing:</u>	<u>\$500,000.00</u>
<u>(5) Brattleboro, courthouse, roof replacement:</u>	<u>\$2,750,000.00</u>
<u>(6) Middlesex, Middlesex Therapeutic Community Residence, master plan, design, and decommissioning:</u>	<u>\$350,000.00</u>
<u>(7) Montpelier, State House, replacement of historic finishes:</u>	<u>\$50,000.00</u>
<u>(8) Montpelier, State House, HVAC renovations:</u>	<u>\$3,725,000.00</u>

<u>(9) Montpelier, 133 State Street, Office of Legislative Information Technology, renovations:</u>	<u>\$200,000.00</u>
<u>(10) Newport, courthouse replacement, planning and design:</u>	<u>\$750,000.00</u>
<u>(11) St. Albans, Northwest State Correctional Facility, roof replacement:</u>	<u>\$1,300,000.00</u>
<u>(12) St. Johnsbury, Northeast State Correctional Facility, Caledonia Community Work Camp, door control system replacement:</u>	<u>\$1,000,000.00</u>
<u>(13) White River Junction, courthouse, renovations:</u>	<u>\$2,000,000.00</u>
<u>(14) Statewide, three-acre parcel, stormwater, planning, design, and construction:</u>	<u>\$1,500,000.00</u>
<u>(15) Statewide, R22 refrigerant phase out:</u>	<u>\$250,000.00</u>
<u>(16) Statewide, Art in State Buildings Program:</u>	<u>\$75,000.00</u>
<u>(c) The following sums are appropriated in FY 2025:</u>	
<u>(1) Statewide, major maintenance:</u>	<u>\$8,500,000.00</u>
<u>(2) Statewide, physical security enhancements:</u>	<u>\$250,000.00</u>
<u>(3) Statewide, planning, reuse, and contingency:</u>	<u>\$425,000.00</u>
<u>(4) Middlesex, Middlesex Therapeutic Community Residence, master plan, design, and decommissioning:</u>	<u>\$400,000.00</u>
<u>(5) Montpelier, State House, replacement of historic finishes:</u>	<u>\$50,000.00</u>
<u>(6) Montpelier, State House, HVAC renovations:</u>	<u>\$3,900,000.00</u>
<u>(7) Newport, Northern State Correctional Facility, planning and construction for the boiler replacement:</u>	<u>\$3,500,000.00</u>
<u>(8) St. Johnsbury, Northeast State Correctional Facility, Caledonia Community Work Camp, door control system replacement:</u>	<u>\$1,750,000.00</u>
<u>(9) White River Junction, courthouse, renovations:</u>	<u>\$4,000,000.00</u>
<u>(10) Statewide, three-acre parcel, stormwater, planning, design, and construction:</u>	<u>\$1,500,000.00</u>
<u>(11) Statewide, R22 refrigerant phase out:</u>	<u>\$1,000,000.00</u>

(d) For the project described in subdivisions (b)(8) and (c)(6) of this section:

(1) The Department of Buildings and General Services is authorized to expend funds for a water-to-water heat pump system to dehumidify the State House in the summer months.

(2) Beginning on September 15, 2023 and ending on January 15, 2024, the Commissioner of Buildings and General Services shall submit monthly updates on the status of the project to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

<u>Appropriation – FY 2024</u>	<u>\$23,126,244.00</u>
<u>Appropriation – FY 2025</u>	<u>\$25,275,000.00</u>
<u>Total Appropriation – Section 2</u>	<u>\$48,401,244.00</u>

Sec. 3. HUMAN SERVICES

(a) The following sums are appropriated in FY 2024 to the Department of Buildings and General Services for the Agency of Human Services for the following projects described in this subsection:

(1) Statewide, planning, design, and construction for HVAC system upgrades and replacements at correctional facilities: \$300,000.00

(2) women’s correctional facility and reentry facility, planning and design: \$1,500,000.00

(b) The following sums are appropriated in FY 2025 to the Department of Buildings and General Services for the Agency of Human Services for the following projects described in this subsection:

(1) Northwest State Correctional Facility, booking expansion, planning, design, and construction: \$2,500,000.00

(2) Women’s correctional facility and reentry facility, replacement, planning and design: \$13,000,000.00

(3) Statewide, correctional facilities, HVAC systems, planning, design, and construction for upgrades and replacements: \$700,000.00

(c)(1) For the amount appropriated in subdivision (a)(1) and subdivision (b)(3) of this section, the Department of Buildings and General Services shall evaluate and develop a design for upgrades and replacement of HVAC systems in all State correctional facilities. To the extent the Department identifies HVAC systems in common areas, break rooms, day rooms, and cafeterias that can be replaced to immediately alleviate heat-related stress for staff and residents at the facility, the Department is authorized to use the funds

appropriated in subdivision (a)(1) and subdivision (b)(3) of this section for installation of HVAC systems in those areas.

(2) Beginning on September 15, 2023 and ending on January 15, 2024, the Commissioner of Buildings and General Services shall submit monthly updates on the status of the project to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

<u>Appropriation – FY 2024</u>	<u>\$1,800,000.00</u>
<u>Appropriation – FY 2025</u>	<u>\$16,200,000.00</u>
<u>Total Appropriation – Section 3</u>	<u>\$18,000,000.00</u>

Sec. 4. COMMERCE AND COMMUNITY DEVELOPMENT

(a) The following sums are appropriated in FY 2024 to the Agency of Commerce and Community Development for the following projects described in this subsection:

<u>(1) Major maintenance at statewide historic sites:</u>	<u>\$500,000.00</u>
<u>(2) Underwater preserves:</u>	<u>\$46,000.00</u>
<u>(3) Placement and replacement of roadside historic markers:</u>	<u>\$25,000.00</u>
<u>(4) Unmarked Burial Sites Special Fund:</u>	<u>\$25,000.00</u>

(b) The following sums are appropriated in FY 2025 to the Agency of Commerce and Community Development for the following projects described in this subsection:

<u>(1) Major maintenance at statewide historic sites:</u>	<u>\$500,000.00</u>
<u>(2) Underwater preserves:</u>	<u>\$46,000.00</u>
<u>(3) Placement and replacement of roadside historic markers:</u>	<u>\$25,000.00</u>
<u>(4) Unmarked Burial Sites Special Fund:</u>	<u>\$25,000.00</u>

<u>Appropriation – FY 2024</u>	<u>\$596,000.00</u>
<u>Appropriation – FY 2025</u>	<u>\$596,000.00</u>
<u>Total Appropriation – Section 4</u>	<u>\$1,192,000.00</u>

Sec. 5. GRANT PROGRAMS

(a) The following sums are appropriated in FY 2024 for the Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program:

\$300,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program:

\$300,000.00

(3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made available from the National Endowment for the Arts, provided that all capital funds are made available to the Cultural Facilities Grant Program:

\$300,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program:

\$300,000.00

(5) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Human Services):

\$150,000.00

(6) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Education):

\$150,000.00

(7) To the Department of Buildings and General Services for the Regional Economic Development Grant Program:

\$300,000.00

(8) To the Agency of Agriculture, Food and Markets for the Agricultural Fairs and Field Days Capital Projects Competitive Grant Program:

\$300,000.00

(b) The following sums are appropriated in FY 2025 for the Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program:

\$300,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program:

\$300,000.00

(3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made available from the National Endowment for the Arts, provided that all capital funds are made available to the Cultural Facilities Grant Program:

\$300,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program:

\$300,000.00

(5) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Human Services):

\$150,000.00

(6) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Education):

\$150,000.00

(7) To the Department of Buildings and General Services for the Regional Economic Development Grant Program:

\$300,000.00

(8) To the Agency of Agriculture, Food and Markets for the Agricultural Fairs and Field Days Capital Projects Competitive Grant Program:

\$300,000.00

Appropriation – FY 2024 \$2,100,000.00

Appropriation – FY 2025 \$2,100,000.00

Total Appropriation – Section 5 \$4,200,000.00

Sec. 6. EDUCATION

(a) The sum of \$50,000.00 is appropriated in FY 2024 to the Agency of Education for funding emergency projects.

(b) The sum of \$50,000.00 is appropriated in FY 2025 to the Agency of Education for the projects described in subsection (a) of this section.

Appropriation – FY 2024 \$50,000.00

Appropriation – FY 2025 \$50,000.00

Total Appropriation – Section 6 \$100,000.00

Sec. 7. UNIVERSITY OF VERMONT

(a) The sum of \$1,600,000.00 is appropriated in FY 2024 to the University of Vermont for construction, renovation, and major maintenance at any facility owned or operated in the State by the University of Vermont.

(b) The sum of \$1,500,000.00 is appropriated in FY 2025 to the University of Vermont for the projects described in subsection (a) of this section.

<u>Appropriation – FY 2024</u>	<u>\$1,600,000.00</u>
<u>Appropriation – FY 2025</u>	<u>\$1,500,000.00</u>
<u>Total Appropriation – Section 7</u>	<u>\$3,100,000.00</u>

Sec. 8. VERMONT STATE COLLEGES

The sum of \$1,500,000.00 is appropriated in FY 2025 to the Vermont State Colleges for construction, renovation, and major maintenance at any facility owned or operated in the State by the Vermont State Colleges.

<u>Appropriation – FY 2025</u>	<u>\$1,500,000.00</u>
<u>Total Appropriation – Section 8</u>	<u>\$1,500,000.00</u>

Sec. 9. NATURAL RESOURCES

(a) The following sums are appropriated in FY 2024 to the Agency of Natural Resources for the Department of Environmental Conservation for the projects described in this subsection:

<u>(1) State match, drinking water supply, Drinking Water State Revolving Fund:</u>	<u>\$174,586.00</u>
<u>(2) Dam safety and hydrology projects:</u>	<u>\$500,000.00</u>

(b) The following sums are appropriated in FY 2024 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the following projects:

(1) Infrastructure rehabilitation, including statewide small-scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, statewide small-scale road rehabilitation projects, and three-acre stormwater rule compliance:

\$3,750,000.00

(2) Open access recreational infrastructure and State forests and recreational access points:

\$768,863.00

(c) The following amounts are appropriated in FY 2024 to the Agency of Natural Resources for the Department of Fish and Wildlife for the projects described in this subsection:

(1) General infrastructure projects, including small-scale maintenance and rehabilitation of infrastructure: \$1,778,632.00

(2) Lake Champlain Walleye Association, Inc., to upgrade and repair the Walleye rearing, restoration, and stocking infrastructure: \$25,000.00

(d) The sum of \$2,207,901.00 is appropriated in FY 2025 to the Agency of Natural Resources for the Department of Environmental Conservation for the State's match to the Drinking Water State Revolving Fund for the drinking water supply.

(e) The following sums are appropriated in FY 2025 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the following projects:

(1) Infrastructure rehabilitation, including statewide small-scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, statewide small-scale road rehabilitation projects, and three-acre stormwater rule compliance: \$3,250,000.00

(2) Open access recreational infrastructure and forest park access roads:
\$670,000.00

(f) The following amounts are appropriated in FY 2025 to the Agency of Natural Resources for the Department of Fish and Wildlife for the projects described in this subsection:

(1) General infrastructure projects, including small-scale maintenance and rehabilitation of infrastructure: \$1,344,150.00

(2) Lake Champlain Walleye Association, Inc., to upgrade and repair the Walleye rearing, restoration, and stocking infrastructure: \$25,000.00

Appropriation – FY 2024 \$6,997,081.00

Appropriation – FY 2025 \$7,497,051.00

Total Appropriation – Section 9 \$14,494,132.00

Sec. 10. CLEAN WATER INITIATIVES

(a) The sum of \$2,202,019.00 is appropriated in FY 2024 to the Agency of Agriculture, Food and Markets for water quality grants and contracts.

(b) The following sums are appropriated in FY 2024 to the Agency of Natural Resources for the following projects:

(1) the Clean Water State/EPA Revolving Loan Fund (CWSRF) match for the Water Pollution Control Fund: \$332,981.00

(2) municipal pollution control grants: \$4,000,000.00

(c) The sum of \$550,000.00 is appropriated in FY 2024 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for forestry access roads, recreation access roads, and water quality improvements.

(d)(1) The following sums are appropriated in FY 2024 to the Vermont Housing and Conservation Board for the following projects:

(A) Agricultural water quality projects: \$800,000.00

(B) Land conservation and water quality projects: \$2,000,000.00

(2) A grant issued under subdivision (1)(A) of this subsection:

(A) shall not be considered a State grant under 6 V.S.A. chapter 215, subchapter 3 for purposes of calculating the maximum amount of a State water quality assistance award under 6 V.S.A. § 4824 or 4826; and

(B) may be used to satisfy a grant recipient's cost-share requirements.

(e) The sum of \$6,000,000.00 is appropriated in FY 2025 to the Agency of Natural Resources for the Department of Environmental Conservation for clean water implementation projects.

(f) On or before December 1, 2023:

(1) The Clean Water Board shall review and recommend Clean Water Act implementation programs funded from subsection (e) of this section.

(2) The Board shall submit a report with the list of programs recommended for FY 2025 to the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions and to the Governor for the FY 2024 capital budget adjustment report. The report shall include a recommendation on whether there are any other funding sources that may be used for municipal pollution control grants in FY 2025.

(g) In FY 2024 and FY 2025, any agency that receives funding from this section shall consult with the State Treasurer to ensure that the projects are capital eligible.

Appropriation – FY 2024 \$9,885,000.00

Appropriation – FY 2025 \$6,000,000.00

Total Appropriation – Section 10 \$15,885,000.00

Sec. 11. MILITARY

(a) The sum of \$1,251,000.00 is appropriated in FY 2024 to the Department of Military for maintenance, renovations, and ADA compliance at State armories.

(b) The sum of \$1,064,000.00 is appropriated in FY 2025 to the Department of Military for the projects described in subsection (a) of this section.

<u>Appropriation – FY 2024</u>	<u>\$1,251,000.00</u>
<u>Appropriation – FY 2025</u>	<u>\$1,064,000.00</u>
<u>Total Appropriation – Section 11</u>	<u>\$2,315,000.00</u>

Sec. 12. AGRICULTURE, FOOD AND MARKETS

(a) The sum of \$1,200,000.00 is appropriated in FY 2024 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for major maintenance at the Vermont building of the Eastern States Exposition.

(b) The following sums are appropriated in FY 2025 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for the following projects:

(1) Vermont Agriculture and Environmental Laboratory Heat Plant, construction: \$1,500,000.00

(2) Vermont building of the Eastern States Exposition, major maintenance: \$1,040,000.00

<u>Appropriation – FY 2024</u>	<u>\$1,200,000.00</u>
<u>Appropriation – FY 2025</u>	<u>\$2,540,000.00</u>
<u>Total Appropriation – Section 12</u>	<u>\$3,740,000.00</u>

Sec. 13. VERMONT RURAL FIRE PROTECTION

(a) The sum of \$125,000.00 is appropriated in FY 2024 to the Department of Public Safety for the Vermont Rural Fire Protection Task Force for the dry hydrant program.

(b) The sum of \$125,000.00 is appropriated in FY 2025 to the Department of Public Safety for the Vermont Rural Fire Protection Task Force for the project described in subsection (a) of this section.

<u>Appropriation – FY 2024</u>	<u>\$125,000.00</u>
<u>Appropriation – FY 2025</u>	<u>\$125,000.00</u>
<u>Total Appropriation – Section 13</u>	<u>\$250,000.00</u>

Sec. 14. VERMONT HOUSING AND CONSERVATION BOARD

(a) The sum of \$1,800,000.00 is appropriated in FY 2024 to the Vermont Housing and Conservation Board for housing and conservation projects.

(b) The sum of \$1,800,000.00 is appropriated in FY 2025 to the Vermont Housing and Conservation Board for the project described in subsection (a) of this section.

<u>Appropriation – FY 2024</u>	<u>\$1,800,000.00</u>
<u>Appropriation – FY 2025</u>	<u>\$1,800,000.00</u>
<u>Total Appropriation – Section 14</u>	<u>\$3,600,000.00</u>

Sec. 15. VETERANS HOME

(a) The sum of \$260,000.00 is appropriated in FY 2024 to the Department of Buildings and General Services for the Vermont Veterans' Home for maintenance at the Veterans' Home.

(b) The following sums are appropriated in FY 2024 to the Vermont Veterans' Home for the following projects:

<u>(1) an emergency generator and boiler plant replacement:</u>	<u>\$4,500,000.00</u>
<u>(2) elevator upgrade:</u>	<u>\$1,000,000.00</u>
<u>(3) resident care furnishings and security systems:</u>	<u>\$230,000.00</u>

(c) For the amounts appropriated in subsection (a) and subdivision (b)(3) of this section, on or before January 15, 2024, the Veterans' Home shall submit a report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the status of expended funds and an anticipated timeline of when any remaining funds will be expended.

<u>Appropriation – FY 2024</u>	<u>\$5,990,000.00</u>
<u>Total Appropriation – Section 15</u>	<u>\$5,990,000.00</u>

* * * Funding * * *

Sec. 16. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

(a) The following sums are reallocated to the Department of Buildings and General Services from prior capital appropriations to defray expenditures authorized in Sec. 2 of this act:

<u>(1) of the amount appropriated in 2012 Acts and Resolves No. 40, Sec. 19(a) (Veterans' Home, replace nurse call system):</u>	<u>\$14,668.72</u>
<u>(2) of the amount appropriated 2012 Acts and Resolves No. 40, Sec. 19(b) (Veterans' Home kitchen upgrade):</u>	<u>\$13,522.98</u>
<u>(3) of the amount appropriated in 2014 Acts and Resolves No. 51, Sec. 2(b) (various projects):</u>	<u>\$365.00</u>

-
- (4) of the amount appropriated in 2014 Acts and Resolves No. 51, Sec. 17 (Veterans' Home kitchen renovation and mold remediation): \$21,493.59
- (5) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2(b) (various projects): \$65,463.17
- (6) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2(b)(9) (108 Cherry Street, parking garage): \$134,937.34
- (7) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 1(c)(5) (major maintenance): \$93,549.00
- (8) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 9(g) (Roxbury Fish Hatchery): \$6,175.00
- (9) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 2(b)(13) (108 Cherry Street, parking garage): \$1,736,256.55
- (10) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 2(c) (various projects): \$24,363.06
- (11) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 6(a)(4) (Recreational Facilities Grant Program): \$14,833.00
- (12) Of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 16(b) (Veterans' Home kitchen renovation and mold remediation):
\$209, 533.90
- (13) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 2(b)(3) (major maintenance): \$32,780.00
- (14) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 2(c)(5) (108 Cherry Street, parking garage): \$6,944,999.00
- (15) of the amount appropriated in 2021 Acts and Resolves No. 50, Sec. 2(b)(5)(108 Cherry Street, parking garage): \$3,100,000.00
- (16) of the amount appropriated in 2022 Acts and Resolves No. 180, Sec. 2(c)(18) (108 Cherry Street, parking garage): \$1,940,000.00
- (b) Of the amount appropriated to the Department of Buildings and General Services for the Agency of Human Services in 2020 Acts and Resolves No. 139, Sec. 2(c)(5) (relocation of greenhouse), the sum of \$26,131.60 is reallocated to defray expenditures authorized in this act.
- (c) Of the amount appropriated to the Agency of Education in 2019 Acts and Resolves No. 42, Sec. 7(a) (emergency projects), the sum of \$34,760.56 is reallocated to defray expenditures authorized in this act.

(d) Of the amount appropriated to the Department of Environmental Conservation in 2017 Acts and Resolves No. 84, Sec. 10(a)(3) (municipal pollution control grants), the sum of \$64,628.10 is reallocated to defray expenditures authorized in this act.

(e) The following sums appropriated to the Department of Forest, Parks and Recreation are reallocated to defray expenditures authorized in this act:

(1) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 10(b) (infrastructure rehabilitation): \$219.08

(2) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 10(f) (infrastructure rehabilitation): \$1,865.52

(3) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 10(b) (infrastructure rehabilitation): \$33,638.68

(4) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 10(g) (infrastructure rehabilitation): \$16,043.11

(5) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 11(c)(1) (forestry skidder bridges): \$3,600.00

(f) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 17(a)(2) (committee room chairs), the sum of \$2,006.46 is reallocated to defray expenditures authorized in this act.

(g) The following sums appropriated to the Vermont Veterans' Home are reallocated to defray expenditures authorized in this act:

(1) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 16(a) (resident care furnishings): \$88,835.00

(2) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 16(c)(resident care furnishings): \$49,914.00

(3) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 11 (security access system): \$92,794.00

Total Reallocations and Transfers – Section 16 \$14,767,376.32

Sec. 17. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

The State Treasurer is authorized to issue general obligation bonds in the amount of \$108,000,000.00 for the purpose of funding the appropriations of this act. The State Treasurer, with the approval of the Governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded. The State Treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this

section and for which bonding is required as the source of funds, pursuant to 32 V.S.A. § 954.

Total Revenues – Section 17 \$108,000,000.00

Sec. 18. FY 2024 AND 2025; CAPITAL PROJECTS; FY 2024
APPROPRIATIONS ACT; INTENT; AUTHORIZATIONS

(a) Findings. The General Assembly finds that in addition to the issuance of general obligation bonds, eligible capital projects may be funded from the Fund established in 32 V.S.A. § 1001b.

(b) Intent. It is the intent of the General Assembly to authorize certain capital projects eligible for funding by 32 V.S.A. § 1001b in this act but appropriate the funds for these projects in the FY 2024 Appropriations Act. It is also the intent of the General Assembly that the FY 2024 Appropriations Act appropriate funds to the Fund established in 32 V.S.A. § 1001b for projects in FY 2025, which shall be allocated pursuant to the process set forth in subsection (e) of this section.

(c) Authorizations. In FY 2024, spending authority for the following capital projects are authorized as follows:

(1) the Department of Buildings and General Services is authorized to spend \$400,000.00 for planning, reuse, and contingency;

(2) Barre, McFarland State Office Building, roof replacement and brick façade repairs: \$1,700,000.00

(3) the Department of Buildings and General Services is authorized to spend \$135,000.00 for parking garage repairs at 32 Cherry Street in Burlington;

(4) Middlesex, Central Services complex, roof replacement: \$1,000,000.00

(5) Montpelier, State House expansion, design documents: \$150,000.00

(6) the Department of Buildings and General Services is authorized to spend \$1,000,000.00 for the renovation of the interior HVAC steam lines at 120 State Street in Montpelier;

(7) the Department of Buildings and General Services is authorized to spend \$600,000.00 for planning for the boiler replacement at the Northern State Correctional Facility in Newport;

(8) the Department of Buildings and General Services is authorized to spend \$750,000.00 for planning for renovations to the administration building, West Cottage, at the Criminal Justice Training Council in Pittsford;

(9) the Department of Buildings and General Services is authorized to spend \$600,000.00 for the Agency of Human Services for the planning and design of the booking expansion at the Northwest State Correctional Facility;

(10) the Department of Buildings and General Services is authorized to spend \$1,000,000.00 for the Agency of Human Services for the planning and design of the Department for Children and Families' short-term stabilization facility;

(11) the Department of Buildings and General Services is authorized to spend \$750,000.00 for the Judiciary for renovations at the Washington County Superior Courthouse in Barre;

(12) the Department of Buildings and General Services is authorized to spend \$250,000.00 for the Department of Public Safety for the planning and design of the Special Teams Facility and Storage;

(13) the Department of Buildings and General Services is authorized to spend \$250,000.00 for the Department of Public Safety for the planning and design of the Rutland Field Station;

(14) the Department of Buildings and General Services is authorized to spend \$300,000.00 for the Agency of Agriculture, Food and Markets for the planning and design of the Vermont Agriculture and Environmental Laboratory Heat Plant;

(15) the Department of Buildings and General Services is authorized to spend \$1,000,000.00 for electric vehicle charging stations at State buildings;

(16) the Vermont State Colleges is authorized to spend \$7,500,000.00 for construction, renovation, and major maintenance at any facility owned or operated in the State by the Vermont State Colleges; infrastructure transformation planning; and the planning, design, and construction of Green Hall and Vail Hall;

(17) the Agency of Natural Resources is authorized to spend \$9,800,000.00 for the Department of Environmental Conservation for the State match to the Infrastructure Investment and Jobs Act for the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund;

(18) the Agency of Natural Resources is authorized to spend \$4,500,000.00 for the Department of Environmental Conservation for the Waterbury Dam rehabilitation;

(19) the Agency of Natural Resources is authorized to spend \$4,000,000.00 for the Department of Environmental Conservation for the Municipal Pollution Control Grants for pollution control projects and planning advances for feasibility studies;

(20) the Agency of Natural Resources is authorized to spend \$3,000,000.00 for the Department of Forests, Parks and Recreation for the maintenance facilities at the Gifford Woods State Park and Groton Forest State Park; and

(21) the Agency of Natural Resources is authorized to spend \$800,000.00 for the Department of Fish and Wildlife for infrastructure maintenance and improvements of the Department's buildings, including conservation camps.

(d) FY 2025 capital projects. To the extent general funds are available to appropriate to the Fund established in 32 V.S.A. § 1001b in FY 2025, it is the intent of the General Assembly that the following capital projects receive funding from the Fund:

(1) the sum of \$250,000.00 to the Department of Buildings and General Services for planning, reuse, and contingency;

(2) the sum of \$2,300,000.00 to the Department of Buildings and General Services for parking garage repairs at 32 Cherry Street in Burlington;

(3) the sum of \$2,000,000.00 to the Department of Buildings and General Services for the renovation of the interior HVAC steam lines at 120 State Street in Montpelier;

(4) the sum of \$1,000,000.00 to the Department of Buildings and General Services for the Judiciary for renovations at the Washington County Superior Courthouse in Barre;

(5) the sum of \$1,000,000.00 to the Department of Buildings and General Services for the Department of Public Safety for the planning and design of the Special Teams Facility and Storage;

(6) the sum of \$1,000,000.00 to the Department of Buildings and General Services for the Department of Public Safety for the planning and design of the Rutland Field Station;

(7) the sum of \$1,500,000.00 to the Vermont Veterans' Home for design for the renovation of the Brandon and Cardinal units;

(8) the sum of \$500,000.00 to the Department of Buildings and General Services for the Newport courthouse replacement, planning, and design;

(9) the sum of \$250,000.00 to the Department of Buildings and General Services for planning for the 133-109 State Street tunnel waterproofing and Aiken Avenue reconstruction; and

(10) the sum of \$200,000.00 to the Department of Buildings and General Services for the renovation of the stack area, HVAC upgrades, and the elevator replacement at 111 State Street.

(e) Recommendation. On or before December 15, 2023:

(1) the Secretary of Administration shall review and recommend capital projects to be funded from the Fund established in 32 V.S.A. § 1001b; and

(2) the Secretary of Administration shall submit the list of capital projects recommended for FY 2025 to the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions and to the Governor for the FY 2025 capital budget adjustment report.

* * * Policy * * *

* * * Agriculture, Food and Markets * * *

Sec. 19. 26 V.S.A. § 4811 is amended to read:

§ 4811. SAFETY STANDARDS

Minimum safety standards for the conduct of any race covered by this chapter are established as follows:

(1) Each race track shall have a substantial fence of steel wire or plank construction or other barrier not less than three feet high between the track and area designated for spectators. ~~No~~ A grandstand shall may be constructed or spectators allowed on a curved side of a track if the barrier requirements for a straightaway, as provided by rule adopted pursuant to section 4809 of this title, are met. For motorcycle, ATV, or snowmobile racing, each track shall have a snow fence or other suitable barrier not less than four feet high between the track and the area designated for spectators. The outside portion of all tracks shall be a reasonable distance from the spectators.

* * *

Sec. 20. OFFICE OF PROFESSIONAL REGULATION; MOTOR VEHICLE RACING; REPORT

On or before January 15, 2025, the Office of Professional Regulation, in consultation with relevant stakeholders, shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations with a sunset review on the regulatory structure for

motor vehicle racing in Vermont, including an evaluation of the State's current regulatory structure, approaches to state oversight over motor vehicle racing in jurisdictions outside Vermont and measures to ensure adequate public safety, and any recommendations for legislative action.

* * * Buildings and General Services * * *

Sec. 21. 29 V.S.A. § 166 is amended to read:

§ 166. SELLING OR RENTING STATE PROPERTY

* * *

(b)(1) Upon authorization by the General Assembly, which may be granted by resolution, and with the advice and consent of the Governor, the Commissioner of Buildings and General Services may sell real estate owned by the State. Such property shall be sold to the highest bidder therefor at public auction or upon sealed bids in the discretion of the Commissioner of Buildings and General Services, who may reject any or all bids. Notice, or the Commissioner is authorized to list the sale of property with a real estate agent licensed by the State.

(2) If the Commissioner elects to sell the property at auction or by sealed bid, notice of the sale or a request for sealed bids shall be posted:

(A) by electronic means; or

(B) in at least three public places in the town where the property is located and also published three times in a newspaper having a known circulation in the town, the last publication to be not less than 10 days before the date of sale or opening of the bids. Failing to consummate a sale under the method prescribed in this section, the Commissioner of Buildings and General Services is authorized to list the sale of this property with a real estate agent licensed by the State of Vermont.

(3) This subsection shall not apply to the sale, conveyance, exchange, or lease of lands or interests in lands; to the amendment of deeds, leases, and easements; or to sales of timber made in accordance with the provisions of 10 V.S.A. chapter 155 or the provisions of 10 V.S.A. chapter 83.

* * *

Sec. 22. SALE OF PROPERTIES

(a) 110 State Street. Notwithstanding 29 V.S.A. § 166(b), the Commissioner of Buildings and General Services is authorized to sell the property located at 110 State Street in the City of Montpelier. The Commissioner shall first offer in writing to the City the right to purchase the property.

(1) The City's preferential right to purchase the property authorized in this subsection shall terminate unless the City submits a written notification to the Commissioner of its intent to purchase the property on or before October 15, 2023.

(2) If the City submits a notification of its intent to purchase the property pursuant to subdivision (1) of this subsection, the City shall submit a written offer to the Commissioner not later than June 1, 2024. In the event the City fails to submit a written offer by June 1, 2024, then the City's preferential right to purchase the property shall terminate and the Commissioner is authorized to sell the property to another party.

(b) Stanley Hall and Wasson Hall. Notwithstanding 29 V.S.A. § 166(b), the Commissioner of Buildings and General Services is authorized to subdivide, sell, or otherwise dispose of the portion of land in the Waterbury State Office Complex (Parcel ID # 916-0103.V as designated on the Town of Waterbury's Tax Parcel Maps) that housed the former Stanley Hall and the adjacent parking lot, located at 32 Park Row, and Wasson Hall, located at 64 Horseshoe Drive, to the Town of Waterbury.

(1) The Commissioner of Buildings and General Services shall notify, in writing, the Town of Waterbury of the right to purchase or acquire the properties described in subdivision (1) of this subsection provided that the following conditions are met:

(A) the Town of Waterbury's Select Board takes a formal action on or before October 15, 2023 indicating the Town's interest in purchasing or acquiring the properties; and

(B) if the Town elects to purchase or acquire the properties, the Town submits a written offer not later than June 1, 2024;

(2) If the conditions in subdivision (1) of this subsection are not met, then the Commissioner's authority to subdivide, sell, or otherwise dispose of the property described in this subsection shall be rescinded.

(c) 108 Cherry Street. Notwithstanding 29 V.S.A. § 166(b), the Commissioner of Buildings and General Services is authorized to sell the property located at 108 Cherry Street in the City of Burlington. The Commissioner shall first offer in writing to the City the right to purchase the property.

(1) The City's preferential right to purchase the property authorized in this subsection shall terminate unless the City submits a written notification to the Commissioner of its intent to purchase the property on or before October 15, 2023.

(2) If the City submits a notification of its intent to purchase the property pursuant to subdivision (1) of this subsection, the City shall submit a written offer to the Commissioner on or before April 1, 2024. In the event the City fails to submit a written offer on or before April 1, 2024, the City's preferential right to purchase the property shall terminate and the Commissioner is authorized to sell the property to another party.

Sec. 23. RELOCATION OF STATE EMPLOYEES; DEPARTMENT OF BUILDINGS AND GENERAL SERVICES; CITY OF BURLINGTON

Prior to the sale of the building located at 108 Cherry Street in Burlington, the Department of Buildings and General Services shall work with the City of Burlington to find another appropriate location in downtown Burlington to relocate State employees who provide client services.

Sec. 24. 32 V.S.A. § 701a is amended to read:

§ 701a. CAPITAL CONSTRUCTION BILL

(a) When the capital budget has been submitted by the Governor to the General Assembly, it shall immediately be referred to the House Committee on Corrections and Institutions, which shall proceed to consider the budget request in the context of the 10-year capital program plan also submitted by the Governor pursuant to sections 309 and 310 of this title. The Committee shall also propose to the General Assembly:

(1) a prudent amount of total general obligation bonding for the following fiscal year, for support of the capital budget, in consideration of the recommendation of the Capital Debt Affordability Advisory Committee pursuant to chapter 13, subchapter 8 of this title; and

(2) recommendations for capital projects that may be paid for from the Cash Fund for Capital Infrastructure and Other Essential Investments, established in section 1001b of this title.

(b) As soon as possible, the Committee shall prepare a bill to be known as the "capital construction bill," which shall be introduced for action by the General Assembly.

(c) The spending authority authorized by a capital construction act shall carry forward until expended, unless otherwise provided.

(1) All unexpended funds remaining for projects authorized by capital construction acts enacted in a legislative session that was two or more years prior to the current legislative session shall be reported to the General Assembly and may be reallocated in future capital construction acts.

(2) Notwithstanding subdivision (1) of this subsection, any amounts appropriated in a previous capital construction act that are unexpended for at least five years shall be reallocated to future capital construction acts.

(d)(1) On or before ~~January 15~~, November 15 each year, the Commissioner of Finance and Management shall require each entity to which spending authority has been authorized by a capital construction act enacted in a legislative session that was two or more years prior to the current legislative session shall submit to the ~~House Committee on Corrections and Institutions and the Senate Committee on Institutions~~ to submit a report on the current fund balances of each authorized project with unexpended funds. The report shall include plans for the unexpended funds, any projects or contracts the funds are assigned to, and an anticipated timeline for expending the funds.

(2) On or before December 15 each year, the Commissioner of Finance and Management shall submit in a consolidated format the reports required by subdivision (1) of this subsection to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

(e) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the reports to be made under subsections (c) and (d) of this section.

Sec. 25. 2021 Acts and Resolves No. 50, Sec. 2 is amended to read:

Sec. 2. STATE BUILDINGS

* * *

(b) The following sums are appropriated in FY 2022:

* * *

(8) Newport, courthouse replacement, site acquisition and planning and design:

\$500,000.00

* * *

(c) The following sums are appropriated in FY 2023:

* * *

(7) Newport, courthouse replacement, site acquisition and planning and design:

\$525,000.00

* * *

* * * Corrections * * *

Sec. 26. 29 V.S.A. § 170a is added to read:

§ 170a. DESIGN OF CORRECTIONAL FACILITIES; USE OF EVIDENCE-BASED DESIGN PRINCIPLES FOR WELLNESS ENVIRONMENTS

The Department of Buildings and General Services shall coordinate with the Department of Corrections on the design and planning for any maintenance, renovation, or construction to a State correctional facility to ensure that evidence-based design principles for wellness environments are incorporated into the design and planning phase of a project.

Sec. 27. NORTHWEST STATE CORRECTIONAL FACILITY; FUNDING REQUEST FOR FEDERAL DETAINEES; INTENT FOR BOOKING EXPANSION DESIGN

(a) On or before August 15, 2023, the Secretary of Human Services shall request federal funds to support capital construction at the Northwest State Correctional Facility, which houses federal detainees, including U.S. Immigration and Customs Enforcement detainees. The Commissioner of Finance and Management shall only release the funds appropriated in Sec. 3(1) of this act upon notification from the Secretary that the request was submitted.

(b) It is the intent of the General Assembly that the Commissioner of Buildings and General Services shall incorporate into booking expansion design at the Northwest State Correctional Facility:

(1) renovations to the HVAC system;

(2) enhanced employee amenities, including amenities to address employee health and wellness needs;

(3) the use of renewable energy; and

(4) the use of evidence-based principles for wellness environments for supporting trauma-informed practices.

Sec. 28. REPLACEMENT WOMEN'S FACILITIES; SITE LOCATION PROPOSAL; DESIGN INTENT

(a)(1) Site location proposal. On or before January 15, 2024, the Commissioner of Buildings and General Services shall submit a site location proposal for replacement women's facilities for justice-involved women to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. It is the intent of the General Assembly that when evaluating site locations, preference shall be given to State-owned property. The proposal shall consider both co-locating facilities in a campus-style approach for operational efficiencies and the need for separate facilities at different locations.

(2) Beginning September 15, 2023 and ending December 15, 2023, the Commissioner of Buildings and General Services shall submit monthly status reports on the site location proposal described in subdivision (1) of this subsection (a).

(b) Design intent. It is the intent of the General Assembly that the Commissioner of Buildings and General Services, in consultation with the Commissioner of Corrections, shall incorporate into the design of any women's replacement facility the use of evidence-based principles for wellness environments for supporting trauma-informed practices.

Sec. 29. DEPARTMENT OF CORRECTIONS, REPLACEMENT
WOMEN'S FACILITIES; REPORT

(a) It is the intent of the General Assembly that the State's long-term goal and vision for justice-involved individuals includes their reentry into the community through a system of supports grounded in restorative justice principles.

(b) On or before November 15, 2023, the Department of Corrections shall submit a written report to the House Committees on Corrections and Institutions and on Judiciary and the Senate Committees on Institutions and on Judiciary regarding the proposed size and scale of replacement women's facilities. The report shall address the following:

- (1) proposed allocation of beds in correctional and re-entry facilities;
- (2) bed types for specialized populations in each facility; and
- (3) data and rationale used to inform size of each facility.

* * * Judiciary * * *

Sec. 30. BARRE; WASHINGTON COUNTY SUPERIOR COURTHOUSE;
RENOVATIONS

On or before September 15, 2023, the Commissioner of Buildings and General Services shall engage the City of Barre on options for renovating the existing Washington County Superior Courthouse or finding a new site location for the building.

* * * Legislature * * *

Sec. 31. 2020 Acts and Resolves No. 154, Sec. E.126.3, as amended by 2021 Acts and Resolves No. 50, Sec. 31 and 2022 Acts and Resolves No. 180, Sec. 20, is further amended to read:

Sec. E.126.3 GENERAL ASSEMBLY; STATE BUILDINGS; USE OF
SPACE; AUTHORITY OF SERGEANT AT ARMS

* * *

(c) Beginning on January 1, 2023 and ending on June 30, ~~2023~~ 2024, notwithstanding the provisions of 29 V.S.A. § 165 and any other provision of law to the contrary, in order to perform its constitutional duties, the Legislative Branch shall have exclusive use of rooms 264, 267, 268, and 270 on the second floor of 109 State Street.

* * *

Sec. 32. STATE HOUSE; EXPANSION; DESIGN; SPECIAL COMMITTEE

(a) The Department of Buildings and General Services has contracted with Freeman, French, Freeman to develop programming options that will be the basis for a schematic design for the expansion of the State House. The programming options will be finalized in June 2023 and the schematic design in November 2023 when the General Assembly is not in session. It is the intent of the General Assembly to approve the programming option for a schematic design plan for the State House expansion as soon as practicable to allow the Department of Buildings and General Services to begin the design development phase of the expansion.

(b) A special committee consisting of the Joint Legislative Management Committee and the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions (special committee) is hereby established. The special committee is authorized to meet to review, approve, or recommend alterations to the schematic design described in subsection (a) of this section at a regularly scheduled Joint Legislative Management Committee meeting. In making its decision, the special committee shall consider:

(1) how the design impacts the ability of the General Assembly to conduct legislative business;

(2) allows for public access to citizens;

(3) the financial consequences to the State of approval or disapproval of the proposal; and

(4) whether any potential alternatives are available.

(c) The special committee shall be entitled to per diem and expenses as provided in 2 V.S.A. § 23.

Sec. 33. 2016 Acts and Resolves No. 88, Sec. 3a, as amended by 2019 Acts and Resolves No. 42, Sec. 24 and 2021 Acts and Resolves No. 50, Sec. 23, is further amended to read:

Sec. 3a. REPEAL

2 V.S.A. chapter 30 (Capitol Complex Security Advisory Committee) is repealed on ~~June 30, 2023~~ June 30, 2024.

* * * Natural Resources * * *

Sec. 34. REPEAL

2018 Acts and Resolves No. 185, Sec. 12 (suspension of private loans for clean water projects) is repealed.

* * * Public Safety * * *

Sec. 35. 2021 Acts and Resolves No. 50, Sec. 12, as amended by 2022 Acts and Resolves No. 180, Sec. 10, is further amended to read:

Sec. 12. PUBLIC SAFETY

* * *

(b) ~~The following amounts are~~ sum of \$50,000.00 is appropriated in FY 2023 to the Department of Public Safety for the ~~projects described in this subsection:~~

(1) ~~Pittsford, Vermont Policy Academy, feasibility study:—\$50,000.00.~~

(2) ~~Williston Public Safety Field Station, construction:—\$3,500,000.00~~

(c) The sum of \$3,500,000.00 is appropriated in FY 2023 to the Department of Buildings and General Services for the Department of Public Safety for the construction of the Williston Public Field Station.

Appropriation – FY 2022	\$6,120,000.00
Appropriation – FY 2023	\$3,550,000.00
Total Appropriation – Section 12	\$9,670,000.00

* * * Effective Date * * *

Sec. 36. EFFECTIVE DATE

This act shall take effect on passage.

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

Recess

On motion of Senator Baruth the Senate recessed until three o'clock and forty five minutes in the afternoon..

Called to Order

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until four o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Proposal of Amendment; Bill Passed in Concurrence with Proposal of Amendment; Bill Messaged**H. 217.**

House bill entitled:

An act relating to miscellaneous workers' compensation amendments.

Was taken up.

Thereupon, pending third reading of the bill, Senators Lyons, Kitchel, Cummings, Hardy and Harrison moved to amend the Senate proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Legislative Intent * * *

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly that investments in and policy changes to Vermont's child care and early learning system shall:

(1) increase access to and the quality of child care services and afterschool and summer care programs throughout the State;

(2) increase equitable access to and quality of prekindergarten education for children four years of age;

(3) provide financial stability to child care programs;

(4) stabilize Vermont's talented child care workforce;

(5) address the workforce needs of the State's employers;

(6) maintain a mixed-delivery system for prekindergarten, child care, and afterschool and summer care; and

(7) assign school districts with the responsibility of ensuring equitable prekindergarten access for children who are four years of age on the date by which the child's school district requires kindergarten students to have attained five years of age or who are five years of age and not yet enrolled in kindergarten.

* * * Prekindergarten * * *

Sec. 2. PREKINDERGARTEN EDUCATION IMPLEMENTATION
COMMITTEE; PLAN

(a) Creation. There is created the Prekindergarten Education Implementation Committee to assist the Agency of Education in improving and expanding accessible, affordable, and high-quality prekindergarten education for children on a full-day basis on or before July 1, 2026. The prekindergarten program under consideration would require a school district to provide prekindergarten education to all children within the district in either a public school or by contract with private providers, or both.

(b) Membership.

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

(A) the Secretary of Education or designee, who shall serve as co-chair;

(B) the Secretary of Human Services or designee, who shall serve as co-chair;

(C) the Executive Director of the Vermont Principals' Association or designee;

(D) the Executive Director of the Vermont Superintendents Association or designee;

(E) the Executive Director of the Vermont School Board Association or designee;

(F) the Executive Director of the Vermont National Education Association or designee;

(G) the Chair of the Vermont Council of Special Education Administrators or designee;

(H) the Executive Director of the Vermont Curriculum Leaders Association or designee;

(I) the Executive Director of Building Bright Futures or designee;

(J) a representative of a prequalified private provider as defined in 16 V.S.A. § 829, operating a licensed center-based child care and preschool

program, appointed by the Speaker of the House;

(K) a representative of a prequalified private provider as defined in 16 V.S.A. § 829, providing prekindergarten education at a regulated family child care home, appointed by the Committee on Committees;

(L) the Head Start Collaboration Office Director or designee;

(M) the Executive Officer of Let's Grow Kids or designee;

(N) a representative, appointed by Vermont Afterschool, Inc.;

(O) a representative, appointed by the Vermont Association for the Education of Young Children;

(P) a regional prekindergarten coordinator, appointed by the Vermont Principals' Association;

(Q) two family representatives, one with a child three years of age or younger when the Committee initially convenes and the second with a prekindergarten-age child when the Committee initially convenes, appointed by the Building Bright Futures Council; and

(R) a member of the School Construction Aid Task Force, appointed by the Secretary of Education.

(2) The Committee shall consult with any stakeholder necessary to accomplish the purposes of this section, including stakeholders with perspectives specific to diversity, equity, and inclusion.

(c) Powers and duties. The Committee shall examine the delivery of prekindergarten education in Vermont and make recommendations to expand access for children through the public school system or private providers under contract with the school district, or both. The Committee shall examine and make recommendations on the changes necessary to provide prekindergarten education to all children by or through the public school system on or before July 1, 2026. The Committee's analysis may yield distinct recommendations for different prekindergarten ages. The Committee's recommendation shall consider:

(1) the needs of both the State and local education agencies;

(2) the minimum number of hours that shall constitute a full school day for both prekindergarten and kindergarten;

(3) whether there are areas of the State where prekindergarten education can be more effectively and conveniently furnished in an adjacent state due to geographic considerations;

(4) benchmarks and best practices to ensure high-quality prekindergarten education;

(5) measures to ensure capacity is available to meet the demand for prekindergarten education;

(6) special education services for children participating in prekindergarten in both public and private settings;

(7) any necessary infrastructure changes to expand prekindergarten;

(8) costs associated with expanding prekindergarten, including fiscally strategic options to sustain an expansion of prekindergarten;

(9) recommendations for the oversight of the prekindergarten system;
and

(10) any other issue the Committee deems relevant.

(d) Assistance. The Committee shall have the administrative, technical, fiscal, and legal assistance of the Agencies of Education and of Human Services. If the Agencies are unable to provide the Committee with adequate support to assist with its administrative, technical, fiscal, or legal needs, then the Agency of Education shall retain a contractor with the necessary expertise to assist the Committee.

(e) Report. On or before December 1, 2024, the Committee shall submit a written report to the House Committees on Education and on Human Services and the Senate Committees on Education and on Health and Welfare with its implementation plan based on the analysis conducted pursuant to subsection (c) of this section. The report shall include draft legislative language to support the Committee's plan.

(f) Meetings.

(1) The Secretary of Education or designee shall call the first meeting of the Committee to occur on or before July 15, 2023.

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

(3) The Committee shall cease to exist on February 1, 2025.

(g) Compensation and reimbursement. Members of the Committee who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than 18 meetings. These payments shall be made from monies appropriated to the Agency of Education.

(h) Appropriations.

(1) The sum of \$7,500.00 is appropriated to the Agency of Education 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 \$100,000.00 is appropriated to the Agency of Education from the General Fund in fiscal year 2024 for the cost of retaining a contractor as provided under subsection (d) of this section.

(3) Any unused portion of these appropriations shall, as of July 1, 2025, revert to the General Fund.

Sec. 2a. PREKINDERGARTEN EDUCATION MODEL CONTRACT

On or before December 1, 2024, the Agency of Education, in consultation with the members of the Prekindergarten Education Implementation Committee and other relevant stakeholders, shall develop a model contract for school districts to use for contracting with private providers for prekindergarten education services. The model contract shall include:

(1) an antidiscrimination provision that requires compliance with the Vermont Public Accommodations Act, 9 V.S.A. chapter 139, and the Vermont Fair Employment Practices Act, 21 V.S.A. chapter 5, subchapter 6; and

(2) requirements for the provision of special education services.

Sec. 2b. PREKINDERGARTEN PUPIL WEIGHT; REPORT

On or before December 1, 2023, the Agency of Education, in consultation with the Prekindergarten Education Implementation Committee, shall analyze and issue a written report to the General Assembly regarding whether the cost of educating a prekindergarten student is the same as educating a kindergarten student in the context of a full school day. The report shall include a detailed analysis, recommendation, and implementation plan for the sufficient weight to apply to prekindergarten students, in alignment with the weights under current law, for the purposes of determining weighted long-term membership of a school district under 16 V.S.A. § 4010. The report shall include draft legislative language to support the recommended prekindergarten pupil weight and implementation plan.

Sec. 2c. AGENCY OF EDUCATION DATA COLLECTION AND SHARING

On or before August 1, 2023, the Agency of Education shall collect and share the following data with the Joint Fiscal Office:

(1) The number of weighted pupils, which shall not be adjusted by the equalization ratio, for fiscal year 2024:

(A) using weights in effect on July 1, 2023 at both the statewide and district levels; and

(B) using weights in effect on July 1, 2024 at both the statewide and district levels.

(2) The following data, by school district:

(A) the total resources needed to operate a public prekindergarten education program that would serve each prekindergarten child in the district;

(B) the number of prekindergarten children by year of age;

(C) the total education spending and other funds spent in fiscal year 2023 for children attending public prekindergarten education programs;

(D) the total education spending and other funds spent in fiscal year 2023 for prekindergarten children receiving prekindergarten education through a prequalified private provider to whom the district pays tuition;

(E) if the school district operates a public prekindergarten education program:

(i) the number of hours and slots offered in the public prekindergarten education program;

(ii) the number of students residing in the district enrolled in the public prekindergarten education program;

(iii) the number and cost of students residing in the district enrolled in a prequalified private provider for whom the district pays tuition for prekindergarten education; and

(iv) the number of students enrolled in the public prekindergarten education program who reside outside the district and the corresponding revenues associated with the nonresident student tuition; and

(F) if the school district does not operate a prekindergarten education program:

(i) the number of hours of prekindergarten education provided to each prekindergarten child; and

(ii) the tuition costs for prekindergarten children.

Sec. 3. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP
AND PER PUPIL EDUCATION SPENDING

* * *

(d) Determination of weighted long-term membership. For each weighting category except the small schools weighting category under subdivision (b)(3) of this section, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) The Secretary shall first apply grade level weights. Each pupil included in long-term membership from subsection (b) of this section shall count as one, multiplied by the following amounts:

(A) ~~prekindergarten—negative 0.54; [Repealed.]~~

(B) grades six through eight—0.36; and

(C) grades nine through 12—0.39.

* * *

Sec. 3a. CONTINGENT EFFECTIVE DATE OF PREKINDERGARTEN
EDUCATION WEIGHT CHANGE

The amendments to 16 V.S.A. § 4010 (weighted long-term membership) set forth in Sec. 3 of this act shall not take effect unless, on or before July 1, 2026, the General Assembly enacts legislation establishing the following:

(1) a definition for the minimum number of hours that constitute a full school day for prekindergarten education;

(2) a requirement that all school districts shall be required to follow the same minimum number of hour requirements for prekindergarten education; and

(3) a requirement that all school districts shall be required to follow the same contracting requirements for the provision of prekindergarten education.

* * * Agency of Education * * *

Sec. 4. PLAN; AGENCY OF EDUCATION LEADERSHIP

On or before November 1, 2025, the Agency of Education shall submit a plan to the House Committees on Education and on Human Services and to the Senate Committees on Education and on Health and Welfare for the purpose of elevating the status of early education within the Agency in accordance with the report produced pursuant to 2021 Acts and Resolves No, 45, Sec. 13. The

plan shall achieve greater parity in decision-making authority, roles and responsibilities, and reporting structure related to early care and learning across the Agency and Department for Children and Families.

* * * Child Care and Child Care Subsidies * * *

Sec. 5. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period.

* * *

~~(4) After September 30, 2021, a regulated center-based child care program or family child care home as defined by the Department in rule shall not receive funds pursuant to this subsection that are in excess of the usual and customary rate for services at the center-based child care program or family child care home~~ Nothing in this subsection shall preclude a child care provider from establishing tuition rates that are lower than the provider reimbursement rate in the Child Care Financial Assistance Program.

* * *

Sec. 5a. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period.

(2) The subsidy authorized by this subsection and the corresponding family contribution shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The Commissioner may adjust the subsidy and family contribution by rule to account for increasing child care costs not to exceed 1.5 times the most recent annual increase in the NAICS code 611, Educational Services. Families shall

be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to ~~150~~ 175 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including ~~350~~ 400 percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by the subsection. The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.

* * *

Sec. 5b. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period.

* * *

(5) The Department shall ensure that applications for the Child Care Financial Assistance Program use a simple, plain-language format. Applications shall be available in both electronic and paper formats and shall comply with the Office of Racial Equity's most recent Language Access Report.

(6) A Vermont resident who has a citizenship status that would otherwise exclude the resident from participating in the Child Care Financial Assistance Program shall be served under this Program, provided that the benefit for these residents is solely State-funded. The Department shall not retain data on the citizenship status of any applicant or participant once a child is no longer participating in the program, and it shall not request the citizenship status of any members of the applicant's or participant's family. Any records created pursuant to this subsection shall be exempt from public inspection and copying under the Public Records Act.

* * *

Sec. 5c. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period.

(2) The subsidy authorized by this subsection and the corresponding family contribution shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The Commissioner may adjust the subsidy and family contribution by rule to account for increasing child care costs not to exceed 1.5 times the most recent annual increase in the NAICS code 611, Educational Services. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 175 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 400 ~~575~~ percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by the subsection. The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.

* * *

Sec. 5d. FISCAL YEAR 2024; FAMILY CONTRIBUTION

In fiscal year 2024, a weekly family contribution for participants in the Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513 shall begin at \$50.00 for families at 176 percent of the federal poverty level and increase for families at a higher percentage of the federal poverty level as determined by the Department.

Sec. 6. PROVIDER RATE ADJUSTMENT; CHILD CARE FINANCIAL
ASSISTANCE PROGRAM

(a) It is the intent of the General Assembly that:

(1) the provider rate adjustment recommended in this section shall be an

initial step toward implementing a professional pay scale; and

(2) programs use funds to elevate quality through higher compensation for staff, curriculum implementation, staff professional development, and improvements to learning environments.

(b)(1) On January 1, 2024, the Department for Children and Families shall provide an adjustment to the base child care provider reimbursement rates in the Child Care Financial Assistance Program for child care services provided by center-based child care and preschool programs, family child care homes, and afterschool and summer care programs. The adjusted reimbursement rate shall account for the age of the children served and be 35 percent higher than the fiscal year 2023 five-STAR reimbursement rate in the Vermont STARS system. All providers in the same child care setting category shall receive a reimbursement rate payment, which shall be dependent upon whether the provider operates a regulated child care center and preschool program, regulated family child care home, or afterschool or summer care program.

(2) The provider rate adjustment established in this section shall become part of the base budget in future fiscal years.

Sec. 7. APPROPRIATION; CHILD CARE FINANCIAL ASSISTANCE PROGRAM

(a) In addition to fiscal year 2024 funds appropriated for the Child Care Financial Assistance Program in other acts, in fiscal year 2024, \$47,800,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for:

- (1) the program eligibility expansion in Sec. 5a of this act; and
- (2) the fiscal year 2024 provider rate adjustment in Sec. 6 of this act.

(b)(1) In addition to fiscal year 2024 funds appropriated for the administration of the Department for Children and Families' Child Development Division in other acts, in fiscal year 2024, \$4,000,000.00 is appropriated from the General Fund to the Division to administer adjustments to the Child Care Financial Assistance Program required by this act through the authorization of the following 11 new permanent classified positions within the Division:

- (A) one Business Applications Support Manager;
- (B) one Licensing Field Specialist I;
- (C) two Child Care Business Techs;
- (D) one Administrative Services Coordinator II;

- (E) one Program Integrity Investigator;
- (F) one Grants and Contracts Manager – Compliance;
- (G) one Business Application Support Specialist;
- (H) one Communications and Outreach Coordinator;
- (I) one Financial Manager II; and
- (J) one Grants and Contracts Manager.

(2) The Department may seek permission from the Joint Fiscal Committee to replace a position authorized in this subsection with an alternative position.

(3) The Division shall allocate at least \$2,000,000.00 of the amount appropriated in this subsection to the Community Child Care Support Agencies.

Sec. 8. READINESS PAYMENTS; CHILD CARE FINANCIAL ASSISTANCE PROGRAM

(a)(1) In fiscal year 2024, \$20,000,000.00 is appropriated one time from the General Fund to the Department for Children and Families' Child Development Division for the purpose of providing payments to child care providers, as defined in 33 V.S.A. § 3511, delivering child care services to children, in preparation of the Child Care Financial Assistance Program eligibility expansion in Sec. 5a of this act and for the fiscal year 2024 provider rate adjustment in Sec. 6 of this act. Readiness payments may be used for the following:

- (A) increasing capacity for infants and toddlers;
- (B) expanding the number of family child care homes;
- (C) improving child care facilities;
- (D) preparing private prequalified providers for future changes in the prekindergarten system;
- (E) expanding hours of operation to provide full-day, full-week child care services;
- (F) addressing gaps in services and expanding capacity;
- (G) increasing workforce capacity, including signing and retention bonuses; and
- (H) any other uses approved by the Commissioner.

(2) Of the funds appropriated in subdivision (1) of this subsection, up to five percent may be used to contract with a third party to provide technical

assistance to child care providers to build or maintain capacity and to provide information on the opportunities and requirements of this act.

(b) In administering the readiness payment program established by this section, the Division shall utilize the Agency of Administration bulletin pertaining to beneficiaries in effect on May 1, 2023. The Division may either use the same distribution framework used to distribute Child Care Development Block Grant funds in accordance with the American Rescue Plan Act of 2021 or it may utilize an alternative distribution framework.

(c) The Commissioner shall provide a status report on the distribution of readiness payments to the Joint Fiscal Committee at its November 2023 meeting.

Sec. 8a. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

(a) The Commissioner shall establish a payment schedule for purposes of reimbursing providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. Payments established under this section shall reflect the following considerations: whether the provider operates a licensed child care facility or a registered family child care home, type of service provided, cost of providing the service, and the prevailing market rate for comparable service. Payments shall be based on enrollment status or any other basis agreed to by the provider and the Division and shall reimburse all providers using the fiscal year 2023 5-STAR rate.

* * *

Sec. 9. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

~~(a)(1) The Commissioner shall establish a payment schedule for purposes of reimbursing providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. Payments established under this section shall reflect the following considerations: whether the provider operates a licensed child care facility or a registered family child care home, type of service provided, cost of providing the service, and the prevailing market rate for comparable service.~~

The payment schedule shall account for the age of the children served, and all providers in the same child care setting category shall receive a reimbursement rate payment, which shall be dependent upon whether the provider operates a child care center and preschool program, family child care home, or

afterschool or summer care program.

~~(2) Payments shall be based on enrollment status or any other basis agreed to by the provider and the Division and shall reimburse all providers using the fiscal year 2023 5-STAR rate. The Department, in consultation with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to 3 V.S.A. chapter 25 that define “enrollment” and the total number of allowable absences to continue participating in the Child Care Financial Assistance Program. The Department shall minimize itemization of absence categories.~~

(b) The Commissioner may establish a separate payment schedule for child care providers who have received specialized training, approved by the Commissioner, relating to protective or family support services.

~~(c)(1) The payment schedule established by the Commissioner may reimburse providers in accordance with the results of the most recent Vermont Child Care Market Rate Survey.~~

~~(2) The payment schedule shall include reimbursement rate caps tiered in relation to provider ratings in the Vermont STARS program. The lower limit of the reimbursement rate caps shall be not less than the 50th percentile of all reported rates for the same provider setting in each rate category. [Repealed.]~~

Sec. 9a. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

(a)(1) The Commissioner shall establish a payment schedule for purposes of reimbursing providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. The payment schedule shall account for the age of the children served, and all providers in the same child care setting category shall receive a reimbursement rate payment, which shall be dependent upon whether the provider operates a child care center and preschool program, family child care home, or afterschool or summer care program. The reimbursement rate shall then be adjusted to reduce the differential between family child care homes and center-based child care and preschool programs by 50 percent.

* * *

Sec. 9b. REPORT; ADJUSTMENT OF CHILD CARE FINANCIAL ASSISTANCE PROGRAM RATES

On or before January 15, 2024, the Department for Children and Families’ Child Development Division, in collaboration with the Joint Fiscal Office, shall submit a report to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare providing recommendations on:

(1) the appropriate mechanism for adjusting future reimbursement rates for child care providers participating in the Child Care Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513;

(2) the appropriate reimbursement rate in fiscal years 2025 and 2026 for child care providers participating in the Child Care Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513; and

(3) the appropriate family contribution in fiscal years 2025 and 2026 for families participating in the Child Care Financial Assistance Program pursuant to 33 V.S.A. §§ 3512 and 3513.

Sec. 10. 33 V.S.A. § 3515 is added to read:

§ 3515. CHILD CARE QUALITY AND CAPACITY INCENTIVE PROGRAM

(a) The Commissioner shall establish a child care quality and capacity incentive program for child care providers participating in the Child Care Financial Assistance Program pursuant to sections 3512 and 3513 of this title. Annually, consistent with funds appropriated for this purpose, the Commissioner may provide a child care provider with an incentive payment for the following achievements:

(1) achieving a higher level in the quality rating and improvement system, including increasing access to and provision of culturally competent care and multilingual programming and providing other family support services similar to those provided in approved Head Start programs;

(2) increasing infant and toddler capacity;

(3) maintaining existing infant and toddler capacity;

(4) establishing capacity in regions of the State that are identified by the Commissioner as underserved;

(5) providing nonstandard hours of child care services;

(6) completing a Commissioner-approved training on protective or family support services; and

(7) other quality- or capacity-specific criteria identified by the Commissioner.

(b) The Commissioner shall maintain a current incentive payment schedule on the Department's website.

Sec. 10a. LEGISLATIVE INTENT; CHILD CARE QUALITY AND CAPACITY INCENTIVE PROGRAM

It is the intent of the General Assembly that in fiscal year 2025 and in future fiscal years, at least \$10,000,000.00 is appropriated for the child care quality and capacity incentive program established in 33 V.S.A. § 3515.

Sec. 11. 33 V.S.A. § 3516 is added to read:

§ 3516. CHILD CARE WAITLIST AND APPLICATION FEES

A child care provider shall not charge an application or waitlist fee for child care services where the applying child qualifies for the Child Care Financial Assistance Program pursuant to section 3512 or 3513 of this title. A child care provider shall reimburse an individual who is charged an application or waitlist fee for child care services if it is later determined that the applying child qualified for the Child Care Financial Assistance Program at the time the fee or fees were paid.

Sec. 12. 33 V.S.A. § 3517 is added to read:

§ 3517. CHILD CARE TUITION RATES

A child care provider shall ensure that its tuition rates are available to the public. A regulated child care provider shall not impose an increase on annual child care tuition that exceeds 1.5 times the most recent annual increase in the NAICS code 611, Educational Services. This amount shall be posted on the Department's website annually.

Sec. 12a. 33 V.S.A. § 3518 is added to read:

§ 3518. CHILDCARE PROVIDER OWNERSHIP DISCLOSURE

(a) As used in this section:

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

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

(3) "Licensee" means a person that the Department approves to receive Child Care Financial Assistance Program funding for child care services pursuant to a provider rate agreement.

(4) “Principal” means one of the following:

(A) the president, vice president, secretary, treasurer, manager, or similar officer of a corporation as provided for by 11A V.S.A. § 8.40, nonprofit corporation as provided for by 11B V.S.A. § 8.40, mutual benefit enterprise as provided for by 11C V.S.A. § 822, cooperative as provided for by 11 V.S.A. § 1013, or worker cooperative corporation as provided for by 11 V.S.A. § 1089;

(B) a director of a corporation as provided for by 11A V.S.A. § 8.01, nonprofit corporation as provided for by 11B V.S.A. § 8.01, mutual benefit enterprise as provided for by 11C V.S.A. § 801, cooperative as provided for by 11 V.S.A. § 1006, or worker cooperative corporation as provided for by 11 V.S.A. § 1089;

(C) a member of a member-managed limited liability company as provided for by 11 V.S.A. § 4054;

(D) manager of a manager-managed limited liability company as provided for by 11 V.S.A. § 4054; or

(E) a partner of a partnership as provided for by 11 V.S.A. § 3212 or a general partner of a limited partnership as provided for by 11 V.S.A. chapter 23.

(b) Disclosure. The Department shall adopt procedures to require each licensee to disclose, as a condition of receiving Child Care Financial Assistance Program funding pursuant to a provider rate agreement:

(1) the type of business organization of the licensee;

(2) the identity of the licensee’s owners and principals; and

(3) the identity of the owners and principals of the licensee’s affiliates.

Sec. 12b. 33 V.S.A. § 3519 is added to read:

§ 3519. DIVERSITY, EQUITY, AND INCLUSION

The Department shall consult with the Office of Racial Equity in preparing all public materials and trainings related to the Child Care Financial Assistance Program.

Sec. 13. RULEMAKING; PROGRAM DIRECTORS

(a) The Department for Children and Families shall amend the following rules pursuant to 3 V.S.A. chapter 25 to require that a program director is present at the child care facility that the program director operates at least 40 percent of the time that children are present:

(1) Department for Children and Families, Licensing Regulations for Afterschool and Child Care Programs (CVR 13-171-003); and

(2) Department for Children and Families, Licensing Regulations for Center-Based Child Care and Preschool Programs (CVR 13-171-004).

(b) The Department shall review and consider amending its:

(1) rule prohibiting a person or entity registered or licensed to operate a family child care home from concurrently operating a center-based child care and preschool program or afterschool and summer care program; and

(2) eligibility policies addressing self-employment and other areas of specialized need on a regular basis and revise them consistent with research on best practices in the field to maximize participation in the program and minimize undue burden on families applying for the Child Care Financial Assistance Program.

* * * Report * * *

Sec. 14. REPORT; BACKGROUND CHECKS

On or before January 15, 2024, the Vermont Crime Information Center, in collaboration with the Agency of Education and the Department for Children and Families, shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare providing a recommendation to streamline and improve the timeliness of the background check process for child care and early education providers who are required to complete two separate background checks.

Sec. 15. [Deleted.]

* * * Special Accommodations Grant * * *

Sec. 16. PLAN; SPECIAL ACCOMMODATIONS GRANT

On or before July 1, 2024, the Department for Children and Families' Child Development Division, in consultation with stakeholders, shall develop and submit an implementation plan to the House Committee on Human Services and to the Senate Committee on Health and Welfare to streamline and improve the responsiveness and effectiveness of the application process for special accommodation grants, including:

(1) implementing a 12-month or longer grant cycle option for eligible populations;

(2) improving support and training for providing inclusive care for children with special needs;

(3) determining how to better meet the early learning needs of children

with disabilities within a child care setting; and

(4) any other considerations the Department deems essential to the goal of streamlining the application process for special accommodation grants.

* * * Workforce Supports * * *

Sec. 17. 2021 Acts and Resolves No. 45, Sec. 8 is amended to read:

Sec. 8. REPEALS

(a) ~~33 V.S.A. § 3541(d) (reference to student loan repayment assistance program) is repealed on July 1, 2026. [Repealed.]~~

(b) 33 V.S.A. § 3542 (scholarships for prospective early childhood providers) is repealed on July 1, 2026.

(c) ~~33 V.S.A. § 3543 (student loan repayment assistance program) is repealed on July 1, 2026. [Repealed.]~~

* * * Transitional Assistance and Governance * * *

Sec. 18. CHILD CARE; ADMINISTRATIVE SERVICE ORGANIZATIONS

On or before February 15, 2024, the Department for Children and Families shall provide a presentation to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the feasibility of and any progress towards establishing administrative service organizations for child care providers.

Sec. 19. 33 V.S.A. § 4605 is added to read:

§ 4605. TECHNICAL ASSISTANCE; ACCOUNTABILITY

In order to ensure the successful implementation of expanded child care, prekindergarten, and afterschool and summer care, Building Bright Futures shall be responsible for monitoring accountability, supporting stakeholders in collectively defining and measuring success, maximizing stakeholder engagement, and providing technical assistance to build capacity for the Department for Children and Families' Child Development Division and the Agency of Education. Specifically, Building Bright Futures shall:

(1) ensure accountability through monitoring transitions over time and submitting a report with the results of this work on January 15 of each year to the House Committee on Human Services and to the Senate Committee on Health and Welfare; and

(2) define and measure success of expanded child care, prekindergarten, and afterschool and summer care related to process, implementation, and outcomes using a continuous quality improvement framework and engage public, private, legislative, and family partners to develop benchmarks

pertaining to:

- (A) equitable access to high-quality child care;
- (B) equitable access to high-quality prekindergarten;
- (C) equitable access to high-quality afterschool and summer care;
- (D) stability of the early child care education workforce;
- (E) workforce capacity and needs of the child care, prekindergarten, afterschool and summer care systems; and
- (F) the impact of expanded child care, prekindergarten, and afterschool and summer care on a mixed-delivery system.

Sec. 20. APPROPRIATION; BUILDING BRIGHT FUTURES

Of the funds appropriated in Sec. 7(b) (appropriation; Child Care Financial Assistance Program) of this act, the Department for Children and Families shall allocate \$266,707.00 to Building Bright Futures for the purpose of implementing its duties under 33 V.S.A. § 4605. This amount shall become part of the Department's base for the purpose of supporting Building Bright Future's work pursuant to 33 V.S.A. § 4605.

Sec. 21. PLAN; DEPARTMENT FOR CHILDREN AND FAMILIES;
GOVERNANCE

(a) On or before November 1, 2025, the Secretary of Human Services shall submit an implementation plan to the House Committees on Appropriations, on Government Operations and Military Affairs, and on Human Services and to the Senate Committees on Appropriations, on Government Operations, and on Health and Welfare regarding the reorganization of the Department for Children and Families to increase responsiveness to Vermonters and elevate the status of child care and early education within the Agency of Human Services. The implementation plan shall be consistent with the goals of the report produced pursuant to 2021 Acts and Resolves No. 45, Sec. 13. It shall achieve greater parity in decision-making authority, roles and responsibilities, and reporting structure related to early care and learning across the Agency of Education and Agency of Human Services.

(b) The implementation plan required pursuant to this section shall contain any legislative language required for the division of the Department.

Sec. 22. [Deleted.]

* * * Child Care Provider Wages * * *

Sec. 23. WAGES FOR CHILD CARE PROVIDERS; INTENT

It is the intent of the General Assembly that, upon reaching provider

reimbursement rates that are equivalent, when adjusted for inflation, to the rates recommended by the report produced pursuant to 2021 Acts and Resolves No. 45, Sec. 14:

(1) Vermont may establish minimum wage rates for child care providers that align with the recommendations of the Vermont Association for the Education of Young Children's recommendations in the 2021 Advancing ECE as a Profession Task Force report;

(2) the minimum wage rates may annually increase based on the percentage increase in the average wage for NAICS code 611, Educational Services; and

(3) the initial minimum wage rates may be adjusted for inflation based on the findings and recommendations of the report prepared pursuant to Sec. 23a of this act.

Sec. 23a. REPORT; CHILD CARE PROVIDER WAGES

On or before January 1, 2026, the Department of Labor, in consultation with the Department for Children and Families Child Development Division and the Joint Fiscal Office, shall submit information to the House Committees on Human Services and on Ways and Means and to the Senate Committees on Health and Welfare and on Finance providing estimated current minimum wage levels based on Vermont and other state data regarding wage levels for early care and education providers.

* * * Child Care Contribution * * *

Sec. 24. 32 V.S.A. chapter 246 is added to read:

CHAPTER 246. CHILD CARE CONTRIBUTION

§ 10551. PURPOSE

The Child Care Contribution is established to provide funding for the Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513, including the provision of incentive payments pursuant to 33 V.S.A. § 3515.

§ 10552. DEFINITIONS

As used in this chapter:

(1) "Covered wages" means wages paid to an employee by an employer.

(2) "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 chapter 151, subchapter 4 of this title.

(3) “Employer” means a person who employs one or more employees who is required to withhold income tax from wages paid to the employees pursuant to chapter 151, subchapter 4 of this title.

(4) “Self-employed individual” means a sole proprietor or partner owner of an unincorporated business, the sole member of a limited liability company, or the sole shareholder of a corporation.

(5) “Self-employment income” has the same meaning as in 26 U.S.C. § 1402.

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

§ 10553. CONTRIBUTION; RATE; COLLECTION

(a)(1) Each employer shall pay the Child Care Contribution on all covered wages paid to each of the employer’s employees and shall remit those amounts to the Department of Taxes pursuant to the provisions of this section. An employer may deduct and withhold from an employee’s covered wages an amount equal to not more than one quarter of the contribution required pursuant to subsection (b) of this section. An employer shall pay the contributions required pursuant to this section as if the contributions were Vermont income tax subject to the withholding requirements of chapter 151, subchapter 4 of this title, including the requirements relating to the time and manner of payment.

(2) Each self-employed individual shall pay the Child Care Contribution on self-employment income earned by the individual and shall remit those amounts to the Department of Taxes pursuant to the provisions of this section. A self-employed individual shall make installment payments of estimated contributions pursuant to this subdivision from the enrolled self-employed individual’s self-employment income as if the contributions were Vermont income tax subject to the estimated payment requirements of 32 V.S.A. chapter 151, subchapter 5, including the time and manner of payment.

(b) The contribution rate shall be 0.44 percent of each employee’s covered wages and 0.11 percent on each self-employed individual’s self-employment income.

(c)(1) The Department shall collect the contributions required pursuant to this section. The administrative and enforcement provisions of chapter 151 of this title shall apply to the contribution requirements under this section as if the contributions required pursuant to this section were Vermont income tax, except penalty and interest shall apply according to chapter 103 of this title.

(2) Employers shall be responsible for the full amount of any unpaid contributions due pursuant to subdivision (a)(1) of this section. Self-employed individuals shall be responsible for the full amount of any unpaid contributions due pursuant to subdivision (a)(2) of this section.

§ 10554. CHILD CARE CONTRIBUTION SPECIAL FUND

(a) The Child Care Contribution Special Fund is created pursuant to chapter 7, subchapter 5 of this title and shall be administered by the Department for Children and Families and the Department of Taxes. Monies in the Fund may be expended by the Department of Taxes for the administration of the Child Care and Parental Leave Contribution created under this chapter; by the Department for Children and Families for benefits provided by the Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513, including the provision of incentive payments pursuant to 33 V.S.A. § 3515; and by the Departments for necessary costs incurred in administering the Fund. All interest earned on Fund balances shall be credited to the Fund.

(b) The Fund shall consist of:

(1) contributions collected or recovered pursuant to section 10553 of this title;

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

(3) any interest earned by the Fund.

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

Sec. 25. CHILD CARE CONTRIBUTION POSITIONS AND APPROPRIATION

(a) The establishment of the following 15 new permanent classified positions is authorized in the Department of Taxes in fiscal year 2024:

(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.

(b) In fiscal year 2024, the amount of \$4,200,000.00 is appropriated from the General Fund to the Department of Taxes to be used for the implementation of the Child Care Contribution pursuant to 32 V.S.A. chapter 246 created by this act.

* * * Workers' Compensation * * *

Sec. 26. WORKERS' COMPENSATION RATE OF CONTRIBUTION

For fiscal year 2024, after consideration of the formula in 21 V.S.A. § 711(b) and historical rate trends, the General Assembly determines that the rate of contribution for the direct calendar year premium for workers' compensation insurance shall be 1.5 percent. The contribution rate for self-insured workers' compensation losses and workers' compensation losses of corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

Sec. 27. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

* * *

(b)(1) Annually, the General Assembly shall establish the rate of contribution for the direct calendar year premium for workers' compensation insurance. The rate shall equal the amount approved in the appropriations process for the program and the Department's projection of salary and benefit increases for that fiscal year, less the amount collected in the prior calendar year under subsection (a) of this section from self-insured workers' compensation losses and from corporations approved under this chapter, adjusted by any balance in the fund from the prior fiscal year, divided by the total direct calendar year premium for workers' compensation insurance for the prior year.

(2) In the event that the General Assembly does not establish the rate of contribution for the direct calendar year premium for workers' compensation insurance for a given fiscal year, the rate shall remain unchanged from the prior fiscal year.

Sec. 28. 2014 Acts and Resolves No. 199, Sec. 54b is amended to read:

Sec. 54b. 21 V.S.A. § 643a is added to read:

§ 643a. DISCONTINUANCE OF BENEFITS

Unless an injured worker has successfully returned to work, an employer shall notify both the Commissioner and the employee prior to terminating benefits under either section 642 or 646 of this title. The notice of intention to

discontinue payments shall be filed on forms prescribed by the Commissioner and shall include the date of the proposed discontinuance, the reasons for it, and, if the employee has been out of work for 90 days, a verification that the employer offered vocational rehabilitation screening and services as required under this chapter. All relevant evidence, including evidence that does not support discontinuance in the possession of the employer not already filed, shall be filed with the notice. The liability for the payments shall continue for seven days after the notice is received by the Commissioner and the employee. If the claimant disputes the discontinuance, the claimant may file with the Commissioner an objection to the discontinuance and seek an extension of 14 days. The objection to the discontinuance shall be specific as to the reasons and include supporting evidence. A copy of the objection shall be provided to the employer at the time the request is made to the Commissioner. ~~These~~ The payments shall be made without prejudice to the employer and may be deducted from any amounts due pursuant to section 648 of this title if the Commissioner determines that the discontinuance is warranted or if otherwise ordered by the Commissioner. Every notice shall be reviewed by the Commissioner to determine the sufficiency of the basis for the proposed discontinuance. If, after review of all the evidence in the file, the Commissioner finds that a preponderance of all the evidence in the file does not reasonably support the proposed discontinuance, the Commissioner shall order that payments continue until a hearing is held and a decision is rendered. Prior to a formal hearing, an injured worker may request reinstatement of benefits by providing additional new evidence to the Department that establishes that a preponderance of all evidence now supports the claim. If the Commissioner's decision, after a hearing, is that the employee was not entitled to any or all benefits paid between the discontinuance and the final decision, upon request of the employer, the Commissioner may order that the employee repay all benefits to which the employee was not entitled. The employer may enforce a repayment order in any court of law having jurisdiction.

Sec. 29. 21 V.S.A. § 640b is amended to read:

§ 640b. REQUEST FOR PREAUTHORIZATION TO DETERMINE IF
PROPOSED TREATMENT IS BENEFITS ARE NECESSARY

(a) As used in this section, "benefits" means medical treatment and surgical, medical, and nursing services and supplies, including prescription drugs and durable medical equipment.

(b) Within 14 days of after receiving a written request for preauthorization for a proposed medical treatment benefits and medical evidence supporting the requested treatment benefits, a workers' compensation insurer shall do one of the following, in writing:

(1) ~~authorize~~ Authorize the ~~treatment~~ benefits and notify the health care provider, the injured worker, and the Department; ~~or~~.

(2)(A) ~~deny~~ Deny the ~~treatment~~ benefits because the entire claim is disputed and the Commissioner has not issued an interim order to pay benefits; ~~or~~. The insurer shall notify the health care provider, the injured worker, and the Department of the decision to deny benefits.

~~(B)(3)~~ Deny the ~~treatment~~ benefits if, based on a preponderance of credible medical evidence specifically addressing the proposed ~~treatment~~ benefits, ~~it is~~ the benefits are ~~unreasonable or, unnecessary, or unrelated to the work injury.~~ The insurer shall notify the health care provider, the injured worker, and the Department of the decision to deny ~~treatment; or~~ benefits.

~~(3)(4)~~ Notify the health care provider, the injured worker, and the Department that the insurer has scheduled an examination of the employee pursuant to section 655 of this title or ordered a medical record review pursuant to section ~~655~~ 655a of this title. Based on the examination or review, the insurer shall authorize or deny the ~~treatment~~ benefits and notify the Department and the injured worker of the decision within 45 days ~~of~~ after a request for preauthorization. The Commissioner may, in ~~his or her~~ the Commissioner's sole discretion, grant a 10-day extension to the insurer to authorize or deny ~~treatment~~ benefits, and such an extension shall not be subject to appeal.

~~(b)(c)~~ If the insurer fails to authorize or deny the ~~treatment~~ benefits pursuant to subsection ~~(a)(b)~~ of this section within 14 days ~~of~~ after receiving a request, the claimant or health care provider may request that the Department issue an order authorizing ~~treatment~~ benefits. After receipt of the request, the Department shall issue an interim order within five days after notice to the insurer, and five days in which to respond, absent evidence that the entire claim is disputed. Upon request of a party, the Commissioner shall notify the parties that the ~~treatment~~ has ~~benefits~~ have been authorized by operation of law.

~~(e)(d)~~ If the insurer denies the preauthorization of the ~~treatment~~ benefits pursuant to subdivision ~~(a)(2) or (b)(2), (3), or (4)~~ of this section, the Commissioner may, on ~~his or her~~ the Commissioner's own initiative or upon a request by the claimant, issue an order authorizing the ~~treatment~~ benefits if ~~he or she~~ the Commissioner finds that the evidence shows that the ~~treatment~~ is ~~benefits~~ are reasonable, necessary, and related to the work injury.

Sec. 30. 21 V.S.A. § 643d is added to read:

§ 643d. WORK SEARCH; REQUIREMENTS; EXCEPTIONS

(a) An employer may require an employee who is receiving temporary disability benefits pursuant to section 646 of this chapter to engage in a good faith search for suitable work if:

(1) the injured employee is medically released to return to work, either with or without limitations;

(2) the employer has provided the injured employee with written notification that the employee is medically released to return to work and the notification describes any applicable limitations; and

(3) the employer cannot offer the injured employee work that the employee is medically released to do.

(b) An injured employee shall not be required to engage in a good faith search for suitable work if the employee:

(1) is already employed; or

(2) has been referred for or is scheduled to undergo one or more surgical procedures.

(c) An employer shall not require an injured employee to contact more than three employers per week as part of a good faith work search performed pursuant to this section.

Sec. 31. 21 V.S.A. § 646 is amended to read:

§ 646. TEMPORARY PARTIAL DISABILITY BENEFITS

(a)(1) Where the disability for work resulting from an injury is partial, during the disability and beginning on the eighth day thereof of the period of disability, the employer shall pay the injured employee a weekly compensation equal to the greater of:

(A) the difference between the amount the injured employee would be eligible to receive pursuant to section 642 of this chapter, including any applicable cost of living adjustment or dependency benefits that would be due, and the wage the injured employee earns during the period of disability; and

(B) two-thirds of the difference between his or her the injured employee's average weekly wage before the injury and the average weekly wage which he or she is able to earn thereafter amount the employee earns during the period of disability.

(2) Compensation paid pursuant to this subsection shall be adjusted on the first July 1 following the receipt of 26 weeks of benefits and annually on

each subsequent July 1, so that the compensation continues to bear the same percentage relationship to the average weekly wage in the State as it did at the time of injury.

(b)(1) In addition to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability \$20.00 per week for each dependent child under 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children.

(2) The amount allowed for dependent children shall be adjusted weekly to reflect the number of dependent children during each week of payment.

Sec. 32. 21 V.S.A. § 646 is amended to read:

§ 646. TEMPORARY PARTIAL DISABILITY BENEFITS

* * *

~~(b)(1) In addition to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability \$20.00 per week for each dependent child under 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children.~~

~~(2) The amount allowed for dependent children shall be adjusted weekly to reflect the number of dependent children during each week of payment. [Repealed.]~~

Sec. 33. 21 V.S.A. § 642 is amended to read:

§ 642. TEMPORARY TOTAL DISABILITY BENEFITS

(a)(1) Where the injury causes total disability for work, during such the disability, but not including the first three days, with the day of the accident to be counted as the first day, unless the employee received full wages for that day, the employer shall pay the injured employee a weekly compensation equal to two-thirds of the employee's average weekly wages, but.

(2) The weekly compensation shall be in an amount that is not more than the maximum nor less than the minimum weekly compensation.

(3) Compensation paid pursuant to this subsection shall be adjusted on the first July 1 following the receipt of 26 weeks of benefits and annually on each subsequent July 1, so that the compensation continues to bear the same percentage relationship to the average weekly wage in the State as it did at the time of injury.

~~(b)(1) In addition, the injured employee, during the disability period shall receive \$10.00 a to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability \$20.00 per week for each dependent child who is unmarried and under the age of 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children. However, in no event shall an~~

~~(2) The amount allowed for the dependent children shall be adjusted weekly to reflect the number of dependent children during each week of payment.~~

~~(c) Notwithstanding any provision of subsection (a) or (b) of this section to the contrary:~~

~~(1) An employee's total weekly wage replacement benefits, including any payments for a dependent child, shall not exceed 90 percent of the employee's average weekly wage prior to applying any applicable cost of living adjustment. The amount allowed for dependent children shall be increased or decreased weekly to reflect the number of dependent children extant during the week of payment.~~

~~(2) If the total disability continues after the third day for a period of seven consecutive calendar days or more, compensation shall be paid for the whole period of the total disability.~~

Sec. 34. 21 V.S.A. § 642 is amended to read:

§ 642. TEMPORARY TOTAL DISABILITY BENEFITS

* * *

(b)(1) In addition to the amount paid pursuant to subsection (a) of this section, the employer shall pay the injured employee during the disability ~~\$20.00~~ \$10.00 per week for each dependent child who is under 21 years of age, provided that no other injured worker is receiving the same benefits on behalf of the dependent child or children.

* * *

Sec. 35. DEPENDENT BENEFIT INCREASE; IMPACT; REPORT

On or before January 15, 2027, the Commissioner of Labor, in consultation with the Commissioner of Financial Regulation, shall submit a written report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development regarding the impact of the increase in the dependent benefit enacted pursuant to Secs. 31 and 33 of this act on the workers' compensation system. The report shall include an estimate of the number of claims that have received

additional benefits as a result of the increase and the additional cost to the workers' compensation system of the additional dependent benefits.

Sec. 36. 21 V.S.A. § 650 is amended to read:

§ 650. PAYMENT; AVERAGE WAGE; COMPUTATION

* * *

(d)(1) Compensation computed pursuant to this section shall be adjusted annually on July 1, so that ~~such~~ the compensation continues to bear the same percentage relationship to the average weekly wage in the State ~~as computed under this chapter~~ as it did at the time of injury.

(2) Temporary total or temporary partial compensation shall first be adjusted on the first July 1 following the receipt of 26 weeks of benefits.

(3) Permanent total and permanent partial compensation shall be adjusted for each July 1 following the date of injury regardless of whether indemnity benefits were paid on each intervening July 1.

(e)(1) If weekly compensation benefits or weekly accrued benefits are not paid within 21 days after becoming due and payable pursuant to an order of the Commissioner, or in cases in which the overdue benefit is not in dispute, 10 percent of the overdue amount shall be added and paid to the employee, in addition to any amounts due pursuant to subsection (f) of this section and interest and any other penalties.

(2) In the case of an initial claim, benefits are due and payable upon entering into an agreement pursuant to subsection 662(a) of this title, upon issuance of an order of the Commissioner pursuant to subsection 662(b) of this title, or if the employer has not denied the claim within 21 days after the claim is filed.

(3) Benefits are in dispute if the claimant has been provided actual written notice of the dispute within 21 days ~~of~~ after the benefit being due and payable and the evidence reasonably supports the denial.

(4) Interest shall accrue and be paid on benefits that are found to be compensable during the period of nonpayment.

(5) The Commissioner shall promptly review requests for payment under this section and, consistent with subsection 678(d) of this title, shall allow for the recovery of reasonable attorney's fees associated with an employee's successful request for payment under this subsection.

(f)(1)(A) When benefits have been awarded or are not in dispute as provided in subsection (e) of this section, the employer shall establish a weekday on which payment shall be mailed or deposited and notify the

claimant and the Department of that day. The employer shall ensure that each weekly payment is mailed or deposited on or before the day established.

(B) Payment shall be made by direct deposit to a claimant who elects that payment method. The employer shall notify the claimant of ~~his or her~~ the claimant's right to payment by direct deposit.

(2) If the benefit payment is not mailed or deposited on the day established, the employer shall pay to the claimant a late fee of \$10.00 or five percent of the benefit amount, whichever is greater, for each weekly payment that is made after the established day.

(3) As used in this subsection, "paid" means the payment is mailed to the claimant's mailing address or, in the case of direct deposit, transferred into the designated account. In the event of a dispute, proof of payment shall be established by affidavit.

Sec. 37. 21 V.S.A. § 678 is amended to read:

§ 678. COSTS; ATTORNEY'S FEES

~~(a) Necessary costs of proceedings under this chapter, including deposition expenses, subpoena fees, and expert witness fees, shall be assessed by the Commissioner against the employer or its workers' compensation carrier when the claimant prevails. The Commissioner may allow the claimant to recover reasonable attorney's fees when the claimant prevails. Costs shall not be taxed or allowed either party except as provided in this section.~~

(b)(1) When a claimant prevails in either a formal or informal proceeding under this chapter, the Commissioner shall award the claimant necessary costs incurred in relation to the proceeding, including deposition expenses, subpoena fees, and expert witness fees.

(2) The Commissioner may allow a claimant to recover reasonable attorney's fees when the claimant prevails.

(3) In cases for which a formal hearing is requested and the case is resolved prior to a formal hearing:

(A) the Commissioner may award reasonable attorney's fees if the claimant retained an attorney in response to an actual or effective denial of a claim and payments were made to the claimant as a result of the attorney's efforts; and

(B) the Commissioner shall award necessary costs if the claimant incurred the costs in response to an actual or effective denial of a claim and payments were made to the claimant as a result of the costs incurred.

~~(c)~~(1) In appeals to the Superior or Supreme Court, if the claimant prevails, ~~he or she~~ the claimant shall be entitled to reasonable attorney's fees as approved by the court; necessary costs, including deposition expenses, subpoena fees, and expert witness fees; and interest at the rate of 12 percent per annum on that portion of any award the payment of which is contested.

(2) Interest shall be computed from the date of the award of the Commissioner.

~~(e)~~(d) By January 1, 1999, and at least every five years thereafter, the Commissioner shall amend existing rules regarding reasonable attorney's fees awarded under subsection (a) of this section. In amending these rules, the Commissioner shall consider accessibility to legal services, appropriate inflation factors, and any other related factors consistent with the purposes of this chapter. In the event the Commissioner proposes no change in the rules in any five-year period, the Commissioner shall provide a written report to the Legislative Committee on Administrative Rules of the General Assembly explaining the reasons for not changing the rules.

~~(d)~~ In cases for which a formal hearing is requested and the case is resolved prior to formal hearing, the Commissioner may award reasonable attorney's fees if the claimant retained an attorney in response to an actual or effective denial of a claim and thereafter payments were made to the claimant as a result of the attorney's efforts.

* * *

Sec. 38. ADOPTION OF RULES

The Commissioner of Labor shall, on or before July 1, 2024, adopt rules as necessary to implement the provisions of Secs. 30, 31, 32, 33, 34, 35, 37, and 38 of this act.

* * * Unemployment Insurance * * *

Sec. 39. 21 V.S.A. § 1301 is amended to read:

§ 1301. DEFINITIONS

~~The following words and phrases, as As used in this chapter, shall have the following meanings unless the context clearly requires otherwise:~~

* * *

(25) “Son,” “daughter,” and “child” include an individual’s biological child, foster child, adoptive child, stepchild, a child for whom the individual is listed as a parent on the child’s birth certificate, a legal ward of the individual, a child of the individual’s spouse, or a child that the individual has day-to-day responsibilities to care for and financially support.

(26) “Spouse” includes an individual’s domestic partner or civil union partner. As used in this subdivision, “domestic partner” means another individual with whom an individual has an enduring domestic relationship of a spousal nature, provided that the individual and the individual’s domestic partner:

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

(B) are at least 18 years of age;

(C) are not married to, in a civil union with, or considered the 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.

Sec. 40. 21 V.S.A. § 1301 is amended to read:

§ 1301. DEFINITIONS

As used in this chapter:

* * *

(5) “Employer” includes:

(A) Any employing unit ~~which, after December 31, 1971~~ that in any calendar quarter in either the current or preceding calendar year paid for service in employment, as ~~hereinafter~~ pursuant to subdivision (6) of this section, wages of \$1,500.00 or more, or for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, had in employment, ~~as hereinafter defined,~~ at least one individual (irrespective of whether the same individual was in employment in each such day). When an employing unit described in either this subdivision or subdivision ~~(5)(B)~~ subdivision (5) of this section becomes an employer within any calendar year, it shall be subject to this chapter for the whole of ~~such~~ the calendar year.

(B)(i) Any employing unit for which service in employment for a religious, charitable, educational, or other organization as defined in subdivision (6)(A)(ix) of this section is performed after December 31, 1971~~;~~₂, except as provided in subdivision ~~(5)(C)~~ subdivision (5) of this section.

* * *

(6)(A)(i) “Employment,” subject to the other provisions of this subdivision (6), means service within the jurisdiction of this State, ~~performed~~

~~prior to January 1, 1978, which was employment as defined in this subdivision prior to such date and, subject to the other provisions of this subdivision, service performed after December 31, 1977, performed~~ by an employee, as defined in subsections 3306(i) and (o) of the Federal Unemployment Tax Act, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, expressed or implied. Services partly within and partly ~~without~~ outside this State may by election as ~~hereinbefore~~ provided in subdivision (5)(E)(i) of this section be treated as if wholly within the jurisdiction of this State. ~~And whenever~~ If an employing unit ~~shall have~~ has elected to come under the provisions of a similar act of a state where a part of the services of an employee are performed, the Commissioner, upon ~~his or her~~ approval of said ~~approving the~~ election as to ~~any such~~ the employee, may treat the services covered by ~~said approved~~ the election as having been performed wholly ~~without~~ outside the jurisdiction of this State.

* * *

(ix) The term “employment” shall also include service for any employing unit ~~which is performed after December 31, 1971~~ by an individual in the employ of a religious, charitable, educational, or other organization ~~but only if:~~

(~~I~~) the service is excluded from “employment” as defined in the Federal Unemployment Tax Act solely by reason of ~~section~~ subdivision 3306(c)(8) of that act; and

(~~II~~) ~~the organization had four or more individuals in employment for some portion of a day in each of 20 different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.~~

* * *

Sec. 41. 21 V.S.A. § 1321 is amended to read:

§ 1321. CONTRIBUTIONS; TAXABLE WAGE BASE CHANGES

* * *

(c)(1) Financing benefits paid to employees of nonprofit organizations.

(A) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subsection (c).

(B) ~~For the purposes of~~ As used in this subsection (c), a “nonprofit organization” is means an organization (, or group of organizations), described in Section 501(c)(3) of the U.S. Internal Revenue Code ~~which~~ that is exempt

from income tax under Section 501(a) of ~~such~~ the Internal Revenue Code.

(2) Liability for contributions and election of reimbursement. Any nonprofit organization ~~which~~ that, pursuant to subdivision 1301(5)(B)(i) of this ~~title chapter~~, is, or becomes, subject to this chapter ~~on or after January 1, 1972~~ shall pay contributions under the provisions of this section, unless it elects, in accordance with this subsection, to pay to the Commissioner, for the Unemployment Insurance Trust Fund, an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, that is attributable to service in the employ of ~~such~~ the nonprofit organization, to individuals for weeks of unemployment ~~which~~ that begin during the effective period of ~~such~~ the election.

(A) ~~Any nonprofit organization which is, or becomes, subject to this chapter on January 1, 1972 may elect to become liable for payments in lieu of contributions for a period of not less than one calendar year beginning with January 1, 1972 provided it files with the Commissioner a written notice of its election within the 30-day period immediately following such date or within a like period immediately following April 16, 1971, whichever occurs later.~~ [Repealed.]

(B) Any nonprofit organization ~~which~~ that becomes subject to this chapter ~~after January 1, 1972~~ may elect to become liable for payments in lieu of contributions for a period of not less than 12 months ~~beginning with the date on which such subjectivity begins~~ by filing a written notice of its election with the Commissioner not later than 30 days immediately following the date of the determination ~~of such subjectivity~~ that the organization is subject to this chapter.

(C) Any nonprofit organization ~~which~~ that makes an election in accordance with ~~subdivisions (c)(2)(A) and~~ subdivision (B) of this section ~~will~~ subdivision (c)(2) shall continue to be liable for payments in lieu of contributions until it files with the Commissioner a written notice terminating its election not later than 30 days prior to the beginning of the calendar year for which ~~such~~ the termination shall first be effective.

(D) Any nonprofit organization ~~which~~ that has been paying contributions under this chapter ~~for a period subsequent to January 1, 1972~~ may ~~change to a reimbursable basis~~ elect to become liable for payments in lieu of contributions by filing with the Commissioner not later than 30 days prior to the beginning of any calendar year a written notice of election to become liable for payments in lieu of contributions. ~~Such~~ An election under this subdivision (c)(2)(D) shall not be terminable by the organization for that year and the next year.

(E) The Commissioner may for good cause extend the period within which a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive ~~but not any earlier than with respect to benefits paid after December 31, 1969.~~

(F) The Commissioner, in accordance with ~~such any applicable rules as adopted by the Board may prescribe,~~ shall notify each nonprofit organization of any determination ~~which he or she may make of that the Commissioner makes with regard to~~ its status as an employer and of the effective date of any election ~~which it that the organization makes and of any termination of such an election.~~ ~~Such~~ The determinations shall be subject to reconsideration and to appeal and review in accordance with the provisions of section 1337a of this title.

(3) Reimbursement payments. Payments in lieu of contributions shall be made in accordance with the provisions of this subdivision, including either subdivision (A) or ~~subdivision (B).~~

(A) At the end of each calendar quarter, or at the end of any other period as determined by the Commissioner, the Commissioner shall bill each nonprofit organization, or group of ~~such nonprofit organizations, which that~~ has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one-half of the amount of extended benefits paid during ~~such the~~ quarter or other prescribed period that is attributable to service in the employ of ~~such the~~ organization.

(B)(i) Each nonprofit organization that has elected payments in lieu of contributions may request permission to make ~~such payments as provided in this subdivision (c)(3)(B).~~ Payment pursuant to the provisions of this subdivision (c)(3)(B) shall become effective upon approval of the Commissioner.

(ii) At the end of each calendar quarter, the Commissioner shall bill each nonprofit organization approved to make payments pursuant to the provisions of this subdivision (c)(3)(B) for an amount representing ~~one of the following:~~

~~(I) For 1972, two-tenths of one percent of its total payroll for 1971.~~

~~(II) For years after 1972, such a percentage of its total payroll for the immediately preceding calendar year as that the Commissioner shall determine. The determination shall be determines to be appropriate based each year on the average benefit costs attributable to service in the employ of nonprofit organizations during the preceding calendar year.~~

~~(H)~~ For The Commissioner may determine a different rate for any organization which that did not pay wages throughout the four calendar quarters of the preceding calendar year, ~~such percentage of its payroll during that year as the Commissioner shall determine.~~

(iii) At the end of each calendar year, the Commissioner may modify the quarterly percentage of payroll thereafter payable by the nonprofit organization in order to minimize excess or insufficient payments.

(iv) At the end of each calendar year, the Commissioner shall determine whether the total of payments for ~~such the~~ year made by a nonprofit organization is less than, or in excess of, the total amount of regular benefits plus one-half of the amount of extended benefits paid to individuals during ~~such the~~ taxable year based on wages attributable to service in the employ of ~~such the~~ organization. Each nonprofit organization whose total payments for ~~such the~~ year are less than the amount so determined shall be liable for payment of the unpaid balance to the Trust Fund in accordance with subdivision ~~(3)(C)~~ of this subsection subdivision (c)(3). If the total payments exceed the amount so determined for the taxable year, all or a part of the excess shall, at the election of the nonprofit organization, be refunded from the Trust Fund or retained in the Trust Fund as part of the payments ~~which that~~ may be required for the next calendar year.

(C) Payment of any bill rendered under subdivision (2) ~~or subdivision (3)~~ of this subsection (c) or this subdivision (c)(3) shall be made not later than 30 days after the bill is mailed to the last known address of the nonprofit organization or is otherwise delivered to it, unless there has been an application for redetermination by the Commissioner or a petition for hearing before a referee in accordance with subdivision ~~(3)(E)~~ of this subsection subdivision (c)(3).

(D) Payments made by any nonprofit ~~corporation~~ organization under the provisions of this section shall not be deducted or deductible, in whole or in part, from the remuneration of individuals in the employ of the organization.

(E)(i) The amount due specified in any bill from the Commissioner shall be conclusive on the organization unless, not later than 30 days after the date of the bill, the organization files an application for reconsideration by the Commissioner, or a petition for a hearing before a referee, setting forth the grounds for ~~such the~~ application or petition.

(ii) The Commissioner shall promptly review and reconsider the amount due specified in the bill and shall thereafter issue a redetermination in any case in which ~~such an~~ application for redetermination has been filed. Any

such redetermination shall be conclusive on the organization unless, not later than 30 days after the date of the redetermination, the organization files a petition for a hearing before a referee, setting forth the grounds for the petition.

(iii) Proceedings on the petition for a hearing before a referee on the amount of a bill rendered under this section or a redetermination of ~~such~~ the amount shall be in accordance with the provisions of section 1331 of this title, and the decision of the referee shall be subject to the provisions of that section. Review of the decision of the referee by the Employment Security Board shall be in accordance with, and its decision shall be subject to, the provisions of section 1332 of this title.

(F) Any employer, including the State of Vermont ~~which, that~~ makes payments in lieu of contributions under this section shall be subject to the provisions of sections 1314, 1322, 1328, 1329, 1334, and 1336 of this title as follows:

(i) ~~that~~ The employer shall be liable for any reports as required by the Commissioner ~~may require~~ pursuant to sections 1314 and 1322 of this title;

(ii) ~~that~~ The employer shall be liable for any penalty imposed pursuant to sections 1314 and 1328 of this title;

(iii) ~~that~~ The employer shall be liable for the same interest on past due payments pursuant to subsection 1329(a) of this title;

(iv) ~~that~~ The employer shall be subject to a civil action for the collection of past due payments as if those payments were contributions pursuant to subsections 1329(b) and 1334(a) of this title; ~~and~~.

(v) ~~that~~ The employer shall be subject to ~~those~~ actions for the collection of past due payments as if those payments were contributions pursuant to subsections 1329(c) and (d), and 1334(b) and (c), and section 1336 of this title; however, those provisions shall not apply to the State of Vermont.

(4) Authority to terminate elections. If any nonprofit organization is delinquent in making payments in lieu of contributions as required under this subsection, the Commissioner may terminate ~~such~~ the organization's election to make payments in lieu of contributions as of the beginning of the next taxable year, and the termination shall be effective for that and the next taxable year.

(5) Allocation of benefit costs.

(A) Each employer that is liable for payments in lieu of contributions shall pay to the Commissioner for the Trust Fund the amount of regular

benefits plus the amount of one-half of extended benefits paid that are attributable to service in the employ of ~~such~~ the employer.

(B) If benefits paid to an individual are based on wages paid by more than one employer and one or more of ~~such~~ the employers are liable for payments in lieu of contributions, the amount payable to the Trust Fund by each employer that is liable for ~~such~~ payments in lieu of contributions shall be ~~determined in accordance with subdivisions (5)(A) and (B) of this subsection (e):~~

~~(A) Proportionate allocation when fewer than all base-period employers are liable for reimbursement. If benefits paid to an individual are based on wages paid by one or more employers that are liable for payments in lieu of contributions and on wages paid by one or more employers who are liable for contributions, the amount of benefits payable by each employer that is liable for payments in lieu of contributions shall be an amount which that bears the same ratio to the total benefits paid to the individual as the total base-period wages paid to the individual by ~~such~~ the employer bear to the total base-period wages paid to the individual by all of his or her the individual's base-period employers.~~

~~(B) Proportionate allocation when all base-period employers are liable for reimbursement. If benefits paid to an individual are based on wages paid by two or more employers that are liable for payments in lieu of contributions, the amount of benefits payable by each employer shall be an amount which bears the same ratio to the total benefits paid to the individual as the total base-period wages paid to the individual by the employer bear to the total base-period wages paid to the individual by all of his or her base-period employers.~~

(6) Group accounts. Two or more employers that have become liable for payments in lieu of contributions, in accordance with the provisions of this section and section 1380 of this title, may file a joint application to the Commissioner for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of ~~such~~ the employers. Each application shall identify and authorize a group representative to act as the group's agent for the purpose of this section. Upon ~~his or her~~ approval of the application, the Commissioner shall establish a group account for ~~such~~ the employers effective as of the beginning of the calendar quarter in which ~~he or she~~ the Commissioner receives the application and shall notify the group's representative of the effective date of the account. The account shall remain in effect for not less than two years and thereafter until terminated at the discretion of the Commissioner or upon application by the group. Upon establishment of the account, each member of the group shall

be liable for payments in lieu of contributions with respect to each calendar quarter in the amount that bears the same ratio to the total benefits paid in ~~such~~ the quarter that are attributable to service performed in the employ of all members of the group as the total wages paid for service in employment by ~~such~~ the member in ~~such~~ the quarter bear to the total wages paid during ~~such~~ the quarter for service performed in the employ of all members of the group. The Board shall ~~prescribe regulations~~ adopt rules as it deems necessary with respect to applications for establishment, maintenance, and termination of group accounts that are authorized by this subdivision, for addition of new members to, and withdrawal of active members from, such accounts, and for the determination of the amounts that are payable under this ~~section~~ subsection by members of the group and the time and manner of ~~such~~ the payments.

(7) ~~Notwithstanding any of the foregoing provisions of this section, any nonprofit organization that prior to January 1, 1969, paid contributions required by this section, and, pursuant to subsection (c) of this section, elects within 30 days after January 1, 1972, to make payments in lieu of contributions, shall not be required to make any such payment on account of any regular or extended benefits paid, on the basis of wages paid by such organization to individuals for weeks of unemployment which begin on and after the effective date of the election until the total amount of benefits equals the amount (1) by which the contributions paid by the organization with respect to the two-year period before the effective date of the election under subsection (b) of this section exceed (2) the total amount of unemployment benefits paid for the same period that were attributable to service performed in the employ of the organization and were charged to the experience rating record of the organization. [Repealed.]~~

* * *

(f) Any employer who makes payments in lieu of contributions under the provisions of this section is considered to be self-insuring and shall pay to the Commissioner for the Unemployment Compensation Trust Fund ~~such~~ any amounts as the Commissioner finds to be due under this chapter, including benefits paid but denied on appeal or benefits paid in error ~~which~~ that cannot be properly charged either against another employer who makes payments in lieu of contributions or against the experience-rating record of another employer who pays contributions. Benefits improperly paid where repayment by the claimant is ordered pursuant to subsection 1347(a) or (b) of this title will be credited to the employer's account when repayment from the claimant is actually received by the Commissioner.

Sec. 42. NONPROFIT AND MUNICIPAL REIMBURSABLE
EMPLOYERS; EDUCATION; OUTREACH

(a) On or before October 1, 2023, the Commissioner of Labor, in consultation with the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont, and other interested stakeholders, shall develop information and education materials for nonprofit and municipal employers regarding the unemployment insurance system. At a minimum, the materials shall:

(1) explain the options available to nonprofit and municipal employers, including paying regular unemployment insurance contributions, reimbursing the Unemployment Insurance Trust Fund for attributable unemployment insurance costs, and, with respect to nonprofit employers, quarterly payments of estimated unemployment insurance costs;

(2) identify the potential benefits and drawbacks of each of the options identified in subdivision (1) of this subsection;

(3) provide information on how a nonprofit or municipal employer can evaluate its potential liability under each of the options identified in subdivision (1) of this subsection;

(4) provide information developed by the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont, and other interested stakeholders regarding how a nonprofit or municipal employer can plan and budget for the potential expenses associated with each of the options identified in subdivision (1) of this subsection; and

(5) provide additional information regarding the Unemployment Insurance program and related laws that the Commissioner determines, in consultation with the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont, and other interested stakeholders, to be helpful or necessary for nonprofit and municipal employers.

(b)(1) The informational and educational materials developed pursuant to subsection (a) of this section shall be made available on the Department's website and shall, in coordination with the Secretary of State, Common Good Vermont, United Way of Northwest Vermont, the Vermont League of Cities and Towns, and other interested stakeholders, be shared directly with Vermont nonprofit and municipal employers to the extent practicable.

(2) The Secretary of State shall assist the Commissioner of Labor in identifying and contacting all active Vermont nonprofit employers. The Office of the Secretary of State shall also make available on its website a link to the information and educational materials provided on the Department of Labor's

website pursuant to this section.

(c) The Department of Labor, in collaboration with the Vermont League of Cities and Towns, Common Good Vermont, United Way of Northwest Vermont, and other interested stakeholders, shall hold one or more informational sessions to present the materials and information developed pursuant to subsection (a) of this section to nonprofit employers and municipal employers. At least one session shall be held on or before November 1, 2023. Each session shall allow for both in-person and remote participation and shall be recorded. Recordings shall be made available to the public and to stakeholder organizations for distribution to their members.

Sec. 43. 2021 Acts and Resolves No. 183, Sec. 59(b)(6) is amended to read:

(6) Sec. 52g (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a when the cumulative total amount of additional benefits paid pursuant to 21 V.S.A. § 1338(e) when, compared to the rate at which benefits would have been paid under the formula set forth in 21 V.S.A. § 1338(e) on June 30, 2025 equal to \$92,000,000.00, plus the difference between \$8,000,000.00 and the amount of additional benefits paid out pursuant to section 52b, if any, compared to the amount that would have been paid pursuant to the provisions of 21 V.S.A. § 1338(f)(1) on June 30, 2022, equals \$100,000,000.00 and shall apply to benefit weeks beginning after that date.

Sec. 44. UNEMPLOYMENT DUE TO URGENT, COMPELLING, OR NECESSITOUS CIRCUMSTANCES; COVERAGE; IMPACT; REPORT

(a) On or before January 15, 2024, the Commissioner of Labor shall submit a written report prepared in consultation with the Joint Fiscal Office to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs regarding the potential impact of extending eligibility for unemployment insurance benefits to individuals who separate from employment due to urgent, compelling, or necessitous circumstances, including the individual's injury or illness, to obtain or recover from medical treatment, to escape domestic or sexual violence, to care for a child following an unexpected loss of child care, or to care for an ill or injured family member.

(b) The report shall include:

(1) a list of states in which individuals who separate from employment due to circumstances similar to those described in subsection (a) of this section are eligible for unemployment insurance and shall identify the specific circumstances for separation from employment in each identified state for

which there is no waiting period or period of disqualification related to the circumstance;

(2) information, to the extent it is available, regarding the number of approved claims in the states identified pursuant to subdivision (1) of this subsection where the individual separated from employment due to circumstances similar to those described in subsection (a) of this section;

(3) an estimate of the projected range of additional approved claims per year in Vermont if individuals who separate from employment due to circumstances similar to those described in subsection (a) of this section are made eligible for unemployment insurance;

(4) an estimate of the range of potential impacts on the Unemployment Insurance Trust Fund of making individuals who separate from employment due to circumstances similar to those described in subsection (a) of this section eligible for unemployment insurance; and

(5) any recommendations for legislative action.

Sec. 45. DOMESTIC AND SEXUAL VIOLENCE SURVIVORS'
TRANSITIONAL EMPLOYMENT PROGRAM; UTILIZATION;
REPORT

On or before January 15, 2024, the Commissioner of Labor shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs regarding the utilization of the Domestic and Sexual Violence Survivors' Transitional Employment Program. The report shall include information regarding the utilization of the Program during the past 10 years, a summary of the Department's efforts to make members of the public aware of the Program and improve access to it, how the identified changes have impacted utilization of the Program in comparison to prior years, any potential ways to further increase awareness and utilization of the Program, and any suggestions for legislative action to improve awareness or utilization of the Program.

Sec. 46. 21 V.S.A. § 1256 is added to read:

§ 1256. NOTIFICATION TO THE PUBLIC

The Department shall take reasonable measures to provide information to the public about the Program, including publishing information on the Department's website and providing timely materials related to the Program to public agencies of the State and organizations that work with domestic and sexual violence survivors, including law enforcement, State's Attorneys, community justice centers, the Center for Crime Victim Services, the Vermont

Network Against Domestic and Sexual Violence (the Network), and any others deemed appropriate by the Commissioner in consultation with the Network.

* * * Effective Dates * * *

Sec. 47. EFFECTIVE DATES

(a) Except as provided in subsection (b) of this section, this act shall take effect on July 1, 2023.

(b)(1) Sec. 3 (determination of weighted long-term membership and per pupil education spending) shall take effect on July 1, 2026, subject to the contingency provisions in Sec. 3a.

(2) Sec. 5 (Child Care Financial Assistance Program; eligibility), Sec. 6 (provider rate adjustment; Child Care Financial Assistance Program), and Sec. 9 (payment to providers) shall take effect on January 1, 2024, except that the Commissioner for Children and Families shall initiate any rulemaking necessary prior to that date in order to perform the Commissioner's duties under this act.

(3) Sec. 5a (Child Care Financial Assistance Program; eligibility) and Sec. 5d (fiscal year 2024; family contribution) shall take effect on April 1, 2024, except that the Commissioner for Children and Families shall initiate any rulemaking necessary prior to that date in order to perform the Commissioner's duties under this act.

(4) Sec. 5b (Child Care Financial Assistance Program; eligibility), Sec. 9a (payment to providers), and Sec. 10 (child care quality and capacity incentive program) shall take effect on July 1, 2024, except that the Commissioner for Children and Families shall initiate any rulemaking necessary prior to that date in order to perform the Commissioner's duties under this act.

(5) Sec. 5c (Child Care Financial Assistance Program; eligibility) shall take effect on October 1, 2024.

(6) Sec. 24 (Child Care Contribution) shall take effect on July 1, 2024.

(7) Secs. 26 (Workers' Compensation Administrative Fund rate of contribution) and 28 (extension prior to proposed discontinuance of workers' compensation benefits) shall take effect on passage.

(8) Sec. 40 (extension of unemployment insurance to small nonprofit employers) shall take effect on July 1, 2024.

(9) Secs. 32 and 34 (sunset of workers' compensation dependent benefit increases) shall take effect on July 1, 2028.

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

An act relating to child care, early education, workers' compensation, and unemployment insurance.

Which was agreed to.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment, on a roll call, Yeas 24, Nays 6.

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

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bray, Champion, Chittenden, Clarkson, Cummings, Gulick, Hardy, Harrison, Hashim, Kitchel, Lyons, MacDonald, Mazza, McCormack, Perchlik, Ram Hinsdale, Sears, Starr, Vyhovsky, Watson, Westman, White, Wrenner.

Those Senators who voted in the negative were: Brock, Collamore, Ingalls, Norris, Weeks, Williams.

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

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 470.

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

An act relating to miscellaneous amendments to alcoholic beverage laws.

Was taken up.

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

Sec. 1. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this title:

* * *

(44) ~~“Cider”~~ “Hard cider” means a vinous beverage, made a majority from the fermented natural sugar content of apples or pears, that contains an alcoholic content of not less than one percent or more than 16 percent by

volume at 60 degrees Fahrenheit. “Cider” “Hard cider” includes sweetened, flavored, and carbonated hard cider.

Sec. 2. 7 V.S.A. § 204 is amended to read:

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

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

* * *

(9) For ~~up to ten~~ each fourth-class ~~licenses~~ license, \$70.00.

* * *

(12) For a ~~festival~~ sampling event permit, \$125.00.

* * *

(14) For ~~an educational sampling~~ a limited event permit, \$250.00.

* * *

Sec. 3. 7 V.S.A. § 224 is amended to read:

§ 224. FOURTH-CLASS LICENSES

(a) The Board of Liquor and Lottery may grant up to a combined total of ~~ten~~ 20 fourth-class licenses to a manufacturer or rectifier that submits an application and the fee provided in section 204 of this title.

* * *

Sec. 4. 7 V.S.A. § 228 is amended to read:

§ 228. SAMPLER FLIGHTS

(a) The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages or hard ciders to a single customer at one time.

* * *

Sec. 5. 7 V.S.A. § 251 is amended to read:

§ 251. ~~EDUCATIONAL SAMPLING~~ LIMITED EVENT PERMIT

(a) The Division of Liquor Control may grant ~~an educational sampling~~ limited event permit to a person if:

(1) the limited event is also approved by the local control commissioners; and

(2) at least 15 days prior to the event, the applicant submits an application to the Division in a form required by the Commissioner that ~~includes a list of the alcoholic beverages to be acquired for sampling at the event and~~ is accompanied by the fee provided in section 204 of this title.

~~(b)(1) An educational sampling~~ A limited event permit holder is permitted to conduct an event that is open to the public at which may purchase invoiced volumes of malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits, or all five are served only for the purposes of marketing and educational sampling, directly from a manufacturer, packager, wholesale dealer, or importer licensed in Vermont or a manufacturer or packager that holds a federal Basic Permit or Brewer's Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

~~(2) The invoiced volumes of alcoholic beverages may be transported into the site and sold by the glass to the public by the permit holder or the permit holder's employees and volunteers only during the event.~~

~~(c)(1) No~~ Not more than four ~~educational sampling~~ limited event permits shall be issued annually to the same person, and

~~(2) An educational sampling event~~ each permit shall be valid for ~~no~~ not more than four consecutive days.

(d) The permit holder shall ~~ensure all the following:~~

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

~~(2)(A) Malt beverages, vinous beverages, or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain not more than two ounces of either beverage.~~

~~(B) Fortified wines and spirits for sampling shall be offered in glasses that contain no more than one-quarter ounce of either beverage.~~

~~(3) The event shall be conducted in compliance with all the requirements be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of alcoholic beverages. The permit holder shall pay the tax on the alcoholic beverages served at the event pursuant to section 421 of this title.~~

(e) ~~An educational sampling event permit holder:~~

~~(1) may receive shipments directly from a manufacturer, packager, certificate of approval holder, wholesale dealer, or importer licensed in~~

~~Vermont or that provides evidence of licensure in another state or foreign country satisfactory to the Board;~~

~~(2) may transport alcoholic beverages to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, packager, or importer participating in the event, provided they meet the server age and training requirements under section 259 of this chapter; and~~

~~(3) shall mark all cases and bottles of alcoholic beverages to be served at the event "For sampling only. Not for resale."~~

~~(f) Taxes for the alcoholic beverages served at the event shall be paid as follows:~~

~~(1) malt beverages:~~

~~(A) \$0.265 per gallon of malt beverages served that contain not more than six percent alcohol by volume at 60 degrees Fahrenheit; and~~

~~(B) \$0.55 per gallon of malt beverages served that contain more than six percent alcohol by volume at 60 degrees Fahrenheit;~~

~~(2) vinous beverages: \$0.55 per gallon served;~~

~~(3) spirits: \$19.80 per gallon served;~~

~~(4) fortified wines: \$19.80 per gallon served; and~~

~~(5) ready-to-drink spirits beverages: \$1.10 per gallon served.~~

Sec. 6. 7 V.S.A. § 253 is amended to read:

§ 253. FESTIVAL SAMPLING EVENT PERMITS

(a) The Division of Liquor Control may grant a festival sampling event permit if the applicant has:

* * *

(2) submitted a request for a festival the permit to the Division in a form required by the Commissioner at least 15 days prior to the festival event; and

* * *

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

(c) A festival sampling event permit holder is permitted to conduct an event that is open to the public at which one or more of the following are

served: malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits.

(d) The permit holder shall ensure the following:

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

* * *

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

* * *

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

* * *

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

* * *

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

(g) A person shall be granted not more than four ~~festival~~ sampling event permits per year, and each permit shall be valid for not more than four consecutive days.

Sec. 7. 7 V.S.A. § 421 is amended to read:

§ 421. TAX ON MALT AND VINOUS BEVERAGES

(a) Every packager and wholesale dealer shall pay to the Commissioner of Taxes:

(1) the sum of 26 and one-half cents per gallon for every gallon or its equivalent of:

* * *

(B) hard ciders containing not more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State;

(2) the sum of 55 cents per gallon for each gallon of:

* * *

(B) hard ciders containing more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

* * *

Sec.8. 2021 Acts and Resolves No. 70, Sec. 7 is amended to read:

Sec. 7. REPEAL

7 V.S.A. § 230 is repealed on July 1, ~~2023~~ 2025.

Sec. 9. DEPARTMENT OF LIQUOR AND LOTTERY; ALCOHOLIC BEVERAGES; PUBLIC SAFETY IMPACT STUDY AND REPORT

On or before January 15, 2025, the Department of Liquor and Lottery, in consultation with other stakeholders, shall study and report on the public safety impacts of the sale of alcoholic beverages for off-premises consumption since the passage of 7 V.S.A. § 230. The Department shall submit the written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs. The Department shall include with its findings any recommendations for legislative action.

Sec. 10. EFFECTIVE DATES

(a) This section and Sec. 8 (extension of sunset; 7 V.S.A. 230) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2023.

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

**Rules Suspended; Proposal of Amendment; Bill Passed in Concurrence
with Proposal of Amendment**

H. 471.

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

An act relating to technical and administrative changes to Vermont's tax laws.

Was taken up for immediate consideration.

Senator Cummings, for the report of the Committee on Finance, recommended that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Annual Link to Federal Statutes * * *

Sec. 1. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect on December 31, ~~2021~~ 2022, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter and shall continue in effect as adopted until amended, repealed, or replaced by act of the General Assembly.

Sec. 2. 32 V.S.A. § 7402(8) is amended to read:

(8) "Laws of the United States" means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2021~~ 2022. As used in this chapter, "Internal Revenue Code" has the same meaning as "laws of the United States" as defined in this subdivision. The date through which amendments to the U.S. Internal Revenue Code of 1986 are adopted under this subdivision shall continue in effect until amended, repealed, or replaced by act of the General Assembly.

* * * Taxation of Alcoholic Beverages * * *

Sec. 3. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

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

* * *

(10) Sales of meals or alcoholic beverages taxed or exempted under chapter 225 of this title, except alcoholic beverages under subdivision 9202(10)(D)(v) or (11)(B)(i) of this title, or any alcoholic beverages ~~provided~~ served for immediate consumption.

* * *

Sec. 4. 32 V.S.A. § 9202 is amended to read:

§ 9202. DEFINITIONS

As used in this chapter ~~unless the context clearly indicates a different meaning:~~

* * *

(10) “Taxable meal” means:

* * *

(D) “Taxable meal” ~~shall~~ does not include:

* * *

(v) Alcoholic beverages produced or manufactured by the restaurant or operator and sold in sealed containers for consumption off premises, provided the restaurant or operator is licensed to sell alcohol by the Department of Liquor and Lottery pursuant to 7 V.S.A. chapter 9.

~~(11)(A) “Alcoholic beverages” means any malt beverages, vinous beverages, spirits, or fortified wines~~ has the same meaning as defined in 7 V.S.A. § 2 ~~and~~ when served for immediate consumption.

~~(B) “Alcoholic beverages” shall be exempt from the tax imposed under section 9241 of this chapter when:~~

(i) produced or manufactured by a restaurant or operator and sold in sealed containers for consumption off premises, provided the restaurant or operator is licensed to sell alcohol by the Department of Liquor and Lottery pursuant to 7 V.S.A. chapter 9; or

(ii) served under the circumstances enumerated in subdivision (10)(D)(ii) of this section under which food or beverages or alcoholic beverages are excepted from the definition of “taxable meal.”

* * *

* * * Refunds; Meals and Rooms Tax; Local Option Tax * * *

Sec. 5. 32 V.S.A. § 9245 is amended to read:

§ 9245. OVERPAYMENT; REFUNDS

(a) Upon application by an operator, if the Commissioner determines that any tax, interest, or penalty has been paid more than once, or has been erroneously or illegally collected or computed, the same shall be credited by the Commissioner on any taxes then due from the operator under this chapter, and the balance shall be refunded to the operator or ~~his or her~~ the operator's successors, administrators, executors, or assigns, together with interest at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title. That interest shall be computed from the latest of 45 days after the date the return was filed, 45 days after the date the return was due, including any extensions of time thereto, with respect to which the excess payment was made, or, if the taxpayer filed an amended return or otherwise requested a refund, 45 days after the date such amended return or request was filed. Provided, however, no such credit or refund shall be allowed after three years from the date the return was due.

(b) An operator must prove the following to be eligible for a refund under this section:

(1) that the tax was erroneously or illegally collected or computed; and

(2) that any erroneously or illegally collected or computed tax is or will be returned to the purchaser, unless the operator made the overpayment.

(c) A purchaser may seek a refund from the Department if the purchaser establishes that the tax was erroneously or illegally collected or computed. The Commissioner shall refund a purchaser in the same manner as under subsection (a) of this section.

Sec. 6. 24 V.S.A. § 138(c) is amended to read:

(c)(1) Any tax imposed under the authority of this section shall be collected and administered by the Department of Taxes, in accordance with State law governing such State tax or taxes and subdivision (2) of this subsection; provided, however, that a sales tax imposed under this section shall be collected on each sale that is subject to the Vermont sales tax using a destination basis for taxation. Except with respect to taxes collected on the sale of aviation jet fuel, a per-return fee of \$5.96 shall be assessed to compensate the Department for the costs of administration and collection, 70 percent of which shall be borne by the municipality, and 30 percent of which shall be borne by the State to be paid from the PILOT Special Fund. The fee shall be subject to the provisions of 32 V.S.A. § 605.

(2) Notwithstanding any other law or municipal charter to the contrary, if the Commissioner determines that local option tax was collected on a transaction in a municipality not authorized to impose local option tax under this section, the Commissioner shall either refund the erroneously collected tax

pursuant to 32 V.S.A. chapter 233 or 225 or, if the purchaser cannot reasonably be determined, deposit the erroneously collected tax as required for State sales and use tax pursuant to 16 V.S.A. § 4025(a)(6) or State meals and rooms tax pursuant to 10 V.S.A. § 1388(a)(4), 16 V.S.A. § 4025(a)(4), and 32 V.S.A. § 435(b)(7).

* * * Report; Department of Taxes; Tax Refund Notice to Purchasers * * *

Sec. 7. REPORT; DEPARTMENT OF TAXES; TAX REFUND NOTICE
TO PURCHASERS

On or before January 15, 2024, the Department of Taxes shall submit a written report to the House Committees on Commerce and Economic Development and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance recommending legislative action to require licensed operators, restaurants, and vendors to notify purchasers of the occurrence of erroneously or illegally collected sales and use tax, meals and rooms tax, alcoholic beverages tax, and any associated local option tax by the license holder and the purchasers' right to request a refund for overpayments. The Department's report shall include recommendations for legislative action regarding the following:

(1) a threshold based on a dollar amount or number of transactions, or both, exceeding which a licensed operator, restaurant, or vendor would be required to notify purchasers of erroneous or illegal tax collection by the license holder and the purchasers' right to request a refund from the license holder or the Department;

(2) options for the types, forms, and duration of time of the required notices;

(3) the role of the Department in identifying erroneous or illegal tax collection, alerting license holders of their notice requirements, and providing oversight of license holders' compliance with the required notices; and

(4) any other relevant considerations, including the tax information confidentiality requirements under 32 V.S.A. § 3102.

* * * Sales Tax Exemption; Advanced Wood Boilers * * *

Sec. 8. 2018 Acts and Resolves No. 194, Sec. 26b(a), as amended by 2019 Acts and Resolves No. 83, Sec. 14, is further amended to read:

(a) 32 V.S.A. § §§ 9741(52) (sales tax exemption for advanced wood boilers) and 9706(11) (statutory purpose; sales tax exemption for advanced wood boilers) shall be repealed on July 1, 2023 2024.

~~*** Computer Assisted Property Tax Administration Program Fees ***~~

Sec. 9. 32 V.S.A. § 3404 is amended to read:

~~§ 3404. CAPTAP FEES~~

~~(a) The Director is authorized to charge fees for data processing and support services rendered to municipalities relative to the Computer Assisted Property Tax Administration Program (CAPTAP) as follows:~~

~~(1) when the Department performs routine data processing for a municipality, \$1.75 per parcel;~~

~~(2) when the Department performs data processing services in connection with a town reappraisal, \$2.00 per parcel; and~~

~~(3) when the Department performs support, training, or consulting services for municipalities using CAPTAP at their own sites: \$350.00 per year for municipalities with fewer than 500 parcels; \$450.00 per year for municipalities with 500 to 1,000 parcels; \$550.00 per year for municipalities with 1,001 to 2,000 parcels; and \$650.00 per year for municipalities with more than 2,000 parcels.~~

~~(b) Pursuant to subdivision 603(2) of this title, these fees may be adjusted.~~

~~(c) The fees collected in subsection (a) of this section shall be credited to the CAPTAP fees special fund established and managed pursuant to chapter 7, subchapter 5 of this title, and shall be available to offset the costs of providing those services. [Repealed.]~~

Sec. 10. 32 V.S.A. § 3410 is amended to read:

~~§ 3410. MAINTENANCE OF DUPLICATE PROPERTY RECORDS~~

~~(a) To supplement and ensure the safekeeping of town records, the Director shall establish and maintain a central file of municipal grand lists. These grand lists shall be maintained at the office of the Division for a period of two years.~~

~~(b) The town clerks of each town and city shall provide the Director with one copy of the grand list at a reasonable charge.~~

~~(c) At a reasonable charge to be established by the Director, the Director shall supply to any person or agency a copy of any document contained in the file established under this section. [Repealed.]~~

~~*** Current Use ***~~

Sec. 11. 32 V.S.A. § 3756 is amended to read:

~~§ 3756. QUALIFICATION FOR USE VALUE APPRAISAL~~

(a) The owner of eligible agricultural land, farm buildings, or managed forestland shall be entitled to have eligible property appraised at its use value, provided the owner shall have applied to the Director on or before September 1 of the previous tax year, on a form provided by the Director. A farmer whose application has been accepted on or before December 31 by the Director of the Division of Property Valuation and Review of the Department of Taxes for enrollment for the use value program for the current tax year shall be entitled to have eligible property appraised at its use value if the farmer was prevented from applying on or before September 1 of the previous year due to the severe illness of the farmer.

(b) [Repealed.]

(c) The Director shall notify the applicant ~~no~~ not later than April 15 of ~~his or her~~ the Director's decision to classify or refusal to classify ~~his or her~~ the applicant's property as eligible for use value appraisal ~~by delivery of such notification to him or her in person or by mailing such notification to his or her last and usual place of abode.~~ In the case of a refusal, the Director shall state the reasons therefor in the notification.

* * *

(f) Each year the Director shall determine whether previously classified property is still eligible for use value appraisal and whether the amount of the previous appraisal is still valid. If the Director determines that previously classified property is no longer eligible, or that the property has undergone a change in use such that the use change tax may be levied in accordance with section 3757 of this chapter, or that the use value appraisal should be fixed at a different amount than the previous year, ~~he or she~~ the Director shall thereafter notify the property owner of that determination ~~by delivery of the notification to him or her in person or by mailing such notification to his or her last and usual place of abode.~~

* * *

(h) ~~By~~ On or before March 15, the Director shall ~~mail~~ provide to each municipality a list of property in the municipality that is to be taxed based on its use value appraisal. The list shall include the owners' names, a grand list number or description of each parcel of land to be appraised at use value, the acreage to be taxed on the basis of use value, the use values to be used for land, and the number and type of farm buildings to be appraised by the assessing officials at use value. The assessing officials shall determine the listed value of the land to be taxed at use value and its estimated fair market value, and fill in these values and the difference between them on the form. This form shall be used by the Treasurer or the collector of current taxes to

make up tax bills such that the owner is billed only for taxes due on ~~his or her~~ the owner's property not enrolled in the program, plus taxes due on the use value of property enrolled in the program. The assessing officials shall submit the completed form to the Director by on or before July 5.

* * *

(2)(A) The Director shall remove from use value appraisal an entire parcel or parcels of agricultural land and farm buildings identified by the Secretary of Agriculture, Food and Markets as being used by a person:

* * *

(B) The Director shall notify the owner that agricultural land or a farm building has been removed from use value appraisal by mailing providing notification of removal to the owner ~~or operator's last and usual place of abode~~. After removal of agricultural land or a farm building from use value appraisal under this section, the Director shall not consider a new application for use value appraisal for the agricultural land or farm building until the Secretary of Agriculture, Food and Markets submits to the Director a certification that the owner or operator of the agricultural land or farm building is complying with the water quality requirements of 6 V.S.A. chapter 215 or an order issued under 6 V.S.A. chapter 215. After submission of a certification by the Secretary of Agriculture, Food and Markets, an owner or operator shall be eligible to apply for enrollment of the agricultural land or farm building according to the requirements of this section.

* * *

Sec. 12. 32 V.S.A. § 3757(m) is added to read:

(m) Land owned or acquired by a Native American tribe or a nonprofit organization that qualifies for an exemption under subdivision 3802(21) of this title shall be exempt from the levy of a land use change tax under this section.

* * * Property Transfer Tax; Controlling Interests; Nonprofits * * *

Sec. 13. 32 V.S.A. § 9603 is amended to read:

§ 9603. EXEMPTIONS

The following transfers are exempt from the tax imposed by this chapter:

* * *

(14)(A) Transfers to organizations qualifying under 26 U.S.C. § 501(c)(3), as amended, and that prior to the transfer have been determined to meet the "public support" test of 26 U.S.C. § 509(a)(2), as amended, provided one of the stated purposes of the organization is to acquire property or rights

and less than fee interest in property in order to preserve farmland or open-space land, and provided that the property transferred, or rights and interests in the property, will be held by the organization for this purpose. As used in this section, "farmland" means real estate that will be actively operated or leased as part of a farm enterprise, including dwellings and agricultural structures, and "open-space land" shall mean means land without structures thereon.

* * *

(C)(i) Transfers from one organization qualifying under 26 U.S.C. § 501(c)(3), as amended, to another organization qualifying under 26 U.S.C. § 501(c)(3), provided the organizations are related organizations and the Commissioner does not determine that a major purpose of the transaction is to avoid the tax imposed under this chapter. As used in this subdivision (C), "related organizations" means one organization holds 50 percent or more of the membership interest of the other organization or one organization appoints or elects, including the power to remove and replace, 50 percent or more of the members of the other organization's governing body.

(ii)(I) Notwithstanding subdivision (i) of this subdivision (C), a transferee organization that receives property in a transfer exempt under subdivision (i) of this subdivision (C) shall pay the tax imposed under this chapter on the value of the property transferred if:

(aa) not more than three years after the date of the first transfer, the transferee subsequently transfers any portion of the property;

(bb) the second transfer is not exempt under subdivision (i) of this subdivision (C) as a transfer between related organizations; and

(cc) the Commissioner determines that a major purpose of the transaction is to avoid the tax imposed under this chapter.

(II) The tax imposed under this subdivision (C)(ii) on the value of the property transferred at the time of the first transfer shall be due not later than 30 days after the second transfer and shall apply in addition to any tax due under this chapter from the subsequent transferee on the second transfer.

* * *

* * * Personal Income Tax Credits * * *

Sec. 14. 32 V.S.A. § 5828c is amended to read:

§ 5828c. CHILD AND DEPENDENT CARE CREDIT

A resident or part-year resident of this State shall be eligible for a refundable credit against the tax imposed under section 5822 of this title. The credit shall be equal to 72 percent of the federal child and dependent care

credit allowed to the taxpayer for the taxable year for child or dependent care services ~~provided in this State~~. The amount of the credit for a part-year resident shall be multiplied by the percentage that the individual's income that is earned or received during the period of the individual's residency in this State bears to the individual's total income.

Sec. 15. 32 V.S.A. § 5828b(a) is amended to read:

(a) A resident individual or part-year resident individual who is entitled to an earned income tax credit granted under the laws of the United States or who would have been entitled to an earned income tax credit under the laws of the United States but for the fact that the individual, the individual's spouse, or one or more of the individual's children does not have a qualifying taxpayer identification number shall be entitled to a credit against the tax imposed for each year by section 5822 of this title. The credit shall be 38 percent of the earned income tax credit granted to the individual under the laws of the United States or that would have been granted to the individual under the laws of the United States but for the fact that the individual, the individual's spouse, or one or more of the individual's children does not have a qualifying taxpayer identification number, multiplied by the percentage that the individual's ~~earned~~ income that is earned or received during the period of the individual's residency in this State bears to the individual's total ~~earned~~ income.

Sec. 16. 32 V.S.A. § 5830f(a) is amended to read:

(a) A resident individual or part-year resident individual who is entitled to a child tax credit under the laws of the United States or who would have been entitled to a child tax credit under the laws of the United States but for the fact that the individual or the individual's spouse does not have a taxpayer identification number shall be entitled to a refundable credit against the tax imposed by section 5822 of this title for the taxable year. The total credit per taxable year shall be in the amount of \$1,000.00 per qualifying child, as defined under 26 U.S.C. § 152(c) but notwithstanding the taxpayer identification number requirements under 26 U.S.C. § 24(e) and (h)(7), who is five years of age or younger as of the close of the calendar year in which the taxable year of the taxpayer begins. For a part-year resident individual, the amount of the credit shall be multiplied by the percentage that the individual's income that is earned or received during the period of the individual's residency in this State bears to the individual's total income.

Sec. 17. 32 V.S.A. § 5830 is added to read:

§ 5830. TAXPAYER IDENTIFICATION NUMBERS; CREDITS

(a) The Commissioner shall provide a process for an individual to claim the child tax credit or the earned income tax credit, or both, pursuant to

subsections 5828b(a) and 5830f(a) of this title when the individual, the individual's spouse, or one or more of the individual's qualifying children does not have a taxpayer identification number. The Commissioner shall not inquire about or record the citizenship and immigration status of an individual, an individual's spouse, or one or more of an individual's qualifying children when an individual claims one or more credits pursuant to this section and subsections 5828b(a) and 5830f(a) of this title.

(b) Upon the Commissioner's request, an individual who claims one or more credits pursuant to subsections 5828b(a) and 5830f(a) of this title shall provide valid documents establishing the identity and income for the taxable year of the individual and, as applicable, the individual's spouse and qualifying children. Upon receiving a valid Social Security number issued by the Social Security Administration, the individual shall notify the Commissioner in the time and manner prescribed by the Commissioner.

(c) All claims submitted and records created pursuant to this section and subsections 5828b(a) and 5830f(a) of this title shall be exempt from public inspection and copying under the Public Records Act 1 V.S.A. § 317(c)(6) and shall be kept confidential as return or return information pursuant to section 3102 of this title.

Sec. 18. 32 V.S.A. § 5830f(d) is added to read:

(d)(1) The Commissioner shall establish a program to make advance quarterly payments of the credit under this section during the calendar year that, in the aggregate, equal 50 percent of the annual amount of the credit allowed to each individual for the taxable year. The quarterly payments made to an individual during the calendar year shall be in equal amounts, except that the Commissioner may modify the quarterly amount upon receipt of any information furnished by the individual that allows the Commissioner to determine the annual amount. The remaining 50 percent of the annual amount of the credit allowed to each individual shall be determined at the time of filing a Vermont personal income tax return for the taxable year pursuant to section 5861 of this title.

(2) The Commissioner shall provide a process by which individuals may elect not to receive advance payments under this subsection.

* * * Pass-throughs; Composite Payment Rate for Nonresidents * * *

Sec. 19. 32 V.S.A. § 5914(b) is amended to read:

(b) The Commissioner may upon request and for ease of administration permit S corporations to file composite returns and to make composite payments of tax on behalf of some or all of its nonresident shareholders. In addition, the Commissioner may require an S corporation that has in excess of

50 nonresident shareholders to file composite returns and to make composite payments at the ~~middle~~ second-highest marginal rate on behalf of all of its nonresident shareholders.

Sec. 20. 32 V.S.A. § 5920(b) is amended to read:

(b) The Commissioner may permit a partnership or limited liability company to file composite returns and to make composite payments of tax on behalf of some or all of its nonresident partners or members. In addition, the Commissioner may require a partnership or limited liability company that has in excess of 50 nonresident partners or members to file composite returns and to make composite payments at the ~~middle~~ second-highest marginal rate on behalf of all of its nonresident partners or members.

* * * Property Tax Valuation; Qualified Rental Units; VHFA Certificate * * *

Sec. 21. 32 V.S.A. § 5404a(a) is amended to read:

(a) A tax agreement or exemption shall affect the education property tax grand list of the municipality in which the property subject to the agreement is located if the agreement or exemption is:

* * *

(6) An exemption of a portion of the value of a qualified rental unit parcel. An owner of a qualified rental unit parcel shall be entitled to an exemption on the education property tax grand list of 10 percent of the grand list value of the parcel, multiplied by the ratio of square footage of improvements used for or related to residential rental purposes to total square footage of all improvements, multiplied by the ratio of qualified rental units to total residential rental units on the parcel. "Qualified rental units" means residential rental units that are subject to rent restriction under provisions of State or federal law, but excluding units subject to rent restrictions under only one of the following programs: Section 8 moderate rehabilitation, Section 8 housing choice vouchers, or Section 236 or Section 515 rural development rental housing. A municipality shall allow the percentage exemption under this subsection upon presentation by the taxpayer to the municipality, by April 1, of a certificate of education grand list value exemption obtained from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate of exemption upon presentation by the taxpayer of information that VHFA and the Commissioner shall require. A certificate of exemption issued by VHFA under this subsection shall expire upon transfer of the building, upon expiration of the rent restriction, or after 10 years, whichever first occurs. ~~The; provided, however, that the certificate of exemption may be renewed once after 10 years and every 10 years thereafter~~ if VHFA finds that the property continues to meet the requirements of this subsection.

* * * Property Tax Credit; Filing Deadlines * * *

Sec. 22. 32 V.S.A. § 6068 is amended to read:

§ 6068. APPLICATION AND TIME FOR FILING

(a) A property tax credit claim or request for allocation of an income tax refund to homestead property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the credit or allocation is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.

(b) If the claimant fails to file a timely claim, the amount of the property tax credit under this chapter shall be reduced by \$15.00, but not below \$0.00, which shall be paid to the municipality for the cost of issuing an adjusted homestead property tax bill. No benefit shall be allowed in the calendar year unless the claim is filed with the Commissioner on or before October 15. If the claimant files a claim after October 15 but on or before March 15 of the following calendar year, the property tax credit under this chapter:

(1) shall be reduced in amount by \$150.00, but not below \$0.00;

(2) shall be issued directly to the claimant; and

(3) shall not require the municipality where the claimant's property is located to issue an adjusted homestead property tax bill.

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

* * * Vermont Bond Bank * * *

Sec. 23. 24 V.S.A. chapter 119 is redesignated to read:

CHAPTER 119. MUNICIPAL VERMONT BOND BANK

Sec. 24. 24 V.S.A. § 4551 is amended to read:

§ 4551. DEFINITIONS

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

(1) "Bank" means the Vermont ~~Municipal~~ Bond Bank established by section 4571 of this title.

* * *

(7) “Municipal bond” means a bond or note or evidence of debt or financing arrangement of a governmental unit, including a bond, note, or evidence of debt, constituting a general obligation of a governmental unit, but does not include any bond or note or evidence of debt issued by any other state or any public body or municipal corporation thereof.

* * *

(10) “Public body” means any public body corporate and politic or any political subdivision of the State established under any law of the State ~~that may issue its bonds or notes, whether heretofore or hereafter established.~~

(11) “Reserve Fund” means the Vermont ~~Municipal~~ Bond Bank Reserve fund established under section 4671 of this title.

* * *

(13) “Revenue bond” means a bond or note or evidence of debt constituting an obligation or financing arrangement of a governmental unit authorized under laws of the State and payable solely out of the earnings or profits derived, or to be derived, from the operation of a public utility, authorized and issued in accordance with subchapter 2 of chapter 53 of this title from revenues derived from the financed asset, enterprise funds, or other specified revenues and the earnings thereon.

(14) “Revenue Bond Reserve Fund” means the Vermont ~~Municipal~~ Bond Bank Revenue Bond Reserve Fund established under section 4681 of this title.

(15) “Revenue Fund” means the Vermont ~~Municipal~~ Bond Bank Revenue Fund established under section 4683 of this title.

Sec. 25. 24 V.S.A. § 4571 is amended to read:

§ 4571. ESTABLISHMENT

There is hereby established a body corporate and politic, with corporate succession, to be known as the “Vermont ~~Municipal~~ Bond Bank.” The Bank is hereby constituted as an instrumentality exercising public and essential governmental functions, and the exercise by the Bank of the powers conferred by this chapter are deemed to be an essential governmental function of the State.

Sec. 26. 24 V.S.A. § 4571a is amended to read:

§ 4571a. REPORTS

The Vermont ~~Municipal~~ Bond Bank shall prepare and submit, consistent

with 2 V.S.A. § 20(a), a report on activities for the preceding calendar year, pursuant to section 4594 of this title.

Sec. 27. 24 V.S.A. § 4592 is amended to read:

§ 4592. SUPPLEMENTARY POWERS

The Bank, in addition to any other powers granted in this chapter, has the following powers:

* * *

(3) To establish any terms and provisions with respect to any loan to governmental units through the purchase of municipal bonds or revenue bonds by the Bank, including date and maturities of the bonds, provisions as to redemption or payment prior to maturity, and any other matters ~~which~~ that are necessary, desirable, or advisable in the judgment of the Bank.

* * *

(10) To issue bonds, other forms of indebtedness, or other financing obligations or arrangements for projects relating to renewable energy, as defined in ~~30 V.S.A. § 8002(17)~~, or to energy efficiency, climate adaptation, and projects under subchapter 2 of chapter 87 of this title. Bonds shall be supported by both the general obligation and the assessment payment revenues of the participating municipality that otherwise result in the reduction of greenhouse gas emissions.

Sec. 28. 24 V.S.A. § 4652 is amended to read:

§ 4652. WAIVER OF DEFENSES; RIGHTS OF HOLDER

On the sale and issuance of any municipal bonds or revenue bonds to the Bank by any governmental unit, that governmental unit is deemed to agree that on the failure of that governmental unit to pay interest or principal on any of the municipal bonds or revenue bonds owned or held by the Bank when payable, all defenses to nonpayment are waived; and further, with respect to municipal bonds that constitute general obligation bonds supported by the full faith and credit of the municipality, upon nonpayment and demand on that governmental unit for payment, if funds are not available in its treasury to make payment, the governing body of that governmental unit shall forthwith assess a tax on the grand list of the governmental unit, sufficient to make payment with 12 percent interest thereon, and cause the tax to be collected within 60 days; and further, with respect to municipal bonds that do not constitute general obligation bonds supported by the full faith and credit of the municipality and revenue bonds, upon nonpayment and demand on that governmental unit for payment, such governmental unit shall make payment together with interest thereon of 12 percent, which shall be due and payable

within 60 days; and further, notwithstanding any other law, including any law under which the municipal bonds or revenue bonds were issued by that governmental unit, the Bank upon nonpayment is constituted a holder or owner of the municipal bonds or revenue bonds as being in default. Also, notwithstanding any other law as to time or duration of default or percentage of holders or owners of bonds entitled to exercise rights of holders or owners of bonds in default, or to invoke any remedies or powers thereof or of any trustee in connection therewith or of any board, body, agency, or commission of the State having jurisdiction in the matter or circumstance, the Bank may thereupon avail itself of all other remedies, rights, and provisions of law applicable in that circumstance, and the failure to exercise or exert any rights or remedies within any time or period provided by law may not be raised as a defense by the governmental unit. All of the bonds of the issue of municipal bonds or revenue bonds of a governmental unit on which there is nonpayment, are for all of the purposes of this section deemed to be due and payable and unpaid. The Bank may carry out the provisions of this section and exercise all of the rights and remedies and provisions of law provided or referred to in this section.

Sec. 29. 24 V.S.A. § 4676 is amended to read:

§ 4676. GENERAL FUND

* * *

(b) Any monies in the General Fund may, subject to any contracts between the Bank and its bondholders or noteholders, be transferred to the Reserve Fund established pursuant to section 4671 of this title, or if not so transferred, shall be used for the payment of the principal of or interest on bonds or notes of the Bank presently outstanding and any bonds or notes on a parity therewith, and any bonds or notes issued to refund such bonds or notes, all when they become due and payable, whether at maturity or upon redemption including payment of any premium upon redemption prior to maturity, and any monies in the General Fund may be used for the purchase of municipal bonds to make loans to governmental units under this chapter and for all other purposes of the Bank including payment of its operating expenses.

Sec. 30. 24 V.S.A. § 4683 is amended to read:

§ 4683. REVENUE FUND

(a) The Bank shall establish and maintain a fund called the “Revenue Fund” in which there shall be deposited:

* * *

(3) monies received by the Bank as payments of principal of or interest on municipal bonds or revenue bonds purchased by the Bank, or received as proceeds of sale of any municipal bonds or revenue bonds or investment obligations of the Bank, or otherwise in repayment of loans made by the Bank, or received as proceeds of sale of bonds or notes of the Bank, and required under the terms of any resolution of the Bank or contract with the holders of its bonds or notes to be deposited therein;

* * *

(b) Any monies in the Revenue Fund may, subject to any contracts between the Bank and its bondholders or noteholders, be transferred to the Revenue Bond Reserve Fund, or if not so transferred, shall be used for the payment of the principal of or interest on bonds or notes of the Bank as provided by resolution of the Bank when they become due and payable, whether at maturity or upon redemption including payment of any premium upon redemption prior to maturity, and any monies in the Revenue Fund may be used for the purchase of municipal bonds and revenue bonds for making loans to governmental units under this chapter and for all other purposes of the Bank including payment of its operating expenses.

Sec. 31. 24 V.S.A. § 4703 is amended to read:

§ 4703. POWERS OF TRUSTEE ON DEFAULT

A trustee appointed under section 4702 of this title may, and shall in ~~his or her or it's~~ the trustee's name, upon written request of the holders of 25 per centum in principal amount of the outstanding notes or bonds:

(1) By suit, action, or proceeding, enforce all rights of the noteholders or bondholders, including the right to require the Bank to collect rates, charges, and other fees and to collect interest and amortization payments on loans made to governmental units and on municipal bonds, revenue bonds, and notes held by it adequate to carry out any agreement as to, or pledge of, the rates, charges, and other fees and of the interest and amortization payments, and to require the Bank to carry out any other agreements with the holders of the notes or bonds and to perform its duties under this chapter;

* * *

* * * Study of Financing Public Infrastructure Improvements * * *

Sec. 32. FINANCING PUBLIC INFRASTRUCTURE IMPROVEMENTS;
JOINT FISCAL OFFICE; REPORT

(a) On or before January 15, 2024, the Joint Fiscal Office shall submit a report to the House Committee on Ways and Means and the Senate Committee on Finance on financing public infrastructure improvements in Vermont

municipalities. The report shall include the following:

(1) a review of public infrastructure financing programs in other states and municipalities that may be implemented in Vermont;

(2) recommendations for aligning State and federal assistance for public infrastructure; and

(3) recommendations for harmonizing or expanding existing infrastructure improvement programs and distribution of funding.

(b) The Joint Fiscal Office is authorized to submit the report described in subsection (a) of this section in the form of an issue brief or hire a consultant to perform the research and draft the report. If a consultant is hired, then the Joint Fiscal Office may use an amount not to exceed \$50,000.00 for any associated costs from legislative funds.

* * * Tax Increment Financing * * *

Sec. 33. 24 V.S.A. § 1891 is amended to read:

§ 1891. DEFINITIONS

~~When~~ As used in this subchapter:

* * *

(4) “Improvements” means the installation, new construction, or reconstruction of infrastructure that will serve a public purpose and fulfill the purpose of tax increment financing districts as stated in section 1893 of this subchapter, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation. “Improvements” also means the funding of debt service interest payments for a period of up to two years, beginning on the date on which the first debt is incurred.

* * *

(7) “Financing” means debt incurred, including principal, interest, and any fees or charges directly related to that debt, or other instruments or borrowing used by a municipality to pay for improvements in a tax increment financing district, only if authorized by the legal voters of the municipality in accordance with section 1894 of this subchapter. Payment for the cost of district improvements may also include direct payment by the municipality using the district increment. However, such payment is also subject to a vote by the legal voters of the municipality in accordance with section 1894 of this subchapter and, if not included in the tax increment financing plan approved under subsection 1894(d) of this subchapter, is also considered a substantial change and subject to the review process provided by subdivision 1901(2)(B)

of this subchapter. If interfund loans within the municipality are used as the method of financing, no interest shall be charged. Bond anticipation notes may be used as a method of financing; provided, however, that bond anticipation notes shall not be considered a first incurrence of debt pursuant to subsection 1894(a) of this subchapter.

* * *

Sec. 34. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

(a) Certification. As of the date the district is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district has increased or decreased relative to the original taxable value.

(b) Boundary of the district. No adjustments to the physical boundary lines of a district shall be made after the approval of a tax increment financing district plan.

Sec. 35. 24 V.S.A. § 1896 is amended to read:

§ 1896. TAX INCREMENTS

(a) In each year following the creation of the district, the listers or assessor shall include ~~no~~ not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the tax increment financing district is situated; but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year. In each year ~~for which the assessed valuation exceeds the original taxable value,~~ the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property in the district ~~which~~ that the excess valuation bears to the total assessed valuation. The amount held apart each year is the “tax increment” for that year. ~~No~~ Not more than the percentages established pursuant to section 1894 of this subchapter of the municipal and State education tax increments received with respect to the district and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness of the district has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the district in the assessed valuations upon which

municipal and other tax rates are computed and extended and thereafter no taxes from the district shall be deposited in the district's tax increment financing account.

* * *

(e) In each year, a municipality shall remit not less than the aggregate tax due on the original taxable value to the Education Fund.

Sec. 36. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT FINANCING DISTRICTS

(a) A tax agreement or exemption shall affect the education property tax grand list of the municipality in which the property subject to the agreement is located if the agreement or exemption is:

* * *

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality's education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality's property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized nonhomestead rate for the tax year.

(2) Notwithstanding any other provision of law, if a municipality has entered into an agreement that reduces the municipality's education property tax liability under this chapter and the municipality establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality's municipal and education tax increment shall be calculated based on the assessed value of the properties in the municipality's grand list and not on the stabilized value.

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

* * *

~~(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the six-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the six-district limit.~~

* * *

Sec. 37. TAX INCREMENT FINANCING DISTRICT; CITY OF BARRE;
EXTENSION; INCREMENT

(a) Notwithstanding 2021 Acts and Resolves No. 73, Sec. 26a, amending 2020 Acts and Resolves No. 175, Sec. 29, or any other provision of law, the authority of the City of Barre to incur indebtedness is hereby extended to March 31, 2026.

(b) Notwithstanding any other provision of law, the authority of the City of Barre to retain municipal and education tax increment is hereby extended until June 30, 2039.

Sec. 38. 2020 Acts and Resolves No. 111, Sec. 1 is amended to read:

Sec. 1. TAX INCREMENT FINANCING DISTRICT; TOWN OF
HARTFORD

Notwithstanding any other provision of law, the authority of the Town of Hartford to:

(1) incur indebtedness for its tax increment financing district is hereby extended for three years beginning on March 31, 2021. This extension does not extend any period that municipal or education tax increment may be retained until March 31, 2026; and

(2) retain municipal and education tax increment is hereby extended until June 30, 2036.

* * * Vermont Economic Growth Incentive; Sunset * * *

Sec. 39. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022 Acts and Resolves No. 164, Sec. 5, is further amended to read:

Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD
INCENTIVES

Notwithstanding any provision of law to the contrary, the Vermont Economic Progress Council shall not accept or approve an application for a Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,

subchapter 2 on or after January 1, ~~2024~~ 2025.

* * * Workers' Compensation * * *

Sec. 40. WORKERS' COMPENSATION RATE OF CONTRIBUTION

For fiscal year 2024, after consideration of the formula in 21 V.S.A. § 711(b) and historical rate trends, the General Assembly determines that the rate of contribution for the direct calendar year premium for workers' compensation insurance shall be 1.5 percent. The contribution rate for self-insured workers' compensation losses and workers' compensation losses of corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

Sec. 41. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

* * *

(b)(1) Annually, the General Assembly shall establish the rate of contribution for the direct calendar year premium for workers' compensation insurance. The rate shall equal the amount approved in the appropriations process for the program and the Department's projection of salary and benefit increases for that fiscal year, less the amount collected in the prior calendar year under subsection (a) of this section from self-insured workers' compensation losses and from corporations approved under this chapter, adjusted by any balance in the fund from the prior fiscal year, divided by the total direct calendar year premium for workers' compensation insurance for the prior year.

(2) In the event that the General Assembly does not establish the rate of contribution for the direct calendar year premium for workers' compensation insurance for a given fiscal year, the rate shall remain unchanged from the prior fiscal year.

Sec. 42. 2014 Acts and Resolves No. 199, Sec. 54b is amended to read:

Sec. 54b. 21 V.S.A. § 643a is added to read:

§ 643a. DISCONTINUANCE OF BENEFITS

Unless an injured worker has successfully returned to work, an employer shall notify both the Commissioner and the employee prior to terminating benefits under either section 642 or 646 of this title. The notice of intention to discontinue payments shall be filed on forms prescribed by the Commissioner and shall include the date of the proposed discontinuance, the reasons for it, and, if the employee has been out of work for 90 days, a verification that the employer offered vocational rehabilitation screening and services as required under this chapter. All relevant evidence, including evidence that does not

support discontinuance in the possession of the employer not already filed, shall be filed with the notice. The liability for the payments shall continue for seven days after the notice is received by the Commissioner and the employee. If the claimant disputes the discontinuance, the claimant may file with the Commissioner an objection to the discontinuance and seek an extension of 14 days. The objection to the discontinuance shall be specific as to the reasons and include supporting evidence. A copy of the objection shall be provided to the employer at the time the request is made to the Commissioner. ~~Those~~ The payments shall be made without prejudice to the employer and may be deducted from any amounts due pursuant to section 648 of this title if the Commissioner determines that the discontinuance is warranted or if otherwise ordered by the Commissioner. Every notice shall be reviewed by the Commissioner to determine the sufficiency of the basis for the proposed discontinuance. If, after review of all the evidence in the file, the Commissioner finds that a preponderance of all the evidence in the file does not reasonably support the proposed discontinuance, the Commissioner shall order that payments continue until a hearing is held and a decision is rendered. Prior to a formal hearing, an injured worker may request reinstatement of benefits by providing additional new evidence to the Department that establishes that a preponderance of all evidence now supports the claim. If the Commissioner's decision, after a hearing, is that the employee was not entitled to any or all benefits paid between the discontinuance and the final decision, upon request of the employer, the Commissioner may order that the employer repay all benefits to which the employee was not entitled. The employer may enforce a repayment order in any court of law having jurisdiction.

* * * Unemployment Insurance * * *

Sec. 43. 2021 Acts and Resolves No. 183, Sec. 59(b)(6) is amended to read:

(6) Sec. 52g (prospective repeal of unemployment insurance benefit increase) shall take effect ~~upon the payment of a~~ when the cumulative total amount of additional benefits paid pursuant to 21 V.S.A. § 1338(e) ~~when,~~ compared to the rate at which benefits would have been paid under the formula set forth in 21 V.S.A. § 1338(e) on June 30, 2025 ~~equal to \$92,000,000.00,~~ plus the ~~difference between \$8,000,000.00 and the amount of additional benefits paid out pursuant to section 52b, if any,~~ compared to the amount that would have been paid pursuant to the provisions of 21 V.S.A. § 1338(f)(1) on June 30, 2022, equals \$100,000,000.00 and shall apply to benefit weeks beginning after that date.

* * * Effective Dates * * *

Sec. 44. EFFECTIVE DATES

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Secs. 1 and 2 (annual link to federal statutes) shall take effect retroactively on January 1, 2023 and shall apply to taxable years beginning on and after January 1, 2022.

(2) Sec. 8 (sales tax exemption; advanced wood boilers) shall take effect on June 30, 2023.

(3) Notwithstanding 1 V.S.A. § 214, Secs. 14 (child and dependent care credit), 15 (earned income tax credit), 16 (child tax credit; taxpayer identification numbers), 17 (taxpayer identification numbers; credits), and 19 and 20 (pass-throughs; composite payment rate for nonresidents) shall take effect retroactively on January 1, 2023 and shall apply to taxable years beginning on and after January 1, 2023.

(4) Sec. 18 (child tax credit; advance payments) shall take effect on the later of July 1, 2023 or the first day of the second quarter of the State fiscal year after the requirement to include recurring or nonrecurring State payments of income tax refunds, rebates, or credits in income-based eligibility determinations for any federal public assistance program, including the Supplemental Nutrition Assistance Program; the Special Supplemental Nutrition Program for Women, Infants, and Children; federal child care assistance; and Supplemental Security Income, is abrogated by one or more of the following federal actions:

(A) enactment of federal legislation;

(B) a decision by a controlling court from which there is no further right of appeal; or

(C) publication of federal regulations, guidelines, memorandum, or any other official action taken by the relevant federal agency with the authority to alter income-based eligibility determinations for federal public assistance programs.

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

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

Thereupon, on motion of Senator Baruth, the rules were suspended, and the bill was placed in all remaining stages of passage in concurrence with proposal of amendment forthwith.

Which was agreed to.

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

**Rules Suspended; Proposal of Amendment; Bill Passed in Concurrence
with Proposal of Amendment**

H. 480.

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

An act relating to property valuation and reappraisals.

Was taken up for immediate consideration.

Senator Hardy, for the Committee on Government Operations, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Reappraisals * * *

Sec. 1. 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

* * *

(b) If the Director of Property Valuation and Review determines that a municipality's education grand list ~~is at a common level of appraisal below 85 percent or above 115 percent, or~~ has a coefficient of dispersion greater than 20, the municipality shall reappraise its education grand list properties. If the Director orders a reappraisal, the Director shall send the municipality written notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director, or to develop a compliance plan, or both. If the Director accepts a proposed compliance plan submitted by the municipality, the Director shall not order commencement of the reappraisal until the municipality has had one year to carry out that plan.

* * *

~~(d) A sum not to exceed \$100,000.00 each year shall be paid from the Education Fund to the Division of Property Valuation and Review for the purpose of providing assessment education for municipal assessing officials. The Director is authorized to establish guidelines and requirements for education programs to be provided using the funds described in this section. Education programs provided using funds described in this section shall be provided at no cost or minimal cost to the municipal assessing officials. In addition to providing the annual education programs as described in this section, up to 20 percent of the amount available for education programs may be reserved as a scholarship fund to permit municipal assessing officials to attend national programs providing education opportunities on advanced assessment topics. All applications for scholarships shall be submitted to and approved by the Director. [Repealed.]~~

* * *

Sec. 2. 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

* * *

(b) If the Director of Property Valuation and Review determines that a municipality's education grand list has a coefficient of dispersion greater than 20 or that a municipality has not timely reappraised pursuant to subsection (d) of this section, the municipality shall reappraise its education grand list properties. If the Director orders a reappraisal, the Director shall send the municipality written notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director or to develop a compliance plan, or both. If the Director accepts a proposed compliance plan submitted by the municipality, the Director shall not order commencement of the reappraisal until the municipality has had one year to carry out that plan.

* * *

(d) Each municipality shall commence a full reappraisal not later than six years after the commencement of the municipality's most recent full reappraisal unless a longer period of time is approved by the Director.

* * *

Sec. 3. ONE-TIME APPROPRIATION; DEPARTMENT OF TAXES

In fiscal year 2024, \$50,000.00 shall be appropriated from the General Fund to the Department of Taxes to contract with one or more consultants with expertise in statewide reappraisal systems to assist the Department in preparing the implementation proposal required under this act.

Sec. 4. IMPLEMENTATION PROPOSAL AND PROGRESS REPORT;
STATEWIDE REAPPRAISALS; GRAND LIST PROPERTIES;
DEPARTMENT OF TAXES

(a) On or before December 15, 2023, the Department of Taxes shall submit in writing to the House Committees on Government Operations and Military Affairs and on Ways and Means and the Senate Committees on Finance and on Government Operations a progress report on the first six months of work on the implementation plan and recommendations required under subsection (b) of this section. The progress report shall include the following:

(1) With regard to the proposal to implement a statewide reappraisal system, a preliminary schedule to phase in full reappraisals for each municipality every six years with the first municipalities scheduled to reappraise with a completion date on or before April 1, 2027. In setting the proposed six-year reappraisal schedule, the Department shall prioritize the following factors:

- (A) municipalities for which the last year of reappraisal is the oldest;
- (B) the geographic proximity of municipalities; and
- (C) any other relevant municipal data metrics.

(2) With regard to the recommendations on obtaining detailed, accurate, and consistent data on all properties throughout the State, a study of existing municipal data metrics that could be used to identify and differentiate between properties on the municipal and statewide education grand lists based on property types and characteristics, including use, occupancy or vacancy, square footage, and any other relevant factors.

(3) Options for and any implementation of implicit bias reduction training for listers and assessors.

(b)(1) On or before December 15, 2024, in consultation with relevant stakeholders, including groups that represent individuals from different socioeconomic backgrounds and that promote diversity, equity, and inclusion, the Department of Taxes shall submit in writing to the House Committees on Government Operations and Military Affairs and on Ways and Means and the Senate Committees on Finance and on Government Operations:

(A) a detailed implementation proposal for creating a statewide system to conduct reappraisals of municipal and statewide education grand lists administered by the State within the Division of Property Valuation and Review of the Department of Taxes; and

(B) recommendations to distinguish between different types and uses of property on the municipal and statewide education grand lists and a detailed

proposal for designating new or updated property types and integrating them into the municipal and statewide education grand lists, as applicable, and the overall property taxation system beginning on January 1, 2026.

(2) The written submission required under this subsection shall identify and recommend the means to achieve consistency in property valuation and taxation across the State in order to prioritize the elimination of racial, socioeconomic, and other implicit biases. Pursuant to this subdivision, the Department shall review and revise State training programs and guidance provided to listers and assessors, including the Vermont Department of Taxes, Division of Property Valuation and Review publication titled “Lister and Assessor Handbook A Guide for Vermont Listers and Assessors,” for instances of racial, socioeconomic, and other implicit biases and report on any revisions made or planned to be made to those training programs and guidance.

(3) The implementation proposal required under subdivision (1)(A) of this subsection regarding the creation of a statewide reappraisal system shall make recommendations and propose legislative language, as applicable or needed to achieve the Department’s recommendations, regarding the following:

(A) Adequate funding, including cost-saving measures and potentially reallocating the revenues from the per-parcel fee under 32 V.S.A. § 4041a(a) to operate a statewide reappraisal system. The implementation proposal shall address staffing costs for hiring or contracting with trained assessors, or both, to carry out reappraisals and hearing officers to hold appeals at locations across the State.

(B)(i) Administration of full and statistical reappraisals of each municipality’s municipal and statewide education grand list, including:

(I) selection and prioritization criteria;

(II) any proposed adjustments to the coefficient of dispersion threshold that causes a reappraisal order pursuant to 32 V.S.A. § 4041a;

(III) the frequency and efficacy of conducting full and statistical reappraisals on a set schedule; and

(IV) any other recommendations for establishing a reappraisal schedule.

(ii) The implementation proposal shall list the municipalities that, at the time of passage of this act, have been ordered to reappraise pursuant to 32 V.S.A. § 4041a for the longest period of time and propose the means to prioritize a first State-level reappraisal for those municipalities’ grand lists, provided no municipality shall be required to reappraise in fewer than six years

after completion of the most recent full reappraisal. The implementation proposal shall further list the municipalities that have recently undergone or are currently undergoing a reappraisal and propose the means to ensure that those municipalities' grand lists are not scheduled for a first State-level reappraisal in fewer than six years after completion of the most recent full reappraisal.

(C) Creation of a reappraisal appeal structure that:

(i) ensures impartiality and installs procedural safeguards against conflicts of interest;

(ii) ensures all communities have convenient and reasonable access to State appeal hearings, regardless of the geographical location of the appellant;

(iii) based on a study of other State administrative appeal structures, incorporates the strengths and advantages of those appeal structures; and

(iv) takes into consideration any other matters identified by the Department relating to appeals, including a recommendation on potentially narrowing or eliminating the role of Boards of Civil Authority within the appraisal appeal process.

(D) Streamlining, integrating, and updating State and municipal software vendor agreements and information technology systems relating to reappraisals and maintaining municipal and statewide education grand lists, including the integration of any new or updated property types into municipal and statewide education grand lists, as applicable, and the overall property taxation system beginning on January 1, 2026. The implementation proposal shall further estimate costs and analyze any other considerations regarding software vendor agreements.

(E) Existing definitions and data metrics currently gathered by municipal Computer Assisted Mass Appraisal (CAMA) systems and the potential for using those definitions and data to collect information on the number of residential units, land value distinct from the value of buildings or other improvements on the land, the year of construction for buildings or other improvements, and any other pertinent data relating to properties in this State.

(F) Distinguishing between contiguous parcels for purposes of property valuation and the payment of the per-parcel fee under 32 V.S.A. § 5405(f).

(G) Incentivizing municipalities to submit grand list parcel map data to the Vermont Center for Geographic Information, including conditioning

payment of higher per grand list parcel fees on the submission of data.

(H) Incorporating the principles of a high-quality tax system into a potential statewide reappraisal system as enumerated by the National Conference of State Legislatures, “Tax Policy Handbook for State Legislators” (February 2010), 3rd ed., including sustainability, reliability, fairness, simplicity, economic competitiveness, tax neutrality, and accountability.

(4) The recommendations and detailed proposal required under subdivision (1)(B) of this subsection regarding new or updated property types that apply to municipal and statewide education grand lists and the overall property taxation system shall include the following:

(A)(i) Legislative language, as applicable or needed to achieve the Department’s recommendations, that differentiates between grand list properties based on property type and characteristics, including use, occupancy or vacancy, square footage, and any other relevant factors. The detailed proposal shall recommend how certain property types and characteristics could be identified and data could be collected, including:

(I) different types of rental and affordable housing properties;

(II) the number of residential units in this State, including the number of residential units per parcel;

(III) land value distinct from the value of buildings or other improvements on the land;

(IV) the year of construction for buildings or other improvements; and

(V) any other pertinent data relating to properties in this State.

(ii) The recommendation under this subdivision (4)(A) shall consider the way that existing municipal and statewide education grand list property categories used for purposes of the equalization study could be reconfigured and consolidated and any other means to identify properties in order to obtain detailed, accurate, and consistent data on all properties throughout the State.

(B) Updating existing information technology systems or creating a new data collection and reporting system, or both, and creating a designation process for integrating different property types into the municipal and statewide education grand lists and the overall property taxation system in a detailed, accurate, and consistent way that takes into consideration the compliance and administrative burdens placed on both property owners and municipal and State administrators. The detailed proposal shall provide clear and actionable guidance on any new or updated property types and the

designation process for both property owners and municipal listers and assessors.

(C) Assistance during the transition period for municipal listers and assessors with conducting the initial designation, data collection, and reporting of any new or updated property types.

(D) Integration of new or updated property types into a potential statewide reappraisal system and into the overall property taxation system.

Sec. 5. 2022 Acts and Resolves No. 163, Sec. 8(2) is amended to read:

(2) Sec. 3 (State appraisal and litigation assistance program) shall take effect on July 1, 2023, ~~provided the General Assembly has, on or before July 1, 2023, appropriated funding to cover the Department of Taxes' operating costs required to create, implement, and maintain a new State appraisal and litigation assistance program.~~

* * * Lister and Appraiser Education * * *

Sec. 6. 32 V.S.A. § 3436 is amended to read:

§ 3436. ASSESSMENT EDUCATION

(a) The Director shall certify assessment education programs for municipal listers and assessors at convenient times and places during the year and is authorized to contract with one or more persons to provide part or all of the assessment instruction. Certified programs shall include education on racial disparities in property valuation outcomes in the United States, with a focus on Vermont in particular, and on-going bias reduction training. Certified programs may include instruction in lister duties, property inspection, data collection, valuation methods, mass appraisal techniques, property tax administration, or such other subjects as the Director deems beneficial to listers and both mandatory and optional certified programs may be presented by Property Valuation and Review or a person pursuant to a contract with Property Valuation and Review, the International Association of Assessing Officials, the Vermont Assessors and Listers Association, or the Vermont League of Cities and Towns.

(b) The Director shall establish designations recognizing levels of achievement and the necessary course work or evaluation of equivalent experience required to attain each designation. Designation for any one level shall be for a period of three years.

(c) Designation obtained under subsection (b) of this section may be renewed for three-year periods upon completion of requirements as determined by the ~~director~~ Director.

(d) The Director shall also notify all towns annually of any new approaches that the Division of Property Valuation and Review is aware of for obtaining or performing mass reappraisals and for grand list maintenance.

(e) A sum not to exceed \$100,000.00 each year shall be paid from the Education Fund to the Division of Property Valuation and Review for the purpose of providing assessment education for municipal listers and assessors. The Director is authorized to establish guidelines and requirements for education programs to be provided using the funds described in this section. Education programs provided using funds described in this section shall be provided at no cost or minimal cost to the municipal listers and assessors. In addition to providing the annual education programs described in this section, up to 20 percent of the amount available for education programs may be reserved as a scholarship fund to permit municipal listers and assessors to attend national programs providing education opportunities on advanced assessment topics. All applications for scholarships shall be submitted to and approved by the Director.

Sec. 7. 32 V.S.A. § 4052 is amended to read:

§ 4052. CONTRACT APPRAISALS; CERTIFICATION ASSESSOR QUALIFICATIONS

(a) No municipality shall employ or contract a person, firm, or corporation shall be employed by a municipality to perform appraisals of real property for the purpose of property taxation unless approved by the Director of Property Valuation and Review as qualified under this section.

(b) No person shall conduct the work of an assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b) unless the person meets the training requirements established by the Director of Property Valuation and Review under this section.

(c) The Director shall establish by rule reasonable qualifications for approval and training requirements, which shall include successful completion of educational and training courses approved by the Director and, in the case of an appraiser hired to do a townwide reappraisal, at least one year's experience with an appraiser who has satisfactorily completed townwide reappraisals.

~~(e)~~(d) This section shall not apply to elected or appointed officials of any town but shall apply to an assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b).

Sec. 8. 32 V.S.A. § 4052 is amended to read:

§ 4052. CONTRACT APPRAISALS; ASSESSOR AND LISTER QUALIFICATIONS

(a) No municipality shall employ or contract a person, firm, or corporation to perform and no elected lister or board of listers shall perform appraisals of real property for the purpose of property taxation unless approved by the Director of Property Valuation and Review as qualified under this section.

(b) No person shall conduct the work of an elected lister, board of listers, or assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b) unless the person meets the training requirements established by the Director of Property Valuation and Review under this section. An elected lister or board of listers who does not meet the training requirements of this section at the time of election shall have one year after entering into the duties of the office of lister to comply with this section.

* * *

~~(d) This section shall not apply to elected or appointed officials of any town but shall apply to an assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b). [Repealed.]~~

Sec. 9. 17 V.S.A. § 2651c is amended to read:

§ 2651c. LACK OF ELECTED LISTER; APPOINTMENT OF LISTER; ELIMINATION OF OFFICE; HIRING ASSESSORS

(a)(1) Notwithstanding any other provisions of law to the contrary and except as provided in subsection (b) of this section, in the event the board of listers of a town falls below a majority and the selectboard is unable to find a person or persons to appoint as a lister or listers under the provisions of 24 V.S.A. § 963, the selectboard may appoint an assessor to perform the duties of a lister as set forth in Title 32 until the next annual meeting.

(2) The appointed person need not be a resident of the town and shall have the same powers and be subject to the same duties and penalties as a duly elected lister for the town.

(b)(1) A town may vote by ballot at an annual meeting to eliminate the office of lister.

(2)(A) If a town votes to eliminate the office of lister, the selectboard shall ~~contract with or employ~~ notify the Director of Property Valuation and Review within 14 days and employ or contract a professionally qualified assessor, who, prior to conducting any work, shall meet the training requirements established by the Director under 32 V.S.A. § 4052 and need not

be a resident of the town.

(B) The assessor shall have the same powers, discharge the same duties, proceed in the discharge thereof in the same manner, and be subject to the same liabilities as are prescribed for listers or the board of listers under the provisions of Title 32.

(3) A vote to eliminate the office of lister shall remain in effect until rescinded by majority vote of the registered voters present and voting at an annual or special meeting warned for that purpose.

(c) The term of office of any lister in office on the date a town votes to eliminate that office shall expire on the 45th day after the vote or on the date upon which the selectboard ~~appoints~~ employs or contracts an assessor under this subsection, whichever occurs first.

(d) The authority to vote to eliminate the office of lister as provided in this section shall extend to all towns except those towns that have a charter that specifically provides for the election or appointment of the office of lister.

(e) If an assessor is employed or contracted to assist an elected board of listers, the board of listers shall retain the same powers and duties, discharge those powers and duties in the same manner, and be subject to the same liabilities as those imposed on listers or the board of listers under the provisions of Title 32.

* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

This act shall take effect on July 1, 2023 except:

(1) notwithstanding 1 V.S.A. § 214, Sec. 1, 32 V.S.A. § 4041a, subsection (b), (reappraisal orders; CLA) shall take effect retroactively on April 1, 2022 and shall apply to grand lists lodged on and after April 1, 2022;

(2) Sec. 2 (32 V.S.A. § 4041a; reappraisal orders) shall take effect on January 1, 2025; and

(3) Sec. 8 (32 V.S.A. § 4052; lister qualifications) shall take effect on January 1, 2026.

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

Senator Chittenden, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Government Operations with the following amendments thereto:

First: In Sec. 4, implementation proposal and progress report; statewide reappraisals; grand list properties; Department of Taxes, in subsection (a) (December 15, 2023 progress report), by striking out the word “plan” after “work on the implementation” and inserting in lieu thereof the word proposal

Second: In Sec. 4, implementation proposal and progress report; statewide reappraisals; grand list properties; Department of Taxes, in subsection (a) (December 15, 2023 progress report), by adding a new subdivision (4) to read as follows:

(4) Considerations and recommendations for changing the annual date by which grand lists are required to be lodged from April 1 to January 1 or another date.

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

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee on Government Operations was amended as recommended by the Committee on Finance.

Thereupon, the proposal of amendment recommended by the Committee on Economic Development, Housing and General Affairs, as amended, was agreed to and third reading of the bill was ordered.

On motion of Senator Baruth, the rules were suspended, and the bill was placed in all remaining stages of passage.

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

Rules Suspended; Bills Messaged

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

S. 138, H.470, H.471, H. 480, H.493.

Message from the House No. 63

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

Mr. President:

I am directed to inform the Senate that:

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

S. 89. An act relating to establishing a forensic facility.

And has concurred therein.

Message from the House No. 64

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

Mr. President:

I am directed to inform the Senate that:

The House has passed a House bill of the following title:

H. 517. An act relating to approval of the dissolution of Duxbury-Moretown Fire District No. 1.

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

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 14. An act relating to a report on criminal justice-related investments and trends.

And has adopted the same on its part.

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

H. 45. An act relating to abusive litigation filed against survivors of domestic abuse, stalking, or sexual assault.

H. 157. An act relating to the Vermont basic needs budget.

H. 165. An act relating to school food programs and universal school meals.

H. 492. An act relating to setting the homestead property tax yields and the nonhomestead property tax rate.

And has severally concurred therein.

Adjournment

On motion of Senator Baruth, the Senate adjourned until ten o'clock in the morning.