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JOHN H. BLOOMER, JR.
SECRETARY OF THE SENATE

VANESSA J. DAVISON
OPERATIONS MANAGER
JOURNAL CLERK

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

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

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

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:

Madam President:

I am directed to inform the Senate that:

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

S. 11. An act relating to prohibiting robocalls.

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

Adjournment

On motion of Senator Balint, the Senate adjourned until ten o'clock in the forenoon on Wednesday, May 4, 2022.

WEDNESDAY, MAY 4, 2022

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. 64

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

Madam President:

I am directed to inform the Senate that:

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

H. 444. An act relating to approval of amendments to the charter of the City of Barre.

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

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

H. 720. An act relating to the system of care for individuals with developmental disabilities.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The Speaker appointed as members of such Committee on the part of the House:

Rep. Wood of Waterbury
Rep. McFaun of Barre Town
Rep. Noyes of Wolcott

The Governor has informed the House that on May 3, 2022, he approved and signed a bill originating in the House of the following title:

H. 629. An act relating to access to adoption records.

The Governor has informed the House that on May 3, 2022, he returned without signature and vetoed a bill originating in the House of the following title:

H. 708. An act relating to the approval of an amendment to the charter of the City of Burlington.

Text of Communication from Governor

The text of the communication to the House from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. H.708** to the House is as follows:

"May 3, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.708, *An Act Relating to Approval of Amendments to the Charter of the City of Burlington*, without my signature.

Investing in housing has been and continues to be a top priority of my Administration. The lack of housing working Vermonters can afford is a significant challenge that contributes to our crisis of affordability and impairs our ability to keep and attract the families we need to revitalize our communities.

In addition to supporting investments and policies that will address Vermont's housing affordability crisis, we must not add policies that will remove much-needed housing units from the market. By eliminating a property owner's ability to end a lease agreement at the time of the mutually agreed upon end date within a lease, this "just cause eviction" law effectively creates the potential for perpetual tenancy, undermining private property rights and a foundational principle of choosing to rent your property.

Vermont already has some of the most progressive landlord-tenant laws in the country. By making it exceedingly difficult to remove tenants from a rental unit, even at the end of a signed lease, my fear is this bill will discourage property owners from renting to vulnerable prospective tenants, or to rent their units at all. Property owners will be less willing to take the risk of renting to individuals who are perceived to be greater risks, whether that's based on income level, past rental history, experience with homelessness or the criminal justice system, are being resettled from countries in distress or other factors. Instead, more preference will be given to renters with high credit scores, no criminal history, and positive references from previous landlords, creating further disparity for Vermonters. This will increase both costs and inequity in the housing market.

If we want to help tenants find housing, we must build new and revitalized housing more quickly, support exemptions from permitting in designated areas, and stop making it more and more expensive to rent, own, build and live in Vermont.

For these reasons, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the Tuesday, May 3, 2022 he approved and signed bills originating in the Senate of the following titles:

S. 72. An act relating to the Interstate Compact on the Placement of Children.

S. 171. An act relating to adoption of a State code of ethics.

S. 265. An act relating to expanding criminal threatening to include threats to third persons.

Bills Referred to Committee on Appropriations

House bills of the following titles, 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:

H. 175. An act relating to the beverage container redemption system.

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

Bill Referred

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

H. 743.

An act relating to amending the charter of the Town of Hardwick.

To the Committee on Government Operations.

Proposals of Amendment; Third Reading Ordered

H. 465.

Senator Collamore, 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. 8, 32 V.S.A. § 1010, in subdivision (e)(1), following the last sentence of the subdivision, by inserting the following:

Prior to submitting this schedule, the Governor shall consult with each elective officer or State officer who administers per diems that are not funded by the General Fund.

Second: By adding a reader assistance heading and new section to be Sec. 7a to read as follows:

* * * Emergency Service Provider Wellness Commission * * *

Sec. 7a. 18 V.S.A. § 7257b is amended to read:

§ 7257b. EMERGENCY SERVICE PROVIDER WELLNESS COMMISSION

(a) As used in this section:

(1) "Chief executive of an emergency service provider organization" means a person in charge of an organization that employs or supervises emergency service providers in their official capacity.

(2) "Emergency service provider" means a person:

(A) currently or formerly recognized by a Vermont fire department as a firefighter;

(B) currently or formerly licensed by the Department of Health as an emergency medical technician, emergency medical responder, advanced emergency medical technician, or paramedic;

(C) currently or formerly certified as a law enforcement officer by the Vermont Criminal Justice Council, including constables and sheriffs;

(D) currently or formerly employed by the Department of Corrections as a probation, parole, or correctional facility officer; ~~or~~

(E) currently or formerly certified by the Vermont Enhanced 911 Board as a 911 call taker or employed as an emergency communications dispatcher providing service for an emergency service provider organization; or

(F) currently or formerly registered as a ski patroller at a Vermont ski resort with the National Ski Patrol or Professional Ski Patrol Association.

(3) "Licensing entity" means a State entity that licenses or certifies an emergency service provider.

(b) There is created the Emergency Service Provider Wellness Commission within the Agency of Human Services that, in addition to the purposes listed below, shall consider the diversity of emergency service providers on the basis of gender, race, age, ethnicity, sexual orientation, gender identity, disability

status, and the unique needs that emergency service providers who have experienced trauma may have as a result of their identity status:

(1) to identify where increased or alternative supports or strategic investments within the emergency service provider community, designated or specialized service agencies, or other community service systems could improve the physical and mental health outcomes and overall wellness of emergency service providers;

(2) to identify how Vermont can increase capacity of qualified clinicians in the treatment of emergency service providers to ensure that the services of qualified clinicians are available throughout the State without undue delay;

(3) to create materials and information, in consultation with the Department of Health, including a list of qualified clinicians, for the purpose of populating an electronic emergency service provider wellness resource center on the Department of Health's website;

(4) to educate the public, emergency service providers, State and local governments, employee assistance programs, and policymakers about best practices, tools, personnel, resources, and strategies for the prevention and intervention of the effects of trauma experienced by emergency service providers;

(5) to identify gaps and strengths in Vermont's system of care for both emergency service providers who have experienced trauma and their immediate family members to ensure access to support and resources that address the impacts of primary and secondary trauma;

(6) to recommend how peer support services and qualified clinician services can be delivered regionally or statewide;

(7) to recommend how to support emergency service providers in communities that are resource challenged, remote, small, or rural;

(8) to recommend policies, practices, training, legislation, rules, and services that will increase successful interventions and support for emergency service providers to improve health outcomes, job performance, and personal well-being and reduce health risks, violations of employment, and violence associated with the impact of untreated trauma, including whether to amend Vermont's employment medical leave laws to assist volunteer emergency service providers in recovering from the effects of trauma experienced while on duty; and

(9) to consult with federal, State, and municipal agencies, organizations, entities, and individuals in order to make any other recommendations the Commission deems appropriate.

(c)(1) The Commission shall comprise the following members and, to the extent feasible, include representation among members that reflects the gender, gender identity, racial, age, ethnic, sexual orientation, social, and disability status of emergency service providers in the State:

* * *

(W) a representative, appointed by the Vermont Association for Hospitals and Health Systems; ~~and~~

(X) the Executive Director of the Enhanced 911 Board or designee; and

(Y) a member of the National Ski Patrol appointed by consensus agreement of the National Ski Patrol Northern Vermont and Southern Vermont Regional Directors.

* * *

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

Senator Kitchel, for the Committee on Appropriations, 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. 8, 32 V.S.A. § 1010, in subdivision (e)(2), following the last sentence of the subdivision, by inserting the following:

The agency or department shall include within its annual budget documentation the justification for any current or projected per diem rate that is greater than $50.00, including the justification for authorizing a per diem rate of greater than $50.00 for a board, commission, council, or committee created by executive order pursuant to subsection (g) of this section.

Second: In Sec. 8, 32 V.S.A. § 1010, in subsection (e), by inserting a new subdivision to be subdivision (3) to read as follows:

(3) When the General Assembly is not in session, a department or agency may only increase the per diem rate above the level included in their budget submission if approved by the Commissioner of Finance and Management after review of written justification for the per diem rate adjustment.

Third: By striking out Sec. 9, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof two new sections to be Secs. 9 and 10 and a reader assistance heading to read as follows:

Sec. 9. DEPARTMENT OF FINANCE AND MANAGEMENT; FISCAL YEAR 2024; PER DIEM MAXIMUM; REPORT

(a) Fiscal year 2024. The fiscal year 2024 annual budget report of the Governor and the fiscal year 2024 annual budget documentation submitted by agencies and departments shall include the documentation and information required in Sec. 8 of this act regarding current and proposed per diem rates for boards, commissions, councils, and committees.

(b) Report. On or before December 1, 2024, the Department of Finance and Management shall submit a written report to the House and Senate Committees on Appropriations and on Government Operations with a recommendation on whether to establish a maximum per diem rate for boards, commissions, councils, or committees and any legislative actions necessary to increase uniformity and equality of per diem rates across State government.

* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 8 shall take effect on July 1, 2023.

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

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 Appropriations.

Thereupon, the proposals of amendment recommended by the Committee on Government Operations, as amended, were severally agreed to and third reading of the bill was ordered.

Proposal of Amendment; Third Reading Ordered

H. 489.

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

An act relating to miscellaneous provisions affecting health insurance regulation.

Reported recommending that the Senate propose to the House to amend the bill by adding a new section to be Sec. 9 to read as follows:

Sec. 9. SEPARATE INDIVIDUAL AND SMALL GROUP HEALTH INSURANCE MARKETS FOR PLAN YEAR 2023

(a) As used in this section, "health benefit plan," "registered carrier," and "small employer" have the same meanings as in 33 V.S.A. § 1811.

(b) Notwithstanding any provision of 33 V.S.A. § 1811 to the contrary, for plan year 2023, a registered carrier shall:

(1) offer separate health benefit plans to individuals and families in the individual market and to small employers in the small group market;

(2) apply community rating in accordance with 33 V.S.A. § 1811(f) to determine the premiums for the carrier's plan year 2023 individual market plans separately from the premiums for its small group market plans; and

(3) file premium rates with the Green Mountain Care Board pursuant to 8 V.S.A. § 4062 separately for the carrier's individual market and small group market plans.

And by renumbering the existing Sec. 9, effective dates, to be Sec. 10

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.

Proposal of Amendment; Third Reading Ordered

H. 727.

Senator Campion, for the Committee on Education, to which was referred House bill entitled:

An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

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

Sec. 1. 16 V.S.A. chapter 11, subchapter 1 is redesignated to be chapter 9, subchapter 6 to read:

Subchapter ~~1~~6. ~~GENERALLY;~~ CONTRACTS BETWEEN DISTRICTS TO OPERATE SCHOOLS JOINTLY

§ 571. CONTRACTS TO CONSTRUCT AND OPERATE JOINT SCHOOLS

* * *

§ 572. JOINT BOARDS FOR JOINT, CONTRACT, OR CONSOLIDATED SCHOOLS

* * *

Sec. 2. REPEAL

16 V.S.A. chapter 11 (union schools) is repealed on passage of this act.

Sec. 3. 16 V.S.A. chapter 11 is added to read:

CHAPTER 11. UNION SCHOOL DISTRICTS

Subchapter 1. General Provisions

§ 701. POLICY

It is the policy of the State to provide substantially equal educational opportunities for all children in Vermont by authorizing two or more school districts, including an existing union school district, to form a union school district for the purpose of providing for the education of its resident students in the grades for which it is organized, and for the new union school district to be a body politic and corporate with the powers incident to a municipal corporation, with all of the rights and responsibilities that a town school district has in providing for the education of its resident students. Formation of union school districts shall be designed to encourage and support local decisions and actions that provide substantial equity of educational opportunities statewide, lead students to achieve or exceed the State's Education Quality Standards, maximize operational efficiencies, promote transparency and accountability, and be delivered at a cost that parents, voters, and taxpayers value.

§ 702. DEFINITIONS

As used in this chapter:

(1) "Board clerk" means the individual selected to be clerk of the board of a union school district by the members of the board from among their number pursuant to the provisions of sections 714 (initial members of union school district board), 729 (unified union district board members), and 747 (union elementary and union high school district board members) of this chapter.

(2) "District clerk" means the individual elected as clerk of a union school district by the voters of the district pursuant to the provisions of

sections 715 (union school district organizational meeting), 735 (unified union school district officers and election), and 753 (union elementary and union high school district officers and election) of this chapter.

(3) "Forming districts" means all school districts, including union school districts, that are located within the geographical boundaries of a proposed or voter-approved union school district prior to the operational date of the union school district, which will potentially merge or have merged to form the new union school district.

(4) "Member district" means a school district, which can be a union school district, that is a member of a union elementary school district or a union high school district for certain grades, prekindergarten through grade 12, and is a distinct district organized to provide for the education of its resident students for all other grades, whether by operating one or more schools or paying tuition.

(5) "Operational date" means the date on which a union school district formed pursuant to the provisions of this chapter assumes full and sole responsibility for the education of all resident students in the grades for which it is organized.

(6) "School district" means a school district organized as a town school district, city school district, incorporated school district, or union school district, unless clearly inapplicable.

(7) In addition to its plain meaning, "town" means a city or incorporated village.

(8) In addition to its plain meaning, "town school district" means a city school district, or incorporated school district, and does not mean a union school district.

(9) "Town within a unified union school district" means each town located inside the geographic boundaries of a unified union school district and in which the district's resident students live.

(10) "Transitional period" means the period of time beginning on the day on which a union school district becomes a legal entity pursuant to section 713 (certification of votes) of this chapter and continuing until its operational date.

(11) "Unified union school district" means a union school district organized to provide for the education of the district's resident students in all grades, prekindergarten through grade 12.

(12) "Union elementary school district" and "union high school district" mean a union school district organized to provide for the education of the

district's resident students in fewer than all grades, prekindergarten through grade 12.

(13)(A) "Union school district" means a municipality formed under the provisions of this chapter that is governed by a single publicly elected board and that is responsible for the education of students residing in two or more towns in the grades for which the district is organized by:

(i) operating a school or schools for all grades;

(ii) operating a school or schools for all students in one or more grades and paying tuition for all students in the remaining grade or grades; or

(iii) paying tuition for all grades.

(B) Use of the term "union school district" or "union district" includes a union elementary school district, union high school district, and unified union school district unless the context clearly limits it to fewer than all options.

(14) "Weighted voting" means a system, sometimes used in the "proportional to town population" model of union school district board membership, set forth in subdivisions 711(d)(1), 711(e)(1), 730(a)(1), 748(a)(1), and 748(b)(1) of this chapter, where proportionality is achieved by assigning a different number of votes to each board member.

§ 703. APPLICATION OF OTHER LAWS AND ARTICLES OF AGREEMENT

(a) Other education laws. The provisions of this chapter are intended to be in addition to the general provisions of law pertaining to schools, school districts, and supervisory unions. General provisions of law shall apply to union school districts unless inconsistent with or otherwise provided in this chapter.

(b) Existing articles of agreement.

(1) If a union school district joins with other school districts to form a new union school district pursuant to the provisions of sections 706–715 (process of exploration, formation, and organization of a union school district) of this chapter, then the articles of agreement of the existing union school district are repealed, and the articles of agreement of the new union school district shall govern.

(2) If a union school district joins another existing union school district pursuant to the provisions of section 721 (joining an existing union school district) of this chapter, then the articles of agreement of the joining district are

repealed, and the articles of agreement of the enlarged union school district shall govern, unless the districts agree otherwise.

Subchapter 2. Exploration, Formation, and Organization

Article 1. Process

§ 706. PROPOSAL TO FORM STUDY COMMITTEE; BUDGET AND MEMBERSHIP

(a) Establishment of committee. When the boards of two or more school districts vote to establish a study committee to study the advisability of forming a union school district or are petitioned to do so by at least five percent of voters in the school district, the boards shall meet with the superintendent or superintendents of each school district. With the advice of the superintendent or superintendents, the boards shall establish a budget for the study committee's work and shall determine the number of persons to serve on the study committee pursuant to subsection (b) of this section.

(b) Budget and membership. Each participating school district's share of the established budget and membership on the study committee shall be the same as the proportion of the school district's equalized pupils to the total equalized pupils of all school districts intending to participate formally in the study committee. As used in this subsection, "equalized pupils" has the same meaning as in section 4001 of this title.

(c) Existing union school districts.

(1) Existing union elementary or union high school district; proposed unified union school district. If the board of an existing union elementary or union high school district votes to participate in a study committee to consider formation of a unified union school district, or is petitioned by the voters to do so, then:

(A) The interests of the existing union school district shall be represented by its member districts on the study committee.

(B) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote on any resulting proposal to form a unified union school district pursuant to section 710 shall be at the member district level.

(C) If the existing union school district does not have any member districts because all towns for which it is organized are members of both a union elementary school district and a union high school district, then the existing union school district shall represent its own interests on the study committee, and the towns within it shall not participate on its behalf.

(D) If a town is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, and does not have a town school district board, then notwithstanding other provisions to the contrary:

(i) To the extent possible, the boards of the union elementary and union high school districts of which the town is a member shall make a reasonable attempt, jointly, to appoint a member to the study committee who resides in the town.

(ii) The legislative body or appropriate officer of the town shall perform electoral functions, including warning meetings and conducting the voting process, ordinarily performed by and in member districts on behalf of a union school district.

(2) Existing unified union school district; proposed unified union school district. If the board of a unified union school district votes to participate in a study committee to consider formation of a new unified union school district rather than the enlargement of the existing unified union school district pursuant to section 721 (joining an existing union school district) of this chapter, or is petitioned by the voters to do so, then:

(A) The existing unified union school district shall represent its own interests on the study committee, and the towns within it shall not participate on its behalf.

(B) To the extent possible, the board of the existing unified union school district shall make a reasonable attempt to appoint members to the study committee who reside in each town within the district.

(C) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote of the electorate on any resulting proposal to form a new unified union school district pursuant to section 710 shall proceed pursuant to the provisions for commingled Australian ballot voting as set forth in subchapter 3 (unified union school districts) of this chapter.

(3) Existing union elementary or union high school district; proposed union elementary or union high school district. If the board of an existing union elementary or union high school district votes to participate in a study committee to consider formation of a new union elementary or union high school district rather than enlarging the existing union school district pursuant to section 721 (joining an existing union school district) of this chapter, or is petitioned by the voters to do so, then:

(A) The existing union school district shall represent its own interests on the study committee, and the member districts of the existing union school district shall not participate on its behalf.

(B) To the extent possible, the board of the existing union school district shall make a reasonable attempt to appoint members to the study committee who reside in each of the member districts within the existing union school district.

(C) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote of the electorate on any resulting proposal to form a new union elementary or union high school district pursuant to section 710 of this chapter shall proceed pursuant to the provisions for commingled Australian ballot voting as set forth in subchapter 4 (union elementary and union high school districts) of this chapter.

§ 707. APPROVAL OF STUDY BUDGET; APPOINTMENT OF STUDY COMMITTEE; PARTICIPATION

(a) Proposed budget exceeding $50,000.00.

(1) If the proposed budget established in section 706 of this chapter exceeds $50,000.00, then subject to the provisions of that section the board of each potentially participating school district shall warn the district's voters to meet at an annual or special school district meeting to vote whether to appropriate funds necessary to support the district's financial share of a study committee's costs. The meeting in each school district shall be warned for the same date. The warning in each school district shall contain an identical article in substantially the following form:

> Shall the school district of _____ appropriate funds necessary to support the school district's financial share of a study to determine the advisability of forming a union school district with some or all of the following school districts: _____, _____, and _____? It is estimated that the _____ school district's share, if all of the identified school districts vote to participate, will be $_____. The total proposed budget, to be shared by all participating school districts is $ _____."

(2) If the vote in subdivision (1) of this subsection is in the affirmative in two or more school districts, then the boards of the affirming school districts shall appoint a study committee consisting of the number of persons determined pursuant to section 706 (proposed study committee budget and membership) of this chapter. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study

committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(3) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(b) Proposed budget not exceeding $50,000.00.

(1) If the proposed budget established in section 706 of this chapter does not exceed $50,000.00, then the boards of the participating school districts shall appoint a study committee consisting of the number of persons determined under that section. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(2) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(c) Additional costs.

(1) If the voters approve a budget that exceeds $50,000.00 but the study committee later determines that its budget is likely to exceed the projected, voter-approved amount, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding the previously approved budget in the manner set forth in subdivision (a)(1) of this section before the study committee obligates or expends sums in excess of the initial voter-approved amount.

(2) If a proposed budget does not exceed $50,000.00 at the time the school boards appoint members to the study committee, but the study committee later determines that its total budget is likely to exceed $50,000.00, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding $50,000.00 in the manner set forth in subdivision (a)(1) of this section before the study committee obligates or expends funds in excess of $50,000.00.

(d) Grants. Costs to be paid by State, federal, or private grants shall not be included when calculating whether a study committee's budget or proposed budget exceeds $50,000.00.

(e)(1) Subsequent appointments of persons to the study committee; vacancy. Subject to the requirement that each school board appoint at least

one current member of the board, the board of a participating school district shall appoint a person residing in the school district to the study committee if one of the school district's seats is vacant because a study committee member:

(A) is no longer a member of the school district's board and was the sole board member appointed by that school district;

(B) has resigned from or is no longer able to serve on the study committee; or

(C) has not attended three consecutive study committee meetings without providing notice to the study committee chair of the reason for each absence and obtaining a determination of the study committee members that the absences were reasonable.

(2) Notice under subdivision (1)(C) of this subsection shall be given in advance of absences whenever possible.

(f) Formal participation in study committee.

(1) A school district shall not be a formal participant in and appoint members to more than one study committee created under this chapter at any one point in time.

(2) A school district shall not formally withdraw its participation in an existing study committee after the school district has appointed members to that committee until the study committee dissolves pursuant to subsection 708(e) of this chapter.

(g) Additional formal participants.

(1) Subject to the provisions of subsection (f) of this section, a school district may join as an additional formal participant in a study committee after creation of the committee if:

(A) the school district's board has requested the committee's approval to participate after either a vote of the school district's board or a petition by five percent of the school district's voters and if the study committee votes to approve formal participation by the district; or

(B) the study committee has voted to ask the school district to participate formally and either the board of the school district votes to approve formal participation or is petitioned by five percent of the school district's voters to do so.

(2) A school district that becomes a formal participant in an existing study committee pursuant to this subsection is subject to the provisions of section 706 (proposed study committee budget and membership) of this chapter regarding financial and representational proportionality and to all other requirements of study committees set out in this chapter.

(h) Informal participation by other school districts.

(1) The board of a school district that is not a formal participant in an existing study committee may authorize one or more of the board's members to contact the study committee to discuss whether it may be advisable to include the school district within a proposal to form a new union school district as an "advisable" district, as described in section 708 (necessary and advisable districts) of this chapter.

(2) An existing study committee may authorize one or more of its members to contact the board of one or more additional school districts that are not formal participants in the committee to discuss whether it may be advisable to include the school district within a proposal to form a new union school district as an "advisable" district.

(3) An existing study committee may invite representatives of a nonparticipating school district's board to participate informally in the study committee's deliberations.

(4) Nothing in this section shall be construed to prohibit the board of a school district from authorizing informal exploration between and among the boards of school districts prior to the formation of a study committee.

§ 708. STUDY COMMITTEE; NECESSARY AND ADVISABLE DISTRICTS; CONTENTS OF STUDY COMMITTEE REPORT AND PROPOSED ARTICLES; DISSOLUTION OF COMMITTEE

(a) Study committee; process.

(1) The superintendent shall convene a study committee's first meeting when the committee's members are appointed. If the participating districts are members of more than one supervisory union, then the superintendents shall decide which of their number shall convene the meeting. The study committee members shall elect a chair who shall notify the Secretary in writing of the committee's creation and the chair's election within 30 days following the vote of the committee's creation.

(2) Staff of the supervisory union or unions shall provide administrative assistance to the study committee.

(3) The Secretary shall cooperate with the study committee and is authorized to make Agency staff available to provide technical assistance to the committee.

(4) The study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of 1 V.S.A. chapter 5, subchapter 2.

(5) Although a study committee should try to achieve consensus, committee decisions shall be reached by a majority of all committee members present and voting.

(b) Necessary and advisable school districts. If a study committee decides to recommend formation of a union school district, then it shall determine whether each school district included in the recommended formation is "necessary" or "advisable" to formation.

(1) "Necessary" school district.

(A) The study committee shall identify a school district as "necessary" to formation of the union school district only if the school district is a formal participant in the study committee.

(B) Subject to the provisions of subsection 706(c) of this chapter, the school board of a "necessary" school district is required to warn a vote of the electorate under sections 710 (vote to form union school district) and 711 (initial members of union school district board election) of this chapter.

(C) A proposed union school district is formed only if the voters voting in each "necessary" school district vote to approve formation.

(2) "Advisable" school district.

(A) The study committee may identify any school district as "advisable" to formation of the union school district even if the school district is not a formal participant in the study committee.

(B) The school board of an "advisable" school district is not required to warn a vote of the electorate under sections 710 (vote to form union school district) and 711 (initial members of union school district board election) of this chapter, except upon application of 10 percent of the voters in the school district.

(C) Voter approval in an "advisable" district is not required for formation of a new union school district.

(3) Existing union elementary or union high school district. Notwithstanding other provisions of this subsection, an existing union elementary or union high school district is "necessary" to the formation of a unified union school district even though its interests are represented by its member districts pursuant to subdivision 706(c)(1) (study committee budget and membership for existing union school districts) of this chapter.

(c) Proposal to form union school district; report and proposed articles of agreement. If a study committee determines that it is advisable to propose formation of a union school district, then it shall prepare a report analyzing the

strengths and challenges of the current structures of all "necessary" and "advisable" school districts and outlining the ways in which a union school district promotes the State policy set forth in section 701 of this chapter. The study committee shall also prepare proposed articles of agreement that, if approved pursuant to the provisions of this chapter, shall serve as the operating agreement for the new union school district. At a minimum, articles of agreement shall state:

(1) The name of any school district the study committee considers "necessary" to formation of the proposed union school district.

(2) The name of any school district the study committee considers "advisable" to include in the proposed union school district.

(3) The legal name or temporary legal name by which the union school district shall be known.

(4) The grades, if any, that the proposed union school district will operate and the grades, if any, for which it will pay tuition.

(5) The cost and general location of any proposed new school buildings to be constructed and the cost and general description of any proposed renovations to existing school buildings.

(6) A plan for the first year of the union school district's operation for transportation of students, assignment of staff, and use of curriculum that is consistent with existing contracts, collective bargaining agreements, and other provisions of law. The board of the union school district, if formed, shall make all subsequent decisions regarding transportation, staff, and curriculum subject to existing contracts, collective bargaining agreements, and other provisions of law.

(7) A list of the indebtedness of each "necessary" and "advisable" district, which the union school district shall assume.

(8) The specific pieces of real property of each "necessary" and "advisable" district that the union school district shall acquire, their valuation, and how the union school district shall pay for them.

(9) Consistent with the proportional representation requirements of the Equal Protection Clause of the U.S. Constitution, the method or methods of apportioning representation on the union school district board as set forth in subsections 711(d) (unified union school district), (e) (union elementary or union high school district), and (f) (weighted voting) of this chapter.

(10) The term of office for each member initially elected to the union school district board, to be arranged so that one-third expire on the day of the

second annual meeting of the union school district, one-third on the day of the third annual meeting, and one-third on the day of the fourth annual meeting, or as near to that proportion as possible.

(11) The date on which the proposal to create the union school district and the election of initial union school district board members will be submitted to the voters.

(12) The date on which the union school district will be solely responsible for the education of its resident students in the grades for which it is organized and will begin operating any schools, paying any tuition, and providing educational services.

(13) Whether the election of board members, election of school district officers, votes on the union school district budget, or votes on other public questions, or any two or more of these, shall be by Australian ballot.

(14) Any other matters that the study committee considers pertinent.

(d) No proposal to form a union school district. If a study committee determines that it is inadvisable to propose formation of a union school district, then its members shall vote to dissolve the committee. If the study committee members vote to dissolve, then the chair shall notify the Secretary in writing of the vote.

(e) Dissolution of study committee.

(1) If a study committee proposes formation of a union school district pursuant to subsection (c) of this section, then the committee shall cease to exist when the clerk of each school district voting on a proposal to establish the union school district has certified the results of the vote to the Secretary pursuant to subsection 713(a) of this chapter.

(2) If a study committee determines that it is inadvisable to propose formation of a union school district, then the committee shall cease to exist when the chair notifies the Secretary of the committee's vote pursuant to subsection (d) of this section.

§ 709. REVIEW BY LOCAL SCHOOL DISTRICT BOARDS; CONSIDERATION AND APPROVAL BY STATE BOARD OF EDUCATION

(a) If a study committee determines that it is advisable to propose formation of a union school district, then the committee shall transmit its report and proposed articles of agreement to the school board of each school district that the report identifies as either "necessary" or "advisable" to formation of the proposed union school district. Each board may review the report and proposed articles and may provide its comments to the study

committee. The study committee has sole authority to determine the contents of the report and proposed articles and to decide whether to submit them to the State Board under subsection (b) of this section.

(b) If a study committee determines that it is advisable to propose formation of a union school district, then the committee shall transmit the report and proposed articles of agreement to the Secretary who shall submit them with recommendations to the State Board.

(c)(1) The State Board:

(A) shall consider the study committee's report and proposed articles of agreement and the Secretary's recommendations;

(B) shall provide the study committee an opportunity to be heard;

(C) may ask the Secretary or the study committee, or both, to make further investigation and may consider any other information the State Board deems to be pertinent; and

(D) may request that the study committee amend the report or the proposed articles of agreement, or both.

(2) If the State Board finds that formation of the proposed union school district is in the best interests of the State, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then it shall approve the study committee's report and proposed articles of agreement, together with any amendments, as the final report and proposed articles of agreement, and shall give notice of its action to the study committee.

(d) The chair of the study committee shall file a copy of the approved final report and proposed articles of agreement with the clerk of each school district identified as "necessary" or "advisable" at least 30 days prior to the vote of the electorate on whether to form the union school district.

§ 710. VOTE TO FORM UNION SCHOOL DISTRICT

Subject to the provisions of subsections 706(c) (proposal to form study committee; existing union school districts) and 708(b) (study committee; necessary and advisable districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to form the proposed union school district, as follows:

(1) The vote shall be held on the date specified in the final report.

(2) The vote shall be by Australian ballot.

(3) The vote shall be at separate school district meetings held on the same day.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 shall be provided.

(5) The board of each school district voting on the proposal shall warn the vote either as a special meeting of the school district or as part of its annual meeting.

§ 711. VOTE TO ELECT INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

(a) Election of initial members of union school district board. At the meeting warned to vote on formation of a union school district under section 710 of this chapter, the voters shall also elect the initial members who will serve on the board of the union school district if the voters approve the district's formation.

(1) The vote to elect the initial members shall be by Australian ballot.

(2) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 shall be provided.

(b) Representation and term length. Initial membership on a union school district board shall be pursuant to the method of representation set forth in the articles of agreement, for the terms specified in that document, and pursuant to the provisions of this section and subdivisions 708(c)(9) and (10) (study committee; proposed articles of agreement; apportionment and terms) of this chapter.

(c) Operational definitions. As used in subsections (d) and (e) of this section, any term not defined in section 702 of this chapter shall have its plain meaning, except as provided in this subsection.

(1) If, pursuant to section 425 (other town school district officers) of this title, the voters of a school district have elected a district clerk who is not also the clerk of the town served by the school district, then "town clerk" means the elected clerk of that school district.

(2) Notwithstanding subdivision (1) of this subsection, if a potential forming district is an existing unified union school district, then:

(A) Reference to the voters of the "school district" means the voters of each town within the existing unified union school district, who shall vote at a location in their town of residence that is identified in the warning issued by the existing unified union school district; provided, however, that the total of all votes cast in the towns shall determine the modified at-large and at-large

election of initial board members pursuant to subdivisions (d)(2) (proposed unified union district; modified at-large), (d)(3) (proposed union district; at-large), (e)(2) (proposed union elementary or union high school district; modified-at large), and (e)(3) (proposed union elementary or union high school district; at-large) of this section, as well as whether the existing unified union school district approves formation of the new unified union school district.

(B) "Town clerk" means the clerk of each town within the existing unified union school district; provided, however, that the town clerk of each town shall transmit the name of each duly nominated candidate to the clerk of the existing unified union school district, who shall prepare the unified union school district ballot for that town and transmit the ballot to the town clerk to make available to the voters.

(3) Notwithstanding subdivision (1) (clerk of school district) of this subsection, if a town is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, and does not have a town school district board, then:

(A) reference to the voters of the "school district" means the voters of the town that is the member of both existing union school districts, who shall vote at a location in their town of residence that is identified in the warning issued by:

(i) the existing union elementary school district if the voters are voting on a proposed unified union school district or a proposed union elementary school district; or

(ii) the existing union high school district if the voters are voting on a proposed union high school district; and

(B) "town clerk" means the clerk of the town that is a member of both existing union school districts; provided, however, that the town clerk shall transmit the name of each duly nominated candidate to the clerk of the union school district identified in subdivision (A) of this subdivision (3), who shall prepare the ballot for that town and transmit the ballot to the town clerk to make available to the voters.

(d) Proposed unified union school district. Subject to the provisions of subsections 706(c) (existing union school districts) and 708(b) (necessary and advisable school districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to elect initial board members of a proposed unified union school district, as follows

(1) Proportional to town population. When representation on the board of a proposed unified union school district is apportioned to each potential town within the proposed district in a number that is closely proportional to the town's relative population:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member based on town population. A petition shall be valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk of the town in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) The town clerk shall place the name of each duly nominated candidate on the ballot to be presented to the voters of the school district.

(C) The voters of the school district for the town in which the candidate resides shall elect as many board members to the unified union school board as are apportioned based on the town's population.

(2) Modified at-large model: allocation to town; at-large representation. When representation on the board of a proposed unified union school district is allocated to each potential town within the proposed district, but the allocation is not closely proportional to the town's relative population and the board member is elected at-large:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member allocated to the voters' town. A petition shall be valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk of the town in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a unified union school district board member allocated to a potential town within the proposed district but to be elected at-large under the modified at-large model, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed unified union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the board members to be elected at-large under the modified at-large model; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(3) At-large representation. When representation on the board of a proposed unified union school district is not apportioned or allocated to the potential towns within the proposed district pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection and the board member is elected at-large:

(A) The voters of one or more school districts identified as "necessary" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member at-large. A petition shall be valid only if:

(i) the candidate is a current voter of a school district identified as "necessary" to the formation of the proposed union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in one or more school districts identified as "necessary" to the formation of the proposed unified union school district;

(iv) the voters file the petition with the town clerk in the "necessary" school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a unified union school district board member elected at-large, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed unified union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the members to be elected at-large; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(e) Proposed union elementary or union high school district. Subject to the provisions of subsections 706(c) (existing union school districts) and 708(b) (necessary and advisable school districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to elect initial board members of the proposed union school district, as follows:

(1) Proportional to town population. When representation on the board of a proposed union elementary or union high school district is apportioned to each potential member district of the proposed district in a number that is closely proportional to the potential member district's relative population:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member representing the potential member district. A petition shall be valid only if:

(i) the candidate is a current voter of the potential member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the potential member district or one percent of the legal voters in the district, whichever is less;

(iv) the petition is filed with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) The town clerk shall place the name of each duly nominated candidate on the ballot to be presented to the voters of the potential member district.

(C) The voters of the district shall elect as many board members as are apportioned to the potential member district based on population.

(2) Modified at-large model: allocation to town; at-large representation. When representation on the board of a proposed union elementary or union high school district is allocated to each potential member district, but the allocation is not closely proportional to the potential member district's relative population and the board member is elected at-large:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member allocated to the potential member district. A petition shall be valid only if:

(i) the candidate is a current voter of the potential member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the potential member district or one percent of the legal voters in the district, whichever is less;

(iv) the petition is filed with the town clerk of the school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for union school district board member allocated to a potential member district but to be elected at-large under the modified at-large mode, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the potential member district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the board members to be elected at-large under the modified at-large model; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(3) At-large representation. When representation on the board of a proposed union elementary or union high school district board is not apportioned or allocated to the potential member districts pursuant to subdivision (1) (proportional to town population) or (2) (modified at large) of this subsection and the board member is elected at-large:

(A) The voters of one or more school districts identified as "necessary" to the formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member at-large. A petition shall be valid only if:

(i) the candidate is a current voter of a school district identified as "necessary" to the formation of the proposed union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in one or more school districts identified as "necessary" to the formation of the proposed union school district;

(iv) the petition is filed with the town clerk in the "necessary" school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a union school district board member to be elected at-large, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed union school district shall vote for the board members to be elected at-large; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(f) Weighted voting. If representation on a union school district board is apportioned based upon population pursuant to subdivision (d)(1) or (e)(1) of this section, then the union school district may achieve proportionality through a system of weighted voting.

§ 712. CONTENTS OF WARNING ON VOTES TO ESTABLISH THE UNION SCHOOL DISTRICT AND ELECT THE INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

The warning for each school district meeting to vote on formation of a union school district shall contain two articles in substantially the following form. The language used in Article 1 shall be the same for each "necessary" and "advisable" district voting on formation of the new district. Article II of the warning shall not include names of candidates for the union school district board.

WARNING

The voters of the _____ School District are hereby notified and warned to meet at _____ on the __ day of _____, 20__, to vote by Australian ballot between the hours of _____, at which time the polls will open, and _____, at which time the polls will close, upon the following articles of business:

Article I. FORMATION OF UNION SCHOOL DISTRICT

Shall the _____ School District, which the proposed articles of agreement have identified as ["necessary" or "advisable"] to the formation of the proposed union school district, join with the school district[s] of

_____ and _____, which are identified as "necessary" to formation, and potentially the school district[s] of _____ and _____, which are identified as "advisable" to formation, for the purpose of forming a union school district, as provided in Title 16, Vermont Statutes Annotated, upon the following conditions and agreements:

(a) Grades. The union school district shall be organized to provide for the education of resident students in grades _____ through _____ and shall assume full and sole responsibility therefor on July 1, 20__.

(b) Operation of schools. The union school district shall operate and manage one or more schools offering instruction in grades _____ through _____. [Amend as necessary if the district will pay tuition for any or all grades for which it is organized.]

(c) Union school district board. [State method by which representation of each member of the union school board is to be determined pursuant to section 711 (vote to elect initial members) of this chapter.]

(d) Assumption of debts and ownership of school property. The union school district shall assume the indebtedness of forming districts, acquire the school properties of the forming districts, and pay for them, all as specified in the final report and proposed articles of agreement.

(e) Final report. The provisions of the final report and proposed articles of agreement approved by the State Board of Education on the __ day of _____, 20__, which is on file in the office of the clerk of each school district named in this warning, shall govern the union school district.

Article II. ELECTION OF INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

To elect a total of _____ (_) member(s) to serve as initial members of the proposed union school district board for the terms established in the final report and proposed articles of agreement: [Amend as necessary to reflect method for determining school board membership pursuant to section 711 (vote to elect initial members) of this chapter.]

(a) [Insert number] Board Member[s] to serve until the second annual meeting of the union school district, in 20__.

(b) [Insert number] Board Member[s] to serve until the third annual meeting of the union school district, in 20__.

(c) [Insert number] Board Member[s] to serve until the fourth annual meeting of the union school district, in 20__.

§ 713. CERTIFICATION OF VOTES; DESIGNATION OF DISTRICT AS UNION SCHOOL DISTRICT; RECORDING BY SECRETARY OF STATE

(a) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each school district voting on the proposal to form a union school district shall certify the results of that vote to the Secretary of Education. The clerk shall submit the certification regardless of whether the district voters approved the proposed formation of a union school district.

(b) If the voters voting in each school district identified as "necessary" to formation of the proposed union school district vote to form the district, then the "necessary" school districts constitute a union school district, together with any school district designated as "advisable" that votes to form the proposed union school district.

(c) If the voters approve formation of a union school district pursuant to subsection (b) of this section, then upon receiving the certification of each clerk pursuant to subsection (a) of this section, but not sooner than 30 days after the initial vote, the Secretary shall designate the newly formed district as a union school district. The Secretary shall certify that designation and send the certification together with the clerks' certifications to the Secretary of State, who shall record the certification.

(d) When the Secretary of State records the certification of the Secretary of Education, the union school district shall be a body politic and corporate with the powers incident to a municipal corporation, shall be known by the name or number given in the recorded certification, by that name or number may sue and be sued, and may hold and convey real and personal property for the use of the union school district. The recorded certification shall be notice to all parties of the formation of the union school district with all the powers incident to such a district as provided in this title.

(e) The Secretary of State shall file a certified copy of the recorded certification with the clerk of each member district of a new union elementary or union high school district and with the town clerk of each town within a new unified union school district. The Secretary of State shall file the certified copies not later than 14 days after the date on which the Secretary of Education certifies the existence of the union school district to the Secretary of State. Filing a certified copy with each clerk shall be prima facie evidence of full compliance with the requirements for the formation of a union school district as set forth in this subchapter.

§ 714. INITIAL MEMBERS OF UNION SCHOOL DISTRICT BOARD; TALLYING OF AT-LARGE VOTES; OATH OF OFFICE AND ASSUMPTION OF DUTIES

(a) Tallying of at-large votes for initial members of board. If the voters have elected some or all of the initial members of the union school district board under either model involving at-large voting as set forth in subdivision 711(d)(2) (proposed unified union school district; modified at-large), (d)(3) (proposed unified union school district; at-large), (e)(2) (proposed union elementary or union high school district; modified at-large), or (e)(3) (proposed union elementary or union high school district; at-large) of this chapter, then the total votes cast for each of the at-large candidates shall be calculated as follows:

(1) Within seven days after the vote, the clerk of each school district voting on the proposal to form a union school district shall transmit electronically to the Secretary of Education the total number of votes cast in that school district for each at-large candidate.

(2) The Secretary shall calculate the total votes cast for each candidate and transmit those calculations to the clerks for verification. Ballots cast by the voters of any "advisable" district that does not approve the proposal to form a new union school district shall not be included in the calculation.

(3) When each clerk has verified the calculations, the Secretary shall prepare and execute a certification of the votes cast for each candidate.

(b) Notification. If the voters approve formation of a new union school district, then within 30–45 days after the vote or 15 days after a vote to reconsider the original vote to form the district, whichever is later, the notification of the election of initial board members shall be sent to the Secretary of State as follows:

(1) The clerk of each forming district shall transmit the names of board members elected in a manner that is proportional to town population as set forth in subdivision 711(d)(1) (proposed unified union district; proportional to town population) or (e)(1) (proposed union elementary or union high school district; proportional to town population) of this chapter.

(2) The Secretary of Education shall transmit the names of board members elected under either model involving at-large voting.

(c) Oath of office; assumption of duties; election of chair and clerk. The superintendent of the supervisory union serving the new union school district shall cause the initial board members to be sworn in. Although the swearing-in may occur prior to the organizational meeting required by section 715 of this chapter, it shall not occur before the Secretary of State files the certified

copy of the recorded certification with each clerk pursuant to subsection 713(e) of this chapter. The initial board members shall assume office upon being sworn in and shall meet to elect one of their number to serve as the board chair and one other of its number to serve as the board clerk, and to transact any other business within its jurisdiction; provided, however, such meeting shall not occur prior to the organizational meeting required by section 715.

§ 715. ORGANIZATIONAL MEETING; NOTICE; BUSINESS TO BE TRANSACTED

(a) Meeting. The union school district shall hold an organizational meeting within 60 days after the Secretary of State files the certified copy of the recorded certification with each clerk pursuant to subsection 713(e) of this chapter.

(b) Notice.

(1) The Secretary of Education shall prepare and execute a warning for the organizational meeting. The warning shall give notice of the day, hour, and location of the meeting and shall itemize the business to be transacted.

(2) The Secretary of Education shall transmit the signed warning to the superintendent, who shall post the warning in at least one public place in each town within the union school district and shall cause the warning to be published once in a newspaper of general circulation in the towns within the union school district. Posting and publication shall be made not more than 40 days nor less than 30 days before the date of the meeting.

(3) The union school district shall bear the cost of posting and publishing the warning.

(c) Business to be transacted.

(1) The Secretary or a person designated by the Secretary shall call the organizational meeting to order and the registered voters shall consider the following items of business:

(A) Elect a temporary presiding officer and a temporary clerk of the union school district from among the voters present at the organizational meeting.

(B) Adopt Robert's or other rules of order, which shall govern the parliamentary procedures of the organizational meeting and all subsequent meetings of the union school district.

(C) Elect a moderator of the union school district from among the voters.

(D) Elect a clerk of the union school district from among the voters or vote to authorize the school board to appoint a clerk of the union school district from among the voters.

(E) Elect a treasurer of the union school district or vote to authorize the school board to appoint a treasurer of the union school district. The treasurer may also be the supervisory union treasurer and need not be a resident of the union school district.

(F) Determine the date and location of the union school district's annual meeting, which shall be not earlier than February 1 nor later than June 1, if not previously determined by the voter-approved articles of agreement.

(G) Determine whether compensation shall be paid to the moderator, clerk, and treasurer of the union school district elected at the organizational meeting and at subsequent annual meetings of the union school district and, if so, the amount to be paid to them.

(H) Determine whether compensation shall be paid to members of the union school district board and, if so, the amount to be paid to them.

(I) Establish provisions for payment by the union school district of any expense incurred or to be incurred by or on behalf of the district for the period between the date on which the voters approved formation of the union school district and the first annual meeting of the union district.

(J) Determine whether to authorize the initial board of the union school district to borrow money pending receipt of payments from the Education Fund by the issuance of its note payable not later than one year from the date of the note. Regardless of whether the voters provide this authorization, the initial board is authorized to borrow sufficient funds to meet pending obligations until the voters approve a budget for the initial year of operation pursuant to subdivision 716(b)(3) of this chapter.

(K) Transact any other business, the subject matter of which has been included in the warning, that the voters have power to transact at any annual or special meeting and transact any nonbinding business that may legally come before the voters.

(2) When there is only one nominee for temporary presiding officer, temporary clerk, moderator, district clerk, or district treasurer, the voters may, by acclamation, instruct an officer to elect the nominee by casting one ballot, and upon the ballot being cast, the nominee shall be legally elected and shall thereupon be sworn.

(3) The elected officers listed in subdivisions (1)(A) (temporary presiding officer and temporary clerk), (C) (moderator of the union school district), (D) (clerk of the union school district), and (E) (treasurer of the union school district) of this subsection shall be sworn in before entering upon the duties of their offices and a record made by the district clerk. They shall assume office upon being sworn in. The officers listed in subdivisions (1)(C), (D), and (E) of this subsection shall serve terms as set forth in section 735 (unified union school districts; officers) or 753 (union elementary and union high school district; officers) of this chapter unless the voters extend the term length up to three years.

(4) Any member of the union school district board not sworn in before the organizational meeting pursuant to section 714 of this chapter may be sworn in at or after the organizational meeting.

Article 2. Transition; Dissolution, Reorganization, and Discontinuation of Forming Districts; Sale of Real Property; Supervisory Unions and Supervisory Districts

§ 716. TRANSITION TO FULL OPERATIONS

(a) Operational date. The operational date of a union school district is the July 1 next following the date on which the voters vote to approve formation of the district, unless the voter-approved articles of agreement establish a different date.

(b) Roles and authority during transitional period. During the transitional period:

(1) The forming districts, through their boards, shall continue to be responsible for the education of their respective resident students.

(2) The board of the new union school district shall develop school district policies; adopt curriculum, educational programs, assessment measures, and reporting procedures; negotiate and enter into contractual agreements; negotiate and enter into collective bargaining agreements; set the school calendar for the fiscal year that begins on the operational date; prepare and present to the voters the proposed budget for the fiscal year that begins on the operational date; prepare for the annual and any special meetings of the new union school district that may occur during the transitional period; and transact any other lawful business coming before it.

(3) During the transitional period and continuing until the voters approve a budget for the initial fiscal year of operation, the board of the new union school district shall have the authority to borrow sufficient funds to meet pending obligations. The board shall vote whether to include the total sum

borrowed under this subsection as education spending in the board's proposed budget for the initial fiscal year or to treat the sum as a deficit pursuant to 24 V.S.A. § 1523(b) (municipal and county government; duties of selectboards as to a deficit).

(c) Assets.

(1) Definition. For purposes of this subsection, the "assets" of a forming district shall include all real and personal property, operating fund accounts, special fund accounts, trust fund accounts, accounts receivable, and any other property to which the forming district holds title or over which it has control.

(2) Transfer and acquisition of title. On or before the operational date, the forming districts shall transfer and the union school district shall acquire ownership of all assets of the forming districts that are owned by the forming districts on or before the June 30 immediately preceding the operational date, unless the voter-approved articles of agreement explicitly provide for an alternative disposition of a specific asset. The transfer of an asset shall be subject to all encumbrances and conditions of record, unless the voter-approved articles of agreement explicitly provide otherwise.

(3) Prohibition. A forming district shall not transfer ownership of an asset to any entity other than the union school district between the date on which the vote occurs pursuant to section 710 (vote to form union school district) of this chapter and the operational date unless explicitly authorized in the voter-approved articles of agreement or approved by the voters of the union school district during the transitional period.

(4) Trust funds. A union school district shall hold and apply all trust funds transferred to it by a forming district as the terms of the trust indicate. If the trust allows, a union school district may use the funds to benefit union school district students who reside, or buildings that are located, outside the geographical boundaries of the forming district that originally held the trust.

(5) Reserve funds. A union school district shall hold and apply all reserve funds transferred to it by a forming district pursuant to the conditions imposed prior to the date on which the forming district voted to approve formation of the union school district.

(d) Liabilities.

(1) Definition. For purposes of this subsection, the "liabilities" of a forming district shall include all contractual obligations, all indebtedness including principal and interest, and any other legal commitment of a forming district.

(2) Transfer and assumption of liabilities. On or before the operational date, the forming districts shall transfer and the union school district shall assume all liabilities of the forming districts that exist on the June 30 immediately preceding the operational date, unless the voter-approved articles of agreement explicitly provide otherwise.

(3) Prohibition. Notwithstanding the provisions of subdivision (2) of this subsection (d), a union school district shall not assume liabilities that a forming district incurs between the date on which the vote occurs pursuant to section 710 (vote to form union school district) of this chapter and the operational date unless explicitly authorized in the voter-approved articles of agreement or approved by the union school district board during the transitional period; provided, however, that a union school district shall in all cases assume the contractual obligations of the member districts regarding each collective bargaining agreement or other employment contract entered into during the transitional period until the agreement's or contract's expiration.

(e) Unpaid expenses. At the district's first annual meeting following assumption of full operations or at a later meeting as necessary, the voters of a new union school district shall vote a sum sufficient to pay any unpaid balance of expenses, as defined in subdivision 715(c)(1)(H) of this chapter, that was incurred by or on behalf of the union school district during the transitional period.

§ 717. DISSOLUTION, REORGANIZATION, AND DISCONTINUATION OF FORMING DISTRICTS

(a) Unified union school district; dissolution of forming districts. On its operational date, a unified union school district shall supplant all forming districts and the forming districts shall cease to exist; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the supplanted forming districts and their boards may continue to exist for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new unified union school district.

(b) Union Elementary and Union High School Districts.

(1) Reorganization of forming districts. On its operational date, a union elementary or union high school district shall supplant each forming district for the grades for which the union elementary or union high school district is organized (the supplanted grades). Each forming district shall cease to be organized to provide for education in the supplanted grades but shall continue

to be responsible for the other grades for which it is organized; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the forming districts and their boards may continue to exist for the supplanted grades for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new union elementary or union high school district.

(2) Dissolution of forming districts. If a forming district is organized to provide for education solely in the grades for which the new union elementary or union high school district is organized and the forming district is a member district of another union school district for all other grades, prekindergarten through grade 12, then the forming district shall cease all educational operations on the new union district's operational date, the new union school district shall assume all powers and responsibilities of the forming district, and the forming district shall cease to exist; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the forming district and its board may continue to operate for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new union elementary or union high school district.

§ 718. TRANSFER OF REAL PROPERTY TO TOWN IN WHICH IT IS LOCATED

If the original voter-approved articles of agreement require sale of real property to the town in which the property is located and the sale is scheduled to occur after the operational date, or if after the operational date and after completing any statutory and contractual prerequisites the union school district offers to sell any of its real property to the town in which the property is located, then the town may assume title to the real property for a price that is less than the fair market value only as follows:

(1) The conveyance to the town shall be made subject to all encumbrances of record, the assumption or payment of all outstanding bonds and notes, and the repayment of any school construction aid or grants that may be required by law if any such obligation was incurred before the operational date.

(2) The conveyance to the town shall be conditioned upon the town owning and using the real property for community and public purposes for a minimum of five years.

(3) If the town sells the real property prior to five years of ownership, then the town shall compensate the union school district for all capital improvements and renovations initiated after the operational date and prior to the sale to the town.

§ 719. SUPERVISORY UNION; SUPERVISORY DISTRICT

(a) The State Board shall assign each union school district formed under this chapter to a supervisory union for administrative, educational, and planning services, effective on the day on which the union school district becomes a body politic and corporate pursuant to subsection 713(d) (Secretary of State records the certification of the Secretary of Education) of this chapter.

(b) If a union school district formed under this chapter is a unified union school district, then the State Board may designate it as a supervisory district pursuant to the provisions of this title, to be effective not earlier than the operational date of the unified union school district.

(c) If a supervisory union includes at least one district that is a unified union school district, then the State Board, on its own initiative or at the request of the board of the supervisory union or the board of one or more districts in the supervisory union, may at any time, adjust the supervisory union board representation required by section 266 of this title to more fairly and accurately reflect the relative number of students for which each district is responsible and the grades for which the district operates a school or schools.

Article 3. Changes in Union District Membership and

Other Amendments to Articles of Agreement

§ 721. JOINING AN EXISTING UNION SCHOOL DISTRICT

(a) Action initiated by district outside the union school district.

(1) After preliminary study, if the board of a school district determines that it would be advisable to join an existing union school district, then the board of the interested school district shall request approval of the State Board to pursue this possibility.

(2) If the State Board determines that it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title for the interested school district to join the existing union school district, then at a meeting of the interested school district warned for the purpose, the voters shall vote whether to apply to the existing union school district for admission.

(3) If the voters of the interested school district approve the proposal to apply to the union school district for admission, then the clerk of the interested school district shall certify the results of the vote to the Secretary and to the clerk of the union school district.

(4) If the voters of the union school district approve the application of the school district within two years after the vote in subdivision (2) of this

subsection, then the clerk of the union school district shall certify the results of the vote to the Secretary.

(b) Action initiated by union school district.

(1) After preliminary study, if the board of a union school district determines that it would be advisable to enlarge the district, then the board of the union school district shall submit a plan to the State Board requesting approval to incorporate a distinct school district into the union school district.

(2) If the State Board determines that it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title for the school district to join the existing union school district, then at a union school district meeting warned for the purpose, the voters shall vote whether to enlarge the union school district to include the school district.

(3) If the voters of the union school district approve the proposal to include the school district, then the clerk of the union school district shall certify the results of that vote to the Secretary and to the clerk of the school district.

(4) If the voters of the school district approve the offer to join the union school district within two years after the vote in subdivision (2) of this subsection, then the clerk of the school district shall certify the results of the vote to the Secretary.

(c) Certification; Secretary of State. Upon receipt of the clerk's certification pursuant to subdivision (a)(4) (school district application approval) or (b)(5) (school district approval of offer to join the union school district) of this section, the Secretary of Education shall designate the existing union school district to be enlarged pursuant to the votes and shall certify the enlargement to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the union school district shall be enlarged accordingly, although the union school district and the school district that will join it may decide in advance of the votes that the enlarged union school district shall have a later operational date. The Secretary of State shall file a certified copy of the recorded certification with the clerks of the union school district and of the district that is joining it. The Secretary of State shall file the certified copies not later than 14 days after the date the Secretary of Education certifies the designation to the Secretary of State. Filing a certified copy with each clerk shall be prima facie evidence of full compliance with the requirements for enlarging an existing union school district as set forth in this section.

(d) Powers and responsibilities. A union school district enlarged pursuant to this section shall have all the powers and responsibilities given to a union school district by this title. Unless otherwise approved by the voters of the union school district and the school district that will join it, if the operational date is delayed pursuant to an agreement under subsection (c) of this section, then the joining school district shall share in the expenses of the union school district beginning on the date the Secretary of State records the certification of the Secretary of Education.

(e) Australian ballot. All votes of the electorate under this section shall occur by Australian ballot.

§ 722. AMENDMENTS TO ARTICLES OF AGREEMENT

(a) The union school district voters. Only the voters of a union school district may amend a specific condition or agreement in the district's articles of agreement if the condition or agreement was set forth as a distinct subsection in the warning required by section 712 (warning on vote to establish union school district and elect initial members of the board) of this chapter to form the union school district or in a subsequent warning to amend the articles pursuant to this section, which the voters approved.

(b) The union school district board. The board of a union school district may amend a specific condition or agreement in the district's articles of agreement only if the condition or agreement was not set forth as a distinct subsection in a warning required in subsection (a) of this section, but was instead incorporated into the warning by reference pursuant subsection 712(e) of this chapter (warning on vote to establish union school district and elect initial members of the board), or if the original articles of agreement or voter-approved amendments authorize the board to amend a specific condition or agreement.

(c) Reduction of grades operated. Notwithstanding the provisions of subsection (a) (union school district voters) of this section, the voters shall not vote whether to reduce the grades that the union school district operates, and to begin paying tuition for those grades, unless the State Board finds it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title and gives prior approval to the proposed amendment.

(d) Number of board members. Notwithstanding the provisions of subsections (a) (union school district voters) and (b) (union school district board) of this section, if membership on a union school district board is proportional to town population as set forth in subdivisions 711(d)(1)

(proposed unified union school district) and (e)(1) (proposed union elementary or union high school district) of this chapter, and if the district's articles of agreement direct the board to adjust board membership when necessary to conform to each new decennial census, then the board shall amend the articles to adjust the apportionment of board seats without presenting the amendment to the voters for approval.

(e) Districts created by State Board order. Notwithstanding the provisions of subsections (a) (union school district voters) and (b) (union school district board) of this section, the authority to amend the articles governing any union school district formed by the State Board's Final Report and Order issued on November 30, 2018 pursuant to 2015 Acts and Resolves No. 46, as amended, vests either with the electorate or the board pursuant to the provisions of Article 14, as that article was issued by the State Board or subsequently amended by the voters of the union school district.

(f) Process. A vote by the voters of a union school district to amend the articles of agreement shall be by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–742 (vote by Australian ballot) of this chapter for unified union school districts and sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) for union elementary and union high school districts. The warning shall contain each proposed amendment as a distinct question to be determined separately. The provisions of this subsection shall not apply to any issue to the extent that a different section of law provides a specific amendment procedure.

§ 723. DECISION TO VOTE BY AUSTRALIAN BALLOT

(a) If a union school district's articles of agreement do not provide that the election of board members or district officers, budget votes, or votes on other public questions shall proceed by Australian ballot, then the voters of a union school district may vote to do so at any annual or special meeting of the union school district where the question has been duly warned.

(b) Any category of vote to be taken by Australian ballot shall proceed in this manner in all towns within or member districts of a union school district.

(c) If voting in a unified union school district proceeds by Australian ballot, then the provisions of sections 739–742 (vote by Australian ballot) of this chapter shall apply to all votes taken by Australian ballot.

(d) If voting in a union elementary or union high school district proceeds by Australian ballot, then the voters shall also determine whether the ballots shall be commingled prior to counting total votes cast by Australian ballot in the union district.

(1) If the voters determine that the ballots shall not be commingled for counting in this manner, then the board of civil authority of each town within the union elementary or union high school district shall count the ballots cast in that town and report that town's results to the clerk of the union elementary or union high school district, who shall calculate the total votes cast within the district and report the total result to the public.

(2) If the voters determine that the ballots shall be commingled for counting, then the ballots shall be deposited in separate ballot boxes at each polling location and the provisions of sections 757–759 (vote by Australian ballot) of this chapter shall apply.

(e) The vote on whether to proceed by Australian ballot shall be taken by paper ballot.

(f) Unless clearly inconsistent, the provisions of 17 V.S.A. chapter 55 shall apply to actions taken under this section.

§ 724. WITHDRAWAL FROM OR DISSOLUTION OF A UNIFIED UNION SCHOOL DISTRICT

(a) Definition. As used in this section, "petitioning town" means the town within a unified union school district that seeks to withdraw from the union district pursuant to the provisions of this section.

(b) Withdrawal study committee.

(1) To initiate the process set forth in this section, the voters residing in the petitioning town shall submit petitions to the clerk of the unified union school district indicating the petitioners' desire to withdraw the petitioning town from the union district. Individual petitions shall be signed by at least five percent of the voters residing in each of the towns within the union school district, with each town having its own petition. The petitioners shall submit each petition to that town's town clerk for verification of the voting registration status of the signors. On a form created by the Secretary of State's Office, and appended to each petition, shall be the names of three voters residing in the petitioning town to serve on a withdrawal study committee and a signed statement by each of the three named voters consenting to serve. Once each petition has been verified by the subject town clerk, the petitioners shall submit the petitions to the clerk of the unified union school district.

(2) Within 30 days after receiving the petition, the board of the union district shall recognize the creation of the withdrawal study committee and shall appoint a board subcommittee to serve as a liaison between the board and the withdrawal study committee and to represent the interests of the union district.

(3) Within 30 days after the board's appointment of the liaison subcommittee, the superintendent of the union district shall convene the first formal meeting of the withdrawal study committee. The study committee shall elect one committee member to serve as chair.

(4) Before beginning any analysis under subsection (c) of this section or seeking technical or analytical services from the union district staff or supervisory union staff, or both, the withdrawal study committee shall obtain a letter of commitment from a supervisory union board to explore the provision of supervisory union services if withdrawal is ultimately approved.

(5) The withdrawal study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of chapter 5, subchapter 2 of that title.

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

(1) the educational advantages and disadvantages likely to result from the proposed withdrawal of the petitioning town from the union district:

(A) on the students residing in the proposed new school district; and

(B) on the students remaining in the union district if withdrawal is approved;

(2) the educational advantages and disadvantages likely to result from the continued inclusion of the petitioning town as a town within the union district:

(A) on the students residing in the petitioning town; and

(B) on the students residing in the other towns within the union district;

(3) the financial advantages and disadvantages likely to result from the proposed withdrawal of the petitioning town from the union district:

(A) on the taxpayers residing in the proposed new school district; and

(B) on the taxpayers remaining in the union district if withdrawal is approved;

(4) the financial advantages and disadvantages likely to result from the continued inclusion of the petitioning town as a town within the union district:

(A) on the taxpayers residing in the petitioning town; and

(B) on the taxpayers residing in the other towns within the union district;

(5) the likely operational and financial viability and sustainability of:

(A) the proposed new school district; and

(B) the union district if withdrawal is approved;

(6) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(7) the potential source of supervisory union services for the proposed new school district, including discussions with the board of any supervisory union to which the report of the withdrawal study committee might propose assignment.

(d) Report, including a plan for withdrawal; decision not to prepare report.

(1) Report supporting withdrawal.

(A) If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes to advance the withdrawal process as further outlined in this section, then the committee shall prepare a report, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website.

(B) At a minimum, the report shall include:

(i) the analysis conducted pursuant to subsection (c) of this section, describing the ways in which the data and analysis:

(I) support withdrawal; and

(II) do not support the continuation of the union district in its current configuration;

(ii) the proposed financial terms of withdrawal, including the proposed ownership of buildings and other assets and the proposed responsibility for financial and other contractual obligations, including debts;

(iii) a plan, including a detailed timeline, for the actions the proposed new school district would take to ensure that, on a proposed operational date, it could provide for the education of its students in prekindergarten through grade 12 by operating all grades, tuitioning all grades, or operating some grades and tuitioning the remainder, in a manner that will meet educational quality standards as required by section 165 of this title, and including, if applicable, the process by which the proposed new school district

would explore formation of a new union school district with one or more other school districts in the region and would integrate or condition any votes to withdraw with votes on formation of a new union district; and

(iv) a proposal, including analysis, for the potential source of supervisory union services for the proposed new school district, including, if applicable to the proposal:

(I) a recommendation of one or more potential supervisory unions to which the State Board could assign the proposed new school district; and

(II) a statement from the board of the potential supervisory union or unions regarding the ability and willingness to accept the proposed new school district as a member district.

(C) Within 45 days following receipt of the withdrawal study committee report, the union district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of its report and to answer any questions posed by the board. The board shall also invite the members of the liaison subcommittee to share any analysis and conclusions at the meeting. The withdrawal study committee has sole authority to determine the contents of its report.

(2) Decision not to propose withdrawal. If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes not to approve advancement of the withdrawal process, then:

(A) the withdrawal study committee shall prepare a brief written statement explaining the reasons underlying the votes supporting and not supporting advancement, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website;

(B) within 45 days following receipt of the withdrawal study committee report, the union district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of the written statement and to answer any questions posed by the board; and

(C) the withdrawal study committee shall cease to exist upon adjournment of the union district board's meeting.

(e) Secretary of Education review and opinion.

(1) Review by the Secretary. Within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, the

withdrawal study committee shall deliver the report or reports electronically to the Secretary for review. The Secretary:

(A) shall consider the report or reports;

(B) shall provide representatives of the withdrawal study committee, the liaison subcommittee, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning town;

(C) may, in the Secretary's discretion, take testimony from other individuals and entities;

(D) may ask the withdrawal study committee, or the liaison subcommittee, to make further investigation and may consider any other information the Secretary deems to be pertinent; and

(E) may request that the members of the withdrawal study committee to amend the report.

(2) Advisory opinion of the Secretary with positive recommendation.

(A) If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then, within 90 days following receipt of the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(i) issue an opinion recommending approval of the withdrawal proposal;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding related and necessary to the withdrawal proposal.

(B) After the Secretary issues an opinion recommending approval of the withdrawal proposal, the proposal shall proceed to a vote of the electorate under subsection (g) of this section.

(3) Advisory opinion of the Secretary with negative recommendation. If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union

services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then, within 90 days following receipt of the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(A) issue a written opinion recommending disapproval of the withdrawal proposal, including a written statement detailing the reasons supporting this conclusion;

(B) provide a preliminary assessment of the most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters;

(C) make any other finding related and necessary to the withdrawal proposal; and

(D) post the written opinion on the Agency of Education's website and transmit it electronically to the clerk of the union district. After receiving the Secretary's opinion, the study committee shall vote pursuant to subsection (f).

(f) State Board of Education final review.

(1) Study committee vote. Within 30 days following receipt of a negative advisory opinion from the Secretary, the clerk of the union school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting. Within 30 days following the public meeting, the study committee shall convene a meeting and vote whether to cease efforts to withdraw from the union district or whether to request review of the Secretary's advisory opinion by the State Board of Education for the withdrawal proposal to proceed to a vote of the electorate.

(2) Cease efforts to withdraw. If the study committee votes to cease efforts to withdraw from the union district, then the petitioning town shall remain a town within the union district, the withdrawal action initiated pursuant to this section is concluded, and the withdrawal study committee shall cease to exist upon adjournment of the meeting.

(3) Proceed with withdrawal; State Board of Education final review and vote. If the study committee votes to proceed with withdrawal, it shall petition the State Board of Education for final review of the Secretary's advisory opinion. The State Board shall review the report and plan of the study committee required under subsection (d) of this section, review the Secretary's written negative advisory opinion, and provide the study committee, the Secretary, and any supervisory union that has been identified as a potential

source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may, in its discretion, take testimony from other individuals and entities, including the union school district. Within 90 days after receiving the petition of the study committee, the State Board shall issue a final written decision and transmit the decision to the superintendent.

(A) Vote to approve. If the State Board finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts or aligns with the policy set forth in section 701 of this title, or both, then the State Board shall:

(i) approve the study committee report supporting withdrawal, together with any amendments, as the final report and proposal of withdrawal;

(ii) provide a preliminary assessment of the most feasible options for the provision of supervisory union services to the proposed new school district;

(iii) declare that the withdrawal process will proceed to a vote of the union district voters pursuant to subsection (g) of this section; and

(iv) make any other finding or declaration, and approve any other motion, related and necessary to the withdrawal proposal.

(B) Vote not to approve. If the State Board finds that the plan for withdrawal, including the most feasible options for the provision of supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then:

(i) the State Board shall not approve the report supporting withdrawal;

(ii) the process will not proceed to a vote of the electorate;

(iii) the petitioning town shall remain a town within the union district; and

(iv) the State Board's determination and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action.

(v) The withdrawal study committee shall cease to exist after the vote of the State Board.

(g) Vote of the electorate.

(1) Within 30 days following receipt of the Secretary's positive advisory opinion pursuant to subdivision (e)(2) of this section or within 30 days following the State Board's vote to approve the withdrawal proposal pursuant to subdivision (f)(3)(A) of this section, the superintendent shall file the withdrawal study committee's report, the Secretary's written advisory opinion, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union district and the town clerk of each town within the union district.

(2) Within 90 days after the clerk of the union district receives the reports and recommendations described in subdivision (2) of this subsection, the voters of the union district, including those residing in the petitioning town, shall vote whether to approve withdrawal as set forth in the report. The question shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–741 (vote by Australian ballot) of this chapter. The ballots shall not be commingled.

(3) Withdrawal from the union district shall occur if the question is approved by a majority vote of the union district voters living in each town within the district, including the petitioning town. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(4) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each town within the union district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that town approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(h) Election of potential board members. On the day on which they vote whether to approve withdrawal, the union district voters residing in the petitioning town shall also vote for three individual registered voters from the petitioning town to serve as the initial members of the proposed new school district's board if withdrawal is approved. The nomination and election of the initial members shall proceed pursuant to subdivision 730(a)(1) of this chapter (election of board members under the proportional to town model by

Australian ballot). The term of office for each initial member shall be arranged so that one term expires on the day of the second annual meeting of the proposed new school district, one term expires on the day of the third annual meeting, and one term expires on the day of the fourth annual meeting.

(i) State Board's duties if withdrawal is approved. If the union district voters approve withdrawal pursuant to subsection (g) of this section, then upon receiving notice from the Secretary pursuant to subdivision (g)(4) of this section, the State Board shall:

(1) Declare the withdrawal approved as of the date of the Board's meeting; provided, however, that withdrawal shall not be final until the date identified in the voter-approved proposal of withdrawal.

(2) Declare the creation and existence of the new school district, effective on the date of the Board's declaration; provided, however, that:

(A) the new school district shall assume full and sole responsibility for the education of its resident students on the date identified in the voter-approved proposal of withdrawal; and

(B) until the identified operational date, the new school district shall exist for the sole purposes of:

(i) convening an organizational meeting of the voters of the new school district to prepare the district to assume its responsibilities;

(ii) organizing the school board of the new school district, which shall be responsible for preparing a proposed budget for the fiscal year beginning on the identified operational date;

(iii) approving the budget of the new school district for the fiscal year beginning on the identified operational date; and

(iv) taking any other actions necessary, as district voters or as a school board, for the new school district to assume full responsibility for providing for the education of the district's resident students in all grades, prekindergarten through grade 12, on the identified operational date.

(3) Determine or set a schedule for determining the manner in which supervisory union services will be provided to the new school district, to be effective on the district's identified operational date.

(A) In addition to the considerations set forth in section 261 of this title, when the State Board makes its determination, it shall consider the potential positive and negative consequences on all affected districts and supervisory unions if supervisory union services were provided to the new school district in a manner that required:

(i) a union district serving as its own supervisory district to become a member of a multidistrict supervisory union; or

(ii) a neighboring supervisory union to accept one or more additional districts that the supervisory union testifies it is not able to accommodate.

(B) If assigned to a multidistrict supervisory union, then the board of the new school district may appoint its members to the supervisory union board pursuant to section 266 of this title, where they may participate as nonvoting members of that board until the new school district's operational date.

(j) Certification; Secretary of State. If the State Board declares the creation and existence of a new school district pursuant to subdivision (i)(2) of this section, then within 30 days following such action the Secretary of Education shall certify the adjustment of the towns within the union district to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the towns within the union district shall be adjusted accordingly; provided, however, that the voter-approved proposal of withdrawal shall establish the date on which withdrawal shall be final, the new school district shall assume full and sole responsibility for the education of its resident students, and the union school district shall no longer have responsibility for the education of those students. Not more than 14 days after the date the Secretary of Education certifies the adjustment, the Secretary of State shall file a certified copy of the recorded certification with the clerk of the union district and the clerk for the town in which the new school district is located. Filing a certified copy with the clerks shall be prima facie evidence of full compliance with the requirements for adjusting the union school district by withdrawal as set forth in this section.

(k) Timing of action.

(1) The voters residing in any town within a union district shall not initiate the withdrawal process set forth in this section within the first year after the latter of the operational date of a newly formed union district or, if applicable, the operational date of a union district adjusted pursuant to subsection (i) of this section.

(2) If a petitioning town's action to withdraw from a union school district is unsuccessful, then the voters residing in that town shall not initiate a new withdrawal action under this section until two years after either a withdrawal study committee votes not to approve advancement of the withdrawal process or the vote by the voters that concluded the initial withdrawal action.

§ 725. WITHDRAWAL FROM OR DISSOLUTION OF A UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT

(a) Definition. As used in this section:

(1) "Petitioning district" means:

(A) a member district of a union elementary or union high school district that seeks to withdraw from the union district pursuant to the provisions of this section; or

(B) a town that is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, does not have a town school district board, and that seeks to withdraw from a union elementary or union high school district pursuant to the provisions of this section.

(2) "New school district" means the petitioning district once the State Board has declared it to be withdrawn from the union elementary or union high school district.

(b) Withdrawal study committee.

(1) To initiate the process set forth in this section, the board of the petitioning district shall submit a petition to the clerk of the union elementary or union high school district indicating its desire to withdraw the petitioning district from the union district and identifying at least three board members of the petitioning district who will serve on a withdrawal study committee. The board of the petitioning district shall submit the petition to the clerk of the union school district after either a vote by the board of the petitioning district or receipt of individual petitions signed by at least five percent of the voters residing in the petitioning district and five percent of the voters residing in each of the other member districts within the union school district, with each member district having its own petition. The clerk of the petitioning district shall submit each petition to the subject member district's clerk for verification of the voting registration of the signors. Once each petition has been verified by the subject district clerk, the board of the petitioning district shall append the individual petitions to the withdrawal petition it sends to the clerk of the union district.

(2) To initiate the process set forth in this section if the petitioning district does not have a town school district board, the voters residing in the petitioning district shall submit petitions to the clerk of the unified union school district indicating the petitioners' desire to withdraw the petitioning district from the union district. Individual petitions shall be signed by at least

five percent of the voters residing in the petitioning district and five percent of the voters residing in each of the member districts within the union school district, with each district having its own petition. The petitioning district shall submit each petition to that district's clerk for verification of the voting registration status of the signors. On a form created by the Secretary of State's office, and appended to each petition, shall be the names of three voters residing in the petitioning district to serve on a withdrawal study committee and a signed statement by each of the three named voters consenting to serve. Once each petition has been verified by the subject district clerk, the petitioning district shall submit the petitions to the clerk of the union school district.

(3) Within 30 days after receiving the petition, the board of the union district shall recognize the creation of the withdrawal study committee and shall appoint a board subcommittee to serve as a liaison between the board and the withdrawal study committee and to represent the interests of the union district.

(4) Within 30 days after the board's appointment of the liaison subcommittee, the superintendent of the union district shall convene the first formal meeting of the withdrawal study committee. The study committee shall elect one committee member to serve as Chair.

(5) Before beginning any analysis under subsection (c) of this section or seeking technical or analytical services from the union district staff or supervisory union staff, or both, the withdrawal study committee shall obtain a letter of commitment from a supervisory union board to explore the provision of supervisory union services if withdrawal is ultimately approved.

(6) The withdrawal study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of chapter 5, subchapter 2 of that title.

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

(1) the educational advantages and disadvantages likely to result from the proposed withdrawal of the petitioning district from the union elementary or union high school district:

(A) on the students residing in the proposed new school district; and

(B) on the students remaining in the union district if withdrawal is approved;

(2) the educational advantages and disadvantages likely to result from the continued inclusion of the petitioning district as a member district of the union elementary or union high school district:

(A) on the students residing in the petitioning district; and

(B) on the students residing in the other member districts of the union district;

(3) the financial advantages and disadvantages likely to result from the proposed withdrawal of the petitioning district from the union elementary or union high school district:

(A) on the taxpayers residing in the proposed new school district; and

(B) on the taxpayers remaining in the union district if withdrawal is approved;

(4) the financial advantages and disadvantages likely to result from the continued inclusion of the petitioning district within the union elementary or union high school district:

(A) on the taxpayers residing in the petitioning district; and

(B) on the taxpayers residing in the other member districts within the union district;

(5) the likely operational and financial viability and sustainability of:

(A) the proposed new school district; and

(B) the union elementary or union high school district if withdrawal is approved;

(6) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(7) the potential source of supervisory union services for the proposed new district, including discussions with the board of any supervisory union to which the report of the withdrawal study committee might propose assignment or the continuation of assignment.

(d) Report, including a plan for withdrawal; decision not to prepare report.

(1) Report supporting withdrawal.

(A) If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes to advance the withdrawal process as further outlined in this section, then the committee shall prepare a

report, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website.

(B) At a minimum, the report shall include:

(i) the analysis conducted pursuant to subsection (c) of this section, describing the ways in which the data and analysis:

(I) support withdrawal; and

(II) do not support the continuation of the union elementary or union high school district in its current configuration;

(ii) the proposed financial terms of withdrawal, including the proposed ownership of buildings and other assets and the proposed responsibility for financial and other contractual obligations, including debts;

(iii) a plan, including a detailed timeline, for the actions the proposed new school district would take to ensure that, on the proposed operational date, it could provide for the education of its students in the grades for which the union elementary or union high school district is organized, in a manner that will meet educational quality standards as required by section 165 of this title, and including, if applicable, the process by which the proposed new school district would explore formation of a new union district with one or more other school districts in the region and would integrate or condition any votes to withdraw with votes on formation of a new union district; and

(iv) a proposal, including analysis, for the source of supervisory union services for the proposed new school district.

(C) Within 45 days following receipt of the study committee report, the union elementary or union high school district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of its report and to answer any questions posed by the board. The board shall also invite the members of the liaison subcommittee to share any analysis and conclusions at the meeting. The withdrawal study committee has sole authority to determine the contents of its report.

(2) Decision not to propose withdrawal. If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes not to approve advancement of the withdrawal process, then:

(A) the withdrawal study committee shall prepare a brief written statement explaining the reasons underlying the votes supporting and not supporting advancement, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website;

(B) within 45 days following receipt of the study committee report, the union elementary or union high school district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of the written statement and to answer any questions posed by the board; and

(C) the withdrawal study committee shall cease to exist upon adjournment of the union elementary or union high school district board's meeting.

(e) Secretary of Education review and opinion.

(1) Review by the Secretary. Within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, the withdrawal study committee shall deliver the report or reports electronically to the Secretary for review. The Secretary:

(A) shall consider the report or reports;

(B) shall provide representatives of the withdrawal study committee, the liaison subcommittee, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning district;

(C) may, in the Secretary's discretion, take testimony from other individuals and entities;

(D) may ask the withdrawal study committee, or the liaison subcommittee, to make further investigation and may consider any other information the Secretary deems to be pertinent; and

(E) may request that the members of the withdrawal study committee amend the report.

(2) Advisory opinion of the Secretary with positive recommendation.

(A) If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then, within 90 days of receipt of the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(i) issue an opinion recommending approval of the withdrawal proposal;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding related and necessary to the withdrawal proposal.

(B) After the Secretary issues an opinion recommending approval of the withdrawal proposal, the proposal shall proceed to a vote of the electorate under subsection (g) of this section.

(3) Advisory opinion of the Secretary with negative recommendation. Advisory opinion. If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then, within 90 days of receipt of the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(A) issue a written opinion recommending disapproval of the withdrawal proposal, including a written statement detailing the reasons supporting this conclusion;

(B) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters;

(C) make any other finding related and necessary to the withdrawal proposal; and

(D) post the written opinion on the Agency of Education's website and transmit it electronically to the clerk of the union district.

(f) State Board of Education final review.

(1) Study committee vote. Within 30 days following receipt of a negative advisory opinion from the Secretary, the clerk of the union school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting. Within 30 days following the public meeting, the study committee shall convene a meeting and vote whether to cease efforts to withdraw from the union district or whether to request review of the Secretary's advisory opinion by the State Board of Education for the withdrawal proposal to proceed to a vote of the electorate.

(2) Cease efforts to withdraw. If the study committee votes to cease efforts to withdraw from the union district, then the petitioning town shall

remain a town within the union district, the withdrawal action initiated pursuant to this section is concluded, and the withdrawal study committee shall cease to exist upon adjournment of the meeting.

(3) Proceed with withdrawal; State Board of Education final review and vote. If the study committee votes to proceed with withdrawal, it shall petition the State Board of Education for final review of the Secretary's advisory opinion. The State Board shall review the report and plan of the study committee required under subsection (d) of this section, review the Secretary's written negative advisory opinion, and provide the study committee, the Secretary, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may, in its discretion, take testimony from other individuals and entities, including the union school district. Within 90 days after receiving the petition of the study committee, the State Board shall issue a final written decision and transmit the decision to the superintendent.

(A) Vote to approve. If the State Board finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts or aligns with the policy set forth in section 701 of this title, or both, then the State Board shall:

(i) approve the study committee report supporting withdrawal, together with any amendments, as the final report and proposal of withdrawal;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district;

(iii) declare that the withdrawal process will proceed to a vote of the union district voters pursuant to subsection (g) of this section; and

(iv) make any other finding or declaration, and approve any other motion, related and necessary to the withdrawal proposal.

(B) Vote not to approve. If the State Board finds that the plan for withdrawal, including the most feasible options for the provision of supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then:

(i) the State Board shall not approve the report supporting withdrawal;

(ii) the process will not proceed to a vote of the electorate;

(iii) the petitioning district shall remain a member district within the union district; and

(iv) the State Board's determination and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action.

(C) The withdrawal study committee shall cease to exist after the vote of the State Board.

(g) Vote of the electorate.

(1) Within 30 days following receipt of the Secretary's positive advisory opinion pursuant to subdivision (e)(2)(A) of this section or within 30 days following the State Board's vote to approve the withdrawal proposal pursuant to subdivision (f)(3)(A) of this section, the superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union elementary or union high school district and the district clerk of each of the member districts within the union elementary or union high school district.

(2) Within 90 days after the clerk of the union district receiving the reports and recommendations described in subdivision (1) of this subsection, the voters of the union elementary or union high school district, including those residing in the petitioning district, shall vote whether to approve withdrawal as set forth in the report. The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

(3) Withdrawal from the union elementary or union high school district shall occur if the question is approved by a majority vote of the union district voters living in each of the member districts within the union elementary or union high school district, including in the petitioning district. If a majority of the voters in one or more member districts within the union elementary or union high school district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(4) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each member district within the union elementary or union high school district shall

certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that district approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(5) If the petitioning district or one of the other member districts does not have a town school district board, the legislative body or appropriate officer of the town shall perform electoral functions, including warning meetings and conducting the voting process, ordinarily performed by and in member districts on behalf of a union school district.

(h) Election of potential board members. If the petitioning district does not have a town school district board, on the day on which they vote whether to approve withdrawal, the union district voters residing in the petitioning school district shall also vote for three individual registered voters from the petitioning district to serve as the initial members of the proposed new school district's board if withdrawal is approved. The nomination and election of the initial members shall proceed pursuant to subdivision 748(a)(1) of this chapter (election of board members under the proportional to town model by Australian ballot). The term of office for each initial member shall be arranged so that one term expires on the day of the second annual meeting of the proposed new school district, one term expires on the day of the third annual meeting, and one term expires on the day of the fourth annual meeting.

(i) State Board's duties if withdrawal is approved. If the union elementary or union high school district voters approve withdrawal pursuant to subsection (g) of this section, then upon receiving notice from the Secretary pursuant to subdivision (g)(4) of this section, the State Board shall:

(1) declare the withdrawal approved as of the date of the Board's meeting; provided, however, that withdrawal shall not be final until the date identified in the voter-approved proposal of withdrawal;

(2) declare it to be the obligation of the new school district to assume responsibility for the education of its residents in the grades for which the union elementary or union high school district was previously responsible, effective on the date of the Board's declaration; provided, however, that:

(A) the new school district shall assume full and sole responsibility for the education of its resident students in the grades for which the union elementary or union high school district was previously responsible on the date identified in the voter-approved proposal of withdrawal; and

(B) until the identified operational date, the new school district shall exist for the sole purposes of:

(i) providing for the education of its residents in the grades for which it was organized prior to withdrawal;

(ii) convening an organizational meeting of the voters of the new school district to prepare the district to assume its new responsibilities if the petitioning district did not have a town school district board;

(iii) organizing the school board of the new school district if the petitioning district did not have a town school district board;

(iv) preparing a proposed budget for the fiscal year beginning on the identified operational date;

(v) approving the budget of the new school district for the fiscal year beginning on the identified operational date; and

(vi) taking any other actions necessary, as district voters or as a school board, for the new school district to assume full responsibility for providing for the education of the district's resident students in the grades it is now organized to provide for, on the identified operational date; and

(3) ensure a smooth transition of supervisory services, to be effective on the district's identified operational date.

(j) Certification; Secretary of State. If the State Board declares it to be the obligation of the new school district pursuant to subdivision (i)(2) of this section to provide for the education of resident students who were formerly the responsibility of the union elementary or union high school district, then within 30 days following such action the Secretary of Education shall certify the adjustment of the member districts within the union elementary or union high school district to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the member districts within the union elementary or union high school district shall be adjusted accordingly; provided, however, that the voter-approved proposal of withdrawal shall establish the date on which withdrawal shall be final, the new school district shall assume full and sole responsibility for the education of its residents in the grades for which it is now organized, and the union school district shall no longer have responsibility for the education of those students. Not more than 14 days after the date the Secretary of Education certifies the adjustment, the Secretary of State shall file a certified copy of the recorded certification with the clerk of the union elementary or union school district and the clerk for new school district. Filing a certified copy with the clerks shall be prima facie evidence of full compliance with the requirements for adjusting the union school district by withdrawal as set forth in this section.

(k) Timing of action.

(1) The voters residing in any member district within a union elementary or union high school district shall not initiate the withdrawal process set forth in this section within the first year after the latter of the operational date of a newly formed union elementary or union high school district or, if applicable, the operational date of a union elementary or union high school district adjusted pursuant to subsection (i) of this section.

(2) If a petitioning district's action to withdraw from a union elementary or union high school district is unsuccessful, then the voters residing in that member district shall not initiate a new withdrawal action under this section until two years after either a withdrawal study committee votes not to approve advancement of the withdrawal process or the vote by the voters that concluded the initial withdrawal action.

Subchapter 3. Unified Union School Districts

Article 1. Unified Union School Districts – Boards and Board Members

§ 729. BOARD MEMBERS; TERM; CONDUCT OF MEETINGS; QUORUM AND VOTING; POWERS AND DUTIES

(a) Members. Except as set forth in subchapter 2 (exploration, formation, and organization) of this chapter for initial members, each member of the board of a unified union school district shall:

(1) be elected by the voters at a warned meeting of the unified union school district pursuant to sections 730 (nomination and election of unified union school district board members) and 737 (warnings of unified union school district meetings) of this title;

(2) assume office upon election, except as provided in subdivision 737(f)(3) (warnings of unified union school district meetings) of this chapter; and

(3) be sworn in before entering upon the duties of the office.

(b) Term. A member elected at an annual meeting shall serve for a term of three years or until the member's successor is elected and has taken the oath of office. A member elected at a special meeting shall serve for the balance of the term of office remaining.

(c) Quorum. A majority of the members of the board shall constitute a quorum. Subject to the provisions of subsection (d) of this section but notwithstanding any other provision of law, the concurrence of a majority of members present at a unified union school district board meeting shall be

necessary and sufficient for board action; provided, however, the concurrence of more than a majority shall be necessary if required for a particular action by the voter-approved articles of agreement.

(d) Weighted voting. If weighted voting is used to achieve constitutionally required proportionality for members elected under the "proportional to town population" model described in subdivisions 711(d)(1) (proposed unified union school district; proportional to town population) and 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this chapter, then a number of members of the board holding a majority of the total number of weighted votes shall constitute a quorum, and a majority of the weighted votes cast shall be necessary and sufficient for board action.

(e) Board chair and board clerk. At the board meeting next following each annual district meeting, the unified union school district board shall elect one of its number to serve as the chair of the board and one other of its number to serve as the clerk of the board.

(f) Powers, duties, and liabilities. The powers, duties, and liabilities of a unified union school district board, board chair, and board clerk shall be the same as those of a board, board chair, and board clerk of a town school district.

(g) Minutes. The board clerk shall prepare minutes of the proceedings of the unified union school district board, unless the board votes to delegate those duties to another individual. The board clerk shall transmit the minutes and all other documents constituting the record of board proceedings to the clerk of the unified union school district, who shall be responsible for maintaining a permanent record of board proceedings. In the board clerk's absence, another member of the school board shall assume the duties of the clerk.

(h) Stipend. The board clerk may be paid upon order of the board.

§ 730. UNIFIED UNION SCHOOL DISTRICT BOARD MEMBERS; NOMINATION AND ELECTION; BOND

(a) If by Australian ballot. The provisions of this subsection (a) shall apply to a unified union school district that conducts elections for board membership by Australian ballot.

(1) Proportional to town population.

(A) When membership on the board of a unified union school district is apportioned to each town within the district in a number that is closely proportional to the town's relative population, the voters residing in the town may file a petition nominating a candidate for board membership. A petition is valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) After confirming that the names on the petition correspond to registered voters of the town, the town clerk shall transmit the name of each duly nominated candidate to the clerk of the unified union school district.

(C) The district clerk shall prepare a unified union school district ballot for each town and shall transmit the ballot to the town clerk to make available to the voters residing in the town.

(D) The voters of a town within the unified union school district shall elect as many board members as are apportioned for that term of office based on the population of the town.

(2) Modified at-large model: allocation to town; at-large representation.

(A) When membership on the board of a unified union school district is allocated to each town within the district, but the allocation is not closely proportional to the town's relative population and the board member is elected at-large, the voters residing in any one or more of the towns within the district may file a petition nominating a candidate for board membership under the "modified at-large" model. A petition is valid only if:

(i) the candidate is a current voter of the town to which the seat is allocated;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the unified union school district;

(iv) the voters file the petition with the clerk of the unified union school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each town within the unified union school district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The district clerk shall prepare the unified union school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each town within the district to make available to the voters residing in the town.

(D) The voters of the unified union school district shall elect as many board members as are to be elected at-large for that term of office under the "modified at-large" model.

(3) At-large representation.

(A) When membership on a unified union school district board is not apportioned or allocated pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection (a) and the board member is elected at large, the voters residing in any one or more of the towns within the district may file a petition nominating a candidate for at-large board membership. A petition is valid only if:

(i) the candidate is a current voter of a town within the unified union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the unified union school district;

(iv) the voters file the petition with the clerk of the unified union school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each town within the unified union school district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the

checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The district clerk shall prepare the unified union school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each town within the district to make available to the voters residing in the town.

(D) The voters of the unified union district shall elect as many board members as are to be elected at-large for that term of office.

(b) If not by Australian ballot. The provisions of this subsection shall apply to a unified union school district that has not voted to conduct elections for board membership by Australian ballot.

(1) The nomination and election of candidates for the office of unified union school district board member shall occur at a warned meeting of the unified union school district; provided, however, if the district elects board members under the "proportional to town population" model, then the nomination and election of candidates shall occur at an annual or special meeting of the town in which the candidate resides, warned for the purpose pursuant to subsection 737(f) of this chapter.

(2) Voters shall only nominate a person who is present at the meeting and the person shall accept or reject the nomination.

(3) The clerk shall ensure that the candidate is a voter of a specific town if the district elects board members under either the "proportional to town population" model or the "modified at-large" model.

(c) Bond. Before a newly elected board member enters upon the duties of office, the district shall ensure that the district's blanket bond covers the new member. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(d) Notification. Within 10 days after the election of a board member pursuant to this section, the district clerk shall transmit the name of newly elected board members to the Secretary of State.

§ 731. VACANCY ON UNIFIED UNION SCHOOL DISTRICT BOARD

(a) Filling a vacancy. Notwithstanding any other provision of law to the contrary, this section shall apply to a vacancy on a unified union school district board, unless otherwise provided in the articles of agreement of the district as initially approved by the voters on or before July 1, 2019.

(1) Proportional to town population. If the vacancy is for a seat where membership is apportioned to a town within the unified union school district in a number that is closely proportional to the town's relative population and only voters residing in the town elect the board member, then the clerk of the unified union school district shall notify the selectboard of the town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(2) Modified at-large model: allocation to town; at-large representation. If the vacancy is for a seat where membership is allocated to a town within the unified union school district in a number that is not closely proportional to each town's relative population and the board member is elected at large, then the district clerk shall notify the selectboard of the town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(3) At-large representation. If the vacancy is for a seat that is neither apportioned nor allocated to a town within the unified union school district as provided in subdivision (1) or (2) of this subsection and the board member is elected at-large, then within 30 days after creation of the vacancy the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(4) Vacancy in all seats. If all seats on a school board are vacant, then the Secretary of State shall call a special election to fill the vacancies.

(b) Notification. Within 10 days after the appointment of a board member pursuant to this section, the district clerk of the unified union school district shall transmit the name of the appointed board member to the Secretary of State.

(c) Obligations and expenses.

(1) Vacancy in majority. If there are vacancies in a majority of the members of a unified union school district board at the same time, then the remaining member or members are authorized to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled pursuant to the provisions of this section.

(2) Vacancy in all seats. If there are no members of the unified union school district board in office, then the Secretary of State shall authorize the district clerk or other qualified person to draw orders for payment of

continuing obligations and necessary expenses until a majority of the vacancies are filled.

§ 732. UNIFIED UNION SCHOOL DISTRICT BUDGET; PREPARATION AND AUTHORIZATION

(a) The board of a unified union school district shall prepare and distribute a proposed budget annually for the next school year pursuant to the provisions of subdivision 563(11) (powers of school boards; budget) of this title.

(b) If the voters do not approve the board's proposed budget, then the board shall prepare and present a revised proposed budget pursuant to 17 V.S.A. § 2680(c)(2) (local elections; Australian ballot system; rejected budget).

(c) If the voters do not approve a budget on or before June 30 of any year, then the board of the unified union school district may borrow funds pursuant to the authority granted under section 566 (school district; authority to borrow) of this title. As used in section 566, the "most recently approved school budget" of a union school district in its first fiscal year of full operations means the cumulative budget amount of the most recently approved school budgets of all districts that merged to form the union district plus one percent.

§ 733. ANNUAL REPORT; DATA

(a) The board of a unified union school district shall prepare an annual report concerning the affairs of the district and have it printed and distributed to the voters of the district pursuant to the provisions of subdivision 563(10) (school districts; powers of school boards; report) of this title. The board shall file the report with the unified union school district clerk and with the town clerk of each town within the district.

(b) Annually, on or before August 15, the unified union school district board shall provide to the Secretary answers to statistical inquiries that may be addressed to the district by the Secretary.

Article 2. Unified Union School Districts – Officers, Annual Meetings, and Special Meetings

§ 735. OFFICERS; ELECTION; TERM; VACANCY; BOND

(a) Officers. At an annual meeting of the unified union school district, the voters shall elect a moderator from among the registered voters of the district. The voters shall also vote to elect a clerk and a treasurer of the district; provided, however, at any annual or special meeting, the voters may vote to authorize the school board to appoint the clerk or the treasurer, or both. The clerk of the district shall be elected or appointed from among the voters. The

treasurer may also be the supervisory union treasurer and need not be a resident of the union school district.

(b) Election.

(1) If an officer is elected by Australian ballot in a unified union school district, then the provisions of subdivision 730(a)(3) for election by Australian ballot of at-large candidates for the unified union school district board shall apply.

(2) Votes cast to elect an officer shall be commingled and reported to the voters pursuant to section 742 (commingling of votes cast by Australian ballot and from the floor) of this chapter.

(c) Terms.

(1) Moderator. A moderator elected at an annual meeting pursuant to this section shall assume office on July 1 following the election, unless the voters vote at an annual meeting for the moderator to assume office upon election. A moderator shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(2) Clerk. A clerk elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(3) Treasurer. A treasurer elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A treasurer shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(d) Vacancy. The board of the unified union school district shall fill a vacancy in any office elected pursuant to this section as soon as practicable after the vacancy occurs. The appointee shall serve upon appointment for the remainder of the unexpired term of office or until the voters elect a successor.

(e) Oath of office. An officer elected or appointed pursuant to this section shall be sworn in before entering upon the duties of the office.

(f) Bond. The district shall ensure that its blanket bond covers a newly elected or appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(g) Notification. Within 10 days after the election or appointment of any officer pursuant to this section, the clerk of the unified union school district shall transmit the name of the officer to the Secretary of State.

§ 736. OFFICERS; POWERS, DUTIES, AND LIABILITIES

(a) Moderator. The powers, duties, and liabilities of the moderator of a unified union school district shall be the same as those of a moderator of a town school district. The moderator shall preside at each annual and special meeting of the unified union school district. In the moderator's absence, the voters shall elect a moderator pro tempore to preside.

(b) Clerk. The powers, duties, and liabilities of the clerk of a unified union school district shall be the same as those of a clerk of a town school district. The district clerk shall keep a record of the votes and the proceedings of the union school district meetings and shall provide certified copies of them when requested.

(c) Treasurer. The powers, duties, and liabilities of the treasurer of a unified union school district shall be the same as those of a treasurer of a town school district.

(d) Documents. The person having custody shall provide to each newly elected or appointed officer of a unified union district all books, papers, and electronic documents of the office.

§ 737. WARNINGS OF UNIFIED UNION SCHOOL DISTRICT MEETINGS

(a) The board of a unified union school district shall have the same authority and obligation to warn or call meetings of the district as a town school board has to warn or call town school district meetings.

(b) Except as provided in subsection (f) of this section, the district clerk shall warn a unified union school district meeting pursuant to the provisions of 17 V.S.A. § 2641 (town meetings and local elections; warning and notice publication) by posting a warning and notice to voters, signed by the chair of the board or the chair's designee, specifying the date, time, location, and business of the meeting, in at least one public place in each town within the unified union school district, and causing the same to be published once in a newspaper circulating in the unified union school district. In the district clerk's absence, the chair of the board or the chair's designee shall warn the meeting pursuant to the provisions of this section.

(c) The warning shall, by separate articles, specifically indicate the business to be transacted, to include the offices and the questions upon which the electorate shall vote. The warning shall also contain any article or articles requested by a petition signed by at least five percent of the voters of the district and filed with the district clerk pursuant to 17 V.S.A. § 2642 (town meetings and local elections; warning and notice contents).

(d) The posted notice that accompanies the warning shall include information on voter registration, early and absentee voting, the time and location at which the ballots will be counted, and any other applicable information.

(e) The warning shall be recorded in the office of the district clerk before posting.

(f) This subsection applies if a unified union school district elects school board members under the "proportional to town population" model and if it elects those members by a floor vote rather than by Australian ballot.

(1) The election shall be warned as follows:

(A) The district clerk shall transmit the signed warning to each town clerk.

(B) The district clerk shall assist each town clerk to incorporate the warning into the warning for the annual or special meeting of each town.

(C) Each town clerk, rather than the district clerk, shall post and publish the warning pursuant to the provisions of subsection (b) of this section.

(2) Notwithstanding any provision of law to the contrary, if any town within the unified union school district elects its selectboard members by Australian ballot, then the warning, nomination, ballot preparation, and election of unified union school district board members shall proceed pursuant to the same laws that govern the town.

(3) If an annual town meeting at which the board members are elected under this subsection is more than 30 days prior to the annual meeting of the unified union school district, then notwithstanding subsection 729(a) (members of unified union school district boards) of this section, the newly elected board members shall assume office at the conclusion of the district's annual meeting.

(g) Notwithstanding any provisions of this section to the contrary, a unified union school district:

(1) shall warn a meeting called for the purpose of considering a bond issue pursuant to the provisions of 24 V.S.A. § 1755; and

(2) shall warn a meeting to consider a revised proposed budget pursuant to the provisions of subsection 732(b) of this chapter.

§ 738. CHECKLIST FOR UNION DISTRICT MEETINGS WHERE VOTING IS CONDUCTED FROM THE FLOOR

(a) Not later than the close of business on the day before an annual or

special meeting of a unified union school district, the town clerk of each town within the district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (elections; registration of voters). The checklist shall control for purposes of determining voter eligibility in the unified union school district.

(b) During the annual or special meeting, one or more members of each town's board of civil authority shall assist the district clerk to determine voter eligibility and to supervise voting during the meeting.

(c) This section shall not apply to a meeting warned pursuant to subsection 737(f) (unified union school district meetings; proportional to town population; floor vote) of this chapter.

§ 739. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

For any vote that proceeds by Australian ballot in a unified union school district:

(1) A district voter shall vote by Australian ballot in the town in which the voter currently resides at the polling location identified in the warning.

(2) Voting shall occur in each town on the same day.

(3) The board of civil authority of each town shall be responsible for determining the eligibility of persons to vote and for supervising voting at that polling location.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 (conduct of elections; early and absentee voters) shall be provided.

§ 740. PREPARATION AND FORM OF AUSTRALIAN BALLOT

(a) The clerk of a unified union school district shall prepare the ballot for any vote that proceeds by Australian ballot in the district.

(b) Only questions warned by the unified union school district and presented to the voters of that district shall appear on a ballot prepared pursuant to subsection (a) of this section.

(c) Warned questions of the unified union school district shall not appear on the same ballot as questions warned by the legislative body of a town within the unified union school district.

§ 741. COUNTING OF AUSTRALIAN BALLOTS

(a) Process.

(1) At least two members of the board of civil authority of each town within a unified union school district, or two election officials appointed by the board of civil authority of that town, shall transport ballots cast in the town in a sealed container to a central location designated by the district clerk. The district clerk shall place the ballots from all locations into a single container.

(2) The boards of civil authority shall not count the ballots for purposes of determining the outcome of the votes cast in that town prior to transporting them but may open the containers and count the total number of ballots cast at that polling location.

(3) The district clerk or designee shall supervise representatives of the boards of civil authority, identified in subdivision (1) of this subsection, to count ballots at the central location pursuant to section 742 (commingling and reporting of votes cast by Australian ballot and from the floor) of this title. The district clerk shall also have the authority to appoint current unified union school district board members who are not on the ballot to aid in the counting of ballots.

(4) The ballots shall be counted as soon as possible, but not later than 24 hours after the time at which the polls closed.

(5) If ballots are to be counted on the day following the election, then the clerk of each town within the unified union school district shall store the ballots in a secure location in the town until they are transported on the following day to the central location designated by the district clerk for counting.

(6) After the ballots have been counted, the district clerk shall seal them in a secure container and store them for at least 90 days in a secure location.

(b) Applicability. The counting of Australian ballots cast by voters in a unified union school district for the election of members of the district board, for the election of district officers, for proposed budgets, and for any other public questions shall proceed pursuant to the provisions of this section, except when:

(1) Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters;

(2) the ballots have been cast to elect a unified union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this title; or

(3) the articles of agreement as initially approved by the voters on or before July 1, 2019 explicitly provide that the board of civil authority of each

town within the unified union school district shall count Australian ballots cast in that town and report that town's results to the district clerk, who shall calculate total votes cast within the unified union school district and report the result of the vote to the public.

§ 742. COMMINGLING AND REPORTING OF ALL VOTES CAST BY AUSTRALIAN BALLOT AND FROM THE FLOOR

(a) Commingling. Votes cast by the voters of a unified union school district shall be commingled, whether cast by Australian ballot or from the floor, and shall not be counted according to the town in which a voter resides.

(b) Report to public. The district clerk shall report the commingled results of votes cast by voters of a unified union school district.

(c) Applicability. The commingling and reporting of votes cast by voters in a unified union school district for the election of members of the district board, for the election of district officers, for proposed budgets, and for any other public question shall proceed pursuant to the provisions of this section regardless of whether the votes proceeds by Australian ballot or by a floor vote, except when:

(1) Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters;

(2) the ballots have been cast to elect a unified union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this chapter; or

(3) the articles of agreement as initially approved by the voters on or before July 1, 2019 explicitly provide that the board of civil authority of each town within the unified union school district shall count Australian ballots cast in that town and report that town's results to the district clerk, who shall calculate total votes cast within the unified union school district and report the result of the vote to the public.

§ 743. BOND ISSUES; DEBT LIMIT

(a) A unified union school district may make improvements, as defined by 24 V.S.A. § 1751 (municipal and county government; indebtedness definitions), and may incur indebtedness for improvements as provided in 24 V.S.A. chapter 53, subchapter 1 (municipal and county government; indebtedness generally).

(b) The debt limit of the unified union school district shall be 10 times the total of the education grand lists of the towns within the unified union school

district. The existing indebtedness of a unified union school district incurred to finance any project approved under sections 3447 to 3456 (State aid for capital construction costs) of this title shall not be considered a part of the indebtedness of the unified union school district for purposes of determining its debt limit for a new proposed bond issue.

(c) Bond issues under this section shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–742 (vote by Australian ballot) of this subchapter. The ballots shall be commingled before counting.

Subchapter 4. Union Elementary School Districts and Union High School Districts

§ 745. DEFINITIONS

As used in this subchapter, words have the meaning as defined in section 702 (definitions) of this title and any words not defined in that section have their plain meaning, except:

(1) Member district. "Member district" means either a town school district that is a member district as defined in section 702 (definitions) of this title or a town in a member district if the member district is itself a union elementary or union high school district, as applicable.

(2) Town clerk.

(A) If, pursuant to section 425 (other town school district officers) of this title, the voters of a member district have elected a district clerk who is not also the clerk of the town, then "town clerk" means the elected clerk of that member district.

(B) Notwithstanding subdivision (A) of this subdivision (2), if a union elementary or union high school district is a member district of the union school district, then "town clerk" has its plain meaning and means the clerk of each town in the member district.

Article 1. Union Elementary and Union High School Districts – Boards and Board Members

§ 747. BOARD MEMBERS; TERM; CONDUCT OF MEETINGS; QUORUM AND VOTING; POWERS AND DUTIES

(a) Members. Except as set forth in subchapter 2 (exploration, formation, and organization) of this chapter for initial members, each member of the board of a union elementary school or union high school district shall:

(1) be elected by the voters at warned meeting pursuant to section 748 (union elementary and union high school district board members) of this chapter;

(2) assume office upon election, except as provided in subdivision 755(f)(3) (warnings of union elementary and union high school district meetings) of this chapter; and

(3) be sworn in before entering upon the duties of the office.

(b) Term. A member elected at an annual meeting shall serve for a term of three years or until the member's successor is elected and has taken the oath of office. A member elected at a special meeting shall serve for the balance of the term remaining.

(c) Quorum. A majority of the members of the board shall constitute a quorum. Subject to the provisions of subsection (d) of this section but notwithstanding any other provision of law, the concurrence of a majority of members present at a union elementary or union high school district board meeting shall be necessary and sufficient for board action; provided, however, the concurrence of more than a majority shall be necessary if required for a particular action by the voter-approved articles of agreement.

(d) Weighted voting. If weighted voting is used to achieve constitutionally required proportionality for members elected under the "proportional to town population" model set out in subdivisions 711(e)(1) (proposed union elementary or union high school district; proportional to town population) and 748(a)(1) (union elementary and union high school district board members; Australian ballot; proportional to town population) of this chapter, then a number of members of the board holding a majority of the total number of weighted votes shall constitute a quorum, and a majority of the weighted votes cast shall be necessary and sufficient for board action.

(e) Board chair and board clerk. At the meeting next following each annual meeting, the union elementary or union high school district board shall elect one of its number to serve as the chair of the board and one other of its number to serve as the clerk of the board.

(f) Powers, duties, and liabilities. The powers, duties, and liabilities of a union elementary or union high school district board, board chair, and board clerk shall be the same as those of a board, board chair, and board clerk of a town school district.

(g) Minutes. The board clerk shall prepare minutes of the proceedings of the union elementary or union high school district board, unless the board votes to delegate those duties to another individual. The board clerk shall transmit the minutes and all other documents constituting the record of board proceedings to the clerk of the union elementary or union high school district, who shall be responsible for maintaining a permanent record of board

proceedings. In the board clerk's absence, another member of the school board shall assume the duties of the clerk.

(h) Stipend. The board clerk may be paid upon order of the board.

§ 748. UNION ELEMENTARY AND UNION HIGH SCHOOL DISTRICT BOARD MEMBERS; NOMINATION AND ELECTION; BOND

(a) If by Australian ballot. The provisions of this subsection (a) shall apply to a union elementary or union high school district that conducts elections for board membership by Australian ballot.

(1) Proportional to town population.

(A) When membership on the board of a union elementary or union high school district is apportioned to each member district in a number that is closely proportional to the member district's relative population, the voters of the member district may file a petition nominating a candidate for board membership. A petition is valid only if:

(i) the candidate is a current voter of the member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the member district or one percent of the legal voters in that district, whichever is less;

(iv) the voters file the petition with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) After confirming that the names on the petition correspond to registered voters of the member district, the town clerk shall transmit the name of each duly nominated candidate to the clerk of the union elementary or union high school district.

(C) The union district clerk shall prepare a union elementary or union high school district ballot for each member district and shall transmit the ballot to the town clerk to make available to the voters residing in the member district.

(D) The voters of the member district shall elect as many board members as are apportioned for that term of office on the union elementary or union high school district board based on the population of the member district.

(2) Modified at-large model: allocation to town; at-large representation.

(A) When membership on the board of a union elementary or union high school district is allocated to each member district, but the allocation is not closely proportional to the member district's population and the board member is elected at-large, the voters residing in any one or more of the member districts may file a petition nominating a candidate for board membership under the "modified at-large" model. A petition is valid only if:

(i) the candidate is a current voter of the member district to which the seat is allocated;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the union elementary or union high school district;

(iv) the voters file the petition with the clerk of the union elementary or union high school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the union district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each member district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The union district clerk shall prepare the union elementary or union high school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each member district to make available to the voters residing in the member district.

(D) The voters of the union elementary or union high school district shall elect as many board members as are to be elected at-large for that term of office under the "modified at-large" model.

(3) At-large representation.

(A) When membership on the board of a union elementary or union high school district is not apportioned or allocated pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection (a) (Australian ballot) and the board member is elected at large, the voters residing in any one or more of the member districts may file a petition

nominating a candidate for at-large board membership. A petition is valid only if:

(i) the candidate is a current voter of the union elementary or union high school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the union elementary or union high school district;

(iv) the voters file the petition with the clerk of the union elementary or union high school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the union district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each member district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The union district clerk shall prepare the union elementary or union high school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each member district to make available to the voters residing in the member district.

(D) The voters of the union elementary or union high school district shall elect as many board members as are to be elected at-large for that term of office.

(b) If not by Australian ballot. The provisions of this subsection (b) shall apply to a union elementary or union high school district that does not conduct elections for board membership by Australian ballot.

(1) The nomination and election of candidates for the office of union elementary or union high school district board member shall occur at a warned meeting of the union school district; provided, however, if the union district elects board members under the "proportional to town population" model, then the nomination and election of candidates shall occur at an annual or special meeting of the member district for the town in which the candidate resides, warned for the purpose pursuant to subsection 755(f) (warnings of union elementary and union high school district meetings; members elected under proportional to town population model and by floor vote) of this chapter.

(2) Voters shall only nominate a person who is present at the meeting, and the person shall accept or reject the nomination.

(3) The meeting shall proceed in a manner to ensure that the candidate is a voter of a specific member district if the union district elects board members under either the "proportional to town population" model or the "modified at-large" model.

(c) Bond. Before a newly elected board member enters upon the duties of office, the union district shall ensure that the district's blanket bond covers the new member. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(d) Notification. Within 10 days after the election of a board member pursuant to this section, the union elementary or union high school district clerk shall transmit the name of the newly elected board member to the Secretary of State.

§ 749. VACANCY ON UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT BOARD

(a) Filling a vacancy. Notwithstanding any other provisions of law to the contrary, this section shall apply to a vacancy on a union elementary or union high school district board, unless otherwise provided in the articles of agreement of the union elementary or union high school district as initially approved by the voters on or before July 1, 2019.

(1) Proportional to town population. If the vacancy is for a seat where membership is apportioned to a member district in a number that is closely proportional to its relative population and only voters residing in the member district elect the board member, then the union elementary or union high school district clerk shall notify the board of the member district not later than five days after learning of the vacancy. Within 30 days after receiving notice, the board of the member district shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(2) Modified at-large model: allocation to town; at-large representation. If the vacancy is for a seat where membership is allocated to a member district in a number that is not closely proportional to each district's relative population and the board member is elected at-large, then the union elementary or union high school district clerk shall notify the board of the member district not later than five days after learning of the vacancy. Within 30 days after

providing notice and after consultation with the member district's board, the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(3) At-large representation. If the vacancy is for a seat that is neither apportioned nor allocated to a member district pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection and the board member is elected at-large, then within 30 days after creation of the vacancy the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(4) No board of member district. For purposes of subdivisions (1) (proportional to town population) and (2) (modified at-large) of this subsection (a), if the member district is also a union school district and any related town school district has discontinued operations pursuant to subdivision 717(b)(2) (discontinuation of forming districts in union elementary and union high school districts) of this chapter and has no board, then the clerk of the union elementary or union high school district shall notify the selectboard of the pertinent town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(5) Vacancy in all seats. If all seats on a school board are vacant, then the Secretary of State shall call a special election to fill the vacancies.

(b) Notification. Within 10 days after the appointment of a board member pursuant to this section, the clerk of the union elementary or union high school district shall transmit the name of the appointed board member to the Secretary of State.

(c) Obligations and expenses.

(1) Vacancy in majority. If there are vacancies in a majority of the members of a union elementary or union high school district board at the same time, then the remaining member or members are authorized to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled pursuant to the provisions of this section.

(2) Vacancy in all seats. If there are no members of the union elementary or union high school district board in office, then the Secretary of State shall appoint and authorize the district clerk or other qualified person to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled.

§ 750. UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT BUDGET; PREPARATION AND AUTHORIZATION

(a) The board of a union elementary or union high school district shall prepare and distribute a proposed budget annually for the next school year pursuant to the provisions of subdivision 563(11) (powers of school boards; budget) of this title.

(b) If the voters do not approve the board's proposed budget, then the board shall prepare a revised proposed budget pursuant to 17 V.S.A. § 2680(c)(2) (local elections using the Australian ballot system; rejected budget).

(c) If the voters do not approve a budget on or before June 30 of any year, the board of the unified union school district may borrow funds pursuant to the authority granted under section 566 (school districts; authority to borrow) of this title. As used in section 566, the "most recently approved school budget" of a union school district in its first fiscal year of full operations means the cumulative budget amount of the most recently approved school budgets of all districts that merged to form the union district plus 1 percent.

§ 751. ANNUAL REPORT; DATA

(a) The board of a union elementary or union high school district shall prepare an annual report concerning the affairs of the district and have it printed and distributed to the voters of the district pursuant to the provisions of subdivision 563(10) (powers of school boards; report) of this title. The board shall file the report with the union district clerk and the clerk of each member district.

(b) Annually, on or before August 15, the union elementary or union high school district board shall provide to the Secretary answers to statistical inquiries that may be addressed to the district by the Secretary.

Article 2. Union Elementary and Union High School Districts – Officers, Annual Meetings, and Special Meetings

§ 753. OFFICERS; ELECTION; TERM; VACANCY; BOND

(a) Officers. At an annual meeting of the union elementary or union high school district, the voters shall elect a moderator from among the registered voters. The voters shall also vote to elect a clerk and a treasurer of the district; provided, however, at any annual or special meeting, the voters may vote to authorize the school board to appoint the clerk or the treasurer, or both. The clerk of the district shall be elected or appointed from among the voters. The treasurer may also be the supervisory union treasurer and need not be a resident of the union elementary or union high school district.

(b) Election if by Australian ballot. If a union elementary or union high school district elects its officers by Australian ballot, then the provisions of subdivision 748(a)(3) of this chapter for election by Australian ballot of at-large candidates for the union elementary or union high school district board shall apply.

(c) Terms.

(1) Moderator. A moderator elected at an annual meeting pursuant to this section shall assume office on July 1 following the election, unless the voters vote at an annual meeting for the moderator to assume office upon election. A moderator shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(2) Clerk. A clerk elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(3) Treasurer. A treasurer elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(d) Vacancy. The board of the union elementary or union high school district shall fill a vacancy in any office elected or appointed pursuant to this section as soon as practicable after the vacancy occurs. The appointee shall serve upon appointment for the remainder of the unexpired term of office or until the voters elect a successor.

(e) Oath of office. An officer elected or appointed pursuant to this section shall be sworn in before entering upon the duties of the office.

(f) Bond. The district shall ensure that its blanket bond covers a newly elected or appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(g) Notification. Within 10 days after the election or appointment of any officer pursuant to this section, the clerk of the union elementary or union high school district shall transmit the name of the officer to the Secretary of State.

§ 754. OFFICERS; POWERS, DUTIES, AND LIABILITIES

(a) Moderator. The powers, duties, and liabilities of the moderator of a union elementary or union high school district shall be the same as those of a moderator of a town school district. The moderator shall preside at each annual and special meeting of the union elementary or union high school district. In the moderator's absence, the voters shall elect a moderator pro tempore to preside.

(b) Clerk. The powers, duties, and liabilities of the clerk of a union elementary or union high school district shall be the same as those of a clerk of a town school district. The district clerk shall keep a record of the votes and the proceedings of the union school district meetings and shall provide certified copies of them when requested.

(c) Treasurer. The powers, duties, and liabilities of the treasurer of a union elementary or union high school district shall be the same as those of a treasurer of a town school district.

(d) Documents. The person having custody shall provide to each elected or appointed officer of a union district all books, papers, and electronic documents of the office.

§ 755. WARNINGS OF UNION ELEMENTARY AND UNION HIGH SCHOOL DISTRICT MEETINGS

(a) The board of a union elementary or union high school district shall have the same authority and obligation to warn or call meetings of the district as a town school board has to warn or call town school district meetings.

(b) Except as provided in subsection (f) of this section, not less than 30 nor more than 40 days before the meeting, the union district clerk shall warn a union elementary or union high school district meeting by posting a warning and notice to voters, signed by the chair of the union district board or the chair's designee, specifying the date, time, location, and business of the meeting, in the district clerk's office and at least one public place in each town within the union elementary or union high school district, and causing the

same to be published once in a newspaper circulating in the union district at least five days before the meeting. In the district clerk's absence, the chair of the board or the chair's designee shall warn the meeting pursuant to the provisions of this section.

(c) The warning shall, by separate articles, specifically indicate the business to be transacted, including the offices and the questions upon which the electorate shall vote. The warning shall also contain any article or articles requested by a petition signed by at least five percent of the voters of the district and filed with the district clerk pursuant to 17 V.S.A. § 2642 (town meetings and local elections; warning and notice contents).

(d) The posted notice that accompanies the warning shall include information on voter registration, early and absentee voting, the time and location at which the ballots will be counted, and other applicable information.

(e) The warning shall be recorded in the office of the district clerk and shall be provided to the town clerk of each town in the unified elementary or union high school district before being posted.

(f) This subsection shall apply if a union elementary or union high school district elects school board members under the "proportional to town population" model and if it elects those members by a floor vote rather than by Australian ballot.

(1) The election shall be warned as follows:

(A) The district clerk shall transmit the signed warning to each town clerk.

(B) The district clerk shall assist each town clerk to incorporate the warning into the warning for the annual or special meeting of each member district.

(C) Each town clerk, rather than the union district clerk, shall post and publish the warning pursuant to the provisions of subsection (b) of this section.

(2) Notwithstanding any provision of law to the contrary, if any member district elects its own board members by Australian ballot, then the warning, nomination, ballot preparation, and election of union school district board members shall proceed pursuant to the same laws that govern the member district.

(3) If an annual meeting of a member district at which the union district board members are elected under this subsection is more than 30 days prior to the annual meeting of the union school district, then notwithstanding subsection 747(a) (board members of union elementary and union high school

districts) of this chapter, the newly elected board members shall assume office at the conclusion of the union school district's annual meeting.

(g) Notwithstanding any provision of this section to the contrary, a union elementary or union high school district:

(1) shall warn a meeting called for the purpose of considering a bond issue in accordance with the provisions of 24 V.S.A. § 1755; and

(2) shall warn a meeting to consider a revised proposed budget pursuant to the provisions of subsection 750(b) (union elementary or union high school district revised proposed budget) of this chapter.

§ 756. UNION DISTRICT MEETINGS CONDUCTED FROM THE FLOOR

(a) Not later than the close of business on the day before the meeting, the town clerk of each member district of a union elementary or union high school district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (registration of voters). The checklist shall control for purposes of determining voter eligibility in the union elementary or union high school district.

(b) During the annual or special meeting, one or more members of each town's board of civil authority shall assist the union district clerk to determine voter eligibility and to supervise voting during the meeting.

(c) Votes cast at an annual or special meeting shall be commingled and shall not be counted according to the town in which a voter resides.

(d) The provisions of this section shall apply to all votes of the electorate in a union elementary or union high school district that do not proceed by Australian ballot; provided, however:

(1) They shall not apply if Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters.

(2) They shall not apply to a vote warned pursuant to subsection 755(f) (warnings of union elementary and union high school district meetings; members elected under proportional to town population model and by floor vote) of this chapter.

(e) If a person who resides in a member district and is otherwise eligible to vote at a union elementary or union high school district meeting has not maintained residence in the member district for the requisite number of days but resided in another member district of the union elementary or union high

school district for the requisite number of days, then the town clerk of the member district in which the person currently resides shall enter such person's name on the checklist of legal voters if the person presents to that town clerk a certificate signed by the town clerk of the member district in which the person formally resided confirming that the person lived within the union elementary or union high school district for the requisite number of days.

§ 757. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

In any vote that proceeds by Australian ballot in a union elementary or union high school district:

(1) A district voter shall vote by Australian ballot in the town in which the voter currently resides at the polling location identified in the warning.

(2) Voting shall occur in each town on the same day.

(3) The board of civil authority of each town shall be responsible for determining the eligibility of persons to vote and for supervising voting at that polling location.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 (conduct of elections; early or absentee voters) shall be provided.

§ 758. PREPARATION AND FORM OF AUSTRALIAN BALLOT

(a) The clerk of a union elementary or union high school district shall prepare the ballot for any vote that proceeds by Australian ballot in the union school district.

(b) Only questions warned by the union elementary or union high school district and presented to the voters of that district shall appear on a ballot prepared pursuant to subsection (a) of this section.

(c) Warned questions of the union elementary or union high school district shall not appear on the same ballot as questions warned by a member district of the union elementary or union high school district or by the legislative body of a town within the union elementary or union high school district.

§ 759. COUNTING AND REPORTING RESULTS OF VOTE BY AUSTRALIAN BALLOT

(a) Process if commingled. If the voters have approved the commingling of votes cast by Australian ballot for any or all categories of public questions, including elections and budget votes, or if Vermont law requires commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) At least two members of the board of civil authority of each town within a union elementary or union high school district, or two election officials appointed by the board of civil authority of that town, shall transport ballots cast in the member district in a sealed container to a central location designated by the clerk of the union elementary or union high school district.

(2) The boards of civil authority shall not count the ballots for purposes of determining the outcome of the votes cast in the member district prior to transporting them but may open the containers and count the total number of ballots cast at that polling location.

(3) The union elementary or union high school district clerk or designee shall supervise representatives of the boards of civil authority to count ballots at the central location. The union elementary or union high school district clerk shall also have the authority to appoint current union elementary or union high school district board members who are not on the ballot to aid in the counting of ballots

(4) The ballots shall be counted as soon as possible, but not later than 24 hours after the time at which the polls closed.

(5) If ballots are to be counted on the day following the election, then the clerk of each member district shall store the ballots in a secure location until they are transported on the following day to the central location designated by the union district clerk for counting.

(6) Ballots from all member districts shall be combined into a single group before counting and shall not be counted according to the member district or town in which a voter resides.

(7) After the ballots have been counted, the union district clerk shall seal them in a secure container and store them for at least 90 days at a secure location.

(8) The union district clerk shall report the commingled results of votes cast within the union elementary or union high school district to the public.

(b) Process if not commingled. If the voters have not approved the commingling of votes cast by Australian ballot for budgets, elections, or any other category of public question, and if Vermont law does not require commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) The board of civil authority of each town within the union elementary or union high school district shall count Australian ballots cast in

the member district and report the results to the clerk of the union district.

(2) The clerk of the union district shall calculate total votes cast within the union district for any vote that requires approval by the electorate of the entire union elementary or union high school district, rather than approval by the voters in one member district or by the voters in each member district separately.

(3) The union district shall report to the public the results of total votes cast; provided, however, that both the union district clerk and the clerk of each member school district shall report the results of ballots cast to elect a union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 748(a)(1) of this chapter.

§ 760. BOND ISSUES; DEBT LIMIT

(a) A union elementary or union high school district may make improvements, as defined by 24 V.S.A. § 1751, and may incur indebtedness for the improvements as provided in 24 V.S.A. chapter 53, subchapter 1.

(b) The debt limit of the union elementary or union high school district shall be 10 times the total of the education grand lists of the member districts of the union school district. The existing indebtedness of a union elementary or union high school district incurred to finance any project approved under sections 3447 to 3456 of this title shall not be considered a part of the indebtedness of the union elementary or union high school district for purposes of determining its debt limit for a new proposed bond issue. An obligation incurred by a union elementary or union high school district pursuant to this chapter shall be the joint and several obligation of the union school district and each of its member districts. Any joint or several obligation incurred by a member district pursuant to this subsection shall not be considered in determining the debt limit for the separate purposes of the member district.

(c) Bond issues under this section shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary school district and union high school district meetings) and 757–759 (vote by Australian ballot) of this subchapter. Ballots shall be commingled before counting.

Subchapter 5. Districts Formed Pursuant to Prior Laws

§ 763. RATIFICATION; ARTICLES OF AGREEMENT; APPLICATION OF CHAPTER

(a) Each union school district in existence on July 1, 2022, is ratified and subject to the provisions of this chapter 11, regardless of whether the district was formed by an affirmative vote of the electorate or by the State Board as

part of its "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to [2015 Acts and Resolves No.] 46, Sections 8(b) and 10" dated November 28, 2018 (the Order).

(b) References in this chapter 11 to articles of agreement initially adopted by the voters shall also mean articles of agreement as issued by the State Board as part of the Order.

(c) Articles of agreement in effect on June 30, 2022, as initially adopted by the voters or subsequently amended, shall govern the district unless and until amended; provided, however, and notwithstanding the provisions of 1 V.S.A. § 214 or other laws to the contrary, the provisions of this chapter 11 shall govern in all matters not addressed in the articles of agreement and shall take precedence in the event of conflict with any article.

§ 764. SECRETARY OF STATE; RECORDING CERTIFICATES

(a) To ensure that documentary evidence relating to the creation of union school districts can be found in one location, the Secretary of Education shall forward to the Secretary of State copies of the certifications designating the existence of each new union school district created pursuant to the State Board's "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to 2015 Acts and Resolves No. 46, Sections 8(b) and 10" dated November 28, 2018 (the Order).

(b) The Secretary of State shall record the certifications and all subsequent amendments and addenda to the certifications.

(c) The Secretary of State shall file a certified copy of the recorded certification and any amendments or addenda with the elected clerk of each union school district created by the Order.

Sec. 4. WITHDRAWAL ACTIONS APPROVED BY STATE BOARD; NEW DISTRICTS WITH AN OPERATIONAL DATE ON OR AFTER JULY 1, 2023

(a) Application of this section. This section shall apply solely to a withdrawal action initiated pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A § 724) if each of the following actions occurred prior to that effective date:

(1) the State Board of Education gave final approval to the voter-approved and voter-ratified proposal to withdraw from the union school district;

(2) the State Board declared a new school district to be reconstituted;

(3) the State Board established the new school district's operational date as July 1, 2023 or after;

(4) the voters of the new school district elected school board members;

(5) the voters of the towns within the union district voted to approve the financial terms of withdrawal negotiated by the boards of the new school district and the union district; and

(6) the State Board charged the new school district and its board with performing the transitional activities necessary to assume sole responsibility for the education of resident students on the identified operational date.

(b) Status report. On or before July 1, 2022, the new school district shall submit a written status report to the State Board detailing the actions the district has taken and will take to ensure that, as of its operational date, the district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services. The status report shall include a timeline indicating the date by which each action shall be complete.

(c) Review and preparedness determination by State Board.

(1) Review. The State Board shall consider the status report and provide the board of the new school district an opportunity to be heard at one or more of the Board's regularly scheduled meetings. The State Board may also take testimony from other entities including the union school district and the Secretary of Education. The State Board shall issue a determination of preparedness on or before September 1, 2022.

(2) Preparedness deemed likely. If the State Board determines that it is likely the new school district will be prepared, on the identified operational date, to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then the new school district, the union district, and, if applicable, the supervisory union or unions shall continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the new district will not be able to be prepared, on the operational date, to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; provided, however, upon order of the State Board, the new school district and its board may continue to exist for up to six months after the date of the State Board's determination for the sole purpose of completing any outstanding business that cannot legally be performed by another entity;

(B) the petitioning town shall be a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724;

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act; and

(E) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (c)(3).

(d) Repeal. This section is repealed on July 1, 2023.

Sec. 5. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD HAS NOT TAKEN ACTION; ALTERNATIVE GOVERNANCE PROPOSAL PREVIOUSLY PRESENTED

(a) Application of this section.

(1) For purposes of this section and notwithstanding any provision of law to the contrary, the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) are deemed to authorize withdrawal from a unified union school district created by the State Board of Education in its "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to Act 46, Secs. 8(b) and 10" dated November 28, 2018 (Order).

(2) This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the former 16 V.S.A. § 724 if each of the following actions occurred prior to the effective date of Sec. 3 of this act:

(A) the State Board created the union district in its Order;

(B) prior to issuance of the Order, the districts that merged to form the union district submitted a proposal to the Secretary of Education and the State Board setting forth the details of their self-evaluation and a proposal for an alternative governance structure pursuant to 2015 Acts and Resolves No. 46, Sec. 9 (Section 9 proposal);

(C) the voters of the petitioning town approved a proposal to withdraw from the union district;

(D) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(E) the State Board of Education has not approved or taken action to approve the withdrawal proposal or to declare that a new school district is reconstituted.

(b) Report and plan. At any time after the effective date of this section, but on or before the regular September 2022 State Board meeting, the self-selected representatives of the petitioning town and the board of the union district shall submit to the State Board in writing:

(1) A report explaining the ways in which the current plan of the petitioning town and the union district for operation after withdrawal conforms to or differs from the Section 9 proposal.

(2) A plan, including a timeline, identifying the actions the petitioning town and the union district have taken and will take to transition to the proposed structure and to ensure that, as of an identified operational date, the proposed new school district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. At a minimum, the plan and timeline should include the actions identified in subsection (d) of this section.

(c) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by

16 V.S.A. § 165 and also whether it is likely or unlikely that supervisory union services will be available to both the proposed new school district and the union district on the operational date. If the State Board determines preparedness is unlikely, it shall issue a written advisory statement detailing the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(d) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (c)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district, and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation of the proposed financial terms of withdrawal by the board of the new school district and the board of the union district in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including all actions necessary to address the collectively bargained rights of employees of the current employing entity.

(e) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion pursuant to subdivision (c)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the

State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (e)(4).

(f) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the five elements set forth in subdivisions (A)–(E) of subdivision (a)(2) are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (e) have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(g) Repeal. This section is repealed on July 1, 2024.

Sec. 6. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD HAS NOT TAKEN ACTION; UNION DISTRICT CREATED BY THE ELECTORATE

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) the voters of the petitioning town approved a proposal to withdraw from the union district;

(3) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(4) the State Board of Education has not approved a final date of withdrawal and the assumption of full operations.

(b) Report and plan. At any time before July 1, 2022, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board, and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (d) of this section.

(c) Review and preparedness determination by the State Board.

(1) Review. The State Board shall consider the report and plan and provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may also take testimony from other individuals and entities including the Secretary of Education and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district. The State Board shall issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than August 1, 2022.

(2) Preparedness deemed likely; State Board of Education action. If the State Board determines that it is likely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and that it is also likely supervisory union services will be available to the proposed new school district, then it shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the proposed new school district will not be able to be prepared, on the proposed operational date, to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, and that the criteria will not be met by postponing the operational date, then:

(A) the State Board shall declare that the petitioning town's proposal to withdraw initiated under the former 16 V.S.A. § 724 is denied;

(B) the petitioning town shall remain a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724; and

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(d) Preparedness deemed likely; next steps. If the State Board approves the withdrawal process pursuant to subdivision (c)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires

on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(e) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the four elements set forth in subdivisions (1)–(4) of subsection (a) of this section are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (d) of this section have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that

initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(f) Repeal. This section is repealed on July 1, 2024.

Sec. 7. WITHDRAWAL PROPOSALS; NO FINAL RATIFICATION VOTES

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) a vote in the petitioning town to approve a withdrawal proposal was warned to occur on or before June 1, 2022; and

(3) the voters of each of the other towns within the union district have not voted whether to ratify the withdrawal proposal prior to the effective date of this section or if they each voted but the votes are not final prior to the effective date.

(b) Vote of the other towns within the union district. If the voters in the petitioning town vote to approve withdrawal, then within 90 days after the town clerks in the other towns within the union district receive notice from the Secretary of State pursuant to the former 16 V.S.A. § 724(b) that the vote in the petitioning town is final, the voters of the other towns within the union district shall vote whether to ratify the withdrawal proposal. The question shall be determined by Australian ballot and shall proceed pursuant to Sec. 3, 16 V.S.A. § 737 (warnings of unified union school district meetings) and §§ 739–741 (vote by Australian ballot) of this act. The ballots shall not be commingled.

(1) Vote not to ratify withdrawal. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur. The voters residing in any town within the union district may initiate new withdrawal procedures pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(2) Vote in favor of withdrawal. If a majority of the voters in all towns within the union district vote in favor of withdrawal, then the withdrawal process shall proceed pursuant to subsections (c)–(e) of this section.

(c) Report and plan. Within 30 days after the ratification votes of the other towns within the union district are final, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which

supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (e) of this section.

(d) Review and preparedness determination by the State Board.

(1) Review. The State Board shall consider the report and plan and provide the self-selected representatives of the petitioning town, the board of the union district, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may also take testimony from other individuals and entities, including the Secretary of Education. The State Board shall issue a determination of preparedness within 90 days following receipt of the report and plan required under subsection (c) of this section, unless the self-selected representatives agree to an extension of the deadline.

(2) Preparedness deemed likely; State Board of Education action. If the State Board determines that it is likely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and that it is also likely supervisory union services will be available to the proposed new school district, then it shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the proposed new school district will not be able to be prepared, on the proposed operational date, to assume full responsibility for

the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, and that the criteria will not be met by postponing the operational date, then:

(A) the State Board shall declare that the petitioning town's proposal to withdraw initiated under the former 16 V.S.A. § 724 is denied;

(B) the petitioning town shall remain a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724; and

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(e) Preparedness deemed likely; next steps. If the State Board approves the withdrawal process pursuant to subdivision (d)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school

district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(f) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the three elements set forth in subdivisions (1)–(3) of subsection (a) of this section are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (e) of this section have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(g) Repeal. This section is repealed on July 1, 2025.

Sec. 8. TEMPORARY MORATORIUM ON UNION SCHOOL DISTRICT SCHOOL CLOSURES

(a) Notwithstanding any provision of law to the contrary, a union school district shall be prohibited from closing a school building within its district unless the school building closure has already been accounted for in the fiscal year 2023 school budget or the closure is approved by the district voters residing in the town in which the building is located. For the purposes of this section, "closing a school building " means the district ceases to use the building to provide direct education for a majority of the grades operated within the building on or before July 1, 2022.

(b) This section is repealed on July 1, 2024.

Sec. 9. UNION SCHOOL DISTRICT CLOSURES; REPORT

On or before September 1, 2023, the Agency of Education shall issue a written report to the Senate and House Committees on Education on union school district school building closures. In preparing the report, the Agency shall consult with the State Board of Education, the Vermont School Boards Association, the Vermont Principals' Association, the Vermont Superintendents Association, the Vermont National Education Association, and the Vermont League of Cities and Towns. The Agency shall also solicit and consider comments from the public. The report shall include:

(1) an examination of examples of recent school closures, or attempted school closures, within union school districts and identification of common trends and issues;

(2) an examination of the impact school closures have had or are anticipated to have on towns or member districts seeking to withdraw from a union school district;

(3) an examination of the issues leading a school board to consider closing a school building, the options to address the issue that could be employed instead of school closure, and the impact the inability to close a school building has had or is expected to have on the union school district or any of the towns or member districts within it;

(4) an examination of the factors that should be used to determine school viability and sustainability and how those factors relate to school closure decisions;

(5) an examination of the advantages and disadvantages of creating a consistent statewide process for union school district school closures and a common definition of what actions constitute a closure;

(6) recommendations on school closure standards and processes; and

(7) recommendations for legislative action, including recommended legislative language.

Sec. 10. UNION SCHOOL DISTRICT WITHDRAWAL; ANNUAL REPORT

The Agency of Education shall make an annual report to the Senate and House Committees on Education on or before January 15. The report shall include a detailed analysis of each union school district withdrawal action the Agency reviewed during the preceding year. The report shall also include any

recommendations for legislative action.

Sec. 11. 16 V.S.A. § 1804 is added to read:

§ 1804. EMPLOYMENT TRANSITION; NEW SCHOOL DISTRICT CREATED UPON WITHDRAWAL FROM A UNION SCHOOL DISTRICT

(a) Definitions. The definitions in section 1801 of this subchapter shall not apply to this section. As used in this section:

(1) "Expanded district" means a school district:

(A) that was responsible for the education of students residing in a single town for some, but not all, grades, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others; and

(B) that, as the result of its withdrawal from a union elementary or union high school district pursuant to section 725 of this title, is solely responsible for the education of its resident students in all grades prekindergarten through grade 12, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others.

(2) "New district" means:

(A) a school district created by withdrawal from a unified union school district pursuant to section 724 of this title that is responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others;

(B) a school district responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others, that was formed when another town's withdrawal from a unified union school district resulted in dissolution of the union district;

(C) an expanded district that did not operate any schools immediately prior to withdrawal and, after withdrawal, operates a school in one or more of the grades previously operated by the union district; or

(D) a school district created by withdrawal from a union elementary or union high school district pursuant to section 725 of this title if prior to withdrawal the withdrawing member was a member of both a union elementary school district and a union high school district, was not independently organized as a district responsible for the education of students in any grade, and did not have a town school district board.

(3) "Operational date" means the date on which a new district or an expanded district assumes full and sole responsibility for the education of its resident students in the grades for which the union district was previously responsible. "Initial operational year" and "second operational year" mean the year commencing on the operational date and the year immediately following the initial operational year, respectively.

(4) "Transitional period" means the period of time beginning on the day on which the State Board declares the creation and existence of the new district or the expanded district pursuant to subdivision 724(h)(2) or 725(h)(2) of this title and continuing until the new district's or newly expanded district's operational date.

(b) Negotiations council and recognized representatives of a new district. At its first meeting during the transitional period, the board of a new district shall:

(1) appoint a school board negotiations council for the new district for the purpose of negotiating with the representatives of future licensed and nonlicensed employees of the new district; and

(2) recognize the representative of the employees of the union school district as the recognized representative of the employees of the new district.

(c) Employment agreements for the initial and second operational years of a new district.

(1) After the new district's organizational meeting, the new district's school board negotiations council and the representative of the employees of the new district shall commence negotiations relating to the employment of licensed and nonlicensed employees in the initial operational year. Negotiations shall be conducted pursuant to the provisions of chapter 57 of this title for teachers and administrators and 21 V.S.A. chapter 22 for other employees. The negotiations council or councils representing employees of the union school district shall represent the employees of the new district unless and until the exclusive representative for employees of the new district designates new representatives to a negotiations council.

(2) If the parties do not ratify a new agreement at least 90 days prior to the new district's operational date, then the new district and its employees shall be governed by the terms of the collectively bargained agreement in place for the union district for the year preceding the initial operational year unless and until the parties agree otherwise.

(d) Non-probationary employees; changes to seniority and other provisions. For each new district and its employees, whether governed by an

agreement in the initial operational year pursuant to subdivision (c)(1) or (c)(2) of this section:

(1) an employee of the union district in the year preceding the initial operational year who was not a probationary employee of the union district at the conclusion of that year shall not be considered a probationary employee if employed by the new district in the initial operational year; and

(2) prior to the operational date, the board of the union district, the board of the new district, and the representative of the employees of the union district may negotiate a temporary memorandum of understanding to adjust provisions in the union district contract regarding seniority, reductions in force, layoff, and recall in order to assist the workforce needs of both the union district and the new district and the best interests of the licensed and nonlicensed employees they employ.

(e) Individual employment contracts not covered by a collective bargaining agreement. On its operational date, the new district shall assume the obligations of each existing individual employment contract, including accrued leave and associated benefits, of any union district employee not covered by a collective bargaining agreement who worked in the building located in the new district in the year preceding the initial operational year and who chooses to continue to work in the same capacity in that building in the initial operational year.

(f) Supervisory unions. If the State Board creates a new supervisory union to provide services to the new district and one or more other school districts, then the provisions of subsections (b) through (e) of this section shall apply to the transition of any employee who was employed by the union district in the year prior to the initial operational year to provide services typically provided by a supervisory union employee, if the employee is employed by the new supervisory union in the initial operational year to provide the same services, with the board of the new supervisory union assuming the responsibilities of the board of the new district as outlined in subsections (b) through (e) of this section.

Sec. 12. APPLICATION OF EMPLOYMENT TRANSITION PROVISIONS

The provisions of Sec. 11 of this act shall also apply to any school district with an operational date of July 1, 2023 or later if the State Board of Education created the district as the result of a withdrawal action initiated pursuant to the terms of 16 V.S.A. § 721a or § 724 that were in effect on January 1, 2022.

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

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

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

Rules Suspended; Governor's Veto Overridden

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the Governor's veto on Senate bill entitled:

S. 286. An act relating to amending various public pension and other postemployment benefits.

Was taken up for immediate consideration.

Thereupon, the pending question, Shall the bill pass, notwithstanding the refusal of the Governor to approve it?, was decided in the affirmative on a roll call required by the Vermont Constitution, Yeas 30, Nays 0. (the necessary *override* two-thirds vote *having* been attained).

Roll Call

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

Those Senators who voted in the negative were: None.

House Proposal of Amendment Concurred In

S. 127.

House proposal of amendment to Senate bill entitled:

An act relating to the procedures and review of community supervision furlough revocation or interruption appeals.

Was taken up.

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

Sec. 1. 28 V.S.A. § 724 is amended to read:

§ 724. TERMS AND CONDITIONS OF COMMUNITY SUPERVISION FURLOUGH

* * *

(c) Appeal.

(1) An offender whose community supervision furlough status is revoked or interrupted for 90 days or longer for a technical violation shall have the right to appeal the Department's determination to the Civil Division of the Superior Court in accordance with Rule 74 of the Vermont Rules of Civil Procedure. The appeal shall be based on a de novo review of the record. The appellant may offer testimony, and, in its discretion for good cause shown, the court may accept additional evidence to supplement the record. If additional evidence is accepted by the court, the Department, through the Office of the Vermont Attorney General, shall have the opportunity to present rebuttal evidence, including testimony, for the court's consideration. The notice of appeal filed pursuant to Rule 74 shall include a certification that the court has subject matter jurisdiction. The Department shall file an objection to subject matter jurisdiction within 14 days, which shall stay the filing of the record on appeal until the court issues an order on the Department's objection. The appellant shall have the burden of proving by a preponderance of the evidence that the Department abused its discretion in imposing a furlough revocation or interruption for 90 days or longer pursuant to subsection (d) of this section.

(2) An appeal filed pursuant to this subsection shall be limited to determine whether the decision to interrupt or revoke an offender's community supervision furlough status was an abuse of discretion by the Department based on the criteria set forth in subdivision (d)(2) of this section. The length of interruption or revocation may be a consideration in the abuse of discretion determination.

(3) An appeal filed pursuant to this subsection shall be brought in the unit of the Superior Court in which the offender resided at the time that the offender's furlough status was revoked or interrupted or the unit in which the offender is detained after the offender's furlough status was revoked or interrupted. If an appeal is filed pursuant to this subsection in a unit lacking proper venue, the court, on its own motion or on timely motion of a party to the appeal, may transfer the appeal to a unit having proper venue.

(d) Technical violations.

(1) As used in this section, "technical violation" means a violation of conditions of furlough that does not constitute a new crime.

(2) It shall be abuse of the Department's discretion to revoke furlough or interrupt furlough status for 90 days or longer for a technical violation, unless:

(A) ~~the~~ The offender's risk to reoffend can no longer be adequately controlled in the community, and no other method to control noncompliance is suitable~~; or~~.

(B) ~~the~~ The violation or pattern of violations indicate the offender poses a danger to others ~~or to the community or poses a threat to abscond or escape from furlough~~.

(C) The offender's violation is absconding from community supervision furlough. As used in this subdivision, "absconding" means:

(i) the offender has not met supervision requirements, cannot be located with reasonable efforts, and has not made contact with Department staff within three days if convicted of a listed crime as defined in 13 V.S.A. § 5301(7) or seven days if convicted of a crime not listed in 13 V.S.A. § 5301(7);

(ii) the offender flees from Department staff or law enforcement; or

(iii) the offender left the State without Department authorization.

Sec. 2. 28 V.S.A. § 123 is amended to read:

§ 123. DEPARTMENT OF CORRECTIONS MONITORING COMMISSION

(a) Creation. There is created the Corrections Monitoring Commission to provide advice and counsel to the Commissioner of Corrections with regard to the Commissioner's responsibility to manage the reporting of sexual misconduct; promote adherence to anti-retaliation policies; ensure overall policy implementation and effectiveness; improve the transparency, accountability, and cultural impact of agency decisions; and ensure that the ~~determination of investigatory findings~~ Department's investigations and any resulting disciplinary actions are ~~just and appropriate~~ compliant with Department policies, procedures, and directives.

* * *

(c) Powers and duties. The Commission shall have the following duties:

(1) Provide advice and counsel to the Commissioner of Corrections in carrying out the Commissioner's responsibilities at the Department of Corrections to ~~monitor~~ review the reporting of sexual misconduct, the ~~implementation of~~ adherence to the Department's anti-retaliation policy, ~~create~~ the transparency and ~~implement~~ implementation of policies relating to misconduct, and ~~review~~ the disciplinary ~~actions~~ policies.

(2) ~~Examine~~ Review facility staffing needs, employee retention, employee working conditions, and employee morale. The Commission may engage with current and former Department employees and individuals in the custody of the Department, review the Analysis of State of Vermont Employee Engagement Survey Results from the Department of Human Resources, and meet with the Vermont State Employees' Association to further the Commission's understanding of these issues. The Commission shall report annually on or before January 15 to the Commissioner of Corrections, the Secretary of Human Services, the House Committees on Corrections and Institutions and on Government Operations, and the Senate Committees on Judiciary and on Government Operations on:

* * *

(3) Monitor the Department in the following areas:

* * *

(F) ~~investigations of~~ compliance with the policies, procedures, or directives governing employee misconduct~~,~~ investigations; the movement of contraband in facilities~~,~~; threats to personal safety~~,~~; and the Department's response to major events that occur in the Department of Corrections~~,~~ ~~including the death of an individual in the custody of the Commissioner of Corrections and the escape of an individual from a Department facility or Department custody~~; and

* * *

(f) Assistance. The Commission shall have the administrative~~,~~ and technical~~, and legal~~ assistance of the Department of Corrections. The Commission shall have the legal assistance of the Office of the Attorney General.

(g) Commissioner of Correction's duties.

(1) The creation and existence of the Commission shall not relieve the Commissioner of ~~his or her~~ the Commissioner's duties under the law to manage, supervise, and control the Department of Corrections.

(2) The Commissioner or designee shall produce all relevant Department policies, procedures, and directives requested by the Commission pursuant to its monitoring duties under this section.

* * *

(i) Confidentiality. Any information or report related to employee or incarcerated individual misconduct or discipline that is provided to the Commission shall be in a form that does not include personally identifiable

information of any of the parties to the alleged misconduct and does not disclose any information that is required to be kept confidential pursuant to applicable State and federal law or any applicable collective bargaining or employment contract.

(j) Definition.

As used in subdivision (c)(3) of this section, "monitor" shall, when appropriate, include access to incident information in a form sufficient to discern the nature of the incident in question and compliance with the policies, procedures, or directives governing the incident.

Sec. 3. APPLICABILITY

Notwithstanding 1 V.S.A. §§ 213 and 214, the following provisions of Sec. 1 of this act shall apply retroactively to any pending appeal filed at any time prior to the effective date of this act:

(1) the provisions of 28 V.S.A. § 724(c)(1) related to subject matter jurisdiction certification and the Department's ability to object to subject matter jurisdiction; and

(2) 28 V.S.A. § 724(c)(3) (venue).

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

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

An act relating to clarifying community supervision furlough appeals and the powers of the Corrections Monitoring Commission.

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

House Proposal of Amendment Concurred; Bill Recommitted

S. 195.

House proposal of amendment to Senate bill entitled:

An act relating to the certification of mental health peer support specialists.

Was taken up.

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

Sec. 1. FINDINGS

The General Assembly finds:

(1) The Centers for Medicare and Medicaid Services (CMS) recognizes that the experiences of peer support specialists, as part of an evidence-based model of care, can be an important component in a state's delivery of effective mental health treatment. CMS encourages states to offer comprehensive programs.

(2) Research studies have demonstrated that peer supports improve an individual's functioning, increase an individual's satisfaction, alleviate symptoms, reduce hospitalizations and hospital days, increase an individual's satisfaction with treatment, and enhance an individual's self-advocacy.

(3) Certification can encourage an increase in the number, diversity, and availability of peer support specialists.

(4) The U.S. Department of Veterans Affairs, more than 46 states, and the District of Columbia have created statewide mental health peer certification programs.

(5) Mental health peers in Vermont are currently providing individualized support, coaching facilitation, and education to individuals with mental health needs, in a variety of settings, yet no statewide scope of practice, standardized curriculum, training standards, supervision standards, or certification protocols are available.

Sec. 2. PEER SUPPORT SPECIALIST CERTIFICATION

(a) The Department of Mental Health shall initiate the next steps toward the creation of a statewide peer support specialist certification program through execution of the grant for advancing peer certification in Vermont included in the allocation of monies appropriated to the Department in 2022 Acts and Resolves No, 83, Sec. 72a(c)(4).

(b) On or before December 15, 2022, the Department shall submit a written report to the House Committee on Health Care and to the Senate Committee on Health and Welfare that:

(1) incorporates recommendations of the grantee selected pursuant to subsection (a) of this section; and

(2) provides policy guidance and recommendations for any legislation necessary to create the program.

(c) The report required pursuant to subsection (b) of this section shall include input from:

(1) the Office of Professional Regulation; and

(2) the Department of Vermont Health Access regarding the options and steps required to seek Medicaid funding for certified peer support specialists.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

An act relating to examining mental health peer support certification.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senator Lyons moved that the bill be recommitted to the Committee on Health and Welfare, which was decided in the affirmative.

House Proposal of Amendment Concurred In

S. 220.

House proposal of amendment to Senate bill entitled:

An act relating to State-paid deputy sheriffs.

Was taken up.

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

Sec. 1. 3 V.S.A. § 902 is amended to read:

§ 902. DEFINITIONS

As used in this chapter:

* * *

(5) "State employee" means any individual employed on a permanent or limited status basis by the State of Vermont, the Vermont State Colleges, the University of Vermont, ~~or~~ the State's Attorneys' offices, or as a full-time deputy sheriff paid by the State pursuant to 24 V.S.A. § 290(b), including permanent part-time employees, and an individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, but excluding an individual:

(A) exempt or excluded from the State classified service under the provisions of section 311 of this title, except that the State Police in the Department of Public Safety; employees of the Defender General, excluding attorneys employed directly by the Defender General and attorneys contracted to provide legal services; deputy State's Attorneys; ~~and~~ employees of State's Attorneys' offices; and full-time deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b) are included within the meaning of "State employee";

* * *

(7)(A) "Employer" means the State of Vermont, excluding the Legislative and Judiciary Departments, represented by the Governor or designee, the Office of the Defender General represented by the Defender General or designee, Vermont State Colleges represented by the Chancellor or designee, and the University of Vermont represented by the President or designee.

(B) With respect to employees of State's Attorneys' offices and full-time deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b), "employer" means the Department of State's Attorneys and Sheriffs represented by the Executive Director or designee. Nothing in this subdivision (7)(B) shall be construed to affect a sheriff's deputation authority pursuant to 24 V.S.A. § 307(a).

* * *

Sec. 2. 3 V.S.A. § 906 is amended to read:

§ 906. DESIGNATION OF MANAGERIAL, SUPERVISORY, AND CONFIDENTIAL EMPLOYEES

* * *

(b)(1) The Executive Director of the Department of State's Attorneys and Sheriffs may determine positions in the State's Attorneys' offices whose incumbents the Executive Director believes should be designated as managerial, supervisory, or confidential employees. Any disputes arising from the determination shall be finally resolved by the Board.

(2) The Executive Director of the Department of State's Attorneys and Sheriffs may designate as a confidential employee not more than one deputy sheriff paid by the State pursuant to 24 V.S.A. § 290(b) who is assigned to the Department of State's Attorneys and Sheriffs' central office to serve as the coordinator for the other State-paid deputies.

Sec. 3. 3 V.S.A. § 911 is added to read:

§ 911. DESIGNATION OF DEPUTY SHERIFFS PAID BY STATE; STATEWIDE BARGAINING RIGHTS

(a) Deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b) shall be part of a single, separate statewide bargaining unit, as determined to be appropriate by the Board pursuant to section 941 of this title, for the purpose of bargaining collectively pursuant to this chapter.

(b) The bargaining unit created pursuant to this section shall be referred to as the State-Paid Deputy Sheriffs Unit.

Sec. 4. EXISTING BARGAINING UNIT; DECERTIFICATION

On the effective date of this act, the existing bargaining unit and certification of an exclusive bargaining representative for the State-paid deputy sheriffs in the Chittenden County Sheriff's Department shall be dissolved.

Sec. 5. 3 V.S.A. § 904 is amended to read:

§ 904. SUBJECTS FOR BARGAINING

(a) All matters relating to the relationship between the employer and employees shall be the subject of collective bargaining except those matters that are prescribed or controlled by statute. The matters appropriate for collective bargaining to the extent they are not prescribed or controlled by statute include:

* * *

(8) terms of coverage and amount of employee financial participation in insurance programs, except that the Department of State's Attorneys and Sheriffs and the deputy State's Attorneys ~~and~~, other employees of the State's Attorneys' offices, and deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b) shall not bargain in relation to terms of coverage and the amount of employee financial participation in insurance programs;

* * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

Bills Passed in Concurrence with Proposal of Amendment

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

H. 96. An act relating to creating the Truth and Reconciliation Commission.

H. 279. An act relating to miscellaneous changes affecting the duties of the Department of Vermont Health Access.

H. 410. An act relating to the use and oversight of artificial intelligence in State government.

Bill Passed in Concurrence

H. 500.

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

An act relating to prohibiting the sale of mercury lamps in the State.

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

H. 546.

House bill entitled:

An act relating to racial justice statistics.

Was taken up.

Thereupon, pending third reading of the bill, Senators White and Sears moved to amend the Senate proposal of amendment in Sec. 1, 3 V.S.A. chapter 68, after section 5014, by inserting a section 5015 to read as follows:

§ 5015. COUNCIL SERVICES CONTINGENT ON AGENCY COMPLIANCE

(a) On and after July 1, 2023, a law enforcement agency shall be prohibited from having its law enforcement applicants or officers trained by the Vermont Police Academy or from otherwise using the services of the Vermont Criminal Justice Council if the agency is not in compliance with the requirements for providing data to the Division of Racial Justice Statistics pursuant to subdivision 5013(a)(2) of this chapter.

(b) The Council shall adopt procedures to enforce the requirements of this section, which may allow for waivers for agencies under a plan to obtain compliance with this section.

(c) As used in this section:

(1) "Law enforcement agency" means the employer of a law enforcement officer.

(2) "Law enforcement officer" means a member of the Department of Public Safety who exercises law enforcement powers; a member of the State Police; a Capitol Police officer; a municipal police officer; a constable who exercises law enforcement powers; a motor vehicle inspector; an employee of the Department of Liquor and Lottery who exercises law enforcement powers; an investigator employed by the Secretary of State; a Board of Medical Practice investigator employed by the Department of Health; an investigator employed by the Attorney General or a State's Attorney; a fish and game

warden; a sheriff; a deputy sheriff who exercises law enforcement powers; a railroad police officer commissioned pursuant to 5 V.S.A. chapter 68, subchapter 8; a police officer appointed to the University of Vermont's Department of Police Services; or the provost marshal or assistant provost marshal of the Vermont National Guard.

Which was agreed to.

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

Bills Passed in Concurrence with Proposal of Amendment

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

H. 551. An act relating to prohibiting racially and religiously restrictive covenants in deeds.

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

Joint Resolution Adopted in Concurrence

J.R.H. 18.

Joint House resolution of the following title was read the third time and adopted in concurrence:

Joint resolution relating to the Russian invasion of Ukraine.

House Proposal of Amendment Concurred In with Amendment

S. 210.

House proposal of amendment to Senate bill entitled:

An act relating to rental housing health and safety and affordable housing.

Was taken up.

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

* * * Department of Public Safety; Authority for Rental Housing Health and Safety * * *

Sec. 1. 20 V.S.A. chapter 172 is added to read:

CHAPTER 172. RENTAL HOUSING HEALTH AND SAFETY; INSPECTION; REGISTRATION

§ 2676. DEFINITION

As used in this chapter, "rental housing" means:

(1) a "premises" as defined in 9 V.S.A. § 4451 that is subject to 9 V.S.A. chapter 137 (residential rental agreements); and

(2) a "short-term rental" as defined in 18 V.S.A. § 4301 and subject to 18 V.S.A. chapter 85, subchapter 7.

§ 2677. RENTAL HOUSING; RULES; INSPECTIONS; PENALTY

(a) Rules. The Commissioner of Public Safety may adopt rules to prescribe standards for the health, safety, sanitation, and fitness for habitation of rental housing that the Commissioner determines are necessary to protect the public, property owners, and property against harm.

(b) Inspections.

(1) After adopting rules pursuant to subsection (a) of this section, the Commissioner shall design and implement a complaint-driven system to conduct inspections of rental housing.

(2) When conducting an inspection, the Commissioner shall:

(A) issue a written inspection report on the unit or building that:

(i) contains findings of fact that serve as the basis of one or more violations;

(ii) specifies the requirements and timelines necessary to correct a violation;

(iii) provides notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and

(iv) provides notice in plain language that the landlord or agents of the landlord must have access to the rental unit to make repairs as ordered by the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

(B) provide a copy of the inspection report to the landlord, to the person who requested the inspection, and to any tenants who are affected by a violation:

(i) electronically, if the Department has an electronic mailing address for the person; or

(ii) by first-class mail, if the Department does not have an electronic mailing address for the person;

(C) if an entire building is affected by a violation, provide a notice of inspection directly to the individual tenants, and may also post the notice in a common area, that specifies:

(i) the date of the inspection;

(ii) that violations were found and must be corrected by a certain date;

(iii) how to obtain a copy of the inspection electronically or by first-class mail; and

(iv) if the notice is posted in a common area, that the notice shall not be removed until authorized by the Commissioner; and

(D) make the inspection report available as a public record.

(c) Penalties. If the person responsible for a violation does not comply with the requirements and timelines specified in an inspection report issued pursuant to subsection (b) of this section, the Commissioner may impose an administrative penalty that is reasonably related to the severity of the violation, not to exceed $1,000.00 per violation.

§ 2678. RENTAL HOUSING REGISTRATION

(a) Registration. Except as otherwise provided in subsection (b) of this section, annually on or before March 1, the owner of each unit of rental housing that in the previous year was leased or offered for lease shall pay to the Department of Housing and Community Development an annual registration fee of $35.00 per unit and provide the following information:

(1) the name and mailing address of the owner, landlord, and property manager of the unit, as applicable;

(2) the phone number and electronic mail address of the owner, landlord, and property manager of the unit, as available;

(3) the location of the unit;

(4) the year built;

(5) the type of rental unit;

(6) the number of units in the building;

(7) the school property account number;

(8) the accessibility of the unit; and

(9) any other information the Department deems appropriate.

(b) Exceptions.

(1) Unit registered with another program.

(A) The registration requirement imposed in subsection (a) of this section does not apply to a unit that is currently registered with a municipal,

district, or other local government rental housing health and safety program that requires the owner to register the unit and provide the data required in subsection (a) of this section.

(B) The fee requirement imposed in subsection (a) of this section does not apply to a unit that is currently registered with a municipal, district, or other local government rental housing health and safety program that requires the owner to register the unit and provide the data required in subsection (a) of this section and for which program the owner is required to pay a registration fee.

(2) Mobile homes.

(A) The registration requirement imposed in subsection (a) of this section does not apply to a mobile home lot within a mobile home park if:

(i) the owner has registered the lot with the Department of Housing and Community Development; and

(ii) the owner does not own a mobile home on the lot.

(B) An owner of a mobile home lot within a mobile home park who has registered the lot with the Department and who owns a mobile home on the lot that is available for rent or rented shall register the property with the Department pursuant to subsection (a) of this section and pay a fee equal to the fee required, less any fee paid within the previous 12 months pursuant to 10 V.S.A. § 6254(c).

(C) An owner of a mobile home who rents the mobile home, whether or not located in a mobile home park, shall register pursuant to this section.

(3) Unit not offered to general public. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit that an owner provides to another person, whether or not for consideration, if, and only to the extent that, the owner does not otherwise make the unit available for lease to the general public, and includes:

(A) housing provided to a member of the owner's family or personal acquaintances;

(B) housing provided to a person who is not related to a member of the owner's household and who occupies the housing as part of a nonprofit home-sharing program; and

(C) housing provided to a person who provides personal care to the owner or a member of the owner's household.

(4) Licensed lodging establishment. The registration and fee requirements imposed in subsection (a) of this section do not apply to a

lodging establishment, as defined in 18 V.S.A. § 4301, that is required to be licensed by the Department of Health.

(5) Units accessory to an owner-occupied residence. The registration and fee requirements imposed in subsection (a) of this section do not apply to a property if:

(A) the property has four or fewer units; and

(B) the owner of the property occupies one of the units as a primary residence.

(6) Nonwinterized, seasonal units. The registration and fee requirements imposed in subsection (a) of this section do not apply to a seasonal unit that is unheated and unavailable for rent during the winter months.

(7) Units rented for fewer than 90 days. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit that is rented for fewer than 90 days per calendar year.

(8) Housing provided as a benefit of farm employment. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit of housing that is provided as a benefit of farm employment, as defined in 9 V.S.A. § 4469a(a)(3).

(c) Administration.

(1) The Department of Housing and Community Development shall maintain the registry of rental housing data in coordination with the Department of Public Safety, the Department of Health, the Enhanced 911 Board, and the Department of Taxes.

(2) Upon request, and at least annually, a municipal, district, or other local government entity that operates a rental housing health and safety program that requires registration of a rental housing unit and a fee for inclusion on its registry shall provide to the Department of Housing and Community Development the data for each unit that is required pursuant to subsection (a) of this section.

(3)(A) The data the Department collects pursuant to this section is exempt from public inspection and copying pursuant to 1 V.S.A. § 317(c)(1).

(B) The Department:

(i) may disclose data it collects pursuant to this section only to other State, municipal, or regional government entities; nonprofit

organizations; or other persons for the purposes of protecting public health and safety;

(ii) shall not disclose data it collects pursuant to this section for a commercial purpose; and

(iii) shall require, as a condition of receiving data collected pursuant to this section, that a person to whom the Department discloses the data takes steps necessary to protect the privacy of persons whom the data concerns and to prevent further disclosure.

(d) Rental Housing Safety Special Fund.

(1) The Rental Housing Safety Special Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5.

(2) The Department shall maintain the fees collected pursuant to this section in the Fund, the proceeds of which the Department shall use:

(A) to hire authorized staff to administer the registry and registration requirements imposed in this section; and

(B) to provide funding to the Department of Public Safety to hire authorized staff to conduct inspections and regulate rental housing pursuant to section 2677 of this title.

* * * Penalty for Failure to Register * * *

Sec. 2. 20 V.S.A. § 2678(e) is added to read:

(e) Failure to register; penalty. The Department of Housing and Community Development shall impose an administrative penalty of not more than $200.00 per unit for an owner of rental housing who knowingly fails to register or pay the fee required pursuant to this section.

* * * Registration; Prospective Repeal * * *

Sec. 3. REPEAL

20 V.S.A. § 2678(b)(8) (exemption for housing provided as a benefit of farm employment) is repealed.

* * * Positions Authorized * * *

Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

(a) The Department of Public Safety is authorized to create five full-time classified Inspector positions in order to conduct rental housing health and safety inspections and enforcement pursuant to 20 V.S.A. chapter 172.

(b) The Department may hire the Inspectors authorized by this section with funds appropriated for that purpose and to the extent additional funds become

available from the Rental Housing Safety Special Fund created and maintained pursuant to 20 V.S.A. § 2678(d).

Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; POSITIONS

(a) The Department of Housing and Community Development is authorized to create one full-time classified position and one half-time classified position to design and implement the registry created in, and to administer and enforce the registry requirements of, 20 V.S.A. § 2678.

(b) The Department may hire staff authorized by this section with funds appropriated for that purpose and to the extent additional funds become available from the Rental Housing Safety Special Fund created and maintained pursuant to 20 V.S.A. § 2678(d).

* * * Conforming Changes to Current Law Governing the Department of Health, State Board of Health, and Local Health Officials * * *

Sec. 6. 18 V.S.A. chapter 11 is amended to read:

CHAPTER 11. LOCAL HEALTH OFFICIALS

* * *

§ 602a. DUTIES OF LOCAL HEALTH OFFICERS

(a) A local health officer, within his or her jurisdiction, shall:

(1) ~~upon request of a landlord or tenant, or~~ upon receipt of information regarding a condition that may be a public health hazard, conduct an investigation;

(2) enforce the provisions of this title, the rules promulgated, and permits issued thereunder;

(3) prevent, remove, or destroy any public health hazard~~,~~ or mitigate any significant public health risk in accordance with the provisions of this title;

(4) in consultation with the Department, take the steps necessary to enforce all orders issued pursuant to chapter 3 of this title; and

(5) have the authority to assist the Department of Public Safety in inspecting rental housing pursuant to 20 V.S.A. chapter 172, provided that if the local health officer inspects a rental property without an inspector from the Division, the officer shall issue an inspection report in compliance with 20 V.S.A § 2677(b)(2).

(b) Upon discovery of violation or a public health hazard or public health risk that involves a public water system, a food or lodging establishment, or

any other matter regulated by Department rule, the local health officer shall immediately notify the Division of Environmental Health. Upon discovery of any other violation, public health hazard, or public health risk, the local health officer shall notify the Division of Environmental Health within 48 hours of discovery of such violation or hazard and of any action taken by the officer.

§ 603. ~~RENTAL HOUSING SAFETY; INSPECTION REPORTS~~

~~(a)(1) When conducting an investigation of rental housing, a local health officer shall issue a written inspection report on the rental property using the protocols for implementing the Rental Housing Health Code of the Department or the municipality, in the case of a municipality that has established a code enforcement office.~~

~~(2) A written inspection report shall:~~

~~(A) contain findings of fact that serve as the basis of one or more violations;~~

~~(B) specify the requirements and timelines necessary to correct a violation;~~

~~(C) provide notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and~~

~~(D) provide notice in plain language that the landlord and agents of the landlord must have access to the rental unit to make repairs as ordered by the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

~~(3) A local health officer shall:~~

~~(A) provide a copy of the inspection report to the landlord and any tenants affected by a violation by delivering the report electronically, in person, by first class mail, or by leaving a copy at each unit affected by the deficiency; and~~

~~(B)(i) if a municipality has established a code enforcement office, provide information on each inspection according to a schedule and in a format adopted by the Department in consultation with municipalities that have established code enforcement offices; or~~

~~(ii) if a municipality has not established a code enforcement office, provide information on each inspection to the Department within seven days of issuing the report using an electronic system designed for that purpose, or within 14 days by mail if the municipality is unable to utilize the electronic system.~~

~~(4) If an entire property is affected by a violation, the local health officer shall post a copy of the inspection report in a common area of the~~

~~property and include a prominent notice that the report shall not be removed until authorized by the local health officer.~~

~~(5) A municipality shall make an inspection report available as a public record.~~

~~(b)(1) A local health officer may impose a civil penalty of not more than $200.00 per day for each violation that is not corrected by the date provided in the written inspection report, or when a unit is re-rented to a new tenant prior to the correction of a violation.~~

~~(2)(A) If the cumulative amount of penalties imposed pursuant to this subsection is $800.00 or less, the local health officer, Department of Health, or State's Attorney may bring a civil enforcement action in the Judicial Bureau pursuant to 4 V.S.A. chapter 29.~~

~~(B) The waiver penalty for a violation in an action brought pursuant to this subsection is 50 percent of the full penalty amount.~~

~~(3) If the cumulative amount of penalties imposed pursuant to this subsection is more than $800.00, or if injunctive relief is sought, the local health officer, Department of Health, or State's Attorney may commence an action in the Civil Division of the Superior Court for the county in which a violation occurred.~~

~~(c) If a local health officer fails to conduct an investigation pursuant to section 602a of this title or fails to issue an inspection report pursuant to this section, a landlord or tenant may request that the Department, at its discretion, conduct an investigation or contact the local board of health to take action.~~

[Repealed.]

* * *

* * * Transition Provisions * * *

Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION PROVISIONS

(a) Notwithstanding any provision of law to the contrary:

(1) Until the Commissioner of Public Safety adopts rules governing rental housing health and safety pursuant to 20 V.S.A. § 2677, the Department of Health, local officials authorized by law, and the Department of Public Safety have concurrent authority to enforce the Vermont Rental Housing Health Code adopted by the Department of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

(2) The Commissioner of Public Safety may immediately adopt a rule incorporating the Rental Housing Health Code without following the procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

(3) Except as provided in subdivision (2) of this subsection, the Commissioner of Public Safety shall comply with the requirements for general rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental housing health and safety.

(b) Upon the adoption of rules governing rental housing health and safety pursuant to the authority in 20 V.S.A. § 2677:

(1) the Department of Public Safety is the State government entity with primary authority to enforce State laws governing rental housing health and safety;

(2) the Department of Public Safety and local officials have concurrent authority to enforce State and local laws governing rental housing health and safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 172, subchapter 2; 24 V.S.A. chapters 83 and 123; and applicable municipal law; and

(3) the Department of Health, the State Board of Health, and local health officials have concurrent authority to enforce State and local laws governing public health hazards and public health risks, as those terms are defined in 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

* * * Vermont Housing Investments * * *

Sec. 8. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM; PURPOSE

(a) Recognizing that Vermont's rental housing stock is some of the oldest in the country and that much of it needs to be updated to meet code requirements and other standards, the Vermont Rental Housing Improvement Program is intended to incentivize private apartment owners to make significant improvements to both housing quality and weatherization by providing grants and forgivable loans that are matched in part by the property owner.

(b) The Program seeks to take the lessons learned from the successful Re-housing Recovery Program established with funds provided by the Federal CARES Act and implement them in a State-funded program.

Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of program.

(1) The Department of Housing and Community Development shall design and implement a Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) New accessory dwelling.

(A) The unit will be a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(B) The unit will be newly created on a lot with an existing structure.

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed $50,000.00 per unit. In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and whether the unit is being rehabilitated or newly created.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(e) Program requirements applicable to grants. For a grant awarded under the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under the Program, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 10. REPORT

On or before February 15, 2023, the Department of Housing and Community Development shall report to the General Assembly concerning the design, implementation, and outcomes of the Vermont Housing Improvement Program, including findings and any recommendations related to the amount of grant awards.

Sec. 11. APPROPRIATIONS

(a) Purpose. The purpose of the appropriations in this section are:

(1) to respond to the far-reaching public health and negative economic impacts of the COVID-19 pandemic; and

(2) to ensure that Vermonters and Vermont communities have an adequate supply of safe, affordable housing.

(b) In fiscal year 2022, the amount of $20,400,000.00 is appropriated from the America Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) $100,000.00 to the Department of Public Safety as one-time startup funding to hire one or more Inspector positions authorized pursuant to Sec. 4 of this act.

(2) $300,000.00 to the Department of Housing and Community Development as one-time startup funding to hire one or more of the positions authorized pursuant to Sec. 5 of this act.

(3) $20,000,000.00 to the Department of Housing and Community Development to implement the Vermont Rental Housing Improvement Program created in 10 V.S.A. § 699. The Department may use not more than $1,000,000.00 of the appropriation to facilitate a statewide education and navigation system to assist homeowners with designing, financing, permitting, and constructing accessory dwelling units.

Sec. 12. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (DPS authority for rental housing health and safety; rental housing registration).

(2) Sec. 4 (DPS positions).

(3) Sec. 5 (DHCD positions).

(4) Sec. 6 (conforming changes to Department of Health statutes).

(5) Sec. 7 (DPS rulemaking authority and transition provisions).

(6) Secs. 8–10 (Vermont Rental Housing Improvement Program).

(8) Sec. 11 (FY 2022 ARPA appropriations).

(b) Sec. 2 (administrative penalty for failure to register rental housing) shall take effect on July 1, 2023.

(c) Sec. 3 (repeal of registration exemption for housing provided as a benefit of farm employment) shall take effect on July 1, 2025.

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

First: By striking out Sec. 9, 10 V.S.A. chapter 29, subchapter 3, in its entirety and inserting in lieu thereof a new Sec. 9 to read:

Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of program.

(1) The Department of Housing and Community Development shall design and implement a Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) New accessory dwelling. The unit will be a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed $50,000.00 per unit. In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and whether the unit is being rehabilitated or newly created.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(e) Program requirements applicable to grants. For a grant awarded under subdivision (b)(1) of this section for a unit that is non-code compliant, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under subdivision (b)(1) of this section for a unit that is non-code

compliant, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Requirements for an accessory dwelling unit.

(1) For a grant or forgivable loan awarded under subdivision (b)(2) of this section for a unit that is a new accessory dwelling unit, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) A landlord shall not offer an accessory dwelling unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301.

(h) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Second: By striking out Sec. 11, appropriations, in its entirety and inserting in lieu thereof a new Sec. 11 to read:

Sec. 11. APPROPRIATIONS

(a) Purpose. The purpose of the appropriations in this section are:

(1) to respond to the far-reaching public health and negative economic impacts of the COVID-19 pandemic; and

(2) to ensure that Vermonters and Vermont communities have an adequate supply of safe, affordable housing.

(b) Appropriations. In fiscal year 2022, the amount of $20,400,000.00 is appropriated from the America Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) $100,000.00 to the Department of Public Safety as one-time startup funding to hire one or more Inspector positions authorized pursuant to Sec. 4 of this act.

(2) $300,000.00 to the Department of Housing and Community Development as one-time startup funding to hire one or more of the positions authorized pursuant to Sec. 5 of this act.

(3) $20,000,000.00 to the Department of Housing and Community Development to implement the Vermont Rental Housing Investment Program created in 10 V.S.A. § 699, provided that the Department shall allocate 20 percent of the funds for new accessory dwellings as follows:

(A) the Department may use not more than 20 percent of the funding available for new accessory dwellings to facilitate a statewide education and navigation system to assist homeowners with designing, financing, permitting, and constructing new accessory dwellings; and

(B) the Department shall use any remaining funds for new accessory dwellings for financial incentives or other financial supports to homeowners developing accessory dwelling units.

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; Bills and Resolution Messaged

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

S. 127, S. 210, S. 286, H. 96, H. 279, H. 410, H. 500, H.546, H. 551, H. 728, J.R.H. 18.

Rules Suspended; Bill Delivered

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

S. 220.

Committee of Conference Appointed

H. 720.

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

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Hooker
Senator Hardy
Senator Terenzini

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Adjournment

On motion of Senator Balint, the Senate adjourned until twelve o'clock and forty-five minutes in the afternoon.

Afternoon

The Senate was called to order by the President.

Senate Resolution Referred

S.R. 25.

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

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

By Senator Brock,

S.R. 25. Senate resolution relating to urging the Vermont Congressional Delegation to introduce and pursue the enactment of legislation authorizing the permanent U.S. residency eligibility for the more than 800 international victims of the Vermont EB-5 scandal.

Whereas, in 1990, as part of the Immigration Act of 1990, Pub. L. No. 101-649, Congress established the EB-5 program, codified at 8 U.S. C. § 153 (b)(5), enabling citizens of other nations, who contribute a designated sum to a job creating business development project, to become eligible for permanent U.S. residency, and

Whereas, the EB-5 program is administered through the U.S. Department of Homeland Security's U.S. Citizenship and Immigration Services and the program's designated regional centers, and

Whereas, in the Northeast Kingdom, Ariel Quiros, Bill Stenger, and William Kelly, established a series of construction projects at the Jay Peak and

Burke Mountain ski areas, some of which were completed, others of which were only partially completed or were completed contrary to the way they had been described to the investors, and in Newport, where the AnC Bio medical research facility was never built, and

Whereas, millions of dollars were fraudulently misspent on these projects, some on personal expenses, and the more than 800 total victimized contributors, from over 70 nations, each of whom contributed $500,000.00 (as the Northeast Kingdom was designated a high unemployment area) in anticipation of being granted permanent United States residency, were denied this outcome, and

Whereas, the creators of these projects have been subject to civil and criminal penalties, including jail terms, and

Whereas, Congress has recognized the problems with the EB-5 program and in the Consolidated Appropriations Act of 2022, Pub. L. No. 117-103, revised the EB-5 program with the intent of addressing its weaknesses, and

Whereas, although the EB-5 program, as administered in connection with these Vermont projects, lacked sufficient safeguards, the individual contributors $500,000.00 were acting in good faith, and

Whereas, as the perpetrators of the Vermont EB-5 scandal have been punished, and the EB-5 statute amended, the more than 800 victims of this financial catastrophe deserve to be made eligible for the permanent U.S. residency they reasonably assumed was forthcoming, and

Whereas, the only way this unfair situation may be remedied is if Congress enacts legislation specifically authorizing the victims of the Vermont EB-5 scandal, if otherwise qualified, to be granted their long-anticipated permanent U. S. residency, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont urges the Vermont Congressional Delegation to introduce and pursue the enactment of legislation authorizing permanent U.S. residency eligibility for the more than 800 international victims of the Vermont EB-5 scandal, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to the Vermont Congressional Delegation.

Thereupon, the President, in her discretion, treated the joint resolution as a bill and referred it to the Committee on Government Operations.

Rules Suspended; House Proposal of Amendment Concurred in With an Amendment; Bill Messaged

S. 11.

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to prohibiting robocalls.

Was taken up for immediate consideration.

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

Sec. 1. IMMEDIATE STRATEGIES AND FUNDING FOR EXPANDING THE LABOR FORCE; INCREASING THE NUMBER OF PARTICIPANTS AND PARTICIPATION RATES; APPROPRIATIONS

(a) In fiscal year 2023, the following amounts are appropriated from the General Fund to the following recipients for the purposes specified:

(1) $2,500,000.00 to the University of Vermont Office of Engagement, in consultation with the Vermont Student Assistance Corporation, to administer a statewide forgivable loan program of $5,000.00 per graduate for recent college graduates across all Vermont higher education institutions who commit to work in Vermont for two years after graduation.

(2) $387,000.00 to Vermont Technical College to develop a skilled meat cutter training and apprenticeship facility.

(b) In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to provide grants, which may be administered through a performance-based contract, to refugee- or New American-focused programs working in Vermont to support increased in-migration or retention of recent arrivals.

Sec. 2. [Reserved.]

Sec. 3. [Reserved.]

Sec. 4. INVESTMENT IN THE UP-SKILLING OF PRIVATE SECTOR EMPLOYERS TO SUPPORT THE EVOLUTION OF BUSINESS AND ORGANIZATIONAL MODELS; APPROPRIATIONS

In fiscal year 2023, the amount of $250,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for a performance-based contract to provide statewide delivery of business coaching and other forms of training to BIPOC business owners, networking and special convenings, and career fairs, workshops and paid internships, career guidance, and other support for BIPOC workers across the State.

Sec. 5. REGIONAL WORKFORCE EXPANSION SYSTEM

(a) Findings. The General Assembly finds:

(1) Vermont is experiencing an acute labor shortage in 2022.

(2) According to the Employment and Labor Marketing Information Division of the Vermont Department of Labor:

(A) There are approximately 28,000 job openings in Vermont as of December 2021.

(B) 9,945 individuals meet the federal statistical definition of unemployed as of January 2022.

(C) 4,500 individuals are receiving unemployment insurance assistance as of March 2022.

(D) The workforce has shrunk by 26,000 individuals from 2019 to 2022, yet the unemployment rate is just three percent as of January 2022.

(E) The workforce participation rate has fallen from 66 percent to 60.6 percent.

(3) The Department receives approximately 80 percent of its funding from federal sources, which constrains the Department and its employees from adjusting its work to meet immediate needs.

(4) The federal funding for field staff in the Workforce Development Division has declined significantly over the past 20 years, supporting 75 persons in 2022 as compared to 135 in 2003.

(5) Though Vermont has a small population, the unique characteristics of its region's employers, educational institutions, demographics, and socioeconomic conditions make it best to address efforts to connect individuals with training and job placement on a regional basis.

(b) Regional Workforce Expansion System. The amount of $1,500,000.00 is appropriated from the General Fund to the Department of Labor for a two-year pilot program to launch and lead a coordinated regional system, beginning in three regions of the State, to work toward accomplishing the following goals:

(1) increase local labor participation rate;

(2) decrease the number of open positions reported by local employers;

(3) increase the wages of workers as they transition to new jobs; and

(4) collect, organize, develop, and share information related to local career pathways with workforce development partners.

(c) Duties. In order to meet the goals specified in subsection (b) of this section, the Department shall:

(1) create new capacity to address and support State activities related to workforce development, expansion, and alignment;

(2) focus on the overarching goal of helping workers find jobs and employers find workers;

(3) support employers in communicating and tailoring their work requirements, conditions, and expectations to better access local workers; and

(4) collaborate with local education and training providers and regional workforce partners to create and regularly distribute data related to local labor force supply and demand.

(d) System infrastructure. The Department shall make investments that improve and expand regional capacity to strengthen networks who assist jobseekers, workers, and employers in connecting.

(1) The Department is authorized to create four classified, two-year limited-service positions, with funding allocated to perform the work described in this section, who shall report to the Workforce Development Division and of whom:

(A) three shall be Workforce Expansion Specialists assigned, one each, to three different regions of the State; and

(B) one shall provide oversight and State-level coordination of activities.

(2)(A) The Department shall use funds allocated to develop systems for coordination, information sharing, and enhanced support to regional partners, host regional meetings, develop regional plans, and provide localized resources including labor market information, training and development opportunities, and support services.

(B) The Department shall develop labor market information reports to support discussion and decision making that will address local labor market

challenges and opportunities and support a regional approach to solving local or unique labor supply challenges.

(e) Coordination.

(1) The Department shall convene regional meetings of education, training, business, and service provider partners; coordinate local workforce information collection and distribution; and assist in developing localized career resources, such as information for career counseling, local job fairs, and career expos, that will be available to a wide range of stakeholders.

(2) Service provider partners shall include community partners who directly serve mature workers, youth, individuals with disabilities, individuals who have been involved with the correction system, BIPOC Vermonters, New Americans, and other historically marginalized populations in efforts to align service delivery, share information, and achieve greater employment outcomes for Vermonters.

(f) Interim report. On or before January 15, 2023, the Department shall provide a narrative update on the progress made in hiring staff, establishing interagency agreements, developing regional information exchange systems, and supporting State-level work to expand the labor force to the House and Senate committees of jurisdiction.

(g) Implementation. The Department of Labor shall begin implementing the Regional Workforce Expansion System on or before July 1, 2022.

Sec. 6. INCARCERATED INDIVIDUALS; WORKFORCE DEVELOPMENT; PILOT PROGRAM

(a) Purpose. The purpose of this section is to facilitate the education and vocational training of incarcerated individuals so that they have a greater likelihood of obtaining gainful employment and positively contributing to society upon reintegration into the community.

(b) Policy; appropriations.

(1)(A) In fiscal year 2023, the amount of $420,000.00 is appropriated from the General Fund to the Department of Corrections, in consultation with the Vermont Department of Labor, to address education and vocational enhancement needs. These funds shall not be allocated from any amounts budgeted for Justice Reinvestment II initiatives.

(B) The Department shall use the funds allocated for the development of education and vocational training for incarcerated individuals residing in a Vermont correctional facility prior to community reintegration. The Department may allocate the funds over three years, consistent with the following:

(i) $270,000.00 for transition development, including equipment and mobile labs in one or more sites;

(ii) $100,000.00 for training partner support; and

(iii) $50,000.00 for curriculum development.

(2) In fiscal year 2023, the amount of $300,000.00 is appropriated from the General Fund to the Department of Corrections, which may be allocated over not more than three years, to establish a community-based pilot reentry program at the Chittenden Regional Correctional Facility in consultation with the Vermont Department of Labor. The Department of Corrections shall designate a service provider to administer the pilot program's goals to:

(A) provide continuity of services for incarcerated individuals;

(B) expand current employment readiness programs within the facility by building pathways for coordinated transition to employment;

(C) focus on the first six months after individuals are released from the facility;

(D) coordinate with local community resources, parole and probation offices, and other supports to ensure successful transition into the community;

(E) assist individuals in successfully transitioning into new jobs; and

(F) work with employers to support successful hiring and best practices to support incarcerated individuals.

(c) Report. On or before January 15, 2023, the Department of Corrections shall create and submit a report on workforce and education training programs in correctional facilities to the Joint Legislative Justice Oversight Committee; the House Committees on Corrections and Institutions and on Commerce and Economic Development; and the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary. The report shall:

(1) identify program design, logistical needs, and policy changes to current Department of Corrections facility-based training and educational programs necessary to successfully enable incarcerated individuals' reintegration into their communities, including changes to programs that enhance individuals' skill development, knowledge, and other support needed to qualify for and secure a position in a critical occupation in Vermont;

(2) identify disparities of outcomes and recommend solutions for incarcerated Black, Indigenous, and Persons of Color concerning facility-based training, educational programming, and successful community reintegration;

(3) provide an update on the Department of Corrections' use of education and vocational enhancement funding in fiscal year 2023;

(4) provide recommendations on what aspects of the pilot program should be replicated in other correctional facilities in Vermont; and

(5) provide recommended legislation for the continuation of the pilot program or any changes.

Sec. 7. INTENT

It is the intent of the General Assembly to improve the recruitment and retention of correctional officers to ensure adequate staffing and safe working conditions in facilities operated by the Department of Corrections.

Sec. 8. IMPROVEMENT OF CORRECTIONAL OFFICER RECRUITMENT AND RETENTION; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioners of Corrections and of Human Resources, shall submit a written report to the House Committees on Appropriations, on Commerce and Economic Development, on Corrections and Institutions, and on Government Operations and the Senate Committees on Appropriations, on Government Operations, and on Judiciary identifying conditions that pose an obstacle to the successful recruitment and retention of correctional officers and setting forth a plan to improve the recruitment and retention of correctional officers.

(b)(1) The report shall specifically analyze the impact of the following on the recruitment and retention of correctional officers:

(A) wages and benefits;

(B) terms and conditions of employment;

(C) working conditions in Department of Corrections facilities, including health and safety issues and the physical condition of the facilities; and

(D) staffing levels and overtime.

(2) The report shall, for each of the issues examined pursuant to subdivision (1) of this subsection, analyze how the following states compare to Vermont and shall identify any best practices in those states that could improve recruitment and retention of correctional officers in Vermont:

(A) Maine;

(B) New Hampshire;

(C) New York;

(D) Massachusetts;

(E) Rhode Island; and

(F) Connecticut.

(c) The report shall, as part of the plan to improve the recruitment and retention of correctional officers, identify specific administrative and legislative actions that are necessary to successfully improve the recruitment and retention of correctional officers.

Sec. 9. ASSESSMENT OF RECRUITMENT AND RETENTION INITIATIVES; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioner of Human Resources, shall submit to the House and Senate Committees on Appropriations a report regarding the use of funds appropriated pursuant to 2022 Acts and Resolves, No. 83:

(1) Sec. 14 for employee recruitment and retention at:

(A) the secure residential recovery facility; and

(B) the Vermont Psychiatric Care Hospital;

(2) Sec. 68 for employee retention with respect to:

(A) the Department of Corrections; and

(B) the Vermont Veteran's Home; and

(3) Sec. 72 for workforce recruitment and retention incentives with respect to designated and specialized service agencies, including shared living providers.

(b) The report shall assess how effective the appropriations identified pursuant to subsection (a) of this section were in addressing issues related to employee recruitment and retention; identify any ongoing or remaining employee recruitment and retention challenges that the recipients have; and identify any potential legislative, administrative, or programmatic changes that can address those ongoing or remaining employee retention issues.

(c) The report shall also include a recommendation as to whether and how to appropriate additional funds in the 2023 Budget Adjustment Act to address ongoing recruitment and retention challenges at:

(1) the Vermont Veteran's Home;

(2) the Vermont Psychiatric Care Hospital;

(3) the secure residential recovery facility;

(4) designated and specialized service agencies; and

(5) the Department of Corrections' facilities with respect to individuals employed as a Correctional Officer I or a Correctional Officer II.

Sec. 10. REPEALS

10 V.S.A. §§ 544 and 545 are repealed.

Sec. 11. 10 V.S.A. § 547 is added to read:

§ 547. WORK-BASED LEARNING AND TRAINING PROGRAM

(a) Vermont Work-Based Learning and Training Program. The Department of Labor shall develop the statewide Work-Based Learning and Training Program that serves transitioning secondary and postsecondary students and Vermonters seeking work-based experience as part of a career experience or change and is designed to:

(1) support Vermonters who are graduating from postsecondary education or a secondary CTE program or who are pursuing a career change with a paid on-the-job work experience lasting 12 weeks or fewer;

(2) establish a statewide platform available to all employers to list their internships, returnships, pre-apprenticeships, and registered apprenticeship opportunities and for jobseekers to view and access information about specific opportunities; and

(3) support employers by providing them with assistance in developing and implementing meaningful work-based learning and training opportunities.

(b) Definitions. As used in this section:

(1) "Internship" means a work-based learning experience with an employer where the participant may, but does not necessarily, receive academic credit.

(2) "Returnship" means an on-the-job learning experience for an individual who is returning to the workforce after an extended absence or is seeking a limited-duration on-the-job work experience in a different occupation or occupational setting as part of a career change.

(c) Activities. The Department may use funds appropriated to it for the Program to:

(1) build and administer the Program;

(2) develop an online platform that will connect students and jobseekers with work-based learning and training opportunities within Vermont;

(3) support work-based learning and training opportunities with public and private employers available to prospective workers located in or relocating to Vermont;

(4) promote work-based learning and training as a valuable component of a talent pipeline; and

(5) assist employers in developing meaningful work-based learning and training opportunities.

(d) Data. The Department shall collect the following data:

(1) the total number of participants served;

(2) the number of participants who received wage assistance or other financial assistance as part of this Program and their employment status one year after completion;

(3) the average wage of participants in subdivision (2) of this subsection at the start of the Program and the average wage of participants one year after completion;

(4) the number of work-based learning or training opportunities listed on the platform; and

(5) the number of employers who offered a work-based learning or training opportunity.

(e) State participation. The Department shall engage appropriate State agencies and departments to expand Program opportunities with State government and with entities awarded State contracts.

(f) Reporting. On or before February 15, 2023, the Department shall report Program data to the relevant committees of jurisdiction.

Sec. 12. WORK-BASED LEARNING AND TRAINING PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $1,500,000.00 is appropriated from the General Fund to the Department of Labor to implement the Vermont Work-Based Learning and Training Program created in Sec. 11 of this act.

Sec. 13. SECONDARY STUDENT INDUSTRY-RECOGNIZED CREDENTIAL PILOT PROJECT

(a) Pilot Project creation. The Department of Labor, in consultation with the Agency of Education, shall design and implement the Secondary Student Industry-Recognized Credential Pilot Project to provide funding for an eligible

secondary student to take an eligible adult career and technical education course.

(b) Eligible courses. A course is eligible for the Pilot Project if it is:

(1) offered at a regional CTE center, as defined in 16 V.S.A. § 1522(4), and qualifies as adult career technical education or postsecondary career technical education, as defined in 16 V.S.A. § 1522(11) and (12);

(2) offered during the summer, evening or weekend while secondary school is in session or during the summer; and

(3) included as an element of the student's personalized learning plan and reasonably related to the student's career goals.

(c) Eligible student. A student is eligible for the Pilot Project if:

(1) the student is a Vermont resident attending a Vermont public school or an independent secondary school that is eligible for public funding;

(2) the student has completed grade 11 and has not received a high school diploma; and

(3) the student's secondary school and the regional CTE center determine that the student:

(A) is prepared to succeed in the course;

(B) meets the prerequisites for the course; and

(C) has exhausted other sources of available funding prior to submitting an application.

(d) Administration.

(1) Not later than 30 days after the effective date of this section, the Department of Labor, in consultation with the Agency of Education, shall develop and make available an application for funding that includes:

(A) student's enrollment status;

(B) course information;

(C) a copy of the student's personalized learning plan;

(D) attestation that the secondary and adult career technical education programs find the program of study appropriate for the student;

(E) description of federal and local funding sources that were explored but insufficient or unavailable for use by the student; and

(F) other information the Department requires to determine eligibility.

(2) A student's secondary school shall timely complete and submit an application to the Department of Labor on behalf of the student.

(3) The Department of Labor shall:

(A) review the application and, if appropriate, meet with the student to determine eligibility for existing federal and State programs, including WIOA Title I Youth (in-school) and the Vermont Youth Employment Program; and

(B) provide a copy of the application to the Agency of Education, which shall determine whether Agency funding is available and notify the Department of its determination within 10 business days.

(4) The Department shall provide funding for the tuition cost for one course to eligible students on a first-come, first-served basis:

(A) from State or federal sources that are available through the Department or Agency; or

(B) if funding is unavailable from those sources, from the amounts available in the Department's fiscal year 2023 budget, not to exceed $100,000.00.

(5) For students who meet annual low-income qualifications under the Workforce Innovation and Opportunity Act, the Department may provide funds to purchase books, supplies, exam fees, and equipment.

(6) A regional CTE center shall not receive more than $20,000.00 through the program in each fiscal year.

(e) Regional CTE center report. The Department of Labor shall require a report from each regional CTE center providing information to support the Department's reporting requirements in subsections (f) and (g) of this section.

(f) Interim Report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs on or before the January 15, 2023 regarding the use of funds, including data relating to student circumstances, levels of participation, and how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program.

(g) Final Report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee

on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance within 45 days following the end of the fiscal year or exhaustion of funds, whichever comes first, regarding the use of funds, including data relating to the number of participants, student circumstances, levels of participation, what certifications were issued, how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program, and recommendations on how to address gaps in access and funding for secondary students seeking professional certifications not offered through the secondary education system.

Sec. 14. THE VERMONT TRADES SCHOLARSHIP PROGRAM

(a) The Vermont Trades Scholarship Program is created and shall be administered by the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse initial licensing fees, exam fees, and tuition payments under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a scholarship under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled in an industry recognized training and certification program that leads to initial employment or career advancement in a building, mechanical, industrial, or medical trade, or in clean energy, energy efficiency, weatherization, or clean transportation;

(2) demonstrate financial need;

(3) register with the Vermont Department of Labor for the purpose of receiving relevant job referrals, if unemployed; and

(4) agree to work in their profession in Vermont for a minimum of one year following licensure or certification completion for each year of scholarship awarded.

(c)(1) The Corporation shall give preference to students attending a Vermont-based training program or, if one isn't available for their certification, an offer of employment or promotion from a Vermont employer upon completion.

(2) The Corporation shall give priority to applicants who have not received other assistance.

(d) There shall be no deadline to apply for a scholarship under this section. Scholarships shall be awarded on a rolling basis if funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available

to the Vermont Student Assistance Corporation in the following fiscal year to award additional scholarships as set forth in this section.

(e) In fiscal year 2023 the amount of $3,000,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for scholarships for trades students under the Vermont Trades Scholarship Program.

Sec. 15. THE VERMONT TRADES LOAN REIMBURSEMENT PROGRAM

(a) The Vermont Trades Loan Repayment Reimbursement Program is created and shall be administered by the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse funds under the Program to eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for loan repayment under the Program, an individual, shall:

(1) be a Vermont resident; and

(2) be employed in an occupation in the building, mechanical, industrial, or medical trades, or in the clean energy, energy efficiency, weatherization, or clean transportation sectors, for an average of at least 30 hours per week for least one full calendar year before applying.

(c) For every year of work in a qualifying occupation, an individual shall be eligible for up to $5,000.00 in loan repayment reimbursement. Reimbursements shall not exceed the total amount of educational debt owed.

(d) There shall be no deadline to apply for loan repayment reimbursement under this section. Loan repayment shall be awarded on a rolling basis if funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Vermont Student Assistance Corporation in the following fiscal year to award additional loan repayment as set forth in this section.

(e) In fiscal year 2023 the amount of $500,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for loan repayment for trades professionals under the Program.

Sec. 16. CTE CONSTRUCTION AND REHABILITATION EXPERIENTIAL LEARNING PROGRAM; REVOLVING LOAN FUND

(a) Purpose. This section authorizes and provides funding for the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund, the purposes of which are to:

(1) expand the experiential and educational opportunities for high school and adult CTE students to work directly on construction projects;

(2) build community partnerships among CTE centers, housing organizations, government, and private businesses;

(3) beautify communities and rehabilitate buildings that are underperforming assets;

(4) expand housing access to Vermonters in communities throughout the State; and

(5) improve property values while teaching high school and adult students trade skills.

(b) Appropriation; creation of fund; administration.

(1) In fiscal year 2023, the amount of $15,000,000.00 is appropriated from the Education Fund to the Vermont Housing and Conservation Board to create and administer the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund pursuant to this section.

(2) The Board may use not more than five percent of the Fund for its costs of administration.

(c) Proposals; applications; funding.

(1) A regional CTE center, working in collaboration with one or more housing and community partners, private businesses, nonprofit organizations, or municipalities, shall identify construction projects that would be relevant and appropriate for CTE students enrolled in construction, electrical, plumbing, design, business management, or other CTE programs, including:

(A) rehabilitation of residential properties that are blighted or not code-compliant;

(B) new residential construction projects or improvements to land in cases of critical community need; and

(C) commercial construction projects that have substantial community benefit.

(2) Prior to or during the application process, a CTE center and its partners may consult with the Board to identify and consider potential funding partners to leverage amounts available through the Fund.

(3) A CTE center and its partners shall apply to the Board for funding by submitting a project application that includes the information required by the Board and addresses the following:

(A) the educational benefits for students and fit with the CTE curriculum;

(B) the community benefits for the neighborhood, municipality, or region in which the project is located; and

(C) the partners with whom the CTE center is collaborating and the respective responsibility for the aspects of a project, including:

(i) educational instruction and academic credit;

(ii) project management;

(iii) insurance coverage for students and the property;

(iv) compensation and benefits, including compliance with labor laws, standards, and practices; and

(v) property acquisition, ownership, and transfer.

(4) A CTE center may use funding for, and shall specify in its application the allocation of costs associated with:

(A) acquisition, design, permitting, construction, marketing, and other building-related expenses; and

(B) costs for labor, including for student wages and for instructor compensation during the academic year as well as for summer or other work that is not otherwise budgeted during the academic year.

(d) Eligibility; review; approval. The Board may approve an application that includes the information required by subsection (c) of this section and provide funding for a project that meets the following eligibility criteria:

(1) The project involves the rehabilitation of blighted or otherwise noncode compliant property, or new residential construction projects or improvements to land in cases of critical need, and results in a building with not more than four residential dwelling units.

(2) The project includes a weatherization component.

(3) Students working on the project receive academic credit, a competitive wage, or both.

(e) Affordability; flexibility. If appropriate in the circumstances, the Board may condition funding for a project on the inclusion of one or mechanisms addressing the affordability of the property upon rent or sale.

(f) Funding; proceeds; revolving loans.

(1) The Board shall provide funding for projects from the amounts available in the Fund in the form of zero-interest loans, in an amount, for a period, and upon terms specified by the Board.

(2) The Board shall return to the Fund any proceeds realized to provide funding for future projects.

(g) Report. The Board shall address the implementation of this section in its annual report to the General Assembly.

Sec. 17. EARLY CHILDHOOD EDUCATION; FINDINGS

The General Assembly finds that:

(1) while child care is an essential component of Vermont's economy, research has shown that three out of five of Vermont's youngest children do not have access to the child care needed by their families;

(2) according to the Federal Reserve Bank of New York, early childhood educators are the lowest-paid college graduates of any degree program in the country;

(3) the Council for a Strong America found in a national economic impact study that the U.S. economy loses $57 billion annually due to child care challenges;

(4) the U.S. Chamber of Commerce Foundation found that high-quality child care is a powerful two-generation workforce development strategy that strengthens today's workforce and puts children on the path to develop well and enter kindergarten ready to thrive in school, work, and life;

(5) the Vermont Early Care and Learning Dividend Study found that increased investment in early care and education, as described in the recommendations of Vermont's Blue Ribbon Commission on Financing High-Quality Affordable Child Care, would yield $3.08 for every additional dollar invested into the system;

(6) 2021 Acts and Resolves No. 45 established goals that no Vermont family spend more than 10 percent of its income on child care and that early childhood educators receive compensation commensurate with their peers in similar fields as informed by a systems analysis and financing study;

(7) while the State works toward achieving these goals, the COVID-19 pandemic has exacerbated already pressing challenges, making it even harder for families to find affordable high-quality child care and more difficult for early childhood education programs to find and retain qualified educators; and

(8) according to a recent study by the National Association for the Education of Young Children, 71 percent of center-based child care programs in Vermont reported experiencing a staffing shortage.

Sec. 18. EARLY CHILDHOOD EDUCATION; LEGISLATIVE INTENT

It is the intent of the General Assembly that immediate action is necessary to support Vermont's economy; ensure that all families with young children have access to affordable, high-quality early childhood education; and ensure that Vermont's early childhood educators, the backbone of our economy, are well supported.

Sec. 19. HEALTH CARE WORKFORCE; LEGISLATIVE INTENT

(a) The General Assembly values all health care workers, at every level and in each component of the health care system. The General Assembly also acknowledges the many struggles faced by health care workers and that the pandemic has placed further strain on an already taxed system. Many health care workers have not had their pay adjusted over time to address increases in the cost of living, essentially amounting to pay cuts from year to year. Health care workers have experienced burnout, trauma, and moral injuries due to a history of underfunding and the present stress of the pandemic.

(b) In order to retain and recruit health care workers in Vermont, it is the intent of the General Assembly to invest in multiple solutions aimed at reinforcing our health care workforce in the present and sustaining our health care workers into the future.

Sec. 20. EMERGENCY GRANTS TO SUPPORT NURSE FACULTY AND STAFF

(a) In fiscal year 2023 the amount of $3,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health and shall carry forward for the purpose of providing emergency interim grants to Vermont's nursing schools over three years to increase the compensation for their nurse faculty and staff, with $1,000,000.00 to be distributed in each of fiscal years 2023, 2024, and 2025 to increase the compensation for each full-time-equivalent (FTE) member of the clinical and didactic nurse faculty and staff. The Department shall distribute the funds among the nursing schools in Vermont equitably based on each

school's proportion of nursing faculty and staff to the total number of FTE nursing faculty and staff across all nursing schools statewide.

(b) If the nurse faculty or staff, or both, of a nursing school receiving a grant under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the nursing school for those faculty or staff, or both, shall be subject to impact bargaining between the nursing school and the collective bargaining representative of the nurse faculty or staff, or both, to the extent required by the applicable collective bargaining agreement.

Sec. 21. NURSE PRECEPTOR INCENTIVE GRANTS; HOSPITALS; WORKING GROUP; REPORT

(a)(1) In fiscal year 2023 the amount of $2,400,000.00 is appropriated from the General Fund to the Agency of Human Services to provide incentive grants to hospital-employed nurses in Vermont to serve as preceptors for nursing students enrolled in Vermont nursing school programs. The Agency shall distribute the funds to hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of $5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds.

(2) If nurse preceptors receiving compensation pursuant to a grant awarded to a hospital under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the hospital for the nurse preceptors shall be subject to impact bargaining between the hospital and the collective bargaining representative of the nurses to the extent required by the collective bargaining agreement.

(b)(1) The Director of Health Care Reform or designee in the Agency of Human Services shall convene a working group of stakeholders representing nursing schools, long-term care facilities, designated and specialized service agencies, federally qualified health centers, home health agencies, primary care practices, and other health care facilities to:

(A) identify ways to increase clinical placement opportunities across a variety of health care settings for nursing students enrolled in Vermont nursing school programs;

(B) establish sustainable funding models for compensating nurses serving as preceptors or for supporting the hiring of additional nurses to alleviate the pressures on nurse preceptors, or both; and

(C) develop an action plan for implementing the clinical placement expansion and sustainable funding models identified and established pursuant to subdivisions (A) and (B) of this subdivision (1), including addressing the need for student housing opportunities.

(2) On or before January 15, 2023, the Director of Health Care Reform shall provide the working group's action plan and any recommendations for legislative action to the House Committees on Health Care, on Commerce and Economic Development, and on Appropriations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Appropriations.

Sec. 22. HEALTH CARE EMPLOYER NURSING PIPELINE AND APPRENTICESHIP PROGRAM

(a) In fiscal year 2023 the amount of $3,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Vermont Student Assistance Corporation and shall carry forward for the purpose of providing grants to health care employers, including hospitals, long-term care facilities, designated and specialized service agencies, federally qualified health centers, and other health care providers, to establish or expand partnerships with Vermont nursing schools to create nursing pipeline or apprenticeship programs, or both, that will train members of the health care employers' existing staff, including personal care attendants, licensed nursing assistants, and licensed practical nurses, to become higher-level nursing professionals. Through a combination of scholarship awards, grants awarded to health care employers pursuant to this section, and the health care employer's contributions, the trainees' tuition and fees shall be covered in full, and trainees shall be provided with assistance in meeting their living costs, such as housing and child care, while attending the program.

(b) In awarding grants pursuant to this section, VSAC shall give priority to health care employer proposals based on the following criteria:

(1) the extent to which the health care employer proposes to participate financially in the program;

(2) the extent of the health care employer's commitment to sustaining the program financially, including providing financial support for nurse preceptors, to create ongoing opportunities for educational advancement in nursing;

(3) the ability of the health care employer's staff to leverage nursing scholarship opportunities to maximize the reach of the grant funds;

(4) the employer's demonstrated ability to retain nursing students in the Vermont nursing workforce;

(5) the employer's geographic location, in order to ensure access to pipeline and apprenticeship programs for nursing staff across Vermont; and

(6) the employer's commitment to advancing the professional development of individuals from marginalized communities, especially those that have been historically disadvantaged in accessing educational opportunities and career advancement in the health care professions.

(c)(1) VSAC shall begin awarding grants under this section expeditiously in order to enable health care employer staff to begin enrolling in nursing school programs that commence in the fall of 2022.

(2) On or before September 15, 2022, VSAC shall provide an update to the Health Reform Oversight Committee on the status of program implementation.

Sec. 23. 18 V.S.A. § 34 is added to read:

§ 34. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM

(a) The Vermont Nursing Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled at an approved postsecondary education institution as defined in 16 V.S.A. § 2822;

(2) demonstrate financial need;

(3) demonstrate academic capacity by carrying the minimum grade point average in the individual's course of study prior to receiving the fund award; and

(4) agree to work as a nurse in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded.

(c)(1) First priority for forgivable loan funds shall be given to students pursuing a practical nursing certificate who will be eligible to sit for the NCLEX-PN examination upon completion of the certificate.

(2) Second priority for forgivable loan funds shall be given to students pursuing an associate's degree in nursing who will be eligible to sit for the NCLEX-RN examination upon graduation.

(3) Third priority for forgivable loan funds shall be given to students pursuing a bachelor of science degree in nursing.

(4) Fourth priority shall be given to students pursuing graduate nursing education.

(d) Students attending an approved postsecondary educational institution in Vermont shall receive first preference for forgivable loans.

(e) There shall be no deadline to apply for a forgivable loan under this section. Forgivable loans shall be awarded on a rolling basis as long as funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Department of Health and the Vermont Student Assistance Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

Sec. 24. REPEAL

18 V.S.A. § 31 (educational assistance; incentives; nurses) is repealed.

Sec. 25. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $100,000.00 in General Fund investment funds is appropriated to the Department of Health for forgivable loans for nursing students under the Vermont Nursing Forgivable Loan Incentive Program established in Sec. 23 of this act.

Sec. 26. 18 V.S.A. § 35 is added to read:

§ 35. VERMONT NURSING AND PHYSICIAN ASSISTANT LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements for loan repayment under this section.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Loan repayment" means the cancellation and repayment of loans under this section.

(5) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by the Corporation under this subchapter for attendance at an eligible school.

(6) "Program" means the Vermont Nursing and Physician Assistant Loan Repayment Program created under this section.

(b) The Vermont Nursing and Physician Assistant Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides loan repayment on behalf of individuals who live and work as a nurse or physician assistant in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by the Corporation, subject to the appropriation of funds by the General Assembly specifically for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) have graduated from an eligible school where the individual has, within the past five years, been awarded a nursing degree or a degree in physician assistant studies;

(2) had the minimum grade point average or better or the equivalent as determined by the Corporation if the eligible school does not use grade point averages from the eligible school;

(3) work as a nurse or physician assistant in this State; and

(4) be a resident of Vermont.

(e)(1) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a nurse or physician assistant in this State.

(2) The Corporation shall award loan repayments in amounts that are sufficient to attract high-quality candidates while also making a meaningful increase in Vermont's health care professional workforce.

(f) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

Sec. 27. VERMONT NURSING AND PHYSICIAN ASSISTANT LOAN REPAYMENT PROGRAM; APPROPRIATION

In fiscal year 2023 the amount of $2,000,000.00 is appropriated from the General Fund to the Department of Health for loan repayment for nurses and physician assistants under the Vermont Nursing and Physician Assistant Loan Repayment Program established in Sec. 26 of this act.

Sec. 28. 18 V.S.A. § 36 is added to read:

§ 36. NURSE FACULTY FORGIVABLE LOAN AND LOAN REPAYMENT PROGRAM

(a) Definitions. As used in this section:

(1) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan or loan repayment.

(2) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(3) "Forgivable loan" means a loan awarded under this section covering tuition, room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(4) "Gift aid" means grant or scholarship financial aid received from the federal government or from the State.

(5) "Loan repayment" means the cancellation and repayment of loans under this section.

(6) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by the Corporation under this subchapter for attendance at an eligible school.

(7) "Nurse faculty member" or "member of the nurse faculty" means a nurse with a master's or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(8) "Program" means the Nurse Faculty Forgivable Loan and Loan Repayment Program created under this section.

(b) Program creation. The Nurse Faculty Forgivable Loan and Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a member of the nurse faculty at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section. The Program also provides loan repayment on behalf of individuals who work as nurse faculty members at a nursing school in this State and who meet the eligibility requirements in subsection (e) of this section.

(c) Payment. The forgivable loan and loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by the

Corporation, subject to the appropriation of funds by the General Assembly specifically for this purpose.

(d) Eligibility for forgivable loans. To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at an eligible school in a program that leads to a graduate degree in nursing;

(2) continually demonstrate satisfactory academic progress by maintaining the minimum grade point average or better or the equivalent as determined by the Corporation if the eligible school does not use grade point averages;

(3) have used any available gift aid;

(4) have executed a contract with the Corporation committing the individual to work as a member of the nurse faculty at a nursing school in this State;

(5) have executed a promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, if the individual fails to complete the period of service required in subsection (f) of this section; and

(6) have completed the Program's application form, the free application for federal student aid (FAFSA), and the Vermont grant application each academic year of enrollment in accordance with a schedule determined by the Corporation.

(e) Eligibility for loan repayment. To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) graduated from an eligible school where the individual has, within the past five years, been awarded a graduate degree in nursing;

(2) had the minimum grade point average or better or the equivalent as determined by the Corporation if the eligible school does not use grade point averages from the eligible school;

(3) work as a member of the nurse faculty at a nursing school in this State; and

(4) be a resident of Vermont.

(f) Service commitment.

(1) Forgivable loans. For each year of service as a nurse faculty member at a nursing school in this State, an eligible individual shall be entitled to a full academic year of forgivable loan benefit under the Program. If an

eligible individual fails to serve as a nurse faculty member at a nursing school in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(2) Loan repayment. An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a member of the nurse faculty at a nursing school in this State.

(g) Adoption of policies, procedures, and guidelines. The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

Sec. 29. NURSE FACULTY FORGIVABLE LOAN AND LOAN REPAYMENT PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for forgivable loans and loan repayment for nurse faculty members under the Nurse Faculty Forgivable Loan and Loan Repayment Program established in Sec. 28 of this act.

Sec. 30. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

* * *

(10) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs; ~~and~~

(11) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a

hospital to create a level of connectivity that the State's Exchange is unable to support;

(12) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; and

(13) consider the salaries for the hospital's executive and clinical leadership and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states.

* * *

Sec. 31. GREEN MOUNTAIN CARE BOARD; FISCAL YEAR 2023 HOSPITAL BUDGET REVIEW; NURSING WORKFORCE DEVELOPMENT INITIATIVES

For hospital fiscal year 2023, the Green Mountain Care Board may exclude all or a portion of a hospital's investments in nursing workforce development initiatives from any otherwise applicable financial limitations on the hospital's budget or budget growth. Notwithstanding any provision of GMCB Rule 3.202, the Board may modify its hospital budget guidance for hospital fiscal year 2023 as needed to comply with this section.

Sec. 32. AGENCY OF HUMAN SERVICES; HEALTH CARE WORKFORCE DATA CENTER

(a) In fiscal year 2023, the amount of $1,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Office of Health Care Reform in the Agency of Human Services to enable the Agency to establish and operate the statewide Health Care Workforce Data Center. In order to enhance the State's public health data systems, respond to the COVID-19 public health emergency, and improve the State's COVID-19 mitigation and prevention efforts, the Center shall collect health care workforce data, shall collaborate with the Director of Health Care Reform to identify and propose solutions to address data gaps, and shall share the data with the Green Mountain Care Board as appropriate to inform the Board's Health Resource Allocation Plan responsibilities pursuant to 18 V.S.A. § 9405.

(b) The Center shall use existing statewide information to the extent practicable to avoid imposing administrative burdens on health care providers and to avoid duplication of efforts underway elsewhere in Vermont. The Center shall expand its data collection practices over two years to include all levels of the health care workforce, beginning with the highest-level licensed health care professionals.

(c) In order to ensure the Center has access to accurate and timely health care workforce data, the Center:

(1) shall have the cooperation of other State agencies and departments in responding to the Center's requests for information;

(2) may enter into data use agreements with institutions of higher education and other public and private entities, to the extent permitted under State and federal law; and

(3) may collect vacancy and turnover information from health care employers.

(d) One permanent classified Health Care Workforce Data Center Manager position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to manage the Health Care Workforce Data Center created pursuant to this section.

(e) The Agency of Human Services may include proposals for additional funding or data access, or both, for the Center as part of the Agency's fiscal year 2024 budget request.

Sec. 33. OFFICE OF PROFESSIONAL REGULATION; BARRIERS TO MENTAL HEALTH LICENSURE; REPORT

The Office of Professional Regulation shall undertake a systematic review of the licensing processes for mental health and substance use disorder treatment professionals to identify barriers to licensure. On or before January 15, 2023, the Office shall provide its findings and recommendations to address any identified barriers to licensure to the House Committees on Health Care, on Human Services, on Commerce and Economic Development, and on Government Operations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Government Operations.

Sec. 34. AGENCY OF HUMAN SERVICES; POSITION; APPROPRIATION

(a) One classified, three-year limited-service Health Care Workforce Coordinator position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to support the health care workforce initiatives set forth in this act and in the Health Care Workforce Development Strategic Plan. The Coordinator shall focus on building educational, clinical, and housing partnerships and support structures to increase and improve health care workforce training, recruitment, and retention.

(b) In fiscal year 2023 the amount of $170,000.00 is appropriated from the General Fund to the Agency of Human Services, Office of Health Care Reform for the Health Care Workforce Coordinator position, of which $120,000.00 is for personal services and $50,000.00 is for operating expenses.

Sec. 35. DEPARTMENT OF LABOR; GREEN MOUNTAIN CARE BOARD; SUPPLY AND DEMAND MODELING

On or before January 15, 2023, the Department of Labor, in collaboration with the Green Mountain Care Board, shall explore and recommend to the House Committees on Health Care, on Human Services, and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs a process, methodology, and necessary funding amounts to establish and maintain the capacity to perform health care supply and demand modeling based on information in the Health Care Workforce Data Center, for use by health care employers, health care educators, and policymakers.

Sec. 36. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to access clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.

* * *

Sec. 37. 33 V.S.A. § 3543 is amended to read:

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program for the purpose of providing student loan repayment assistance to any

individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A)(i) work in a privately operated center-based child care program or in a family child care home that is regulated by the Division for at least an average of 30 hours per week for 48 weeks of the year; or

(ii) if the individual is an employee of a Vermont Head Start program that operates fewer than 48 weeks per year, work a minimum of nine months of the year, inclusive of any employer-approved time off;

(B) receive an annual salary of not more than $50,000.00 through the individual's work in regulated childcare; and

(C) have earned an associates or bachelor's degree with a major concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

* * *

Sec. 38. PILOT PROGRAM; POSITIONS EMBEDDED WITHIN RECOVERY CENTERS

(a)(1) In fiscal year 2023 the amount of $1,290,000.00 is appropriated from the General Fund to the Department for Disabilities, Aging, and Independent Living's Division of Vocation Rehabilitation for the purpose of developing and implementing a two-year pilot program that authorizes 15 FTE new limited-service positions embedded within 12 recovery centers across the State.

(2) The 15 FTE limited-service positions shall be allocated as follows:

(A) Of the total appropriation, $540,000.00 total shall be allocated in equal amounts to fund the following 2.5 FTE at each of two geographically diverse recovery centers:

(i) one FTE to serve as an employment counselor within the Division of Vocation Rehabilitation;

(ii) one FTE to serve as an employment consultant within the Vermont Association of Business Industry and Rehabilitation; and

(iii) 0.5 FTE to serve as Employment Assistance Program staff within the Division of Vocation Rehabilitation.

(B) Of the total appropriation, $75,000.00 shall be allocated in equal amounts to fund one FTE who shall serve as an employment support counselor at each of the 10 remaining recovery centers in the State.

(b) On or before January 1, 2024, the Division of Vocational Rehabilitation, in collaboration with the Vermont Association of Business Industry and Rehabilitation, shall submit a report to the House Committees on Commerce and Economic Development and on Human Services and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare summarizing the effectiveness of the pilot program, including:

(1) educational attainment and achievement of program recipients;

(2) acquisition of a credential of value pursuant to 10 V.S.A. § 546;

(3) number of job placements; and

(4) job retention rates.

Sec. 39. CREDENTIAL OF VALUE GOAL; PUBLIC-PRIVATE PARTNERSHIP; APPROPRIATION

(a) Duties. In fiscal year 2023, the amount of $150,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for a performance-based contract to perform the following duties, in coordination and alignment with State partners, in support of the State's goal articulated in 10 V.S.A. § 546 that 70 percent of working-age Vermonters hold a credential of value by 2025 (Goal):

(1) increase public awareness of the value of postsecondary education and training to help persons of any age make informed decisions about the value of education and training that would further their advancement in educational pathways and pursuit of career goals, through targeted outreach as outlined in subsection (b) of this section;

(2) promote a broad understanding of the public good and value in achieving the State's Goal and of actions stakeholders can take to increase attainment;

(3) assist or coordinate with stakeholders, such as educational, business, governmental, nonprofit, and philanthropic organizations, in activities that seek to align the delivery of high-quality education and training opportunities with career advancement and support the policy priorities outlined in 10 V.S.A. § 546;

(4) collect and display publicly available, nonconfidential information about postsecondary credentials available to Vermonters;

(5) facilitate conversations or provide information about the national best practices in aligning, recognizing, measuring, tracking, and promoting postsecondary credentials of value to the Vermont Department of Labor and Agency of Education when requested;

(6) maintain web-based resources that provide information about opportunities to obtain a postsecondary credential of value, in coordination with State partners;

(7) support the Vermont Department of Labor and Agency of Education transition or integration of Advance Vermont's web-based resources and collected information referenced in subdivisions (4) and (6) of this subsection into a State-supported system in a coordinated way; and

(8) meet on a quarterly basis with the Vermont Department of Labor and Agency of Education about activities described in this subsection.

(b) Outreach. The contractor may use funds awarded by the State to:

(1) create and distribute public-facing communications and resources related to the duties described in this section; and

(2) offer support to career and education counselors, employment and training counselors, jobseekers and their families, and other stakeholders, consistent with best practice and State policy and programs, to help them better understand the postsecondary education and training landscape.

(c) Reports. The contractor shall provide written reports to:

(1) the Vermont Department of Labor and Agency of Education about anticipated work and activities using a simplified reporting template jointly developed by the contractor and the State entities on a quarterly basis; and

(2) on or before December 15, 2022, the House and Senate committees of jurisdiction regarding the use of funds, activities performed, and outcomes achieved pursuant to this section.

Sec. 40. VERMONT SERVE, LEARN, AND EARN PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $2,000,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation to provide funding for capital and operating needs of groups participating in the Vermont Serve, Learn, and Earn Program, which supports workforce development goals through creating meaningful paid service and learning opportunities for young adults.

Sec. 41. ADULT EDUCATION AND LITERACY; FINDINGS

The General Assembly finds:

(1) Adult education and literacy services are a key piece of the workforce development system and serve as the entryway into career readiness and workforce development for tens of thousands of our most vulnerable Vermonters, those with low literacy, under-education, or those simply in need of increased skills so that they can succeed.

(2) 36,000 adults in Vermont do not have a high school credential, and tens of thousands more lack the skills to matriculate into and be successful in college, in career training programs, or both. Adult education and literacy providers are the first stop on the path to the transformative opportunities that Vermont is offering for these individuals.

(3) Adult education and literacy services help people build the assets they need to move out of poverty successfully, as well as the confidence to continue to move toward success throughout their lives. Students are supported to identify concrete goals and then break those goals down into steps. Students set goals in the domains of:

(A) family and life;

(B) academics; and

(C) career and college readiness.

Sec. 42. FINDINGS; FOREST FUTURE STRATEGIC ROADMAP

The General Assembly finds for the purposes of this section and Secs. 43 to 45 of this act:

(1) Private and public forestlands:

(A) constitute unique and irreplaceable resources, benefits, and values of statewide importance;

(B) contribute to the protection and conservation of wildlife habitat, air, water, and soil resources of the State;

(C) mitigate the effects of climate change; and

(D) benefit the general health and welfare of the persons of the State.

(2) The forest products sector, including maple sap collection:

(A) is a major contributor to and is valuable to the State's economy by providing nearly 14,000 jobs for Vermonters, generating $2.1 billion in annual sales, and supporting $30.8 million in additional economic activity from trail uses and seasonal tourism;

(B) is essential to the manufacture of forest products that are used and enjoyed by the persons of the State; and

(C) benefits the general welfare of the persons of the State.

(3) Private and public forestlands are critical for and contribute significantly to the State's outdoor recreation and tourism economies.

(4) Eighty percent of Vermont's forestland is held in private ownership, of which 56 percent of private lands are enrolled in the forestland category of Vermont's Use Value Appraisal Program (UVA). UVA is Vermont's most important conservation program and contains the largest foundation of supply to support a vibrant forest-based rural economy.

(5) Economic realities and demand pressures for urban, commercial, and residential land uses throughout the State continue to challenge forest landowners trying to maintain intact forests. Forest fragmentation can adversely affect the natural environment and viable forest management. Addressing the economic and social needs of the forest products sector is paramount to keeping forests intact, viable, and healthy.

(6) The encouragement, development, improvement, and preservation of forestry operations will result in extant, intact, and functioning forests that will provide a general benefit to the health and welfare of the persons of the State and the State's economy.

(7) To strengthen, promote, and protect the Vermont forest products sector, the State should establish the Vermont Forest Future Strategic Roadmap.

Sec. 43. 10 V.S.A. chapter 82 is added to read:

CHAPTER 82. VERMONT FOREST FUTURE STRATEGIC ROADMAP

§ 2531. VERMONT FOREST FUTURE STRATEGIC ROADMAP

(a) Creation. The Commissioner of Forests, Parks and Recreation shall create the Vermont Forest Future Strategic Roadmap to strengthen, modernize, promote, and protect the forest products sector in Vermont. The Commissioner of Forests, Parks and Recreation may contract with a qualified contractor for the creation of the Vermont Forest Future Strategic Roadmap.

(b) Intended outcomes. The intended outcomes of the Vermont Forest Future Strategic Roadmap are to:

(1) increase sustainable economic development and jobs in Vermont's forest economy;

(2) promote ways to expand the workforce and strengthen forest product enterprises in order to strengthen, modernize, promote, and protect the Vermont forest economy into the future;

(3) promote the importance of healthy, resilient, and sustainably managed working forests that provide a diverse array of high-quality products now and in the future; and

(4) identify actionable strategies designed to strengthen, modernize, promote, and protect the forest products sector in Vermont, including opportunities for new product development, opening new markets for Vermont forest products, adopting modern manufacturing processes, and utilizing new ways to market Vermont forest products.

(c) Strategic Roadmap content. In developing the Vermont Forest Future Strategic Roadmap, the Commissioner of Forests, Parks and Recreation or the relevant contractor shall:

(1) review all existing data, plans, and industry-level research completed over the past 10 years, including the Working Lands Enterprise Fund's Forest Sector Systems Analysis, and identify any recommendations in those reports in order to build upon previous efforts;

(2) identify infrastructure investment and funding to support and promote Vermont forest products enterprises;

(3) identify regulatory barriers and propose policy recommendations to support and strengthen the Vermont forest economy;

(4) identify opportunities for all State agencies to engage with and enhance the Vermont forest products sector, including the Department of Buildings and General Services, the Agency of Commerce and Community Development, the Department of Tourism and Marketing, the Agency of Education, the Agency of Transportation, the Department of Public Service, the Agency of Natural Resources, the Department of Financial Regulation, and the Department of Labor;

(5) develop recommendations to support education and training of the current and future workforce of the Vermont forest products sector;

(6) propose alternatives for the modernization of transportation and regulation of Vermont forest products enterprises, including modernization of local and State permits;

(7) identify methods or programs that Vermont forest enterprises can utilize to access business assistance services;

(8) recommend how to maintain access by Vermont forest products enterprises to forestland and how to maintain the stewardship and conservation of Vermont forests as a whole;

(9) propose methods to enhance market development and manufacturing by Vermont forest products enterprises, including value chain coordination and regional partnerships;

(10) recommend consumer education and marketing initiatives; and

(11) recommend how to clarify the roles of various public entities and nongovernmental organizations that provide certain services to the forestry sector and to ensure coordination and alignment of those functions in order to advance and maximize the strength of the forest products industry.

(d) Process for development of Vermont Forest Future Strategic Roadmap.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall develop the Vermont Forest Future Strategic Roadmap and all subsequent revisions through the use of a public stakeholder process that includes and invites participation by interested parties representing all users of Vermont's forests, including representatives of forest products enterprises, State agencies, investors, forestland owners, recreational interests, loggers, foresters, truckers, sawmills, firewood processors, wood products manufacturers, education representatives, and others.

(2) The Commissioner of Forests, Parks and Recreation, in collaboration with forest products sector stakeholders, shall review the Strategic Roadmap periodically and shall update the Strategic Roadmap at least every 10 years.

(e) Advisory panel; administration.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall convene a Vermont Forest Future Strategic Roadmap advisory panel to review and counsel in the development and implementation of the Vermont Forest Future Strategic Roadmap. The advisory panel shall include representatives of forest products enterprises, State agencies, investors, forestland owners, foresters, loggers, truckers, wood products manufacturers, recreational specialists, education representatives, trade organizations, and other partners as deemed appropriate. The Commissioner of Forests, Parks and Recreation shall select representatives to the advisory panel.

(2) The Commissioner of Forests, Parks and Recreation or relevant contractor may seek grants or other means of assistance to support the

development and implementation of the Vermont Forest Future Strategic Roadmap.

Sec. 44. IMPLEMENTATION

(a) The Commissioner of Forests, Parks and Recreation or relevant contractor shall submit to the General Assembly:

(1) draft recommendations for the Vermont Forest Future Strategic Roadmap on or before July 1, 2023; and

(2) a final report and recommendations for the Vermont Forest Future Strategic Roadmap on or before January 1, 2024.

(b) Any recommendation submitted under this section shall include recommended appropriations sufficient to implement the recommendation or the Vermont Forest Future Strategic Roadmap as a whole.

Sec. 45. APPROPRIATIONS

In addition to any other funds appropriated to the Department of Forests, Parks and Recreation, in fiscal year 2023 the amount of $250,000.00 is appropriated from the General Fund to the Department to enter a two-year contract in fiscal year 2023 for the purpose of contracting for the development of the Vermont Forest Future Strategic Roadmap required by 10 V.S.A. § 2531.

* * * Community Recovery and Revitalization Grant Program * * *

Sec. 46. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

Sec. H.18 ~~CAPITAL INVESTMENT~~ COMMUNITY RECOVERY AND REVITALIZATION GRANT PROGRAM

(a) Creation; purpose; regional outreach.

(1) The Agency of Commerce and Community Development shall use the $10,580,000 appropriated to the Department of Economic Development in Sec. G.300(a)(12) of this act to design and implement ~~a capital investment grant program~~ the Community Recovery and Revitalization Grant Program consistent with this section.

(2) The purpose of the ~~program~~ Program is to make funding available for ~~transformational~~ projects that will ~~provide each region of the State with the opportunity to attract businesses, retain existing businesses, create jobs, and invest in their communities by encouraging capital investments and economic growth~~ make investments to retain and expand existing businesses and nonprofit organizations, attract new businesses and nonprofit organizations,

and create new jobs with a preference for projects located in regions and communities with declining or stagnant grand list values.

(3) The Agency shall collaborate with other State agencies, regional development corporations, regional planning commissions, and other community partners to identify potential regional applicants and projects to ensure the distribution of grants throughout the regions of the State.

(b) Eligible applicants.

~~(1) To be eligible for a grant, an applicant shall meet the following criteria:~~

~~(A) The applicant is located within this State.~~

~~(B) The applicant is:~~

~~(i)(I) a for-profit entity with not less than a 10 percent equity interest in the project; or~~

~~(II) a nonprofit entity; and~~

~~(ii) grant funding from the Program represents not more than 50 percent of the total project cost.~~

(1) To be eligible for a grant, the applicant must be located within the State and:

(A)(i) the applicant is a for-profit entity with not less than a 10 percent equity interest in the project, or a nonprofit entity, which has documented financial impacts from the COVID-19 pandemic; and

(ii) intends to utilize the funds for an enumerated use as defined in the U.S. Treasury Final Rule for Coronavirus State and Fiscal Recovery Funds; or

(B)(i) the applicant is a municipality;

(ii) the municipality needs to make infrastructure improvements to incentivize community development; and

(iii) the proposed infrastructure improvements and the projected development or redevelopment are compatible with confirmed municipal and regional development plans and the project has clear local significance for employment.

~~(C)~~(2) The applicant ~~demonstrates~~ must demonstrate:

~~(i)~~(A) community and regional support for the project;

~~(ii)~~(B) that grant funding is needed to complete the project;

~~(iii)~~(C) leveraging of additional sources of funding from local, State, or federal economic development programs; and

~~(iv)~~(D) an ability to manage the project, with requisite experience and a plan for fiscal viability.

~~(2)~~(3) The following are ineligible to apply for a grant:

(A) a State or local government-operated business;

(B) ~~a municipality;~~

~~(C)~~ a business that, together with any affiliated business, owns or operates more than 20 locations, regardless of whether those locations do business under the same name or within the same industry; and

~~(D)~~(C) a ~~publicly-traded~~ publicly traded company.

(c) Grant funds; eligible uses for municipalities. A municipality is only authorized to utilize program funding under this section if:

(1) the project clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures;

(2) the public improvements being requested are integral to the expected private development; and

(3) the project meets one of the following criteria:

(A) the development includes new or rehabilitated affordable housing, as defined in 24 V.S.A. § 4303;

(B) the development will include at least one entirely new business or business operation or expansion of an existing business within the project, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the Department of Labor; or

(C) the development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation system.

(d) Grant Funds; eligible uses; private and nonprofit entities. A project of a business or nonprofit organization is eligible if:

(1) the project had a COVID-related impact that delayed the project;

(2) project costs have increased as a result of the COVID-19 pandemic; or

(3) the project involves enumerated uses of funds, as defined by the U.S. Treasury Final Fule, and determined by the Agency of Commerce and Community Development.

~~(c)~~(e) Awards; amount; eligible uses.

(1) An award shall not exceed the lesser of ~~$1,500,000.00~~ $1,000,000.00 or ~~the estimated net State fiscal impact of the project based on Agency modeling~~ 20 percent of the total project cost.

(2) ~~A recipient may use grant funds for the acquisition of property and equipment, construction, renovation, and related capital expenses.~~

~~(3)~~ A recipient may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same costs within the same project.

~~(4)~~(3) The Agency shall release grant funds upon determining that the applicant has met all Program conditions and requirements.

~~(5)~~(4) Nothing in this section is intended to prevent a grant recipient from applying for additional grant funds if future amounts are appropriated for the program.

~~(d) Data model; approval.~~

~~(1) The Agency shall collaborate with the Legislative Economist to design a data model and related methodology to assess the fiscal, economic, and societal impacts of proposals and prioritize them based on the results.~~

~~(2) The Agency shall present the model and related methodology to the Joint Fiscal Committee for its approval not later than September 1, 2021.~~

(f) Approval process.

(1) For an application submitted by a municipality pursuant to this section, the Vermont Economic Progress Council shall review each application to determine that the infrastructure improvements proposed to serve the project and the proposed development in the project would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the grant application funds.

(2) The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development for the project and the amount of additional cost that might be incurred if the project were to proceed without the grant funding;

(B) how the proposed project components and size would differ, if at all, including, if applicable to the project, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303 without grant funding; and

(C) the lack of new construction in the municipality, indicated by a stagnant or declining grand list value as determined by the Department of Taxes, considering both the total full listed value and the equalized education grand list value.

~~(e)~~(g) Application process; decisions; awards.

(1)(A) ~~The Agency shall accept applications on a rolling basis for three-month periods and shall review and consider for approval the group of applications it has received as of the conclusion of each three-month period~~ Under the grant program established in this section, a municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council pursuant to the process set forth in this section to use grant funding for a project.

(B) The Agency shall accept applications from for profit or nonprofit entities on a rolling basis until Program funds are expended.

~~(B) The Agency shall make application information available to the Legislative Economist and the Executive Economist in a timely manner.~~

(2) ~~Using the data model and methodology approved by the Joint Fiscal Committee, the Agency shall analyze the information provided in an application to estimate the net State fiscal impact of a project, including the following factors:~~

~~(A) increase to grand list value;~~

~~(B) improvements to supply chain;~~

~~(C) jobs impact, including the number and quality of jobs; and~~

~~(D) increase to State GDP.~~ [Repealed.]

(3) The Secretary of Commerce and Community Development shall appoint an interagency team, which may include members from among the Department of Economic Development, the Department of Housing and Community Development, the Agency of Agriculture, Food and Markets, the Department of Public Service, the Agency of Natural Resources, or other State agencies and departments, which team shall review, analyze, and recommend projects for funding ~~based on the estimated net State fiscal impact of a project and on other contributing factors, including~~ consistent with the guidelines the Agency develops in coordination with the Joint Fiscal Office and the following:

(A) ~~transformational nature of the project for the region;~~

~~(B)~~ project readiness, quality, and demonstrated collaboration with stakeholders and other funding sources;

~~(C)~~(B) alignment and consistency with regional plans and priorities; and

~~(D)~~(C) creation and retention of workforce opportunities.

(4) The Secretary of Commerce and Community Development shall consider the recommendations of the interagency team and shall give final approval to projects.

~~(f)~~(h) Grant agreements; post award monitoring.

(1) If selected by the Secretary, the applicant and the Agency shall execute a grant agreement that includes audit provisions and minimum requirements for the maintenance and accessibility of records that ensures that the Agency and the Auditor of Accounts have access and authority to monitor awards.

(2) The Agency shall publish on its website not later than 30 days after approving an award a brief project description the name of the grantee and the amount of a grant.

~~(g)~~(i) Report. On or before ~~December 15, 2021~~ February 15, 2023, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the implementation of the ~~program~~ Program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the ~~program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling~~ Program.

(j) Implementation.

(1) The Agency of Commerce and Community Development shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for grants through the Program.

(2) When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency may designate one or more sectors for priority consideration through

the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

* * * VEDA Short-Term Forgivable Loans * * *

Sec. 47. VEDA SHORT-TERM FORGIVABLE LOANS

(a) Creation. The Vermont Economic Development Authority shall create a Short-Term Forgivable Loan Program to support Vermont businesses experiencing continued working capital shortfalls as a result of the COVID-19 public health emergency.

(b) Eligible business. An eligible borrower is a for-profit or nonprofit business:

(1) with fewer than 500 employees;

(2) located in Vermont;

(3) that was in operation or had taken substantial steps toward becoming operational as of March 13, 2020; and

(4) that can identify economic harm caused by or exacerbated by the pandemic.

(c) Economic harm.

(1) An applicant shall demonstrate economic harm from lost revenue, increased costs, challenges covering payroll, rent or mortgage interest, or other operating costs that threaten the capacity of the business to weather financial hardships and result in general financial insecurity due to the COVID-19 public health emergency.

(2) The Authority shall measure economic harm by a material decline in the applicant's annual adjusted net operating income before the COVID-19 public health emergency relative to its annual adjusted net operating income during the COVID-19 public health emergency.

(3) When assessing an applicant's adjusted net operating income, the Authority shall consider previous COVID-19 State and federal subsidies, reasonable owner's compensation, noncash expenses, extraordinary items, and other adjustments deemed appropriate. The Authority shall also consider whether other State or federal assistance is or may become available and appropriate for the business and shall not provide assistance for the same costs that are covered by another program.

(4) To be eligible for a loan, the Authority shall determine that a business has experienced at least a 20 percent reduction in its adjusted net

operating income in calendar years 2020 and 2021 combined as compared to 2019, or other appropriate basis of comparison where necessary.

(d) Maximum loan. The Authority shall determine the amount of a loan award pursuant to guidelines adopted pursuant to subsection (f) of this section, provided that a loan shall not exceed the lesser of:

(1) $500,000.00;

(2) six months of eligible operating expenses; or

(3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021.

(e) Eligible use of loan; loan forgiveness.

(1) A loan recipient may use loan proceeds to pay for eligible operating expenses but shall not use the proceeds for capital expenditures.

(2) The Authority shall approve loan forgiveness based on documentation evidencing loan proceeds were used to pay for eligible operating expenses.

(f) Guidelines. The Vermont Economic Development Authority shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the VEDA Short-Term Forgivable Loan Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for grants through the Program.

(g) Priority sectors. When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency of Commerce and Community Development may designate one or more sectors for priority funding through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

(h) Technical assistance. The Authority shall provide information to applicants on how to access technical assistance from the Small Business Development Center through the Community Navigator Pilot Program.

Sec. 48. WINDHAM COUNTY ECONOMIC DEVELOPMENT

(a) Findings.

(1) In 2014 Acts and Resolves No. 95, Sec. 80 created the Entergy Windham County Economic Development Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, for the deposit and management of funds that were

received pursuant to the settlement agreement between the State of Vermont and Entergy Nuclear Vermont Yankee, LLC, dated December 23, 2013.

(2) Pursuant to 2015 Acts and Resolves No. 4, Sec. 69, as further amended by 2016 Acts and Resolves No. 68, Sec. 69, the Secretary of Commerce and Community Development is authorized to make grants, repayable grants, and loans in the Special Fund for the purpose of promoting economic development in Windham County.

(3) From the amounts available in the Special Fund, the Agency of Commerce and Community Development has provided grant funds, and the Vermont Economic Development Authority, working in coordination with the Agency, has provided loans and loan servicing, for economic development projects in Windham County.

(b) Purpose: The purpose of this section is to ensure all program and interest funds received from the revolved loans originating from the Entergy Windham County Economic County Special Fund provide future economic development benefits for Windham County.

(c) Authority; Program Creation: Decisions for the use of any remaining and future funds shall be made through local administration by the Brattleboro Development Credit Corporation.

(d) Agency of Commerce and Community Development; transfer. On or before June 30, 2022 the Agency of Commerce and Community Development shall transfer any amounts remaining in the Entergy Windham County Economic Development Special Fund to the Brattleboro Development Credit Corporation.

(e) Vermont Economic Development Authority; transfer. On or before June 30, 2022, the Vermont Economic Development Authority shall take any steps necessary to transfer to the Brattleboro Development Credit Corporation any loans, loan servicing, future loan payments, and other legal rights, duties, or obligations related to its activities undertaken with funding from the Entergy Windham County Economic Development Special Fund.

(f) Brattleboro Economic Development Corporation; use of funds. The Brattleboro Economic Development Corporation shall use the funds transferred pursuant to this section to provide grants and loans for projects that provide economic development benefits to Windham County.

(g) Entergy Windham County Economic Development Special Fund; termination. The purpose of the Entergy Windham County Economic Development Special Fund has been fulfilled as determined by the General Assembly. Upon the completion of the transfers required in this section, and

pursuant to 32 V.S.A. § 587(b) the Entergy Windham County Economic Development Special Fund is terminated.

* * * Downtown Tax Credits * * *

Sec. 49. APPROPRIATION; DOWNTOWN AND VILLAGE CENTER TAX CREDIT PROGRAM

There is appropriated the sum of $2,700,000.00 from the General Fund to the Vermont Downtown and Village Center Tax Credit Program to be used in fiscal years 2023 and 2024. Notwithstanding 32 V.S.A. § 5930ee, the funds shall be used to increase the amount of tax credits that may be awarded to qualified projects. Of those tax credits awarded in fiscal years 2023 and 2024, up to $2,000,000.00 may be awarded to qualified projects located in designated neighborhood development areas.

Sec. 50. [Reserved.]

Sec. 51. [Reserved.]

* * * Appropriations * * *

Sec. 52. APPROPRIATIONS

(a) Reversion. In fiscal year 2022, of the amounts appropriated in 2021 Acts and Resolves No. 74, Sec. G. 300(a)(13), from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Economic Recovery Grant Program, $25,500,000.00 shall revert to the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds.

(b) COVID economic support. In fiscal year 2022, the amount of $28,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) VEDA Short-Term Forgivable Loan Program. $19,000,000.00 to the Vermont Economic Development Authority for the VEDA Short-Term Forgivable Loan Program.

(2) Creative economy grants. $9,000,000.00 to the Vermont Arts Council to provide grants for monthly operating costs, including rent, mortgage, utilities, and insurance, to creative economy businesses and nonprofits that have sustained substantial losses due to the pandemic.

(c) General Fund.

(1) In fiscal year 2023 the amount of $10,200,000.00 is appropriated from the General Fund to the Agency of Commerce and Community

Development for the Capital Investment Grant Program.

(2) In fiscal year 2023 the amount of $1,800,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to grant to Southeastern Vermont Community Action for the Restaurants and Farmers Feeding the Hungry Program, known as Everyone Eats, to provide State funds to match Federal Emergency Management Agency (FEMA) funds available for the Program.

Sec. 53. 2020 Acts and Resolves No. 3, Sec. 64(c) is amended to read:

(c) Sec. 62 (32 V.S.A. § 3102 (e)(8)) shall take effect on July 1, ~~2022~~ 2024.

* * * COVID-19-Related Paid Leave Grant Program * * *

Sec. 54. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) COVID-19 has caused increased employee absences due to illness, quarantine, and school and daycare closures.

(2) Many employees do not have sufficient paid time off to cover all of their COVID-19-related absences from work.

(3) Some employers have provided their employees with additional paid time off for COVID-19-related purposes.

(4) The surge in COVID-19 cases caused by the Omicron variant of the virus has made it financially difficult or impossible for employers to provide additional paid time off to their employees for COVID-19-related purposes.

(5) Providing grants to employers to reimburse a portion of the cost of providing paid time off to employees for COVID-19-related purposes will:

(A) help to mitigate some negative economic impacts of the COVID-19 pandemic on employers;

(B) improve employee retention;

(C) prevent the spread of COVID-19 in the workplace; and

(D) provide crucial income to employees and their families.

(6) The Front-Line Employees Hazard Pay Grant Program established pursuant to 2020 Acts and Resolves No. 136, Sec. 6 and expanded pursuant to 2020 Acts and Resolves No. 168, Sec. 1 successfully directed millions of dollars in hazard pay to front-line workers during the first year of the COVID-19 pandemic. By utilizing grants to employers, who in turn provided the hazard pay to their employees, the Program enabled employers to retain

employees and reward them for their hard work during the uncertainty of the early months of the COVID-19 pandemic.

(b) It is the intent of the General Assembly that the COVID-19-Related Paid Leave Grant Program created pursuant to Sec. 2a of this act shall be modeled on the Front-Line Employees Hazard Pay Grant Program and shall assist employers in providing paid leave to their employees for COVID-19 related absences.

Sec. 54a. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

(a)(1) There is established in the Department of Financial Regulation the COVID-19-Related Paid Leave Grant Program to administer and award grants to employers to reimburse the cost of providing COVID-19-related paid leave to employees.

(2) The sum of $16,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Financial Regulation in fiscal year 2023 for the provision of grants to reimburse employers for the cost of providing COVID-19-related paid leave. Not more than seven percent of the amount appropriated pursuant to this subdivision may be used for expenses related to Program administration and outreach.

(b) As used in this section:

(1) "Commissioner" means the Commissioner of Financial Regulation.

(2) "COVID-19-related reason" means the employee is:

(A) self-isolating because the employee has been diagnosed with COVID-19 or tested positive for COVID-19;

(B) self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because the employee has been exposed to COVID-19 or the employee is experiencing symptoms of COVID-19;

(C) caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child, because:

(i) the school or place of care where that individual is normally located during the employee's workday is closed due to COVID-19;

(ii) that individual has been requested not to attend the school or the place of care where that individual is normally located during the employee's workday due to COVID-19;

(iii) that individual has been diagnosed with or tested positive for COVID-19; or

(iv) that individual is self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because that individual has been exposed to or is experiencing symptoms of COVID-19;

(D) attending an appointment for the employee or the employee's parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child to receive a vaccine or a vaccine booster for protection against COVID-19; or

(E) experiencing symptoms, or caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child who is experiencing symptoms, related to a vaccine or a vaccine booster for protection against COVID-19.

(3) "Department" means the Department of Financial Regulation.

(4) "Employee" means an individual who, in consideration of direct or indirect gain or profit, is employed by an employer to perform services in Vermont.

(5) "Employer" means any person that has one or more employees performing services for it in Vermont. "Employer" does not include the State or the United States.

(6) "Program" means the COVID-19-Related Paid Leave Grant Program established pursuant to this section.

(7) "Program period" means the period beginning on July 1, 2022 and ending on June 30, 2023.

(8) "Spouse" includes a civil union partner or a domestic partner, as that term is defined pursuant to 17 V.S.A. § 2414.

(c)(1) An employer may apply to the Commissioner for quarterly grants to reimburse the employer for the cost of paid leave provided to its employees for COVID-19-related reasons during the Program period.

(2) An employer's grant amount may include reimbursement for retroactively provided COVID-19-related paid leave to employees who took unpaid leave for a COVID-19-related reason during the Program period because the employee did not have sufficient accrued paid leave available at the time that the employee took the leave.

(3) Employers may submit applications for grants during the period beginning on October 1, 2022 and ending on September 30, 2023 and may

submit an application not more than once each calendar quarter during that period. Grant applications shall be submitted for paid leave provided during the preceding calendar quarter.

(4) An employer may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same instance of paid leave provided to its employees for COVID-19-related reasons. As used in this subdivision, an "instance" means a calendar day in which the employee was absent from work for a COVID-19-related reason.

(5) For the sole purpose of administering grants related to paid leave provided to independent direct support providers for COVID-19-related reasons, ARIS Solutions, as the fiscal agent for the employers of the independent direct support providers, shall have the authority to apply for grants in the same manner as any employer.

(d)(1) The Commissioner shall:

(A) adopt procedures for implementing the Program, which shall include a simple grant application process, a process to allow employers to certify the amount of paid leave provided for COVID-19-related reasons, and a process to allow employers to report on their use of the grant funds awarded pursuant to this section;

(B) establish deadlines for the submission of quarterly grant applications;

(C) promote awareness of the Program to employers;

(D) provide information to employers regarding Program and application requirements;

(E) award grants to employers on a first-come, first-served basis, subject to available funding; and

(F) develop and implement an audit strategy to assess grant utilization, the performance of the Program, and compliance with Program requirements.

(2)(A) The Commissioner may, with the approval of the Secretary of Administration, delegate administration of one or more aspects of the Program to other agencies and departments of the State.

(B) The Commissioner may enter into agreements, memoranda of understanding, or contracts with private entities as necessary to implement or administer the Program and, notwithstanding any provision of law to the contrary, shall not be required to competitively bid any contracts entered into

pursuant to this subdivision (2)(B). For the purposes of the Program, the ongoing public health risk posed by COVID-19 shall be deemed to be an emergency situation that justifies the execution of sole source contracts pursuant to Bulletin 3.5, the State's Procurement and Contracting Procedures.

(e)(1) Employers may apply for grants to either reimburse 67 percent of the cost of COVID-19-related paid leave provided to employees or to provide funds to be used to pay 67 percent of the cost to retroactively provide paid leave to employees who took unpaid leave for COVID-19-related reasons.

(A) For reimbursement of COVID-19-related paid leave that was already provided, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the number of hours of COVID-19-related paid leave provided to each employee multiplied by the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee's regular hourly wage.

(B) For COVID-19-related paid leave that will be provided retroactively to employees who took unpaid leave for COVID-19-related reasons, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the number of hours of COVID-19-related paid leave to be provided to each employee multiplied by the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee's regular hourly wage.

(2)(A) An employer may only apply for a grant in relation to COVID-19-related leave that was taken by an employee during the Program period.

(B) The maximum number of hours of COVID-19-related leave for each employee that an employer may seek grant funding for through the Program shall equal the lesser of 80 hours or two times the employee's average weekly hours worked for the employer during the six months preceding the date on which the employee first took COVID-19-related leave during the Program period.

(C) The maximum amount that an employer shall be eligible to receive for COVID-19-related paid leave for each employee shall be not more than $27.50 per hour of leave, with an aggregate maximum of $2,200.00 per employee during the Program period.

(f) As a condition of being eligible to receive a grant through the Program, each employer shall be required to certify:

(1) that the employer is not seeking funds in relation to any amounts of paid leave that were deducted from the employee's accrued paid leave balance

at the time the COVID-19-related leave was taken unless those amounts have been restored to the employee's accrued paid leave balance;

(2) grant funds shall only be used in relation to the payment of an employee's wages for the period when the employee was absent from work for a COVID-19-related reason; and

(3) employees receiving paid leave funded by a grant shall not be required to pay an administrative fee or other charge in relation to the employer requesting the grant.

(g) Each employer that receives a grant shall, not later than October 31, 2023, report to the Department on a form provided by the Commissioner the amount of grant funds used to provide paid leave to employees and the amount of any remaining grant funds that were not spent. All unspent grant funds shall be returned to the Department pursuant to a procedure adopted by the Commissioner.

(h) Any personally identifiable information that is collected by the Program, any entity of State government performing a function of the Program, or any entity that the Commissioner contracts with to perform a function of the Program shall be kept confidential and shall be exempt from inspection and copying under the Public Records Act.

* * * Unemployment Insurance Benefits * * *

Sec. 55. FINDINGS

The General Assembly finds that the General Assembly previously enacted a $25.00 supplemental increase to the weekly unemployment insurance benefit amount in 2021 Acts and Resolves No. 51, Sec. 11. However, the terms of that supplemental increase did not conform to federal requirements, and it never took effect. Enacting a future $25.00 increase in the weekly unemployment insurance benefit amount will fulfill the commitment made by the General Assembly in 2021 Acts and Resolves No. 51, Sec. 11.

Sec. 55a. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

(4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect ~~upon the payment of a cumulative total of $100,000,000.00 in supplemental benefits pursuant to 21 V.S.A. § 1338(e)(2)~~ on October 7, 2021 and shall apply prospectively to all benefit payments in the next week and each subsequent week.

Sec. 55b. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 55c. UNEMPLOYMENT INSURANCE; INFORMATION TECHNOLOGY MODERNIZATION; ANNUAL REPORT; INDEPENDENT VERIFICATION

(a)(1) The Secretary of Digital Services and the Commissioner of Labor shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is available in time to implement on July 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 55b of this act.

(2) The Secretary of Digital Services and the Commissioner of Labor shall plan and carry out the development and implementation of the modernized information technology system for the unemployment insurance program so that the modernized system is capable of:

(A) implementing the weekly benefit increase enacted pursuant to Sec. 55b of this act;

(B) adapting to the evolving needs of the unemployment insurance program in the future;

(C) incorporating future advances in information technology;

(D) implementing future legislative changes to all aspects of the unemployment insurance program, including:

(i) benefits,

(ii) eligibility;

(iii) taxes;

(iv) penalties; and

(v) recovery of overpayments; and

(E) implementing short-term changes that respond to specific indicators economic health.

(b) The Secretary of Digital Services and the Commissioner of Labor shall, on or before January 15, 2023 and January 15, 2024, submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Legislative Information Technology Consultant retained by the Joint Fiscal Office detailing the actions taken and progress made in carrying out the requirements of subsection (a) of this section, the anticipated timeline for being able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 55b of this act, and potential implementation risks identified during the development process.

(c) The Legislative Information Technology Consultant shall, on or before February 15, 2023 and February 15, 2024, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a review of the report submitted pursuant to subsection (b) of this section. The review shall include an assessment of whether the Agency of Digital Services and the Department of Labor will be able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 55b of this act by July 1, 2025 and shall identify any potential risks or concerns related to implementation that are not addressed in the report submitted pursuant to subsection (b) of this section.

Sec. 55d. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 ~~and adding $25.00 to the resulting quotient~~, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to ~~the sum of $25.00 plus~~ 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 56. EFFECTIVE DATES

(a) This act shall take effect on July 1, 2022, except that:

(1) Sec. 13 (Secondary Student Industry Recognized Credential Pilot Project) shall take effect on passage.

(2) Sec. 30 (18 V.S.A. § 9456) shall take effect on January 1, 2023 and shall apply to hospital fiscal years 2024 and after.

(3) Sec. 48 (Windham County Economic Development) shall take effect on passage.

(4) Sec. 53 (Pandemic Unemployment Assistance Program extension) shall take effect on passage.

(b)(1) Notwithstanding 1 V.S.A. § 214, Sec. 55a (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

(2) Sec. 55b (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, 2025 and shall apply to benefit weeks beginning after that date.

(3) Sec. 55d (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a cumulative total of $100,000,000.00 in additional benefits 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 and shall apply to benefit weeks beginning after that date.

(4) Sec. 55c (report on implementation of change to unemployment insurance weekly benefit) shall take effect on passage.

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

An act relating to economic and workforce development.

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

By striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. PURPOSE; IMPLEMENTATION

(a) The purpose of Secs. 1–45 of this act is to expand opportunities for workforce education, training, and development for Vermonters and to make

meaningful investments to support and expand the workforce across the State.

(b) It is the intent of the General Assembly that each recipient of funding through Secs. 1–45 of this act shall conduct significant outreach to ensure that all Vermonters, and particularly populations that have experienced unequal access to public or private economic benefits due to geography, socioeconomic status, disability status, gender or gender identity, age, immigration or refugee status, or race, have the opportunity to benefit from the financial and programmatic benefits made available through this act.

Sec. 2. IMMEDIATE STRATEGIES AND FUNDING FOR EXPANDING THE LABOR FORCE; INCREASING THE NUMBER OF PARTICIPANTS AND PARTICIPATION RATES; APPROPRIATIONS

(a) In fiscal year 2023, the following amounts are appropriated from the General Fund to the following recipients for the purposes specified:

(1) $2,500,000.00 to the University of Vermont Office of Engagement, in consultation with the Vermont Student Assistance Corporation, to administer a statewide forgivable loan program of $5,000.00 per graduate for recent college graduates across all Vermont higher education institutions who commit to work in Vermont for two years after graduation.

(2) $387,000.00 to Vermont Technical College to develop a skilled meat cutter training and apprenticeship facility.

(b) In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to provide grants, which may be administered through a performance-based contract, to refugee- or New American-focused programs working in Vermont to support increased in-migration or retention of recent arrivals.

Sec. 3. CTE FUNDING AND GOVERNANCE; FINDINGS

(a) Vermont's career and technical education (CTE) system is critical to ensuring that all Vermonters have access to the high-quality resources they need to explore a wide variety of career pathways, earn a postsecondary credential of value, and establish a productive career.

(b) CTE is a vital component of our educational system, supporting and delivering on the goals established by the General Assembly in 2013 Acts and Resolves No. 77 (flexible pathways), 2018 Acts and Resolves No. 189 (workforce development), and in achieving our attainment goal, which is that 70 percent of working-age Vermonters have a credential of value by 2025

(10 V.S.A. § 546).

(c) CTE is also an equity lever, providing every student access to critical workforce training, postsecondary coursework, and the real-world skills and networks that prepare our youth to continue to earn and learn during and after high school.

(d) As of the fall semester of the 2021–2022 school year, students were enrolling in CTE programs at a higher rate than at the beginning of the pandemic, increasing from 4,160 to 4,565. In the 2020–2021 school year, Vermont's CTE system awarded Tier II credentials of value to 459 students.

(e) Since 2015, through legislative initiatives such as 2015 Acts and Resolves No. 51, 2017 Acts and Resolves No. 69, 2018 Acts and Resolves No. 189, 2019 Acts and Resolves No. 80, and most recently 2021 Acts and Resolves No. 74, the General Assembly and other stakeholders in education and in State government have been working to identify, understand, and resolve long-standing concerns related to the functioning of the CTE system.

(f) In 2018, the Agency of Education embarked on a collaborative process that included students, legislators, and communities across the State to develop a strategic vision and aspirational goals to help guide the transformation of the CTE system.

(g) The State Board of Education adopted the Agency of Education's vision and goals for CTE that "all Vermont learners attain their postsecondary goals by having access to career and technical education systems that are equitable, efficient, integrated and collaborative."

(h) 2018 Acts and Resolves No. 189 committed Vermont to a redesign of its workforce development and training system, including the approval of up to four pilot sites or projects to examine the way our CTE system is funded and governed.

(i) In a report dated June 14, 2021, the Agency of Education reported on its progress, which was interrupted by the COVID-19 pandemic. The report presented possible alternatives to our current funding structure, which is widely seen as a barrier to enrollment. However, these alternatives were based on an examination of only the CTE school district funding model and did not include the study of governance models. The report recommended completing this study of CTE funding and governance models to propose actionable implementation steps for the State.

(j) The Agency of Education's State plan for federal Perkins funds is aligned to the vision and goals created through collaborative processes that included a public comment period. Processes required in the federal legislation like the biennial Comprehensive Local Needs Assessment will

strengthen the role of CTE in each region and help to focus the use of limited federal funds to improve the system.

Sec. 3a. FUNDING AND GOVERNANCE STRUCTURES OF CAREER TECHNICAL EDUCATION IN VERMONT

(a) There is appropriated to the Agency of Education for fiscal year 2023 the amount of $180,000.00 from the General Fund to contract for services to:

(1) complete an examination, which was interrupted by COVID-19, of the existing funding structures of career technical education (CTE) in Vermont and identify the best approach moving forward;

(2) examine CTE governance structures in relationship to those funding structures and identify the best approach moving forward;

(3) examine the implications of the existing funding and governance structures for kindergarten through grade 12 schools and adult education;

(4) propose an implementation plan for new models of CTE funding and governance structures to improve the quality, duration, and access to CTE statewide.

(b) In performing its work, the contractor shall consult with the consultant and any other stakeholders involved in completing the report on the design, implementation, and costs of an integrated and coherent adult basic education, adult secondary education, and postsecondary career and technical education system pursuant to 2021 Acts and Resolves No. 74, Sec. H.3.

(c) On or before March 1, 2023, the Agency of Education shall issue a written report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance on the work performed pursuant to subsection (a) of this section.

(d)(1) The Agency of Education shall consider the work performed by the contractor and shall develop an implementation plan, including recommended steps to design and implement new funding and governance models.

(2) On or before July 1, 2023, the Agency shall issue a written report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance that describes the results of its work under this subsection and the implementation plan and makes recommendations for legislative action.

Sec. 4. INVESTMENT IN THE UP-SKILLING OF PRIVATE SECTOR EMPLOYERS TO SUPPORT THE EVOLUTION OF BUSINESS AND ORGANIZATIONAL MODELS; APPROPRIATIONS

In fiscal year 2023, the amount of $250,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for a performance-based contract to provide statewide delivery of business coaching and other forms of training to BIPOC business owners, networking and special convenings, and career fairs, workshops and paid internships, career guidance, and other support for BIPOC workers across the State.

Sec. 4a. EDUCATOR WORKFORCE DEVELOPMENT; APPROPRIATION; REPORT

(a) Purpose. The purpose of this section is to encourage and support the development and retention of qualified and effective Vermont educators. To combat the growing educator shortage throughout the State and meet the needs of Vermont students, it is necessary to invest in nontraditional educator training programs.

(b) Grant program.

(1) Program creation. In fiscal year 2023, there is established the Peer Review Support Grant Program, to be administered by the Agency of Education, to provide grants to expand support, mentoring, and professional development to prospective educators seeking licensure through the Agency of Education's peer review process, with the goal of increased program completion rates.

(2) Program administration. The Agency shall adopt policies, procedures, and guidelines necessary for implementation of the Program described in subdivision (1) of this subsection.

(3) Eligibility criteria. The Agency shall issue grants to organizations or school districts with programs designed to provide prospective educators in the peer review program the support necessary for successful completion of the peer review process by providing:

(A) support through the Praxis exam process;

(B) local educator lead seminars designed around the Vermont licensure portfolio themes;

(C) local educator mentors;

(D) support in completing the peer review portfolio and licensing process; and

(E) continued professional development support within the first year of licensure.

(4) Report. On or before January 15, 2023, the Agency of Education shall report to the Senate and House Committees on Education on the status of the implementation of the Peer Review Support Grant Program and a summary and performance review of the programs to which grants were awarded. The report shall include any metrics used in the performance review, the number of program participants, endorsement areas of participants, feedback from participants and mentors, and any recommendation for legislative action.

(c) Appropriation. Notwithstanding 16 V.S.A. § 4025(d), the sum of $712,500.00 is appropriated from the Education Fund to the Agency of Education in fiscal year 2023 for the purpose of funding the Peer Review Support Grant Program.

Sec. 5. OFFICE OF WORKFORCE INNOVATION TO LEAD AND COORDINATE STATEWIDE WORKFORCE SYSTEM

(a) Findings. The General Assembly finds:

(1) Vermont is experiencing an acute labor shortage in 2022.

(2) According to the Employment and Labor Marketing Information Division of the Vermont Department of Labor:

(A) There are approximately 28,000 job openings in Vermont as of December 2021.

(B) 9,945 individuals meet the federal statistical definition of unemployed as of January 2022.

(C) 4,500 individuals are receiving unemployment insurance assistance as of March 2022.

(D) The workforce has shrunk by 26,000 individuals from 2019 to 2022, yet the unemployment rate is just three percent as of January 2022.

(E) The workforce participation rate has fallen from 66 percent to 60.6 percent.

(F) The total volume of hires made each year is approximately 200,000 nonunique individuals.

(3) The Department receives approximately 80 percent of its funding from federal sources, which constrains the Department and its employees from adjusting its work to meet immediate needs.

(4) The federal funding for field staff in the Workforce Development Division has declined significantly over the past 20 years, supporting 75 persons in 2022 as compared to 135 in 2003.

(5) Though Vermont has a small population, the unique characteristics of its region's employers, educational institutions, demographics, and socioeconomic conditions make it best to address efforts to connect individuals with training and job placement on a regional basis.

(6) Because most State agencies and departments touch the workforce system in some way, there is a need for more coordination and alignment across State government to serve both job seekers and employers.

(7) Vermont needs a statewide workforce development, training, and education system in which all Vermonters who want to work, and all employers who want workers, can connect.

(b) Creation of Office of Workforce Innovation. The Office of Workforce Innovation is created within the Governor's office to coordinate statewide and regional workforce expansion across all agencies and departments in State government and among a diverse stakeholder community. The State Workforce Development Board shall be managed by the Office.

(1) Purpose. The purposes of the Office of Workforce Innovation include:

(A) interagency coordination around Governor's work force agenda;

(B) serving as the developer and holder of a statewide work force development plan, including supporting the work of the State Workforce Development Board and contracting with outside process entities as needed to help convene all system actors;

(C) occasionally convening stakeholders;

(D) connecting to National Governors Association best practices research;

(E) endeavoring to have practices implemented throughout the system;

(F) coordinating across State entities to ensure well-coordinated State responses and programs to carry out Governor's work force agenda;

(G) overseeing service delivery by State employees and outside contracts at the local and regional levels;

(H) ensuring interagency communication;

(I) coordination and collaboration to break down silos and to maximize communication flow; and

(J) collaborating with State-level organizations, service providers, and educational institutions.

(2) Personnel. The Director of the Office of Workforce Innovation is created. There shall be two full-time exempt staff to accomplish the duties of the Office. One of these staff positions shall be the current Executive Director of the State Workforce Developmental Board.

(3) Duties. The Director of the Office of the Workforce Innovation shall:

(A) lead Workforce Development and Expansion for the State;

(B) provide interagency coordination and strategic and comprehensive policy leadership for the purpose of workforce development, expansion, training, and education in the State;

(C) determine where Adult CTE should live and how it should be financed; and

(D) complete a feasibility study to assess creating a recyclable and outcome-based funding mechanism to deploy State workforce training funding for re- and up- skilling individuals in strategic sectors and submit findings and recommendations in a report to the Vermont Workforce Development Board;

(E) perform any other duties that are relevant based on the purpose of this section.

(4) Coordination. The Office shall convene interagency and State-level service provider partners, coordinate State-level workforce information collection and distribution, establish interagency working agreements, manage the State Workforce Development Board, and consider other improvements to the structure, coordination, and collaboration of the workforce development system in general. This may include creating a Vermont workforce development network.

(5) Implementation.

(A) The Office of Workforce Innovation shall be established as of July 1, 2022.

(B) On or before January 15, 2023, the Office shall submit an interim report to the House Committee on Commerce and Economic Development and Senate Committee on Economic Development, Housing and General Affairs proposing goals and metrics to measure, and action steps to accomplish, how

the Office can effectively coordinate the workforce development system and improve workforce development conditions in this State relative to the data points specified in subsection (a) of this section.

(C) On or before December 1, 2023, the Office shall submit a final report to the House Committee on Commerce and Economic Development and Senate Committee on Economic Development, Housing and General Affairs that addresses its performance relative to the goals, metrics, and action items it has adopted, and that includes findings and any recommendations for legislative action concerning the workforce development system.

(6) Appropriation. The amount of $1,000,000.00 is appropriated from the General Fund to create the Office and perform its duties.

Sec. 5a. REGIONAL WORKFORCE EXPANSION SYSTEM

(a) Regional Workforce Expansion System. The amount of $500,000.00 is appropriated from the General Fund to the Department of Labor for a one-year pilot program to launch and lead a coordinated regional system, beginning in two regions of the State, to work toward accomplishing the following goals:

(1) increase local labor participation rate;

(2) decrease the number of open positions reported by local employers;

(3) increase the wages of workers as they transition to new jobs; and

(4) collect, organize, develop, and share information related to local career pathways with workforce development partners.

(b) Duties. In order to meet the goals specified in subsection (b) of this section, the Department shall:

(1) create new capacity to address and support State activities related to workforce development, expansion, and alignment;

(2) focus on the overarching goal of helping workers find jobs and employers find workers;

(3) support employers in communicating and tailoring their work requirements, conditions, and expectations to better access local workers; and

(4) collaborate with local education and training providers and regional workforce partners to create and regularly distribute data related to local labor force supply and demand.

(c) System infrastructure. The Department shall make investments that improve and expand regional capacity to strengthen networks who assist jobseekers, workers, and employers in connecting.

(1) The Department is authorized to create three classified, one-year limited-service positions, with funding allocated to perform the work described in this section, who shall report to the Workforce Development Division and of whom:

(A) two shall be Workforce Expansion Specialists assigned, one each, to two different regions of the State; and

(B) one shall provide oversight and State-level coordination of activities.

(2)(A) The Department shall use funds allocated to develop systems for coordination, information sharing, and enhanced support to regional partners, host regional meetings, develop regional plans, and provide localized resources including labor market information, training and development opportunities, and support services.

(B) The Department shall develop labor market information reports to support discussion and decision making that will address local labor market challenges and opportunities and support a regional approach to solving local or unique labor supply challenges.

(e) Interim report. On or before January 15, 2023, the Department shall provide a narrative update on the progress made in hiring staff, establishing interagency agreements, developing regional information exchange systems, and supporting State-level work to expand the labor force to the House and Senate committees of jurisdiction.

(f) Implementation. The Department of Labor shall begin implementing the Regional Workforce Expansion System on or before July 1, 2022.

Sec. 6. INCARCERATED INDIVIDUALS; WORKFORCE DEVELOPMENT; PILOT PROGRAM

(a) Purpose. The purpose of this section is to facilitate the education and vocational training of incarcerated individuals so that they have a greater likelihood of obtaining gainful employment and positively contributing to society upon reintegration into the community.

(b) Policy; appropriations.

(1)(A) In fiscal year 2023, the amount of $420,000.00 is appropriated from the General Fund to the Department of Corrections, in consultation with the Vermont Department of Labor, to address education and vocational enhancement needs. These funds shall not be allocated from any amounts budgeted for Justice Reinvestment II initiatives.

(B) The Department shall use the funds allocated for the development of education and vocational training for incarcerated individuals residing in a Vermont correctional facility prior to community reintegration. The Department may allocate the funds over three years, consistent with the following:

(i) $270,000.00 for transition development, including equipment and mobile labs in one or more sites;

(ii) $100,000.00 for training partner support; and

(iii) $50,000.00 for curriculum development.

(2) In fiscal year 2023, the amount of $300,000.00 is appropriated from the General Fund to the Department of Corrections, which may be allocated over not more than three years, to establish a community-based pilot reentry program at the Chittenden Regional Correctional Facility in consultation with the Vermont Department of Labor. The Department of Corrections shall designate a service provider to administer the pilot program's goals to:

(A) provide continuity of services for incarcerated individuals;

(B) expand current employment readiness programs within the facility by building pathways for coordinated transition to employment;

(C) focus on the first six months after individuals are released from the facility;

(D) coordinate with local community resources, parole and probation offices, and other supports to ensure successful transition into the community;

(E) assist individuals in successfully transitioning into new jobs; and

(F) work with employers to support successful hiring and best practices to support incarcerated individuals.

(c) Report. On or before January 15, 2023, the Department of Corrections shall create and submit a report on workforce and education training programs in correctional facilities to the Joint Legislative Justice Oversight Committee; the House Committees on Corrections and Institutions and on Commerce and Economic Development; and the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary. The report shall:

(1) identify program design, logistical needs, and policy changes to current Department of Corrections facility-based training and educational programs necessary to successfully enable incarcerated individuals' reintegration into their communities, including changes to programs that enhance individuals' skill development, knowledge, and other support needed to qualify for and secure a position in a critical occupation in Vermont;

(2) identify disparities of outcomes and recommend solutions for incarcerated Black, Indigenous, and Persons of Color concerning facility-based training, educational programming, and successful community reintegration;

(3) provide an update on the Department of Corrections' use of education and vocational enhancement funding in fiscal year 2023;

(4) provide recommendations on what aspects of the pilot program should be replicated in other correctional facilities in Vermont; and

(5) provide recommended legislation for the continuation of the pilot program or any changes.

Sec. 7. INTENT

It is the intent of the General Assembly to improve the recruitment and retention of correctional officers to ensure adequate staffing and safe working conditions in facilities operated by the Department of Corrections.

Sec. 8. IMPROVEMENT OF CORRECTIONAL OFFICER RECRUITMENT AND RETENTION; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioners of Corrections and of Human Resources, shall submit a written report to the House Committees on Appropriations, on Commerce and Economic Development, on Corrections and Institutions, and on Government Operations and the Senate Committees on Appropriations, on Government Operations, and on Judiciary identifying conditions that pose an obstacle to the successful recruitment and retention of correctional officers and setting forth a plan to improve the recruitment and retention of correctional officers.

(b)(1) The report shall specifically analyze the impact of the following on the recruitment and retention of correctional officers:

(A) wages and benefits;

(B) terms and conditions of employment;

(C) working conditions in Department of Corrections facilities, including health and safety issues and the physical condition of the facilities; and

(D) staffing levels and overtime.

(2) The report shall, for each of the issues examined pursuant to subdivision (1) of this subsection, analyze how the following states compare to Vermont and shall identify any best practices in those states that could improve

recruitment and retention of correctional officers in Vermont:

(A) Maine;

(B) New Hampshire;

(C) New York;

(D) Massachusetts;

(E) Rhode Island; and

(F) Connecticut.

(c) The report shall, as part of the plan to improve the recruitment and retention of correctional officers, identify specific administrative and legislative actions that are necessary to successfully improve the recruitment and retention of correctional officers.

Sec. 9. ASSESSMENT OF RECRUITMENT AND RETENTION INITIATIVES; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioner of Human Resources, shall submit to the House and Senate Committees on Appropriations a report regarding the use of funds appropriated pursuant to 2022 Acts and Resolves, No. 83:

(1) Sec. 14 for employee recruitment and retention at:

(A) the secure residential recovery facility; and

(B) the Vermont Psychiatric Care Hospital;

(2) Sec. 68 for employee retention with respect to:

(A) the Department of Corrections; and

(B) the Vermont Veteran's Home; and

(3) Sec. 72 for workforce recruitment and retention incentives with respect to designated and specialized service agencies, including shared living providers.

(b) The report shall assess how effective the appropriations identified pursuant to subsection (a) of this section were in addressing issues related to employee recruitment and retention; identify any ongoing or remaining employee recruitment and retention challenges that the recipients have; and identify any potential legislative, administrative, or programmatic changes that can address those ongoing or remaining employee retention issues.

(c) The report shall also include a recommendation as to whether and how to appropriate additional funds in the 2023 Budget Adjustment Act to address

ongoing recruitment and retention challenges at:

(1) the Vermont Veteran's Home;

(2) the Vermont Psychiatric Care Hospital;

(3) the secure residential recovery facility;

(4) designated and specialized service agencies; and

(5) the Department of Corrections' facilities with respect to individuals employed as a Correctional Officer I or a Correctional Officer II.

Sec. 10. REPEALS

10 V.S.A. §§ 544 and 545 are repealed.

Sec. 11. 10 V.S.A. § 547 is added to read:

§ 547. WORK-BASED LEARNING AND TRAINING PROGRAM

(a) Vermont Work-Based Learning and Training Program. The Department of Labor shall develop the statewide Work-Based Learning and Training Program that serves transitioning secondary and postsecondary students and Vermonters seeking work-based experience as part of a career experience or change and is designed to:

(1) support Vermonters who are graduating from postsecondary education or a secondary CTE program or who are pursuing a career change with a paid on-the-job work experience lasting 12 weeks or fewer;

(2) establish a statewide platform available to all employers to list their internships, returnships, pre-apprenticeships, and registered apprenticeship opportunities and for jobseekers to view and access information about specific opportunities; and

(3) support employers by providing them with assistance in developing and implementing meaningful work-based learning and training opportunities.

(b) Definitions. As used in this section:

(1) "Internship" means a work-based learning experience with an employer where the participant may, but does not necessarily, receive academic credit.

(2) "Returnship" means an on-the-job learning experience for an individual who is returning to the workforce after an extended absence or is seeking a limited-duration on-the-job work experience in a different occupation or occupational setting as part of a career change.

(c) Activities. The Department may use funds appropriated to it for the Program to:

(1) build and administer the Program;

(2) develop an online platform that will connect students and jobseekers with work-based learning and training opportunities within Vermont;

(3) support work-based learning and training opportunities with public and private employers available to prospective workers located in or relocating to Vermont;

(4) promote work-based learning and training as a valuable component of a talent pipeline; and

(5) assist employers in developing meaningful work-based learning and training opportunities.

(d) Data. The Department shall collect the following data:

(1) the total number of participants served;

(2) the number of participants who received wage assistance or other financial assistance as part of this Program and their employment status one year after completion;

(3) the average wage of participants in subdivision (2) of this subsection at the start of the Program and the average wage of participants one year after completion;

(4) the number of work-based learning or training opportunities listed on the platform; and

(5) the number of employers who offered a work-based learning or training opportunity.

(e) State participation. The Department shall engage appropriate State agencies and departments to expand Program opportunities with State government and with entities awarded State contracts.

(f) Reporting. On or before February 15, 2023, the Department shall report Program data to the relevant committees of jurisdiction.

Sec. 12. WORK-BASED LEARNING AND TRAINING PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $1,500,000.00 is appropriated from the General Fund to the Department of Labor to implement the Vermont Work-Based Learning and Training Program created in Sec. 11 of this act. Of this amount, the Department may use not more than $100,000.00 for the cost of administration.

Sec. 13. [Reserved.]

Sec. 14. THE VERMONT TRADES SCHOLARSHIP PROGRAM

(a) The Vermont Trades Scholarship Program is created and shall be administered by the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse initial licensing fees, exam fees, and tuition payments under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a scholarship under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled in an industry-recognized training and certification program that leads to initial employment or career advancement in a building, mechanical, industrial, or medical trade; emergency services, including paramedics; energy; transportation; broadband; or robotics; or other high demand sector;

(2) demonstrate financial need;

(3) register with the Vermont Department of Labor for the purpose of receiving relevant job referrals, if unemployed; and

(4) agree to work in their profession in Vermont for a minimum of one year following licensure or certification completion for each year of scholarship awarded.

(c)(1) The Corporation shall give preference to students attending a Vermont-based training program or, if one isn't available for their certification, an offer of employment or promotion from a Vermont employer upon completion.

(2) The Corporation shall give priority to applicants who have not received other assistance.

(d) There shall be no deadline to apply for a scholarship under this section. Scholarships shall be awarded on a rolling basis if funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Vermont Student Assistance Corporation in the following fiscal year to award additional scholarships as set forth in this section.

(e) In fiscal year 2023 the amount of $3,500,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for scholarships for trades students under the Vermont Trades Scholarship Program.

Sec. 15. EMERGENCY MEDICAL SERVICES; OUTREACH

The Department of Health, the Department of Labor, and the Vermont Student Assistance Corporation shall coordinate outreach efforts to ensure that emergency service personnel are aware of, and able to access, the opportunities for professional development available through programs in this act.

Sec. 16. CTE CONSTRUCTION AND REHABILITATION EXPERIENTIAL LEARNING PROGRAM; REVOLVING LOAN FUND

(a) Purpose. This section authorizes and provides funding for the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund, the purposes of which are to:

(1) expand the experiential and educational opportunities for high school and adult CTE students to work directly on construction projects;

(2) build community partnerships among CTE centers, housing organizations, government, and private businesses;

(3) beautify communities and rehabilitate buildings that are underperforming assets;

(4) expand housing access to Vermonters in communities throughout the State; and

(5) improve property values while teaching high school and adult students trade skills.

(b) Appropriation; creation of fund; administration. Notwithstanding 16 V.S.A. § 4025(d):

(1) In fiscal year 2023, the amount of $10,000,000.00 is appropriated from the Education Fund to the Vermont Housing and Conservation Board to create and administer the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund pursuant to this section.

(2) The Board may use not more than five percent of the Fund for its costs of administration.

(c) Proposals; applications; funding.

(1) A regional CTE center, working in collaboration with one or more housing and community partners, private businesses, nonprofit organizations, or municipalities, shall identify construction projects that would be relevant and appropriate for CTE students enrolled in construction, electrical, plumbing, design, business management, or other CTE programs.

(2) Prior to or during the application process, a CTE center and its partners shall consult with the Board and other organizations to identify and consider potential funding partners to leverage amounts available through the Fund.

(3) A CTE center and its partners shall apply to the Board for funding by submitting a project application that includes the information required by the Board and addresses the following:

(A) the educational benefits for students and fit with the CTE curriculum;

(B) the community benefits for the neighborhood, municipality, or region in which the project is located; and

(C) the partners with whom the CTE center is collaborating and the respective responsibility for the aspects of a project, including:

(i) educational instruction and academic credit;

(ii) project management;

(iii) insurance coverage for students and the property;

(iv) compensation and benefits, including compliance with labor laws, standards, and practices; and

(v) property acquisition, ownership, and transfer.

(4) A CTE center may use funding for, and shall specify in its application the allocation of costs associated with:

(A) acquisition, design, permitting, construction, marketing, and other building-related expenses; and

(B) costs for labor, including for student wages and for instructor compensation during the academic year as well as for summer or other work that is not otherwise budgeted during the academic year.

(d) Eligibility; review; approval. The Board may approve an application that includes the information required by subsection (c) of this section and provide funding for a project that meets the following eligibility criteria:

(1) The project involves the rehabilitation of one of the following types of property that require repair and improvement:

(A) blighted or otherwise non-code-compliant residential property that results in a building with not more than four dwelling units that are affordable to seniors, households with lower income, or other communities that need access to affordable housing;

(B) municipal facilities;

(C) school buildings or related educational facilities; or

(D) commercial construction projects that have substantial community benefit.

(2) The project includes a weatherization component.

(3) Students working on the project receive academic credit, a competitive wage, or both.

(e) Affordability; flexibility. If appropriate in the circumstances, the Board shall condition funding for a project on the inclusion of one or mechanisms addressing the affordability of the property upon rent or sale.

(f) Funding; proceeds; revolving loans.

(1) The Board shall provide funding for projects from the amounts available in the Fund in the form of zero-interest loans, in an amount, for a period, and upon terms specified by the Board.

(2) If a completed project results in a gain for a CTE center, upon the sale or transfer of a completed project, or upon completion of any rehabilitation work, the CTE center shall return any loan proceeds and any profits realized to the Board to provide funding for future projects through the Fund.

(3) If a completed project results in a loss for the CTE center, upon the sale or transfer of a completed project, or upon completion of any rehabilitation work, the Board shall hold the CTE center harmless for the amount of the loss and the CTE center shall return any remaining loan funds to the Board to provide funding for future projects through the Fund.

(g) Eligible CTE Center. For purposes of the Program, an existing alternative technical education provider that receives funding from the Education Fund may participate in the Program if:

(1) the regional CTE Center for a region chooses not to participate in the Program; and

(2) the alternative technical education provider can offer a comparable educational opportunity through the Program for technical students in that region.

(h) Report. The Board shall address the implementation of this section in its annual report to the General Assembly.

Sec. 17. [Reserved.]

Sec. 18. AGENCY OF HUMAN SERVICES; EMPLOYEE EDUCATION PROGRAMS

On or before January 15, 2023, the Agency of Human Services shall catalogue all educational programs and opportunities it makes available to its employees, including identifying which programs and opportunities are offered to which employees, and report those findings to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

Sec. 19. HEALTH CARE WORKFORCE; LEGISLATIVE INTENT

(a) The General Assembly values all health care workers, at every level and in each component of the health care system. The General Assembly also acknowledges the many struggles faced by health care workers and that the pandemic has placed further strain on an already taxed system. Many health care workers have not had their pay adjusted over time to address increases in the cost of living, essentially amounting to pay cuts from year to year. Health care workers have experienced burnout, trauma, and moral injuries due to a history of underfunding and the present stress of the pandemic. In addition, the combination of the pandemic and continued health care workforce shortages has created an unsustainable reliance on traveling nurses that must be addressed.

(b) In order to retain and recruit health care workers in Vermont, it is the intent of the General Assembly to invest in multiple solutions aimed at reinforcing our health care workforce in the present and sustaining our health care workers into the future.

Sec. 20. EMERGENCY GRANTS TO SUPPORT NURSE FACULTY AND STAFF

(a) In fiscal year 2023 the amount of $1,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health and shall carry forward for the purpose of providing emergency interim grants to Vermont's nursing schools over two years to increase the compensation for their nurse faculty and staff, with $500,000.00 to be distributed in each of fiscal years 2023 and 2024 to increase the compensation for each full-time-equivalent (FTE) member of the clinical and didactic nurse faculty and staff. The Department shall distribute the funds among the nursing schools in Vermont equitably based on each school's proportion of nursing faculty and staff to the total number of FTE nursing faculty and staff across all nursing schools statewide.

(b) If the nurse faculty or staff, or both, of a nursing school receiving a grant under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the nursing school for those faculty or staff, or both, shall be subject to impact bargaining between the nursing school and the collective bargaining representative of the nurse faculty or staff, or both, to the extent required by the applicable collective bargaining agreement.

Sec. 21. NURSE PRECEPTOR INCENTIVE GRANTS; HOSPITALS; WORKING GROUP; REPORT

(a)(1) In fiscal year 2023 the amount of $1,400,000.00 is appropriated from the General Fund to the Agency of Human Services to provide incentive grants to hospital-employed nurses in Vermont to serve as preceptors for nursing students enrolled in Vermont nursing school programs. The Agency shall distribute the funds to hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of $5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds. The Agency shall prioritize funding for hospitals that provide matching funds for additional preceptor compensation or that commit to providing future compensation and support to expanding the number of preceptors.

(2) If nurse preceptors receiving compensation pursuant to a grant awarded to a hospital under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the hospital for the nurse preceptors shall be subject to impact bargaining between the hospital and the collective bargaining representative of the nurses to the extent required by the collective bargaining agreement.

(b)(1) The Director of Health Care Reform or designee in the Agency of Human Services shall convene a working group of stakeholders representing nursing schools, the Vermont Area Health Education Centers, long-term care facilities, designated and specialized service agencies, federally qualified health centers, home health agencies, primary care practices, and other health care facilities to:

(A) identify ways to increase clinical placement opportunities across a variety of health care settings for nursing students enrolled in Vermont nursing school programs, including exploring opportunities for participation through remote means;

(B) establish sustainable funding models for compensating nurses serving as preceptors or for supporting the hiring of additional nurses to alleviate the pressures on nurse preceptors, or both; and

(C) develop an action plan for implementing the clinical placement expansion and sustainable funding models identified and established pursuant to subdivisions (A) and (B) of this subdivision (1), including addressing the need for student housing opportunities.

(2) On or before January 15, 2023, the Director of Health Care Reform shall provide the working group's action plan and any recommendations for legislative action to the House Committees on Health Care, on Commerce and Economic Development, and on Appropriations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Appropriations.

Sec. 22. HEALTH CARE EMPLOYER NURSING PIPELINE AND APPRENTICESHIP PROGRAM

(a) In fiscal year 2023 the amount of $2,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Vermont State College System and shall carry forward for the purpose of providing grants to health care employers, including hospitals, long-term care facilities, designated and specialized service agencies, federally qualified health centers, and other health care providers, to establish or expand partnerships with Vermont nursing schools to create nursing pipeline or apprenticeship programs, or both, that will train members of the health care employers' existing staff, including personal care attendants, licensed nursing assistants, and licensed practical nurses, to become higher-level nursing professionals. Through a combination of scholarship awards, grants awarded to health care employers pursuant to this section, and the health care employer's contributions, the trainees' tuition and fees shall be covered in full, and trainees shall be provided with assistance in meeting their living costs, such as housing and child care, while attending the program.

(b) In awarding grants pursuant to this section, the Vermont State College System shall give priority to health care employer proposals based on the following criteria:

(1) the extent to which the health care employer proposes to participate financially in the program;

(2) the extent of the health care employer's commitment to sustaining the program financially, including providing financial support for nurse preceptors, to create ongoing opportunities for educational advancement in nursing;

(3) the ability of the health care employer's staff to leverage nursing scholarship opportunities to maximize the reach of the grant funds;

(4) the employer's demonstrated ability to retain nursing students in the Vermont nursing workforce;

(5) the employer's geographic location, in order to ensure access to pipeline and apprenticeship programs for nursing staff across Vermont; and

(6) the employer's commitment to advancing the professional development of individuals from marginalized communities, especially those that have been historically disadvantaged in accessing educational opportunities and career advancement in the health care professions.

(c)(1) The Vermont State College System shall begin awarding grants under this section expeditiously in order to enable health care employer staff to begin enrolling in nursing school programs that commence in the fall of 2022.

(2) On or before September 15, 2022, the Vermont State College System shall provide an update to the Health Reform Oversight Committee on the status of program implementation.

Sec. 23. 18 V.S.A. § 34 is added to read:

§ 34. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Forgivable loan" means a loan awarded under this section covering tuition, which may also include room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) "Gift aid" means grant or scholarship financial aid received from the federal government or from the State.

(6) "Program" means the Vermont Nursing Forgivable Loan Incentive Program created under this section.

(b) The Vermont Nursing Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a nurse in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at a nursing program at an eligible school;

(2) demonstrate financial need;

(3) maintain good standing at the eligible school at which the individual is enrolled;

(4) agree to work as a nurse in Vermont directly for a Vermont health care provider for a minimum of one year following licensure for each year of forgivable loan awarded.

(5) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (g) of this section, if the individual fails to complete the period of service required in this subsection;

(6) have provided such other documentation as the Corporation may require; and

(7) have completed the Program's application form, the free application for federal student aid (FAFSA), and the Vermont grant application each academic year of enrollment in accordance with a schedule determined by the Corporation.

(e)(1) First priority for forgivable loan funds shall be given to students pursuing a practical nursing certificate who will be eligible to sit for the NCLEX-PN examination upon completion of the certificate.

(2) Second priority for forgivable loan funds shall be given to students pursuing an associate's degree in nursing who will be eligible to sit for the NCLEX-RN examination upon graduation.

(3) Third priority for forgivable loan funds shall be given to students pursuing a bachelor of science degree in nursing.

(4) Fourth priority shall be given to students pursuing graduate nursing education.

(f) In addition to the priorities established in subsection (e) of this section:

(1) Vermont residents attending an eligible school in Vermont shall receive first priority for forgivable loans;

(2) Vermont residents attending an eligible school in another state shall receive second priority for forgivable loans;

(3) Nonresidents attending an eligible school in Vermont shall receive third priority for forgivable loans; and

(4) Nonresidents attending an eligible school in another state shall receive fourth priority for forgivable loans.

(g) If an eligible individual fails to serve as a nurse in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free credit agreement or promissory note signed by the individual at the time of entering the Program.

(h) There shall be no deadline to apply for a forgivable loan under this section. Forgivable loans shall be awarded on a rolling basis as long as funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Department of Health and the Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

(i) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, including maximum forgivable loan amounts.

Sec. 24. REPEAL

18 V.S.A. § 31 (educational assistance; incentives; nurses) is repealed.

Sec. 25. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $100,000.00 in General Fund investment funds is appropriated to the Department of Health for forgivable loans for nursing students under the Vermont Nursing Forgivable Loan Incentive Program established in Sec. 23 of this act.

Sec. 26. 18 V.S.A. § 35 is added to read:

§ 35. VERMONT CARE PROFESSIONAL LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) "AHEC" means the Vermont Area Health Education Centers program.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements for loan repayment under this section.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Loan repayment" means the cancellation and repayment of loans under this section.

(5) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by an accredited educational lender for attendance at an eligible school.

(6) "Program" means the Vermont Health Care Professional Loan Repayment Program created under this section.

(b) The Vermont Health Care Professional Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with AHEC. The Program provides loan repayment on behalf of individuals who live and work in this State as a health care professional, including as a nurse, physician assistant, dental hygienist, medical technician, primary care provider, child psychiatrist, general surgeon, emergency medical service professional, paramedic, or in another field experiencing a health care workforce shortage and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by AHEC, subject to the appropriation of funds by the General Assembly specifically for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) have graduated from an eligible school where the individual was awarded a degree in a field experiencing a health care workforce shortage in this State;

(2) work in this State as a nurse, physician assistant, dental hygienist, medical technician, primary care provider, child psychiatrist, general surgeon, emergency medical service professional, paramedic, or in another field experiencing a health care workforce shortage; and

(3) be a resident of Vermont.

(e)(1) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a health care professional in this State.

(2) AHEC shall award loan repayments in amounts that are sufficient to attract high-quality candidates while also making a meaningful increase in Vermont's health care professional workforce. AHEC shall prioritize awards to candidates working in fields in which Vermont is experiencing the greatest health care workforce shortages.

Sec. 27. VERMONT HEALTH CARE PROFESSIONAL LOAN REPAYMENT PROGRAM; APPROPRIATION

In fiscal year 2023 the amount of $3,000,000.00 is appropriated from the General Fund to the Department of Health for loan repayment for health care professionals under the Vermont Health Care Professional Loan Repayment Program established in Sec. 26 of this act.

Sec. 28. 18 V.S.A. § 36 is added to read:

§ 36. NURSE FACULTY FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Forgivable loan" means a loan awarded under this section covering tuition, which may also cover room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) "Gift aid" means grant or scholarship financial aid received from the federal government or from the State.

(6) "Nurse faculty member" or "member of the nurse faculty" means an individual with a master's or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(7) "Program" means the Nurse Faculty Forgivable Loan Program created under this section.

(b) The Nurse Faculty Forgivable Loan Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a member of the nurse faculty at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly specifically for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at an eligible school in a program that leads to a graduate degree in nursing;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) agree to work as member of the nurse faculty at a nursing school in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded.

(4) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (e) of this section if the individual fails to complete the period of service required in subdivision (3) of this subsection;

(5) have completed the Program's application form and the free application for federal student aid (FAFSA) in accordance with a schedule determined by the Corporation; and

(6) have provided such other documentation as the Corporation may require.

(e) If an eligible individual fails to serve as a nurse faculty member at a nursing school in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(f) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, including maximum forgivable loan amounts.

Sec. 29. NURSE FACULTY FORGIVABLE LOAN PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery

Funds to the Department of Health for forgivable loans for nurse faculty members under the Nurse Faculty Forgivable Loan Program established in Sec. 28 of this act.

Sec. 29a. 18 V.S.A. § 37 is added to read:

§ 37. NURSE FACULTY LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) "AHEC" means the Vermont Area Health Education Centers program.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for loan repayment.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Gift aid" means grant or scholarship financial aid received from the federal government or from the State.

(5) "Loan repayment" means the cancellation and repayment of loans under this section.

(6) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by an accredited educational lender for attendance at an eligible school.

(7) "Nurse faculty member" or "member of the nurse faculty" means a nurse with a master's or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(8) "Program" means the Nurse Faculty Loan Repayment Program created under this section.

(b) The Nurse Faculty Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with AHEC. The Program provides loan repayment on behalf of individuals who work as nurse faculty members at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by AHEC, subject to the appropriation of funds by the General Assembly specifically for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) graduated from an eligible school where the individual was awarded a graduate degree in nursing;

(2) work as a member of the nurse faculty at a nursing school in this State; and

(3) be a resident of Vermont.

(e) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a member of the nurse faculty at a nursing school in this State.

Sec. 29b. NURSE FACULTY LOAN REPAYMENT PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for loan repayment for nurse faculty members under the Nurse Faculty Loan Repayment Program established in Sec. 29a of this act.

Sec. 29c. 18 V.S.A. § 38 is added to read:

§ 38. VERMONT MENTAL HEALTH PROFESSIONAL FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) "Eligible school" means a school in the Vermont State College System.

(4) "Forgivable loan" means a loan awarded under this section covering tuition, which may also cover room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) "Gift aid" means grant or scholarship financial aid received from the federal government or from the State.

(6) "Program" means the Vermont Mental Health Professional Forgivable Loan Incentive Program created under this section.

(b) The Vermont Mental Health Professional Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in a master's program at an eligible school who commit to

working as a mental health professional in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Vermont Student Assistance Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at a school in this State in a program, whether through in-person or remote instruction, that leads to a master's degree in a mental health field;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) have used any available gift aid;

(4) agree to work as a mental health professional in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded;

(5) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (e) of this section if the individual fails to complete the period of service required in subdivision (4) of this subsection;

(6) have completed the Program's application form and the free application for federal student aid (FAFSA) in accordance with a schedule determined by the Corporation; and

(7) have provided such other documentation as the Corporation may require.

(e) If an eligible individual fails to serve as a mental health professional in this State in compliance with the Program for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

Sec. 29d. VERMONT MENTAL HEALTH PROFESSIONAL FORGIVABLE LOAN INCENTIVE PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $1,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery

Funds to the Department of Health for forgivable loans under the Vermont Mental Health Professional Forgivable Loan Incentive Program established in Sec. 29c of this act.

Sec. 29e. AGENCY OF HUMAN SERVICES; DESIGNATED AND SPECIALIZED SERVICE AGENCIES; WORKFORCE DEVELOPMENT

(a) In fiscal year 2023, the amount of $1,250,000.00 is appropriated to the Agency of Human Services, of which $1,000,000 is from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds and $250,000.00 is from the General Fund, to be distributed to the designated and specialized service agencies equitably based on each agency's proportion of full-time equivalent (FTE) mental health and substance use disorder treatment staff to the total number of FTE mental health and substance use disorder treatment staff across all designated and specialized service agencies statewide. The designated and specialized service agencies shall use these funds for loan repayment and tuition assistance to promote the recruitment and retention of high-quality mental health and substance use disorder treatment professionals available to Vermont residents in need of their services, as set forth in subsection (b) of this section.

(b)(1) Each designated and specialized service agency shall make the funds received pursuant to subsection (a) of this section available to its current and prospective employees as set forth in subdivisions (A) and (B) of this subdivision (1) on a rolling basis in exchange for a one-year service obligation to provide mental health services or substance use disorder treatment services, or both, at a designated or specialized service agency in this State. The funds may be used for the following purposes:

(A) loan repayment for master's-level clinicians, bachelor's-level direct service staff, and nurses; and

(B) tuition assistance for individuals pursuing degrees to become master's-level clinicians, bachelor's-level direct service staff, and nurses.

(2) Loan repayment and tuition assistance funds shall be available to the current and prospective employees of designated and specialized service agencies in the form of forgivable loans, with the debt forgiven upon the employee's completion of the required service obligation.

(c) On or before March 1, 2023, the Agency of Human Services shall make a presentation available to the House Committees on Appropriations, on Health Care, and on Human Services; the Senate Committees on Appropriations and on Health and Welfare on the use of the funds appropriated in this section.

Sec. 30. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

* * *

(10) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs; ~~and~~

(11) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

(12) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; and

(13) consider the salaries for the hospital's executive and clinical leadership and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states.

* * *

Sec. 31. GREEN MOUNTAIN CARE BOARD; FISCAL YEAR 2023 HOSPITAL BUDGET REVIEW; NURSING WORKFORCE DEVELOPMENT INITIATIVES

For hospital fiscal year 2023, the Green Mountain Care Board may exclude all or a portion of a hospital's investments in nursing workforce development initiatives from any otherwise applicable financial limitations on the hospital's budget or budget growth. Notwithstanding any provision of GMCB Rule 3.202, the Board may modify its hospital budget guidance for hospital fiscal year 2023 as needed to comply with this section.

Sec. 32. AGENCY OF HUMAN SERVICES; HEALTH CARE WORKFORCE DATA CENTER

(a) In fiscal year 2023, the amount of $750,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery

Funds to the Office of Health Care Reform in the Agency of Human Services to enable the Agency to establish and operate the statewide Health Care Workforce Data Center. In order to enhance the State's public health data systems, respond to the COVID-19 public health emergency, and improve the State's COVID-19 mitigation and prevention efforts, the Center shall collect health care workforce data, shall collaborate with the Director of Health Care Reform to identify and propose solutions to address data gaps, and shall share the data with the Green Mountain Care Board as appropriate to inform the Board's Health Resource Allocation Plan responsibilities pursuant to 18 V.S.A. § 9405.

(b) The Center shall use existing statewide information to the extent practicable to avoid imposing administrative burdens on health care providers and to avoid duplication of efforts underway elsewhere in Vermont. The Center shall expand its data collection practices over two years to include all levels of the health care workforce, beginning with the highest-level licensed health care professionals.

(c) In order to ensure the Center has access to accurate and timely health care workforce data, the Center:

(1) shall have the cooperation of other State agencies and departments in responding to the Center's requests for information;

(2) may enter into data use agreements with institutions of higher education and other public and private entities, to the extent permitted under State and federal law; and

(3) may collect vacancy and turnover information from health care employers.

(d) One permanent classified Health Care Workforce Data Center Manager position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to manage the Health Care Workforce Data Center created pursuant to this section.

(e) The Agency of Human Services may include proposals for additional funding or data access, or both, for the Center as part of the Agency's fiscal year 2024 budget request.

Sec. 33. [Reserved.]

Sec. 34. AGENCY OF HUMAN SERVICES; POSITION; APPROPRIATION

(a) One classified, three-year limited-service Health Care Workforce Coordinator position is created in the Agency of Human Services, Office of

Health Care Reform in fiscal year 2023 to support the health care workforce initiatives set forth in this act and in the Health Care Workforce Development Strategic Plan. The Coordinator shall focus on building educational, clinical, and housing partnerships and support structures to increase and improve health care workforce training, recruitment, and retention.

(b) In fiscal year 2023 the amount of $170,000.00 is appropriated from the General Fund to the Agency of Human Services, Office of Health Care Reform for the Health Care Workforce Coordinator position, of which $120,000.00 is for personal services and $50,000.00 is for operating expenses.

Sec. 35. DEPARTMENT OF LABOR; GREEN MOUNTAIN CARE BOARD; SUPPLY AND DEMAND MODELING

On or before January 15, 2023, the Department of Labor, in collaboration with the Green Mountain Care Board, shall explore and recommend to the House Committees on Health Care, on Human Services, and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs a process, methodology, and necessary funding amounts to establish and maintain the capacity to perform health care supply and demand modeling based on information in the Health Care Workforce Data Center, for use by health care employers, health care educators, and policymakers.

Sec. 36. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to access clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.

Sec. 37. 33 V.S.A. § 3543 is amended to read:

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program for the purpose of providing student loan repayment assistance to any individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A)(i) work in a privately operated center-based child care program or in a family child care home that is regulated by the Division for at least an average of 30 hours per week for 48 weeks of the year; or

(ii) if the individual is an employee of a Vermont Head Start program that operates fewer than 48 weeks per year, work a minimum of nine months of the year, inclusive of any employer-approved time off;

(B) receive an annual salary of not more than $50,000.00 through the individual's work in regulated childcare; and

(C) have earned an associates or bachelor's degree with a major concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

* * *

Sec. 38. PILOT PROGRAM; POSITIONS EMBEDDED WITHIN RECOVERY CENTERS

(a)(1) In fiscal year 2023 the amount of $1,290,000.00 is appropriated from the General Fund to the Department for Disabilities, Aging, and Independent Living's Division of Vocation Rehabilitation for the purpose of developing and implementing a two-year pilot program that authorizes 15 FTE new limited-service positions embedded within 12 recovery centers across the State.

(2) The 15 FTE limited-service positions shall be allocated as follows:

(A) Of the total appropriation, not more than $540,000.00 total may be allocated in equal amounts to fund the following 2.5 FTE at each of two geographically diverse recovery centers:

(i) one FTE to serve as an employment counselor within the Division of Vocation Rehabilitation;

(ii) one FTE to serve as an employment consultant within the Vermont Association of Business Industry and Rehabilitation; and

(iii) 0.5 FTE to serve as Employment Assistance Program staff within the Division of Vocation Rehabilitation.

(B) Of the total appropriation, $75,000.00 may be allocated in equal amounts to fund a minimum of one-half FTE position, who shall serve as an employment support counselor, at each of the 10 remaining recovery centers in the State.

(C) Any amounts not appropriated for positions may be used to provide stipends for transportation, child care, or other costs necessary to enable clients to work.

(b) On or before January 1, 2024, the Division of Vocational Rehabilitation, in collaboration with the Vermont Association of Business Industry and Rehabilitation and the Division of Alcohol and Drug Abuse Programs, shall submit a report to the House Committees on Commerce and Economic Development and on Human Services and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare summarizing the effectiveness of the pilot program, including:

(1) educational attainment and achievement of program recipients;

(2) acquisition of a credential of value pursuant to 10 V.S.A. § 546;

(3) number of job placements; and

(4) job retention rates.

Sec. 39. CREDENTIAL OF VALUE GOAL; PUBLIC-PRIVATE PARTNERSHIP; APPROPRIATION

(a) Duties. In fiscal year 2023, the amount of $150,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for a performance-based contract to perform the following duties, in coordination and alignment with State partners, in support of the State's goal articulated in 10 V.S.A. § 546 that 70 percent of working-age Vermonters hold a credential of value by 2025 (Goal):

(1) increase public awareness of the value of postsecondary education and training to help persons of any age make informed decisions about the value of education and training that would further their advancement in educational pathways and pursuit of career goals, through targeted outreach as outlined in subsection (b) of this section;

(2) promote a broad understanding of the public good and value in achieving the State's Goal and of actions stakeholders can take to increase attainment;

(3) assist or coordinate with stakeholders, such as educational, business, governmental, nonprofit, and philanthropic organizations, in activities that seek to align the delivery of high-quality education and training opportunities with career advancement and support the policy priorities outlined in 10 V.S.A. § 546;

(4) collect and display publicly available, nonconfidential information about postsecondary credentials available to Vermonters;

(5) facilitate conversations or provide information about the national best practices in aligning, recognizing, measuring, tracking, and promoting postsecondary credentials of value to the Vermont Department of Labor, the Department of Economic Development, the State Workforce Development Board, and the Agency of Education when requested;

(6) maintain web-based resources that provide information about opportunities to obtain a postsecondary credential of value, in coordination with State partners;

(7) support the Vermont Department of Labor and Agency of Education transition or integration of Advance Vermont's web-based resources and collected information referenced in subdivisions (4) and (6) of this subsection into a State-supported system in a coordinated way; and

(8) meet on a quarterly basis with the Vermont Department of Labor and Agency of Education about activities described in this subsection.

(b) Outreach. The contractor may use funds awarded by the State to:

(1) create and distribute public-facing communications and resources related to the duties described in this section; and

(2) offer support to career and education counselors, employment and training counselors, jobseekers and their families, and other stakeholders, consistent with best practice and State policy and programs, to help them better understand the postsecondary education and training landscape.

(c) Reports. The contractor shall provide written reports to:

(1) the Vermont Department of Labor and Agency of Education about anticipated work and activities using a simplified reporting template jointly developed by the contractor and the State entities on a quarterly basis; and

(2) on or before December 15, 2022, the House and Senate committees of jurisdiction regarding the use of funds, activities performed, and outcomes achieved pursuant to this section.

Sec. 40. VERMONT SERVE, LEARN, AND EARN PROGRAM; APPROPRIATION

(a) In fiscal year 2023, the amount of $2,000,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation to continue funding through the pilot project Vermont Serve, Learn, and Earn Program, which supports workforce development goals through creating meaningful paid service and learning opportunities for young adults, and which has a goal to serve 1,700 participants and complete 13,000 service weeks over the next three years, through the Vermont Youth Conservation Corps, Vermont Audubon, Vermont Works for Women, and Resource VT.

(b) The Department shall provide the legislative committees of jurisdiction an interim Program reports on or before January 15, 2023 and 2024 and a final Program report on or before January 15, 2025.

Sec. 41. ADULT EDUCATION AND LITERACY; FINDINGS

The General Assembly finds:

(1) Adult education and literacy services are a key piece of the workforce development system and serve as the entryway into career readiness and workforce development for tens of thousands of our most vulnerable Vermonters, those with low literacy, under-education, or those simply in need of increased skills so that they can succeed.

(2) 36,000 adults in Vermont do not have a high school credential, and tens of thousands more lack the skills to matriculate into and be successful in college, in career training programs, or both. Adult education and literacy providers are the first stop on the path to the transformative opportunities that Vermont is offering for these individuals.

(3) Adult education and literacy services help people build the assets they need to move out of poverty successfully, as well as the confidence to continue to move toward success throughout their lives. Students are supported to identify concrete goals and then break those goals down into steps. Students set goals in the domains of:

(A) family and life;

(B) academics; and

(C) career and college readiness.

Sec. 42. FINDINGS; FOREST FUTURE STRATEGIC ROADMAP

The General Assembly finds for the purposes of this section and Secs. 43 to 45 of this act:

(1) Private and public forestlands:

(A) constitute unique and irreplaceable resources, benefits, and values of statewide importance;

(B) contribute to the protection and conservation of wildlife habitat, air, water, and soil resources of the State;

(C) mitigate the effects of climate change; and

(D) benefit the general health and welfare of the persons of the State.

(2) The forest products sector, including maple sap collection:

(A) is a major contributor to and is valuable to the State's economy by providing nearly 14,000 jobs for Vermonters, generating $2.1 billion in annual sales, and supporting $30.8 million in additional economic activity from trail uses and seasonal tourism;

(B) is essential to the manufacture of forest products that are used and enjoyed by the persons of the State; and

(C) benefits the general welfare of the persons of the State.

(3) Private and public forestlands are critical for and contribute significantly to the State's outdoor recreation and tourism economies.

(4) Eighty percent of Vermont's forestland is held in private ownership, of which 56 percent of private lands are enrolled in the forestland category of Vermont's Use Value Appraisal Program (UVA). UVA is Vermont's most important conservation program and contains the largest foundation of supply to support a vibrant forest-based rural economy.

(5) Economic realities and demand pressures for urban, commercial, and residential land uses throughout the State continue to challenge forest landowners trying to maintain intact forests. Forest fragmentation can adversely affect the natural environment and viable forest management. Addressing the economic and social needs of the forest products sector is paramount to keeping forests intact, viable, and healthy.

(6) The encouragement, development, improvement, and preservation of forestry operations will result in extant, intact, and functioning forests that will provide a general benefit to the health and welfare of the persons of the State and the State's economy.

(7) To strengthen, promote, and protect the Vermont forest products sector, the State should establish the Vermont Forest Future Strategic Roadmap.

Sec. 43. 10 V.S.A. chapter 82 is added to read:

CHAPTER 82. VERMONT FOREST FUTURE STRATEGIC ROADMAP

§ 2531. VERMONT FOREST FUTURE STRATEGIC ROADMAP

(a) Creation. The Commissioner of Forests, Parks and Recreation shall create the Vermont Forest Future Strategic Roadmap to strengthen, modernize, promote, and protect the forest products sector in Vermont. The Commissioner of Forests, Parks and Recreation may contract with a qualified contractor for the creation of the Vermont Forest Future Strategic Roadmap. During the contract proposal process, the Commissioner of Forests, Parks and Recreation shall seek a proposal to complete the Vermont Forest Future Strategic Roadmap from the Vermont Sustainable Jobs Fund.

(b) Intended outcomes. The intended outcomes of the Vermont Forest Future Strategic Roadmap are to:

(1) increase sustainable economic development and jobs in Vermont's forest economy;

(2) promote ways to expand the workforce and strengthen forest product enterprises in order to strengthen, modernize, promote, and protect the Vermont forest economy into the future;

(3) promote the importance of healthy, resilient, and sustainably managed working forests that provide a diverse array of high-quality products now and in the future; and

(4) identify actionable strategies designed to strengthen, modernize, promote, and protect the forest products sector in Vermont, including opportunities for new product development, opening new markets for Vermont forest products, adopting modern manufacturing processes, and utilizing new ways to market Vermont forest products.

(c) Strategic Roadmap content. In developing the Vermont Forest Future Strategic Roadmap, the Commissioner of Forests, Parks and Recreation or the relevant contractor shall:

(1) review all existing data, plans, and industry-level research completed over the past 10 years, including the Working Lands Enterprise Fund's Forest Sector Systems Analysis, and identify any recommendations in those reports in order to build upon previous efforts;

(2) identify infrastructure investment and funding to support and promote Vermont forest products enterprises;

(3) identify regulatory barriers and propose policy recommendations to support and strengthen the Vermont forest economy;

(4) identify opportunities for all State agencies to engage with and enhance the Vermont forest products sector, including the Department of Buildings and General Services, the Agency of Commerce and Community Development, the Department of Tourism and Marketing, the Agency of Education, the Agency of Transportation, the Department of Public Service, the Agency of Natural Resources, the Department of Financial Regulation, and the Department of Labor;

(5) develop recommendations to support education and training of the current and future workforce of the Vermont forest products sector;

(6) propose alternatives for the modernization of transportation and regulation of Vermont forest products enterprises, including modernization of local and State permits;

(7) identify methods or programs that Vermont forest enterprises can utilize to access business assistance services;

(8) recommend how to maintain access by Vermont forest products enterprises to forestland and how to maintain the stewardship and conservation of Vermont forests as a whole;

(9) propose methods to enhance market development and manufacturing by Vermont forest products enterprises, including value chain coordination and regional partnerships;

(10) recommend consumer education and marketing initiatives; and

(11) recommend how to clarify the roles of various public entities and nongovernmental organizations that provide certain services to the forestry sector and to ensure coordination and alignment of those functions in order to advance and maximize the strength of the forest products industry.

(d) Process for development of Vermont Forest Future Strategic Roadmap.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall develop the Vermont Forest Future Strategic Roadmap and all subsequent revisions through the use of a public stakeholder process that includes and invites participation by interested parties representing all users of Vermont's forests, including representatives of forest products enterprises, State agencies, investors, forestland owners, recreational interests, loggers, foresters, truckers, sawmills, firewood processors, wood products manufacturers, education representatives, and others.

(2) The Commissioner of Forests, Parks and Recreation, in collaboration with forest products sector stakeholders, shall review the Strategic Roadmap periodically and shall update the Strategic Roadmap at least every 10 years.

(e) Advisory panel; administration.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall convene a Vermont Forest Future Strategic Roadmap advisory panel to review and counsel in the development and implementation of the Vermont Forest Future Strategic Roadmap. The advisory panel shall include representatives of forest products enterprises, State agencies, investors, forestland owners, foresters, loggers, truckers, wood products manufacturers, recreational specialists, education representatives, trade organizations, and other partners as deemed appropriate. The Commissioner of Forests, Parks and Recreation shall select representatives to the advisory panel.

(2) The Commissioner of Forests, Parks and Recreation or relevant contractor may seek grants or other means of assistance to support the development and implementation of the Vermont Forest Future Strategic Roadmap.

Sec. 44. IMPLEMENTATION

(a) The Commissioner of Forests, Parks and Recreation or relevant contractor shall submit to the General Assembly:

(1) draft recommendations for the Vermont Forest Future Strategic Roadmap on or before July 1, 2023; and

(2) a final report and recommendations for the Vermont Forest Future Strategic Roadmap on or before January 1, 2024.

(b) Any recommendation submitted under this section shall include recommended appropriations sufficient to implement the recommendation or the Vermont Forest Future Strategic Roadmap as a whole.

Sec. 45. APPROPRIATIONS

In addition to any other funds appropriated to the Department of Forests, Parks and Recreation, in fiscal year 2023 the amount of $250,000.00 is appropriated from the General Fund to the Department to enter a two-year contract in fiscal year 2023 for the purpose of contracting for the development of the Vermont Forest Future Strategic Roadmap required by 10 V.S.A. § 2531.

* * * Purpose * * *

Sec. 46. PURPOSE

The purpose of Secs. 47–59b of this act is to address the negative economic impacts of COVID-19 on Vermont's economy, employers, workers, and families while simultaneously leveraging opportunities to grow Vermont's economy.

* * * Relocating Employee Incentives * * *

Sec. 47. 10 V.S.A. § 4 is amended to read:

§ 4. NEW RELOCATING EMPLOYEE INCENTIVES

(a) The Agency of Commerce and Community Development shall design and implement a program to award incentive grants to relocating employees as provided in this section and subject to the policies and procedures the Agency adopts to implement the program.

(b) A relocating employee may be eligible for a grant under the program for qualifying expenses, subject to the following:

(1) A base grant shall not exceed $5,000.00.

(2) The Agency may award an enhanced grant, which shall not exceed $7,500.00, for a relocating employee who becomes a resident in a labor market area in this State in which:

(A) the average annual unemployment rate in the labor market area exceeds the average annual unemployment rate in the State; or

(B) the average annual wage in the State exceeds the annual average wage in the labor market area.

(c) The Agency shall:

(1) adopt procedures for implementing the program, which shall include a simple certification process to certify relocating employees and qualifying expenses;

(2) promote awareness of the program, including through coordination with relevant trade groups and by integration into the Agency's economic development marketing campaigns;

(3) ~~award grants to relocating employees on a first-come, first-served basis beginning on July 1, 2021, subject to available funding~~ adopt procedures to initially approve an applicant for a grant after verifying a relocating employee's eligibility and to make final payment of a grant after verifying that the relocating employee has completed relocation to this State; and

(4) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the program.

(d) ~~On~~ Annually, on or before January 15~~, 2022~~, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the policies and procedures adopted to implement the program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling.

(e) As used in this section:

(1) "Qualifying expenses" means the actual costs a relocating employee incurs for relocation expenses, which may include moving costs, closing costs for a primary residence, rental security deposit, one month's rent payment, and other relocation expenses established in Agency guidelines.

(2) "Relocating employee" means an individual who meets the following criteria:

(A)(i) On or after July 1, 2021:

(I) the individual becomes a full-time resident of this State;

(II) the individual becomes a full-time employee at a Vermont location of a for-profit or nonprofit business organization domiciled or authorized to do business in this State, or of a State, municipal, or other public sector employer; and

(III) ~~the individual becomes employed in one of the "Occupations with the Most Openings" identified by the Vermont Department of Labor in its "Short Term Employment Projections 2020-2022"; and~~

~~(IV)~~ the employer attests to the Agency that, after reasonable time and effort, the employer was unable to fill the employee's position from among Vermont applicants; or

(ii) on or after February 1, 2022:

(I) the individual becomes a full-time resident of this State; and

(II) the individual is a full-time employee of an out-of-state business and performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(B) The individual receives gross salary or wages that equal or exceed the Vermont livable wage rate calculated pursuant to 2 V.S.A. § 526.

(C) The individual is subject to Vermont income tax.

Sec. 48. THINK VERMONT REGIONAL RECRUITMENT AND RELOCATION NETWORK

(a) Regional recruitment and relocation network. The Department of Tourism and Marketing shall launch and lead a coordinated regional relocation network to facilitate the successful recruitment and relocation of individuals to Vermont. The Department of Tourism and Marketing shall build capacity to facilitate lead generation and support a network of regional and local entities embedded in their communities who will act as resource coordinators to transform leads into permanent residents. These network partners shall be responsible for providing quick, customized information, resources, and referrals. The network shall be designed to:

(1) leverage all available State and federal resources;

(2) provide a regionally customized customer support pathway for potential residents;

(3) receive, respond to, and track leads generated by State marketing efforts;

(4) ensure that every inquiry is responded to in a timely, appropriate way in support of future employment and successful relocation;

(5) collaborate with regional employers on their recruitment efforts to maximize the sharing of information about employment opportunities and promote placements or matching of applicants;

(6) track, share, and report information between other regional contacts, State agencies, and departments; and

(7) evolve and respond to new needs and resources.

(b) System infrastructure.

(1) The Department shall establish a competitive RFP process, with the goal of contracting with an entity, based on responses received, in each of 12 designated regions. The competitive process will help the Department ensure that there is capacity within responding entities to perform the scope of work required.

(2) The Department shall score the RFP responses and utilize a scoring system to choose a partner entity in each region of the State.

(3) The Department shall create one full-time staff position to maintain oversight and management of the regional network and report on outcomes and relocation services delivered.

(4) The regional network shall be integrated into current recruitment efforts to maximize existing tools such as ThinkVermont.com.

(5) The Department shall leverage its existing programmatic footprint to ensure that relocation assistance is available in every region of the State.

(6) To the extent possible, the regional relocation network shall not duplicate or replace existing public or private recruitment programs.

(7) The Department shall work to coordinate and enhance these efforts to create a wraparound system of support, information, and recordkeeping.

(c) Coordination. The Department shall coordinate with statewide and community-based organizations, as well as Agencies and Departments in State government, including the Department of Labor, the Agency of Human Services, Vocational Rehabilitation, Regional Development Corporations and Regional Planning Commissions, and statewide and local chambers of commerce.

(d) Promotion and marketing.

(1) The Department shall promote Vermont as a relocation destination to attract new residents to the State and generate leads for the regional relocation network.

(2) The Department shall use a mix of marketing tactics, each with specific benchmarks to define success, including:

(A) secure and maintain positive earned media coverage in national, regional, and other news media;

(B) extend the reach of positive news coverage through owned media channels;

(C) utilize paid media opportunities to advertise Vermont as a place to live, work, visit, and do business; and

(D) utilize targeting techniques to reach key populations in high demand occupations in sectors facing workforce shortages in Vermont as well as individuals of diverse backgrounds.

(e) Report. The Department shall include the following metrics in addition to a progress update and any recommendations annually to the General Assembly:

(1) the number of inquiries received and individuals served in each region, by region; and

(2) employment and relocation status data on all individuals served.

(f) Implementation. The Department of Tourism and Marketing shall launch the RFP and select regional network partners based on the responses on or before November 15, 2022.

* * * Capital Investment Grant Program * * *

Sec. 49. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

Sec. H.18 CAPITAL INVESTMENT GRANT PROGRAM

(a) Creation; purpose; regional outreach.

(1) The Agency of Commerce and Community Development shall use the $10,580,000 appropriated to the Department of Economic Development in Sec. G.300(a)(12) of this act to design and implement a capital investment grant program consistent with this section.

(2) The purpose of the program is to make funding available for transformational projects that will provide each region of the State with the opportunity to attract businesses, retain existing businesses, create jobs, and invest in their communities by encouraging capital investments and economic growth.

(3) The Agency shall collaborate with other State agencies, regional development corporations, regional planning commissions, and other community partners to identify potential regional applicants and projects to ensure the distribution of grants throughout the regions of the State.

(b) Eligible applicants.

(1) To be eligible for a grant, an applicant shall comply with the Department of Treasury Final Rule implementing the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act and meet the following criteria:

(A) The applicant is located within this State.

(B) The applicant is:

(i)(I) a for-profit entity with not less than a 10 percent equity interest in the project; or

(II) a nonprofit entity; and

(ii) grant funding from the Program represents not more than ~~50~~ 20 percent of the total project cost.

(C) The applicant demonstrates:

(i) community and regional support for the project;

(ii) that grant funding is needed to complete the project;

(iii) leveraging of additional sources of funding from local, State, or federal economic development programs; and

(iv) an ability to manage the project, with requisite experience and a plan for fiscal viability.

(2) The following are ineligible to apply for a grant:

(A) a State or local government-operated business;

(B) a municipality;

(C) a business that, together with any affiliated business, owns or operates more than 20 locations, regardless of whether those locations do business under the same name or within the same industry; and

(D) a ~~publicly-traded~~ publicly traded company.

(c) Awards; amount; eligible uses.

(1) An award shall not exceed the lesser of ~~$1,500,000.00~~ $1,000,000 or ~~the estimated net State fiscal impact of the project based on Agency modeling~~ 20 percent of the total project cost.

(2) A recipient may use grant funds for the acquisition of property and equipment, construction, renovation, and related capital expenses.

(3) A recipient may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same costs within the same project.

(4) The Agency shall release grant funds upon determining that the applicant has met all Program conditions and requirements.

(5) Nothing in this section is intended to prevent a grant recipient from applying for additional grant funds if future amounts are appropriated for the program.

~~(d) Data model; approval.~~

~~(1) The Agency shall collaborate with the Legislative Economist to design a data model and related methodology to assess the fiscal, economic, and societal impacts of proposals and prioritize them based on the results.~~

~~(2) The Agency shall present the model and related methodology to the Joint Fiscal Committee for its approval not later than September 1, 2021.~~

(e) Application process; decisions; awards.

(1)(A) The Agency shall accept applications on a rolling basis for three-month periods and shall review and consider for approval the group of applications it has received as of the conclusion of each three-month period.

(B) The Agency shall make application information available to the Legislative Economist and the Executive Economist in a timely manner.

(2) ~~Using the data model and methodology approved by the Joint Fiscal Committee, the Agency shall analyze the information provided in an application to estimate the net State fiscal impact of a project, including the following factors:~~

~~(A) increase to grand list value;~~

~~(B) improvements to supply chain;~~

~~(C) jobs impact, including the number and quality of jobs; and~~

~~(D) increase to State GDP.~~ [Repealed.]

(3) The Secretary of Commerce and Community Development shall appoint an interagency team, which may include members from among the Department of Economic Development, the Department of Housing and Community Development, the Agency of Agriculture, Food and Markets, the Department of Public Service, the Agency of Natural Resources, or other State agencies and departments, which team shall review, analyze, and recommend projects for funding consistent with the guidelines the Agency develops in coordination with the Joint Fiscal Office and approved by the Joint Fiscal Committee and based on ~~the estimated net State fiscal impact of a project and on other contributing factors, including~~ the following:

(A) transformational nature of the project for the region;

(B) project readiness, quality, and demonstrated collaboration with stakeholders and other funding sources;

(C) alignment and consistency with regional plans and priorities; and

(D) creation and retention of workforce opportunities.

(4) The Secretary of Commerce and Community Development shall consider the recommendations of the interagency team and shall give final approval to projects.

(f) Grant agreements; post award monitoring.

(1) If selected by the Secretary, the applicant and the Agency shall execute a grant agreement that includes audit provisions and minimum requirements for the maintenance and accessibility of records that ensures that

the Agency and the Auditor of Accounts have access and authority to monitor awards.

(2) The Agency shall publish on its website not later than 30 days after approving an award a brief project description, the name of the grantee, and the amount of a grant.

(g) Report. On or before ~~December 15, 2021~~ February 15, 2023, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the implementation of the program;

(2) the promotion and marketing of the program;

(3) an analysis of the utilization and performance of the program~~, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling~~.

(h) Implementation.

(1) The Agency of Commerce and Community Development shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the Capital Investment Grant Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee for approval prior to accepting applications for grants through the Program.

(2) When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency may designate one or more sectors for priority consideration through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

* * * VEDA Short-Term Forgivable Loans * * *

Sec. 50. VEDA SHORT-TERM FORGIVABLE LOANS

(a) Creation. The Vermont Economic Development Authority shall create a Short-Term Forgivable Loan Program to support Vermont businesses experiencing continued working capital shortfalls as a result of the COVID-19 public health emergency.

(b) Eligible business. An eligible borrower is a for-profit or nonprofit business:

(1) with fewer than 500 employees;

(2) located in Vermont;

(3) that was in operation or had taken substantial steps toward becoming operational as of March 13, 2020; and

(4) that can identify economic harm caused by or exacerbated by the pandemic.

(c) Economic harm.

(1) An applicant shall demonstrate economic harm from lost revenue, increased costs, challenges covering payroll, rent or mortgage interest, or other operating costs that threaten the capacity of the business to weather financial hardships and result in general financial insecurity due to the COVID-19 public health emergency.

(2) The Authority shall measure economic harm by a material decline in the applicant's annual adjusted net operating income before the COVID-19 public health emergency relative to its annual adjusted net operating income during the COVID-19 public health emergency.

(3) When assessing an applicant's adjusted net operating income, the Authority shall consider previous COVID-19 State and federal subsidies, reasonable owner's compensation, noncash expenses, extraordinary items, and other adjustments deemed appropriate.

(4) To be eligible for a loan, the Authority shall determine that a business has experienced at least a 25 percent reduction in its adjusted net operating income in calendar years 2020 and 2021 combined as compared to 2019, or other appropriate basis of comparison where necessary, and that 50 percent or more of the reduction occurred in 2021.

(d) Maximum loan. The Authority shall determine the amount of a loan award pursuant to guidelines adopted pursuant to subsection (f) of this section, provided that a loan shall not exceed the lesser of:

(1) $200,000.00;

(2)(A) six months of eligible fixed costs; or

(B) if, due to the nature of the business and its historical experience fixed costs are not an accurate measure of ongoing operational need, another amount based on a comparable measure of cost; or

(3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021.

(e) Eligible use of loan; loan forgiveness.

(1) A loan recipient may use loan proceeds to pay for eligible fixed costs or operating expenses but shall not use the proceeds for capital expenditures.

(2) The Authority shall approve loan forgiveness based on documentation evidencing loan proceeds were used to pay for eligible fixed costs or operating expenses.

(f) Guidelines. The Vermont Economic Development Authority shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the VEDA Short-Term Forgivable Loan Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee for approval prior to accepting applications for grants through the Program.

(g) Priority sectors. When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency of Commerce and Community Development may designate one or more sectors for priority funding through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

Sec. 51. INTENT; WINDHAM COUNTY ECONOMIC DEVELOPMENT

It is the intent of the General Assembly to take any legislative action necessary:

(1) to transfer all unobligated Windham County Economic Development Program grant funds and Program special fund balances from the Agency of Commerce and Community Development to the Brattleboro Development Credit Corporation not later than October 1, 2022;

(2) to move all Program-related loans and loan servicing functions from the Vermont Economic Development Authority to the Corporation not later than October 1, 2022; and

(3) to ensure that future payments of principal and interest on outstanding loans originally issued by the Authority are paid to the Corporation.

* * * Project-Based Tax Increment Financing * * *

Sec. 52. 24 V.S.A. 1892(d) is amended to read:

(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district:

(1) the City of Burlington, Downtown;

(2) the City of Burlington, Waterfront;

(3) the ~~Town of Milton, North and South~~ Town of Bennington;

(4) the ~~City of Newport~~ City of Montpelier;

(5) the City of Winooski;

(6) the ~~Town of Colchester;~~

~~(7) the~~ Town of Hartford;

~~(8)~~(7) the City of St. Albans;

~~(9)~~(8) the City of Barre;

~~(10)~~(9) the Town of Milton, Town Core; and

~~(11)~~(10) the City of South Burlington.

Sec. 52a. 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:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than ~~six~~ four districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(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~~ four-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.

(D) The Council shall not approve more than one district in Bennington County and one district in Washington County.

* * *

(4) In any year that the assessed valuation of real property in a district decreases in comparison to the original taxable value of the real property in a district, a municipality shall pay the amount equal to the tax calculated based on the original taxable value to the Education Fund.

* * *

(h) To approve utilization of incremental revenues pursuant to subsection (f) of this section:

* * *

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three of the following five criteria:

* * *

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. In the case of a brownfield, the Vermont Economic Progress Council is authorized to adopt rules pursuant to subsection (j) of this section to clarify what is a reasonable improvement, as defined in 24 V.S.A. § 1891, to remediate and stimulate the development or redevelopment in the district. As used in this section, "brownfield" means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

* * *

Sec. 52b. TAX INCREMENT FINANCING PROJECT DEVELOPMENT; PILOT PROGRAM

(a) Definitions. As used in this section:

(1) "Committed" means pledged and appropriated for the purpose of the current and future payment of tax increment financing and related costs as defined in this section.

(2) "Coordinating agency" means any public or private entity from outside the municipality's departments or offices and not employing the municipality's staff, which has been designated by a municipality to administer and coordinate a project during creation, public hearing process, approval process, or administration and operation during the life of the project, including overseeing infrastructure development, real property development and redevelopment, assisting with reporting, and ensuring compliance with statute and rule.

(3) "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 and related costs for the approved project, only if authorized by the legal voters of the municipality in accordance with 24 V.S.A. § 1894. Payment for eligible related costs may also include direct payment by the municipality using the district increment. However, such anticipated payments shall be included in the vote by the legal voters of the municipality in accordance with

subsection (f) of this section. 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 and may qualify as a municipality's first incurrence of debt. A municipality that uses a bond anticipation note during the third or sixth year that a municipality may incur debt pursuant to subsection (f) of this section shall incur all permanent financing not more than one year after issuing the bond anticipation note.

(4) "Improvements" means the installation, new construction, or reconstruction of infrastructure that will serve a public purpose, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, brownfield remediation, and site preparation. "Improvements" also means the funding of debt service interest payments for a period of up to five years, beginning on the date on which the first debt is incurred.

(5) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(6) "Municipality" means a city, town, or incorporated village.

(7) "Nexus" means the causal relationship that must exist between the improvements and the expected development and redevelopment in the TIF Project Zone or the expected outcomes in the TIF Project Zone.

(8) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the project as of the creation date, provided that no parcel within the project shall be divided or bisected.

(9) "Project" means a public improvement, as defined in subdivision (4) of this subsection, with a total debt ceiling, including related costs, and principal and interest payments, of not more than $5,000,000.00. A project must:

(A) Clearly require substantial public investment over and above the normal municipal operating or bonded debt expenditures.

(B) Only include public improvements that are integral to the expected private development.

(C) Meet one of the following four criteria:

(i) The development includes new or rehabilitated affordable housing, as defined in 24 V.S.A. § 4303.

(ii) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, "brownfield" means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

(iii) The development will include at least one entirely new business or business operation or expansion of an existing business within the project, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the Department of Labor.

(iv) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

(10) "Related costs" means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may not include direct municipal expenses such as departmental or personnel costs.

(11) "TIF project zone" means an area located within one or more active designations approved by the Vermont Downtown Development Board under 24 V.S.A. chapter 76A, or located within an industrial park as defined in 10 V.S.A. § 212(7), for the parcels in a municipality that have nexus to the project.

(b) Pilot program. Beginning on January 1, 2023 and ending on December 31, 2027, the Vermont Economic Progress Council is authorized to approve a total of not more than four tax increment financing projects~~, with not more than three projects per year~~; provided, however, that there shall not be more than one project per municipality.

(c) General authority. Under the pilot program established in subsection (b) of this section, a municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council pursuant to the process set forth in subsection (e) of this section to use tax increment financing for a project.

(d) Eligibility.

(1) A municipality is only authorized to apply for a project under this section if:

(A) the project will serve one or more active designations approved by the Vermont Downtown Development Board under 24 V.S.A. chapter 76A, or is located within an industrial park as defined in 10 V.S.A. § 212(7); and

(B) the proposed infrastructure improvements and the projected development or redevelopment are compatible with confirmed municipal and regional development plans and the project has clear local and regional significance for employment, housing, brownfield remediation, or transportation improvements.

(2) A municipality with an approved tax increment financing district as set forth in 24 V.S.A. 1892(d) is not authorized to apply for a project under this section.

(e) Approval process. The Vermont Economic Progress Council shall do all of the following to approve an application submitted pursuant to subsection (c) of this section:

(1)(A) Review each application to determine that the infrastructure improvements proposed to serve the project and the proposed development in the project would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the incremental tax revenues.

(B) The review shall take into account:

(i) the amount of additional time, if any, needed to complete the proposed development for the project and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(ii) how the proposed project components and size would differ, if at all, including, if applicable to the project, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303, without education property tax increment financing;

(iii)(I) the amount of additional revenue expected to be generated as a result of the proposed project;

(II) the percentage of that revenue that shall be paid to the Education Fund;

(III) the percentage that shall be paid to the municipality; and

(IV) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the project; and

(iv) the nexus between the improvement and the expected development and redevelopment for the project and expected outcomes in the TIF Project Zone.

(2) Process requirements. Determine that each application meets all of the following requirements:

(A) The municipality held public hearings and established a project.

(B) The municipality has developed a tax increment financing project plan, including a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements. The creation of the project shall occur at 12:01 a.m. on April 1 of the calendar year the municipal legislative body votes to approve the tax increment financing project plan.

(C) the municipality has approved or pledged the utilization of incremental municipal tax revenues for the purposes of the project in the proportion set for in subdivision (i)(2) of this section.

(f) Incurring indebtedness.

(1) A municipality approved under the process set forth in subsection (e) of this section may incur indebtedness against revenues to provide funding to pay for improvements and related costs for tax increment financing project development.

(2) Notwithstanding any provision of any municipal charter, the municipality shall only require one authorizing vote to incur debt through one instance of borrowing to finance or otherwise pay for the tax increment financing project improvements and related costs; provided, however, that a municipality may present one or more subsequent authorization votes in the event a vote fails. The municipality shall be authorized to incur indebtedness only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(3) Any indebtedness shall be incurred within three years from the date of approval by the Vermont Economic Progress Council, unless the Vermont

Economic Progress Council grants an extension of an additional three years pursuant to the substantial change process set forth in the 2015 TIF Rule; provided, however, that an updated plan is submitted prior to the three-year termination date of the project.

(g) Original taxable value. As of the date the project is approved by the legislative body of the municipality, 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 project 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 project has increased or decreased relative to the original taxable value.

(h) Tax increments.

(1) In each year following the approval of the project, the lister or assessor shall include 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 project 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, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the project that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. Not more than the percentages established pursuant to subsection (i) of this section of the municipal and State education tax increments received with respect to the project and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing project account and in its official books and records until all capital indebtedness of the project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the project in the assessed valuations upon which municipal and other tax rates are computed and extended, and thereafter no taxes from the project shall be deposited in the project's tax increment financing account.

(2) In each year, a municipality shall remit not less than the aggregate original taxable value to the Education Fund.

(3) Notwithstanding any charter provision or other provision, all property taxes assessed within a project shall be subject to the provision of subdivision (1) of this subsection. Special assessments levied under 24 V.S.A. chapter 76A or 87 or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the project and

not for improvements as defined in subdivision (a)(3) of this section.

(4) Amounts held apart under subdivision (1) of this subsection shall only be used for financing and related costs as defined in subsection (a) of this section.

(i) Use of tax increment.

(1) Education property tax increment. For only debt incurred within the period permitted under subdivision (e)(3) of this section after approval of the project, up to 70 percent of the education tax increment may be retained for up to 20 years, beginning with the education tax increment generated the year in which the first debt incurred for the project financed in whole or in part with incremental education property tax revenue. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the 20-year retention period of the education tax increment.

(2) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (e)(3) of this section after approval of the project, not less than 85 percent of the municipal tax increment shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subdivision (1) of this subsection.

(j) Distribution. Of the municipal and education tax increments received in any tax year that exceed the amounts committed for the payment of the financing for improvements and related costs for the project, equal portions of each increment may be retained for the following purposes: prepayment of principal and interest on the financing, placed in a special account required by subdivision (g)(1) of this section and used for future financing payments or used for defeasance of the financing. Any remaining portion of the excess municipal tax increment shall be distributed to the city, town, or village budget, in the proportion that each budget bears to the combined total of the budgets, unless otherwise negotiated by the city, town, or village, and any remaining portion of the excess education tax increment shall be distributed to the Education Fund.

(k) Information reporting. Every municipality with an approved project pursuant to this section shall:

(1) Develop a system, segregated for the project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section, including performance measures.

(2) Provide, as required by events, notification to the Vermont Economic Progress Council and the Department of Taxes regarding any tax

increment financing development project debt obligations, public votes, or votes by the municipal legislative body immediately following such obligation or vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public in accordance with 24 V.S.A. § 1894(i).

(3) Annually:

(A) Ensure that the tax increment financing project account required by subdivision (h)(1) is subject to the annual audit prescribed in subsection (m) of this section. Procedures must include verification of the original taxable value and annual and total municipal and education tax increments generated, expenditures for debt and related costs, and current balance.

(B) On or before October 1 of each year, on a form prescribed by the Council, submit an annual report to the Vermont Economic Progress Council and the Department of Taxes, including the information required by subdivision (2) of this section if not already submitted during the year, all information required by subdivision (A) of this subdivision (3), and the information required by 32 V.S.A. § 5404a(i), including performance measures and any other information required by the Council or the Department of Taxes.

(l) Annual report. The Vermont Economic Progress Council and the Department of Taxes shall submit an annual report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means on or before January 1 each year. The report shall include the date of approval, a description of the project, the original taxable value of the property subject to the project development, the scope and value of projected and actual improvements and developments in the TIF Project Zone, projected and actual incremental revenue amounts, and division of the increment revenue between project debt, the Education Fund, the special account required by subdivision (h)(1) and the municipal General Fund, projected and actual financing, and a set of performance measures developed by the Vermont Economic Progress Council, which may include outcomes related to the criteria for which the municipality applied and the amount of infrastructure work performed by Vermont firms.

(m) Audit; financial reports.

(1) The State Auditor of Accounts shall conduct performance audits of all projects approved under this section. The cost of conducting each audit shall be considered a "related cost" as defined in subdivision (a)(10) of this section and shall be billed back to the municipality pursuant to 32 V.S.A. § 168(b). Audits conducted pursuant to this subsection shall include a review

of a municipality's adherence to relevant statutes and policies adopted by the Vermont Economic Progress Council pursuant to subsection (o) of this section, verification of the original taxable value, an assessment of record keeping related to revenues and expenditures, a validation of the portion of the tax increment retained by the municipality and used for debt repayment and the portion directed to the Education Fund, and current balance.

(2) The State Auditor shall conduct the audits described in subdivision (1) of this subsection based on the following schedule:

(A) a first audit shall be conducted five years after the first debt is incurred;

(B) a second audit shall be conducted seven years after completion of the first audit; and

(C) a final audit shall be conducted at the end of the period for retention of education increment.

(n) Authority to issue decisions.

(1) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, is authorized to issue decisions to a municipality on questions and inquiries concerning the administration of projects, statutes, rules, noncompliance with this section, and any instances of noncompliance identified in audit reports conducted pursuant to subsection (m) of this section.

(2) The Vermont Economic Progress Council shall prepare recommendations for the Secretary prior to the issuance of a decision. As appropriate, the Council may prepare such recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position. The Secretary shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following the receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(o) The Vermont Economic Progress Council is authorized to adopt policies that are consistent with the 2015 TIF Rule, as may be modified by subsequent rule, to implement this section.

Sec. 52c. 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 five years, beginning on the date in 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 and related costs 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 and may qualify as a district's first incurrence of debt. A municipality that uses a bond anticipation note during the fifth year or tenth year that a district may incur debt pursuant to section 1894 of this title shall incur all permanent financing not more than one year after issuing the bond anticipation note.

* * *

Sec. 52d. 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. Any parcel within a district shall be located wholly within the boundaries of a district. No adjustments to the boundary of a district are permitted after the approval of a tax increment financing district plan as described in section 1894 of this title.

* * * Vermont Film and Media Industry * * *

Sec. 53. VERMONT FILM AND MEDIA INDUSTRY TASK FORCE; STUDY; REPORT

(a) There is created the Vermont Film and Media Industry Task Force composed of the following members:

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Senate Committee on Committees;

(3) the Secretary of Commerce and Community Development or designee; and

(4) a member, appointed by the Vermont Arts Council, who shall serve as chair and shall convene meetings of the Task Force.

(b)(1) The Task Force shall have legal assistance from the Office of Legislative Counsel and fiscal assistance from the Joint Fiscal Office.

(2) Members of the Task Force shall receive per diem compensation and reimbursement for expenses as provided in 32 V.S.A. § 1010 for not more than four meetings.

(c) On or before January 15, 2023, the Task Force shall consult relevant stakeholders in the film and media industry and shall study and submit a report to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs that reviews the history of State efforts to cultivate the film and media industry in Vermont and what financial and other support the State may provide in the future to revitalize the industry following the COVID-19 pandemic and to invigorate the industry in the future, including:

(1) successes and failures of past State involvement;

(2) opportunities to invigorate the industry, attract filmmakers and media entrepreneurs, and promote Vermont as an attractive destination for tourism and for business development;

(3) how Vermont can differentiate and compete with other jurisdictions that also seek to cultivate a more expansive film and media industry;

(4) a survey of which entities, in State government and in the private sector, provide outreach and support to businesses in the industry;

(5) opportunities for employing federal COVID-19 relief funds to revive the industry; and

(6) a cost-benefit analysis of establishing new State financial, administrative, or other supports for the industry.

* * * Minimum Wage * * *

Sec. 54. FINDINGS

The General Assembly finds:

(1) The COVID-19 pandemic has caused the labor market to tighten, which has resulted in employers offering higher starting wages to workers in many occupations.

(2) Supply chain disruptions and labor shortages related to the COVID-19 pandemic have caused significant inflation and increases in the cost of living for Vermonters.

(3) Increasing Vermont's minimum wage will better align the statutory minimum wage with the actual conditions in Vermont's labor market and will help lower-wage workers to better afford the cost of essential goods and services.

Sec. 54a. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

(a)(1) An employer shall not employ any employee at a rate of less than ~~$10.96. Beginning on January 1, 2021, an employer shall not employ any employee at a rate of less than $11.75. Beginning on January 1, 2022, an employer shall not employ any employee at a rate of less than~~ $12.55. Beginning on January 1, 2023, an employer shall not employ any employee at a rate of less than $13.75. Beginning on January 1, 2024, an employer shall not employ any employee at a rate of less than $15.00, and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S.

Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest $0.01.

* * *

* * * COVID-19-Related Paid Leave Grant Program * * *

Sec. 55. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) COVID-19 has caused increased employee absences due to illness, quarantine, and school and daycare closures.

(2) Many employees do not have sufficient paid time off to cover all of their COVID-19-related absences from work.

(3) Some employers have provided their employees with additional paid time off for COVID-19-related purposes.

(4) The surge in COVID-19 cases caused by the Omicron variant of the virus has made it financially difficult or impossible for employers to provide additional paid time off to their employees for COVID-19-related purposes.

(5) Providing grants to employers to reimburse a portion of the cost of providing paid time off to employees for COVID-19-related purposes will:

(A) help to mitigate some negative economic impacts of the COVID-19 pandemic on employers;

(B) improve employee retention;

(C) prevent the spread of COVID-19 in the workplace; and

(D) provide crucial income to employees and their families.

(6) The Front-Line Employees Hazard Pay Grant Program established pursuant to 2020 Acts and Resolves No. 136, Sec. 6 and expanded pursuant to 2020 Acts and Resolves No. 168, Sec. 1 successfully directed millions of dollars in hazard pay to front-line workers during the first year of the COVID-19 pandemic. By utilizing grants to employers, who in turn provided the hazard pay to their employees, the Program enabled employers to retain employees and reward them for their hard work during the uncertainty of the early months of the COVID-19 pandemic.

(b) It is the intent of the General Assembly that the COVID-19-Related Paid Leave Grant Program created pursuant to section 14a of this act shall be modeled on the Front-Line Employees Hazard Pay Grant Program and shall

assist employers in providing paid leave to their employees for COVID-19 related absences.

Sec. 55a. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

(a)(1) There is established in the Agency of Administration the COVID-19-Related Paid Leave Grant Program to administer and award grants to employers to reimburse the cost of providing COVID-19-related paid leave provided to employees.

(2) The sum of $16,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Administration in fiscal year 2023 for the provision of grants to reimburse employers for the cost of providing COVID-19-related sick leave. Not more than five percent of the amount appropriated pursuant to this subdivision (2) may be used for expenses related to program administration and outreach.

(b) As used in this section:

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

(2) "COVID-19-related reason" means the employee is:

(A) self-isolating because the employee has been diagnosed with COVID-19 or tested positive for COVID-19;

(B) self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because the employee has been exposed to COVID-19 or the employee is experiencing symptoms of COVID-19;

(C) caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child, because:

(i) the school or place of care where that individual is normally located during the employee's workday is closed due to COVID-19;

(ii) that individual has been requested not to attend the school or the place of care where that individual is normally located during the employee's workday due to COVID-19;

(iii) that individual has been diagnosed with or tested positive for COVID-19; or

(iv) that individual is self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because that individual has been exposed to or is experiencing symptoms of COVID-19;

(D) attending an appointment for the employee or the employee's parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child to receive a vaccine or a vaccine booster for protection against COVID-19; or

(E) experiencing symptoms, or caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child who is experiencing symptoms, related to a vaccine or a vaccine booster for protection against COVID-19.

(3) "Employee" means an individual who, in consideration of direct or indirect gain or profit, is employed by an employer to perform services in Vermont.

(4) "Employer" means any person that has one or more employees performing services for it in Vermont. "Employer" does not include the State or the United States.

(5) "Program" means the COVID-19-Related Paid Leave Grant Program established pursuant to this section.

(6) "Program period" means the period beginning on January 1, 2022 and ending on December 31, 2022.

(7) "Secretary" means the Secretary of Administration.

(c)(1) An employer may apply to the Secretary for one or more grants to reimburse the employer for the cost of paid leave provided to its employees for COVID-19-related reasons during the program period.

(2) An employer's grant amount may include reimbursement for retroactively provided COVID-19-related paid leave to employees who took unpaid leave for a COVID-19-related reason during the program period because the employee did not have sufficient accrued paid leave available at the time that the employee took the leave.

(3) Employers may submit applications for grants not more than once each calendar month for paid leave provided during the program period between the beginning of the program period or the employer's previous application, whichever is later, and the date of the employer's current application.

(4) For the sole purpose of administering grants related to paid leave provided to independent direct support providers for COVID-19-related reasons, ARIS Solutions, as the fiscal agent for the employers of the independent direct support providers, shall have the authority to apply for a grant in the same manner as any employer.

(d)(1) The Secretary shall:

(A) adopt procedures for implementing the Program, which shall include a simple grant application process, a process to allow employers to certify the amount of paid leave provided for COVID-19-related reasons, and a process to allow employers to report on their use of the grant funds awarded pursuant to this section;

(B) promote awareness of the Program to employers;

(C) award grants to employers on a first-come, first-served basis, subject to available funding; and

(D) develop and implement an audit strategy to assess grant utilization, the performance of the Program, and compliance with Program requirements.

(2)(A) The Secretary may delegate administration of one or more aspects of the Program to other agencies and departments of the State.

(B) The Secretary may enter into agreements, memoranda of understanding, or contracts with private entities as necessary to implement or administer the Program and, notwithstanding any provision of law to the contrary, shall not be required to competitively bid any contracts entered into pursuant to this subdivision (2)(B). For the purposes of the Program, the ongoing public health risk posed by COVID-19 shall be deemed to be an emergency situation that justifies the execution of sole source contracts pursuant to Bulletin 3.5, the State's Procurement and Contracting Procedures.

(e)(1) Employers may apply for grants to either reimburse a portion of the cost of COVID-19-related paid leave provided to employees or to provide funds to be used to retroactively provide paid leave to employees who took unpaid leave for COVID-19-related reasons.

(A) For reimbursement of COVID-19-related paid leave that was already provided, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the number of hours of COVID-19-related paid leave provided to each employee multiplied by the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee's regular hourly wage.

(B) For COVID-19-related paid leave that will be provided retroactively to employees who took unpaid leave for COVID-19-related reasons, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the number of hours of COVID-19-related paid leave to be provided to each employee multiplied by

the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee's regular hourly wage.

(2)(A) An employer may only apply for a grant in relation to COVID-19-related leave that was taken by an employee during the program period.

(B) The maximum number of hours of COVID-19-related leave for each employee that an employer may seek grant funding for through the Program shall equal the lesser of 80 hours or two times the employee's average weekly hours worked for the employer during the six months preceding the date of the first application relating to that employee.

(C) The maximum amount that an employer shall be eligible to receive for COVID-19-related paid leave for each employee shall be not more than $27.50 per hour of leave, with an aggregate maximum of $2,200.00 per employee during the program period.

(f) As a condition of being eligible to receive a grant through the Program, each employer shall be required to certify:

(1) that the employer is not seeking funds in relation to any amounts of paid leave that were deducted from the employee's accrued paid leave balance at the time the COVID-19-related leave was taken unless those amounts have been restored to the employee's accrued paid leave balance;

(2) grant funds shall only be used in relation to the payment of an employee's wages for the period when the employee was absent from work for a COVID-19-related reason; and

(3) employees receiving paid leave funded by a grant shall not be required to pay an administrative fee or other charge in relation to the employer requesting the grant.

(g) Each employer that receives a grant shall, not later than March 1, 2023, report to the Agency on a form provided by the Secretary the amount of grant funds used to provide paid leave to employees and the amount of any remaining grant funds that were not spent. All unspent grant funds shall be returned to the Agency pursuant to a procedure adopted by the Secretary.

(h) Any personally identifiable information that is collected by the Program, any entity of State government performing a function of the Program, or any entity that the Secretary contracts with to perform a function of the Program shall be kept confidential and shall be exempt from inspection and copying under the Public Records Act.

* * * Study of Paid Family and Medical Leave Insurance * * *

Sec. 55b. FINDINGS

The General Assembly finds that:

(1) The COVID-19 pandemic highlighted the challenges that a lack of paid leave poses to employees who must be absent from work for an extended period of time due to illness or caregiving needs.

(2) Paid family and medical leave insurance would provide essential income replacement for employees who must be absent from work for an extended period of time due to illness, caregiving needs, or the birth or adoption of a child.

(3) Paid family and medical leave insurance would mitigate the impact of absences on employers by providing an affordable means of providing paid leave to employees while improving employee retention.

Sec. 55c. PAID FAMILY AND MEDICAL LEAVE; TASK FORCE; REPORT

(a) Creation. There is created the Paid Family and Medical Leave Insurance Task Force to reexamine the work and report of the Study Committee on Employee Funded Paid Leave created pursuant to 2013 Acts and Resolves No. 31, Sec. 13 and to investigate proven and tested paid family and medical leave insurance programs in the United States in order to develop an understanding of the best practices and implementation possibilities for the potential enactment of an equitable and affordable paid family and medical leave insurance program in Vermont, which may include both universal and voluntary models.

(b) Membership. The Task Force shall be composed of the following members:

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

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties.

(1) The Task Force shall examine the establishment of a paid family and medical leave program in Vermont, including the following:

(A) the potential for creating a paid family and medical leave insurance program in Vermont based on the experience of and best practices from currently operating paid family and medical leave insurance solutions in

the United States that provide leave for the following purposes:

(i) bonding with a newborn or adopted child;

(ii) caring for an ill or injured family member;

(iii) the employee's own illness or injury; and

(iv) exigencies related to a family member serving in the U.S. Armed Forces;

(B) based on the solutions examined pursuant to subdivision (1) of this subsection, develop and examine models and projections for the startup and implementation of similar solutions in Vermont, including:

(i) potential start-up and administrative costs;

(ii) administrative requirements and considerations;

(iii) advantages relative to the other models;

(iv) examples from other jurisdictions and the experience of the programs in those jurisdictions;

(v) benefits and drawbacks; and

(vi) any other considerations that the Task Force determines are relevant;

(C) opportunities to utilize tested and proven administrative models or public-private partnerships to reduce administrative costs of a paid family and medical leave insurance program or to enable a paid family and medical leave insurance benefits to be established more quickly; and

(D) considerations related to the potential enactment of a federal paid family and medical leave insurance program, including any measures that may be necessary to ensure that a potential State program could adapt to and complement the coverage provided by any federal program.

(2) The Task Force shall consult with affected stakeholders and interested parties, including stakeholders and interested parties representing:

(A) the labor community;

(B) Vermont businesses;

(C) groups advocating for gender equity;

(D) Vermonters who are Black, Indigenous, or a Person of Color; and

(E) children and families.

(d) Assistance.

(1) The Task Force shall have the administrative assistance of the Office of Legislative Operations, the technical assistance of the Joint Fiscal Office, and the legal assistance of the Office of Legislative Counsel.

(2) The Task Force may contract with one or more entities or individuals for purposes of modeling and actuarial projections.

(e) Report. On or before January 15, 2023, the Task Force shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action. The Task Force's report may take the form of draft legislation.

(f) Meetings.

(1) The Office of Legislative Operations shall call the first meeting of the Committee to occur on or before September 15, 2022.

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

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

(4) The Task Force shall cease to exist on January 30, 2023.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

(h) Appropriation. The sum of $200,000.00 is appropriated to the General Assembly from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds in fiscal year 2023 for per diem compensation and reimbursement of expenses for members of the Task Force and for expenses related to modeling and actuarial projections.

* * * Unemployment Insurance Benefits * * *

Sec. 55d. FINDINGS

The General Assembly finds that:

(1) The COVID-19 pandemic caused significant disruption to Vermont's economy and resulted in unprecedented levels of unemployment.

(2) Unemployment insurance benefits provide only partial wage replacement, making it hard for unemployed individuals to afford basic necessities and living expenses.

(3) Significant inflation caused by supply chain, economic, and workforce disruptions related to the COVID-19 pandemic are making it increasingly difficult for unemployed individuals to afford basic necessities and living expenses.

(4) Temporarily increasing the weekly unemployment insurance benefit amount for unemployed individuals will help to mitigate the impact of the COVID-19 pandemic on the unemployed individuals' ability to afford basic necessities and living expenses.

(5) The General Assembly previously enacted a $25.00 supplemental increase to the weekly unemployment insurance benefit amount in 2021 Acts and Resolves No. 51, Sec. 11. However, the terms of that supplemental increase did not conform to federal requirements, and it never took effect. Enacting a supplemental $25.00 weekly unemployment insurance benefit that will later be replaced by a temporary $25.00 increase in the weekly unemployment insurance benefit amount will fulfill the commitment made by the General Assembly in 2021 Acts and Resolves No. 51, Sec. 11.

Sec. 55e. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

(4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect ~~upon the payment of a cumulative total of $100,000,000.00 in supplemental benefits pursuant to 21 V.S.A. § 1338(e)(2)~~ on October 7, 2021 and shall apply prospectively to all benefit payments in the next week and each subsequent week.

Sec. 55f. 21 V.S.A. § 1341 is added to read:

§ 1341. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL BENEFIT

(a) Beginning on July 1, 2022, in addition to the amount of regular unemployment insurance benefits provided pursuant to section 1338 of this title, each individual who qualifies for benefits pursuant to the provisions of this chapter shall receive a separate supplemental benefit of $25.00 each week.

(b) Benefits provided pursuant to this section shall be paid from the Unemployment Insurance COVID-19 Supplemental Benefit Special Fund established pursuant to section 1342 of this chapter.

Sec. 55g. 21 V.S.A. § 1342 is added to read:

§ 1342. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL BENEFIT SPECIAL FUND

There is established the Unemployment Insurance COVID-19 Supplemental

Benefit Special Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall consist of any amounts appropriated to the Fund. The Commissioner may seek and accept grants from any source, public or private, to be dedicated for deposit into the Special Fund. The Commissioner shall use the Fund to provide the Supplemental Benefit established pursuant to section 1341 of this chapter and to pay all necessary costs associated with the administration of the Supplemental Benefit and of the Fund.

Sec. 55h. APPROPRIATION

$8,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Unemployment Insurance COVID-19 Supplemental Benefit Special Fund established pursuant to 21 V.S.A. § 1342. Not more than five percent of the amount appropriated may be used for administrative costs related to the implementation and payment of the Unemployment Insurance COVID-19 Supplemental Benefit established pursuant to 21 V.S.A. § 1341.

Sec. 55i. REPEALS

21 V.S.A. § 1341 (Unemployment Insurance COVID-19 Supplemental Benefit) and 21 V.S.A. § 1342 (Unemployment Insurance COVID-19 Supplemental Benefit Special Fund) are repealed on July 1, 2024.

Sec. 55j. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 55k. MODIFICATION OF UNEMPLOYMENT INSURANCE MAINFRAME CODE; ANNUAL REPORT; INDEPENDENT VERIFICATION

(a)(1) The Commissioner of Labor shall develop and implement changes to the unemployment insurance mainframe software or develop a modernized information technology system necessary to implement on January 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act. The changes to the mainframe or the modernized information technology system, as applicable, shall be developed and implemented in a manner that minimizes risk to the operation of the mainframe and the functions of the unemployment insurance program.

(2) The Commissioner of Labor and the Secretary of Digital Services shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is available in time to implement on January 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act.

(b) The Commissioner of Labor shall, on or before January 15, 2023 and January 15, 2024, submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Legislative Information Technology Consultant retained by the Joint Fiscal Office detailing the actions taken and progress made in carrying out the requirements of subsection (a) of this section, the anticipated timeline for being able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act, and potential implementation risks identified during the development process.

(c) The Legislative Information Technology Consultant shall, on or before February 15, 2023 and February 15, 2024, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a review of the report submitted pursuant to subsection (b) of this section. The review shall include an assessment of whether the Department of Labor will be able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 14j of this act by January 1, 2025 and shall identify any potential risks or concerns related to implementation that are not addressed in the Commissioner's report.

Sec. 55l. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under

subdivision (d)(1) of this section by 45 ~~and adding $25.00 to the resulting quotient~~, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to ~~the sum of $25.00 plus~~ 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

* * * Appropriations * * *

Sec. 56. APPROPRIATIONS

(a) Reversion. In fiscal year 2022, of the amounts appropriated in 2021 Acts and Resolves No. 74, Sec. G. 300(a)(13), from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Economic Recovery Grant Program, $25,500,000.00 shall revert to the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds.

(b) Recruitment and marketing. In fiscal year 2023, the following amounts are appropriated from the sources, to the recipients, and for the purposes specified:

(1) Worker recruitment. The amount of $6,000,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for worker recruitment activities and for the relocated and remote worker program.

(2) Tourism and marketing; relocation. In fiscal year 2023, the following amounts are appropriated from the General Fund to the Department of Tourism and Marketing, which the Department shall expend over two years:

(A) $1,200,000.00 to support a regional relocation network; and

(B) $3,000,000.00 for marketing and promotion.

(c) COVID economic support. In fiscal year 2022, the amount of $20,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) VEDA Short-Term Forgivable Loan Program. $15,000,000.00 to the Vermont Economic Development Authority for the VEDA Short-Term Forgivable Loan Program.

(2) Creative economy grants. $5,000,000.00 to the Vermont Arts Council to provide grants for monthly operating costs, including rent,

mortgage, utilities, and insurance, to creative economy businesses and nonprofits that have sustained substantial losses due to the pandemic.

(d) Downtown development. Of the amounts appropriated to the Agency of Commerce and Community Development in fiscal year 2023 for the Better Places Program, Think Vermont initiative, or other programs that promote downtown development, the Agency may allocate not more than $485,000.00 to provide funding to one or more nonprofit organizations that sponsor a downtown designation to:

(1) expand the ability of the downtown organizations to educate, guide, and partner with businesses, nonprofits, and community organizations to strengthen downtown models and leverage State funding to incentivize broader participation;

(2) support marketing, content development, and increased digital reach for downtown organizations, individually and collectively; and

(3) support communication within the coordinated effort of these State-mandated organizations to leverage successes.

(e) Community-based economic development. It is the intent of the General Assembly that up to $11,000,000.00 of funding be provided in fiscal year 2023 in other legislation for the following community-based economic development initiatives:

(1) the Department of Forests, Parks and Recreation Vermont Outdoor Recreation Economic Collaborative (VOREC) Community Grant Program; and

(2) the Department of Economic Development grant program for remediation and redevelopment of brownfield sites.

* * * Sports Betting Study Committee * * *

Sec. 57. SPORTS BETTING; FINDINGS

The General Assembly finds that:

(1) An estimated 28 percent of adults in the United States bet on sports and 46 percent of adults say that they have an interest in betting on sports.

(2) Based on current participation rates and expected growth, it is estimated that Vermont could generate from $640,000.00 to $4.8 million in the first year of sports betting revenue taxes and $1.3 million to $10.3 million in the second year, depending on the regulatory model chosen by the General Assembly.

(3) As of March 2022, 31 states and the District of Columbia have some form of active legal sports betting operations while an additional three states have enacted laws or adopted ballot measures to permit legal sports betting.

(4) Legislation has also been introduced in at least 14 of the states without a legal sports betting market, including Vermont, to legalize, regulate, and tax sports betting.

(5) Given the widespread participation in sports betting, the General Assembly finds that careful examination of whether and how best to regulate sports betting in Vermont and protect Vermonters involved in sports betting is necessary.

Sec. 57a. SPORTS BETTING; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Sports Betting Study Committee to examine whether and how to regulate sports betting in Vermont.

(b) Membership. The Study Committee shall be composed of the following members:

(1) the Attorney General or designee;

(2) the Commissioner of Liquor and Lottery or designee;

(3) the Commissioner of Taxes or designee;

(4) the Secretary of State or designee;

(5) the Secretary of Commerce and Community Development or designee;

(6) two current members of the Senate, who shall be appointed by the Committee on Committees; and

(7) two current members of the House, who shall be appointed by the Speaker of the House.

(c) Powers and duties. The Study Committee shall examine the sports betting study conducted by the Office of Legislative Counsel and Joint Fiscal Office and shall study various models for legalizing, taxing, and regulating sports betting, including the following issues:

(1) studies carried out by other states concerning the legalization, taxation, and regulation of sports betting;

(2) laws enacted by other states to legalize, tax, and regulate sports betting;

(3) potential models for legalizing and regulating sports betting in Vermont, including any advantages or drawbacks to each model;

(4) potential models for legalizing and regulating online sports betting, including any advantages or drawbacks to each model;

(5) potential tax and fee structures for sports betting activities;

(6) potential restrictions or limitations on the types of sports that may be bet on, including whether and to what extent restrictions should be imposed with respect to the participant age, amateur status, and location of sporting events that may be bet on; and

(7) potential impacts on various socioeconomic and demographic groups and on problem gambling and the resources necessary to address the identified impacts.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before December 15, 2022, the Study Committee shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings, recommendations for legislative action, and a draft of proposed legislation.

(f) Meetings.

(1) The Attorney General or designee shall call the first meeting of the Committee to occur on or before September 1, 2022.

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

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

(4) The Committee shall cease to exist on December 30, 2022.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee serving in their capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than four meetings. These payments shall be made from monies appropriated to the General Assembly.

* * * SALT Deduction Cap Work-Around * * *

Sec. 58. 32 V.S.A. chapter 151, subchapter 10C is added to read:

Subchapter 10C. Elective Pass-Through Entity Business Income Tax

§ 5921a. DEFINITIONS

As used in this subchapter:

(1) "Distributive proceeds" means the net income, dividends, royalties, interest, rents, guaranteed payments, and gains of a pass-through entity derived from or connected with sources within the State.

(2) "Member" means a member of a limited liability company; a partner in a general, limited, or limited liability partnership; or a shareholder of an S corporation, provided the member is a natural person.

(3) "Pass-through entity" means a limited liability company, a partnership, or an S corporation.

(4) "Pass-through entity business income tax" means the tax imposed under this subchapter.

(5) "Share of distributive proceeds" means the portion of distributive proceeds attributable to a member of a pass-through entity during a taxable year.

§ 5921b. PASS-THROUGH ENTITY BUSINESS INCOME TAX; ELECTION

(a) A pass-through entity may elect to be liable for and pay a pass-through entity business income tax during the taxable year, provided:

(1) at least one member of the entity is liable for income tax under this chapter on that member's share of distributive proceeds of the pass-through entity during a taxable year;

(2) each member of the pass-through entity is a natural person and no member is a C corporation or a pass-through entity; and

(3) consent is given by:

(A) each member of the electing entity who is a member at the time the election is filed; or

(B) any officer, manager, or member of the electing entity who is authorized, under law or the entity's organizational documents, to make the election and who represents having such authority under penalties of perjury.

(b) The tax imposed on a pass-through entity under this section shall be equal to the sum of each member's share of taxable distributive proceeds attributable to the pass-through entity for the taxable year, multiplied by the second-highest marginal tax rate in section 5822 of this chapter.

(c) The election under this section shall be made annually, on or before the due date for filing the entity's return as established by the Commissioner, and shall not apply retroactively. An election made under this section shall be

binding on all members of the pass-through entity for the year in which the election is made. If the members decide to revoke an election, that revocation shall occur on or before the due date for filing the entity's return.

(d) Each pass-through entity that makes an election for a taxable year under this section shall annually report to each of its members the member's share of distributive proceeds for the taxable year.

(e) Each pass-through entity that makes an election for a taxable year under this section shall file an entity tax return and make payments on or before the 15th day of the third month following the close of each entity's taxable year as determined for federal income tax purposes. A pass-through entity shall make estimated entity tax payments as provided under subchapters 10A and 10B of this chapter except that a pass-through entity shall make the estimated entity tax payments for residents and nonresidents alike.

(f) A member of a pass-through entity shall not be liable for the individual income tax imposed under section 5822 of this chapter and shall not be required to file an individual income tax return as prescribed under section 5861 of this chapter, provided:

(1) the member is a nonresident of this State; and

(2) the member's only Vermont income during the taxable year is derived from a pass-through entity that has paid the tax imposed under this section on the member's Vermont income.

§ 5921c. REFUNDABLE INCOME TAX CREDIT; INDIVIDUAL MEMBERS OF PASS-THROUGH ENTITIES

An individual taxpayer of this State shall be entitled to a refundable credit against the income tax paid under this chapter for the taxable year, provided the individual is a member of a pass-through entity that elects under section 5921b of this chapter to be liable for and pay the pass-through entity business income tax during the taxable year. For each pass-through entity of which the individual is a member, the amount of the credit shall equal 90 percent of the individual's pro rata share of the tax paid under section 5921b of this chapter for the taxable year, and that credit shall be available to the member during the same taxable year. The credit under this section shall be available after the application of all other credits allowed by law and claimed by the individual during the taxable year.

Sec. 58a. 32 V.S.A. § 5825 is amended to read:

§ 5825. CREDIT FOR TAXES PAID TO OTHER STATES AND PROVINCES

* * *

(c) The credit claimed under this section shall include an amount of the tax paid to another state that imposes a tax on the distributive proceeds of a pass-through entity, provided the other state's tax is substantially similar to the pass-through entity business income tax imposed under subchapter 10C of this chapter. The nonrefundable credit under this subsection shall equal 90 percent of the taxpayer's pro rata share of tax paid to another state, provided the amount of the credit does not exceed the amount of pass-through entity business income tax owed or that would have been owed if the pro rata share of tax paid were subject to the pass-through entity business income tax under subchapter 10C of this chapter. As used in this subsection, "distributive proceeds" and "pass-through entity" shall have the same meanings as under section 5921a of this chapter.

Sec. 58b. CONSENSUS ESTIMATE; REPORT; SALT DEDUCTION CAP WORK-AROUND

The Commissioner of Taxes, in consultation with the Joint Fiscal Office, shall conduct a fiscal analysis and reach a consensus estimate of the revenue impact to this State of the elective pass-through entity business income tax and credits created under this act. On or before January 15, 2023, the Commissioner and the Joint Fiscal Office 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 detailing the consensus estimate conducted under this section, including whether the consensus estimate demonstrates that the tax and credits created under this act are projected to have a neutral or positive impact on the revenues of this State.

* * * Downtown Tax Credits * * *

Sec. 59. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year ~~2010~~ 2023 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~$3,000,000.00~~ $4,350,000.00 with up to $1,000,000.00 awarded to qualified projects in neighborhood development areas;

* * *

Sec. 59a. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year ~~2023~~ 2025 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~$4,350,000.00 with up to $1,000,000.00 awarded to qualified projects in neighborhood development areas~~ $3,000,000.00;

* * *

Sec. 59b. FY 2024 DOWNTOWN AND VILLAGE CENTER TAX CREDIT PROGRAM OFFSET

In fiscal year 2023, the amount of $1,350,000.00 shall be carried forward within the General Fund to be available in fiscal year 2024 to provide onetime increased fiscal capacity for the Downtown and Village Center Tax Credit Program.

Sec. 60. 9 V.S.A. § 2464e is added to read:

§ 2464e. ROBOCALLS; PROHIBITION; PENALTY

(a) Intent. It is the intent of the General Assembly in adopting this section:

(1) to create a State law prohibition on the use of automatic telephone dialing systems and on the placement of robocalls to Vermont consumers that is coextensive with the federal limitations created in the Telephone Consumer Protection Act and the Telemarketing and Consumer Fraud and Abuse Prevention Act; and

(2) to continue to permit certain robocalls to the extent they are allowed under federal law, including:

(A) calls made for an emergency purpose;

(B) calls made with the prior express written consent of the called party;

(C) calls conveying messages that are purely informational;

(D) calls concerning the collection of a debt but not including calls that attempt to sell consumers services to reduce debt;

(E) political calls;

(F) calls from health care providers; and

(G) messages from charities, provided that if the call originates from a person whom the charity hires to make a call on the charity's behalf, the call may only go to members of the charity or prior donors, and provided further that such callers include an automated option to allow a consumer to stop future calls.

(b) Definitions. As used in this section, "automatic telephone dialing system" means equipment that has the capacity:

(1) to store or produce telephone numbers to be called, using a random or sequential number generator; and

(2) to dial such numbers.

(c) Prohibition. A person shall not initiate a telephone call to a Vermont consumer using an automatic telephone dialing system or an artificial or prerecorded voice in violation of the federal Telephone Consumer Protection Act, 47 U.S.C. § 227, or the federal Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6101–6108, and the regulations adopted pursuant to those laws.

(d) Civil violation.

(1) A violation of this section constitutes a violation of section 2453 of this title.

(2) Each prohibited telephone call constitutes a separate violation under this subsection.

(3)(A) A person who receives a telephone call in violation of this section may bring an action in Superior Court for damages or a civil penalty, injunctive relief, punitive damages in the case of a willful violation, and reasonable costs and attorney's fees.

(B) The court may issue an award for the greater of a person's damages or a civil penalty of $500.00 for a first violation and $1,000.00 for each subsequent violation.

(e) Criminal penalties.

(1) A person who violates this section shall be imprisoned for not more than 90 days or fined not more than $1,000.00 per violation, or both.

(2) Each telephone call constitutes a separate violation under this subsection.

(f) The Attorney General shall exercise his or her authority and discretion to work cooperatively with other state and federal government entities to identify callers who initiate robocalls to consumers in violation of this section

and to enforce the provisions of this section regardless of the location of the caller.

Sec. 61. EFFECTIVE DATES

(a) This act shall take effect on July 1, 2022, except as otherwise provided in this section.

(b) Sec. 30 (18 V.S.A. § 9456) shall take effect on January 1, 2023 and shall apply to hospital fiscal years 2024 and after.

(c) Sec. 49 (Capital Investment Grant Program), Sec. 50 (VEDA Short-Term Forgivable Loan Program), and Sec. 15(b)–(d) (appropriations) shall take effect on passage.

(d) Notwithstanding 1 V.S.A. § 214, Sec. 55e (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

(e)(1) Sec. 55f (temporary unemployment insurance supplemental benefit) shall take effect on July 1, 2022 and shall apply to benefit weeks beginning after that date.

(2) Secs. 55g (special fund), 55h (appropriation for temporary unemployment insurance supplemental benefit), and 55i (sunset of Unemployment Insurance Supplemental Benefit) shall take effect on July 1, 2022.

(f) Sec. 55j (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, 2024 and shall apply to benefit weeks beginning after that date.

(g) Sec. 55l (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a cumulative total of $92,000,000.00 in additional benefits 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, 2024 and shall apply to benefit weeks beginning after that date.

(h) Sec. 55k (report on implementation of change to unemployment insurance weekly benefit) shall take effect on passage.

(i) Sec. 59a (future amendment to 32 V.S.A. § 5930ee) shall take effect on July 1, 2024.

(j) Notwithstanding 1 V.S.A. § 214, Secs. 58 and 58a (SALT deduction cap work-around) shall take effect retroactively on January 1, 2022 and shall apply to taxable years beginning on and after January 1, 2022.

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

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

Recess

On motion of Senator Balint the Senate recessed until 4:00 P.M..

Called to Order

The Senate was called to order by the President *pro tempore*.

Message from the House No. 65

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

Madam President:

I am directed to inform the Senate that:

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

S. 11. An act relating to prohibiting robocalls.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses.

The Speaker appointed as members of such Committee on the part of the House:

Rep. Marcotte of Coventry
Rep. Kimbell of Woodstock
Rep. Jerome of Brandon

Committee of Conference Appointed

S. 11.

An act relating to prohibiting robocalls.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Sirotkin
Senator Clarkson
Senator Brock

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Adjournment

On motion of Senator Collamore, the Senate adjourned until ten o'clock in the forenoon on Thursday, May 5, 2022.

THURSDAY, MAY 5, 2022

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. 66

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

Madam President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

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

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

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

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

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

S. 122. An act relating to the required votes of presidential electors.

And has passed the same in concurrence.

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

S. 90. An act relating to establishing an amyotrophic lateral sclerosis registry.

S. 148. An act relating to environmental justice in Vermont.

S. 161. An act relating to extending the baseload renewable power portfolio requirement.

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

S. 258. An act relating to agricultural water quality, enforcement, and dairy farming.

S. 261. An act relating to municipal retention of property tax collections.

S. 269. An act relating to extending the Energy Savings Account Partnership Pilot Program.

S. 283. An act relating to miscellaneous changes to education laws.

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

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

H. 553. An act relating to eligibility of domestic partners for reimbursement from the Victims Compensation Program.

H. 661. An act relating to licensure of mental health professionals.

H. 715. An act relating to the Clean Heat Standard.

And has severally concurred therein.

Message from the Governor
Appointments Referred

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

The nomination of

Ogorzalek, Ed of Rutland - Member of the Vermont Educational and Health Buildings Financing Agency - from March 28, 2022 to January 31, 2026.

To the Committee on Finance.

The nomination of

Winters, Debbie of Swanton - Member of the Vermont Municipal Bond Bank - from March 28, 2022 to January 31, 2024.

To the Committee on Finance.

The nomination of

Foley, Mark, Jr. of Rutland - Member of the Vermont Municipal Bond Bank - from March 28, 2022 to January 31, 2024.

To the Committee on Finance.

The nomination of

Bourgeois, Anita of Middlesex - Member of the Vermont Educational and Health Buildings Financing Agency - from March 28, 2022 to January 31, 2027.

To the Committee on Finance.

The nomination of

Boyde, Glenn of Colchester - Member of the State Police Advisory Commission - from March 28, 2022 to February 28, 2025.

To the Committee on Government Operations.

The nomination of

Filipek, John of Jericho - Member of the State Police Advisory Commission - from March 28, 2022 to February 28, 2026.

To the Committee on Government Operations.

The nomination of

Dengler, Wayne of Isle La Monte - Member of the Parole Board - from March 28, 2022 to February 28, 2025.

To the Committee on Institutions.

The nomination of

Giffin, Tom of Rutland - Member of the Parole Board - from March 28, 2022 to February 28, 2025.

To the Committee on Institutions.

The nomination of

Larrabee, Steve of West Danville - Member of the Natural Resources Board - from March 28, 2022 to January 31, 2024.

To the Committee on Natural Resources and Energy.

The nomination of

Aldrich, Brad of Shelburne - Member of the Natural Resources Board - from March 28, 2022 to January 31, 2025.

To the Committee on Natural Resources and Energy.

The nomination of

Wolcott, Julie of Enosburg - Aternate Member of the Natural Resources Board - from March 28, 2022 to January 31, 2024.

To the Committee on Natural Resources and Energy.

The nomination of

Courtney, Elizabeth of Montpelier - Aternate Member of the Natural Resources Board - from March 28, 2022 to January 31, 2024.

To the Committee on Natural Resources and Energy.

The nomination of

Ferland, Brad of Hardwick - Chair of the Fish and Wildlife Board - from May 2, 2022 to February 28, 2026.

To the Committee on Natural Resources and Energy.

The nomination of

Patterson, Robert of Lincoln - Member of the Fish and Wildlife Board - from May 2, 2022 to February 29, 2028.

To the Committee on Natural Resources and Energy.

The nomination of

Hogan, Neal of Bennington - Member of the Fish and Wildlife Board - from May 2, 2022 to February 29, 2028.

To the Committee on Natural Resources and Energy.

The nomination of

Lukaski, Christopher of Brattleboro - Member of the Children and Family Council for Prevention Programs - from March 28, 2022 to February 28, 2026.

To the Committee on Health and Welfare.

The nomination of

Mazza, MacKenzie of Colchester - Member of the Children and Family Council for Prevention Programs - from March 28, 2022 to February 28, 2025.

To the Committee on Health and Welfare.

The nomination of

Sheil, Bob of Montpelier - Member of the Children and Family Council for Prevention Programs - from March 28, 2022 to February 28, 2023.

To the Committee on Health and Welfare.

The nomination of

Loner, Michael of Hinesburg - Member of the Children and Family Council for Prevention Programs - from March 28, 2022 to February 29, 2024.

To the Committee on Health and Welfare.

The nomination of

Johnson, Linda of Montpelier - Member of the Children and Family Council for Prevention Programs - from March 28, 2022 to February 29, 2024.

To the Committee on Health and Welfare.

The nomination of

Burris, Laurey of Shelburne - Member of the Children and Family Council for Prevention Programs - from March 28, 2022 to February 29, 2024.

To the Committee on Health and Welfare.

The nomination of

Wolf, Matt of East Montpelier - Member of the Children and Family Council for Prevention Programs - from March 28, 2022 to February 28, 2023.

To the Committee on Health and Welfare.

Bills Referred

Pursuant to Temporary Rule 44A the following bills having failed to meet cross-over and being released by the Committee on Rules were referred to their respective committees of jurisdictions:

H. 742.

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

To the Committee on Government Operations.

H. 745.

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

To the Committee on Government Operations.

H. 746.

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

To the Committee on Government Operations.

Bill Passed in Concurrence

H. 606.

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

An act relating to community resilience and biodiversity protection.

House Proposal of Amendment Concurred In

S. 287.

House proposal of amendment to Senate bill entitled:

An act relating to improving student equity by adjusting the school funding formula and providing education quality and funding oversight.

Was taken up.

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

* * * Findings and Goals * * *

Sec. 1. FINDINGS

(a) The Vermont Supreme Court, in *Brigham v. State,* 166 Vt. 246 (1997), held that education in Vermont is "a constitutionally mandated right" and that to "keep a democracy competitive and thriving, students must be afforded equal access to all that our educational system has to offer." Therefore, the Court held that in order to "fulfill its constitutional obligation the [S]tate must ensure substantial equality of educational opportunity throughout Vermont."

(b) The General Assembly reflected this holding in statute, 16 V.S.A. § 1, stating that "the right to education is fundamental for the success of Vermont's children in a rapidly-changing society and global marketplace as well as for the State's own economic and social prosperity. To keep Vermont's democracy competitive and thriving, Vermont students must be afforded substantially equal access to a quality basic education...it is the policy of the State that all Vermont children will be afforded educational opportunities that are substantially equal although educational programs may vary from district to district."

(c) Students come to school with needs that may require different types and levels of educational support for them to achieve common standards or outcomes. Similarly, schools may also require different levels of resources. Therefore, school districts with similar education property tax rates may achieve significantly different student outcomes.

(d) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of Education to study the efficacy of the current pupil weights, which are used in Vermont's school funding formula to provide equitable tax capacity to local school districts for spending on various student needs, and to consider whether increased or additional weights should be included in the equalized pupil count.

(e) On December 24, 2019, the Agency issued its Pupil Weighting Factors Report, which was produced by a University of Vermont-Rutgers University team of researchers. The Report found that neither the cost factors incorporated in the weighting formula nor the values of the current weights reflect contemporary educational circumstances and costs and that stakeholders viewed the existing approach as "outdated." The Report found that values for the existing weights have weak ties, if any, with evidence describing differences in the costs for educating students with disparate needs or operating schools in different contexts and recommended that the General Assembly increase certain existing weights and add certain new weights.

(f) 2021 Acts and Resolves No. 59 created the Task Force on the Implementation of the Pupil Weighting Factors Report composed of eight members of the General Assembly, four Senators and four Representatives, to recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Weighting Report. The Task Force unanimously recommended two systemic change options and a series of related provisions for either updating the weights or adopting a cost adjustment approach to providing direct aid to school districts as set out in its "Report Prepared in Accordance with Act No. 59 of the 2021 Legislative Session" dated December 17, 2021.

(g) Under current law, 16 V.S.A. § 4010, a weight of 0.46 is applied to a student enrolled in a prekindergarten program. The Pupil Weighting Factors Report did not review whether this weight reflected the actual cost of providing prekindergarten educational services because that review was not within the scope of the authors' mandate. That review is now being undertaken pursuant to 2021 Acts and Resolves No. 45. Therefore, although the 0.46 prekindergarten weight is in current law, its status should be viewed as transitional pending the outcome of this review.

Sec. 2. GOALS

By enacting this legislation, the General Assembly intends to fulfill Vermont's constitutional mandate to ensure that all students receive substantial equality of educational opportunity throughout the State. The legislation is

designed to:

(1) increase educational equity by ensuring that the financial resources available to local school districts for educating students living in poverty, English learners, students in small rural schools, students in sparsely populated school districts, and students in middle and high schools are sufficient to meet the cost of educating these students;

(2) improve educational outcomes of publicly funded students throughout Vermont;

(3) improve transparency in the distribution of financial resources to school districts by simplifying the school funding formula and better tying educational expenditures to student needs; and

(4) enhance educational and financial accountability by ensuring that equitable resources are budgeted and expended for the education of students in these circumstances or categories and that regular evaluation mechanisms are utilized to assess educational equity and outcomes.

* * * Updated Weights; Implementation * * *

Sec. 3. INTENT OF ACT

This act updates and adds new pupil weights for fiscal year 2025 and thereafter. Because this change will affect homestead property tax rates, this act limits the degree to which these rates can increase over fiscal years 2025–2029.

Sec. 4. 16 V.S.A. § 4010 is amended to read:

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

~~(a) On or before the first day of December during each school year, the Secretary shall determine the average daily membership of each school district for the current school year. The determination shall list separately:~~

~~(1) resident prekindergarten children;~~

~~(2) resident students being provided elementary or kindergarten education; and~~

~~(3) resident students being provided secondary education.~~

~~(b) The Secretary shall determine the long-term membership for each school district for each student group described in subsection (a) of this section. The Secretary shall use the actual average daily membership over two consecutive years, the latter of which is the current school year.~~

~~(c) The Secretary shall determine the weighted long-term membership for each school district using the long-term membership from subsection (b) of this section and the following weights for each class:~~

~~Prekindergarten 0.46~~

~~Elementary or kindergarten 1.0~~

~~Secondary 1.13~~

~~(d) The weighted long-term membership calculated under subsection (c) of this section shall be increased for each school district to compensate for additional costs imposed by students from economically deprived backgrounds. The adjustment shall be equal to the total from subsection (c) of this section, multiplied by 25 percent, and further multiplied by the poverty ratio of the district.~~

~~(e) The weighted long-term membership calculated under subsection (c) of this section shall be further increased by 0.2 for each student in average daily membership for whom English is not the primary language.~~

~~(f) For purposes of determining weighted membership under this section, a district's equalized pupils shall in no case be less than 96 and one-half percent of the actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this section.~~

~~(g) The Secretary shall develop guidelines to enable clear and consistent identification of students to be counted under this section.~~

~~(h) On December 1 each year, the Secretary shall determine the equalized pupil count for the next fiscal year for district review. The Secretary shall make any necessary corrections on or before December 15, on which date the count shall become final for that year.~~

~~(i) The Secretary shall evaluate the accuracy of the weights established in subsection (c) of this section and, at the beginning of each biennium, shall propose to the House and Senate Committees on Education whether the weights should stay the same or be adjusted. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.~~

(a) Definitions. As used in this section:

(1) "EL pupils" means pupils described under section 4013 of this title.

(2) "FPL" means the Federal Poverty Level.

(3) "Weighting categories" means the categories listed under subsection (b) of this section.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall perform the following tasks.

(1) Using average daily membership, list for each school district the number of:

(A) pupils in prekindergarten;

(B) pupils in kindergarten through grade five;

(C) pupils in grades six through eight;

(D) pupils in grades nine through 12;

(E) pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

(i) that meet this definition under the universal income declaration form; or

(ii) who are directly certified for free and reduced-priced meals; and

(F) EL pupils.

(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:

(i) fewer than 36 persons per square mile;

(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or

(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.

(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.

(C) Using average daily membership, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i)–(iii) of this subdivision (2).

(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:

(i) fewer than 100 pupils; or

(ii) 100 or more pupils but fewer than 250 pupils.

(B) As used in subdivision (A) of this subdivision (3), "average two-year enrollment" means the average enrollment of the two most recently completed school years, and "enrollment" means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.

(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i)–(ii) of this subdivision (3).

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district's resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(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;

(B) grades six through eight—0.36; and

(C) grades nine through 12—0.39.

(2) The Secretary shall next apply a weight for pupils whose family is at or below 185 percent of FPL. Each pupil included in long-term membership

whose family is at or below 185 percent of FPL shall receive an additional weighting amount of 1.03.

(3) The Secretary shall next apply a weight for EL pupils. Each EL pupil included in long-term membership shall receive an additional weighting amount of 2.49.

(4) The Secretary shall then apply a weight for pupils living in low population density school districts. Each pupil included in long-term membership residing in a low population density school district, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, shall receive an additional weighting amount of:

(A) 0.15, where the number of persons per square mile is fewer than 36 persons;

(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or

(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100.

(5) The Secretary shall lastly apply a weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools):

(A) where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of 0.21 for each pupil included in the small school's average two-year enrollment; or

(B) where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment.

(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.

(e) Hold harmless. A district's weighted long-term membership shall in no case be less than 96 and one-half percent of its actual weighted long-term membership the previous year prior to making any adjustment under this subsection.

(f) Determination of per pupil education spending. As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its weighted long-term membership.

(g) Guidelines. The Secretary shall develop guidelines to enable clear and consistent identification of pupils to be counted under this section.

(h) Updates to weights. On or before January 1, 2027 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view, updates to the weights to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under this section and transportation reimbursement under section 4016 of this title not less than every five years and the implementation date for the updated weights and transportation reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions.

Sec. 5. COLLABORATION BY THE AGENCY OF EDUCATION AND JOINT FISCAL OFFICE

The Agency of Education and the Joint Fiscal Office shall:

(1) on or before August 1, 2022, enter into a memorandum of understanding to share data, models, and other information that is needed to update the weights; and

(2) each host the statistical model used to provide modeling for the Weighting Report dated December 24, 2019 and for ensuing memos and ensure that this model is updated and maintained on both systems in parallel.

Sec. 6. VERMONT CENTER FOR GEOGRAPHIC INFORMATION

The Vermont Center for Geographic Information created under 3 V.S.A. § 2475 shall assist the Agency of Education in determining the number of persons per square mile residing within the land area of the geographic boundaries of each school district in the State.

Sec. 7. CALCULATION OF TAX RATES; TAX RATE REVIEW; FISCAL YEARS 2025–2029

(a) Notwithstanding 16 V.S.A. chapter 133, 32 V.S.A. chapter 135, and any

other provision of law to the contrary, if, in fiscal year 2025 when applying the funding formula created under this act, a school district's homestead property tax rate increases by five percent or more over the school district's homestead property tax rate in fiscal year 2024, then the school district's homestead property tax rate shall be increased by not more than five percent over the prior fiscal year in each fiscal year for five fiscal years, from fiscal year 2025 through fiscal year 2029. In fiscal years 2026–2029, this subsection shall only apply if the school district's property tax rate increase was limited pursuant to this subsection in the prior fiscal year.

(b)(1) In order to determine which school districts shall be subject to a Tax Rate Review, the Secretary of Education shall calculate the fiscal year 2024 per pupil education spending of each school district subject to subsection (a) of this section as though the funding formula created under this act applied to fiscal year 2024. In fiscal year 2025, if a school district's per pupil education spending calculated using the funding formula created under this act increases by 10 percent or more over the school district's fiscal year 2024 per pupil education spending as calculated by the Secretary under this subsection, then the school district shall be subject to a Tax Rate Review. In fiscal years 2026–2029, if a school district's per pupil education spending calculated using the funding formula created under this act increases by 10 percent or more over the school district's prior fiscal year per pupil education spending, then the school district shall be subject to a Tax Rate Review. Upon request of the Secretary, a school district shall submit its budget to a Tax Rate Review to determine whether its increase in per pupil education spending was beyond the school district's control or for other good cause. In conducting the Review, the Secretary shall select three business managers and three superintendents to serve in an advisory role in the Review. The Review shall consider at least the following factors:

(A) the extent to which the increase in per pupil education spending is caused by declining enrollment in the school district; and

(B) the extent to which the increase in per pupil education spending is caused by increases in tuition paid by the school district.

(2) If, at the conclusion of the Review, the Secretary determines that the school district's budget contains excessive increases in per pupil education spending that are within the school district's control and are not supported by good cause, then the homestead property tax rate of the school district that would otherwise be increased by not more than five percent in each fiscal year pursuant to subsection (a) of this section shall be increased to the actual homestead property tax rate calculated pursuant to this act.

Sec. 8. SUSPENSION OF LAWS

(a) Suspension of excess spending penalty. Notwithstanding any provision of law to the contrary, the excess spending penalty under 16 V.S.A. § 4001(6)(B) and 32 V.S.A. § 5401(12) is suspended during fiscal years 2024–2029.

(b) Suspension of hold harmless provision. Notwithstanding any provision of law to the contrary, the hold harmless provision under 16 V.S.A. § 4010(e) is suspended during fiscal years 2025–2029.

(c) Suspension of ballot language requirement. Notwithstanding 16 V.S.A. § 563(11)(D), which requires specified language for a school budget ballot, this requirement is suspended during fiscal years 2025–2029.

* * * Universal Income Declaration Form * * *

Sec. 9. UNIVERSAL INCOME DECLARATION FORM

(a) It is the intention of the General Assembly that, beginning with the 2023–24 school year and thereafter, the determination of whether a pupil is from an economically deprived background be changed from qualification for nutrition benefits to eligibility based upon family income of 185 percent or less of the current year Federal Poverty Level, with data collected from a universal income declaration form.

(b) A universal income declaration form is used by some other states and school districts in Vermont with universal school meals programs to collect household size and income information. A universal income declaration form is used to collect income bracket information from all families, reducing stigma and resulting in the collection of more accurate pupil eligibility counts throughout a school district.

(c) On or before October 1, 2022, the Agency of Education shall convene a working group that includes school staff and hunger and nutrition experts to develop the universal income declaration form that shall be fully accessible to all Vermont families both in paper form and electronically. On or before July 1, 2023, the new form shall be implemented statewide for the 2023–24 school year and thereafter.

(d) The Agency of Education shall establish a process for verifying the accuracy of data collected through the universal income declaration form on a community level, which may include using other sources of income data available to the Agency, including census and direct certification for free and reduced-priced meals.

(e) The sum of $200,000.00 is appropriated from the General Fund to the Agency of Education for fiscal year 2023 to fund operating expenses associated with the creation of the electronic universal income declaration form.

* * * English Learners * * *

Sec. 10. 16 V.S.A. § 4013 is added to read:

§ 4013. ENGLISH LEARNERS SERVICES; STATE AID

(a) Definitions. As used in this section:

(1) "Applicable federal laws" mean the Equal Education Opportunities Act (20 U.S.C. § 1703), Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.), and Titles I and III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. §§ 6301 et seq. and 20 U.S.C. §§ 6801 et seq.), each as amended.

(2) "EL services" mean instructional and support personnel and services that are required under applicable federal laws for EL students and their families.

(3) "EL students" or "EL pupils" mean students who have been identified as English learners through the screening protocols required under 20 U.S.C. § 6823(b)(2).

(b) Required EL services. Each school district shall:

(1) screen students to determine which students are EL students and therefore qualify for EL services;

(2) assess and monitor the progress of EL students;

(3) provide EL services;

(4) budget sufficient resources through a combination of State and federal categorical aid and local education spending to provide EL services;

(5) report expenditures on EL services annually to the Agency of Education through the financial reporting system as required by the Agency; and

(6) evaluate the effectiveness of their EL programs and report educational outcomes of EL students as required by the Agency and applicable federal laws.

(c) Agency of Education support and quality assurance. The Agency of Education shall:

(1) provide guidance and program support to all school districts with EL students as required under applicable federal law, including:

(A) professional development resources for EL teachers and support personnel; and

(B) information on best practices and nationally recognized language development standards; and

(2) prescribe, collect, and analyze financial and student outcome data from school districts to ensure that districts are providing high-quality EL services and expending sufficient resources to provide these services.

(d) Categorical aid. In addition to the EL weight under section 4010 of this title, a school district that has, as determined annually on October 1 of the year:

(1) one to five EL students enrolled shall receive State aid of $25,000.00 for that school year; or

(2) six to 25 EL students enrolled shall receive State aid of $50,000.00 for that school year.

(e) Annual appropriation. Annually, the General Assembly shall include in its appropriation for statewide education spending under subsection 4011(a) of this title an appropriation to provide aid to school districts for EL services under this section.

(f) Payment. On or before November 1 of each year, the State Treasurer shall withdraw from the Education Fund, based on warrant of the Commissioner of Finance and Management, and shall forward to each school district the aid amount it is owed under this section.

Sec. 11. JOINT FISCAL OFFICE REPORT; ENGLISH LEARNERS SERVICES; CATEGORICAL AID

(a) On or before December 15, 2022, the Joint Fiscal Office shall issue a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance on the advantages and disadvantages of:

(1) changing the weight for EL students under 16 V.S.A. § 4010, as amended by this act, to reflect the cost of providing different levels of required EL services, such as different services levels based on the degree of English proficiency of EL students; and

(2) changing the amount or eligibility, or both, for the categorical aid provided to school districts with 25 or fewer EL students under 16 V.S.A. § 4013(d) as added by this act.

(b) The Joint Fiscal Office shall consult with the Agency of Education in drafting its report under subsection (a) of this section. On or before September 1, 2022, the Agency of Education shall provide the Joint Fiscal Office with information on the different levels of required EL services and the number of EL students in each service-level category and shall assist the Joint Fiscal Office in estimating the cost of providing EL services for each service level category.

(c) The Joint Fiscal Office may contract with a third party to perform the work required of it under this section.

* * * Agency of Education; Staffing * * *

Sec. 12. AGENCY OF EDUCATION; STAFFING

(a) The following five positions are created in the Agency of Education:

(1) one full-time, classified position to provide guidance and support to school districts for English learner students;

(2) two full-time, classified positions to develop and maintain the universal income declaration form and provide guidance to school districts on its use; and

(3) two full-time, classified positions to provide financial and data analysis for the Agency of Education.

(b) There is appropriated to the Agency of Education from the General Fund for fiscal year 2023 the amount of $200,000.00 for salaries, benefits, and operating expenses for the positions created under subdivision (a)(2) of this section.

(c) On or before December 15, 2022, the Agency of Education shall submit a plan as part of the budget process to the House and Senate Committees on Education and on Appropriations, House Committee on Ways and Means, and Senate Committee on Finance that sets out the duties of each position under subdivisions (a)(1) and (3) of this section and identifies the funding source or sources for these positions in the transition to the new pupil weights under this act.

* * * Education Quality Standards; Evaluation and Reporting * * *

Sec. 13. 16 V.S.A. § 165 is amended to read:

* * *

(g) In addition to the education quality standards provided in section (a) of this section, each Vermont school district shall meet the school district quality standards adopted by rule of the Agency of Education regarding the business,

facilities management, and governance practices of school districts. These standards shall include a process for school district quality reviews to be conducted by the Agency of Education. Annually, the Secretary shall publish metrics regarding the outcomes of school district quality reviews.

Sec. 14. EDUCATION QUALITY STANDARDS; RULEMAKING

On or before February 1, 2023, the Agency of Education shall initiate rulemaking to update education quality standards as required under 16 V.S.A. § 165. Prior to the filing of the draft updated rules with the Interagency Committee on Administrative Rules, the Agency of Education shall engage stakeholders for input on the draft rules in accordance with a written plan approved by the State Board of Education.

Sec. 15. EVALUATION AND REPORTING ON IMPLEMENTATION OF ACT

The Joint Fiscal Office shall design and contract for an evaluation of the impact of the changes required under this act in achieving the goals under Sec. 2 of this act. On or before December 15, 2029, the Joint Fiscal Office shall submit to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance its written evaluation report.

* * * Career Technical Education * * *

Sec. 16. [Deleted.]

Sec. 17. FUNDING AND GOVERNANCE STRUCTURES OF CAREER TECHNICAL EDUCATION IN VERMONT

(a) The Joint Fiscal Office shall contract for services to:

(1) complete a systematic examination of the existing funding structures of career technical education (CTE) in Vermont and how these structures impede or promote the State's educational and workforce development goals;

(2) examine CTE governance structures in relationship to those funding structures;

(3) examine the funding and alignment of early college and dual enrollment as they relate to CTE;

(4) examine the barriers to enrollment in CTE, early college, and dual enrollment and provide recommendations for addressing these barriers; and

(5) identify and prioritize potential new models of CTE funding and governance structures to reduce barriers to enrollment and to improve the

quality, duration, impact, and access to CTE statewide.

(b) The contractor shall work with the consultant, the Agency of Education, and any other stakeholders who were involved in completing the report on the design, implementation, and costs of an integrated and coherent adult basic education, adult secondary education, and postsecondary career and technical education system pursuant to 2021 Acts and Resolves No. 74, Sec. H.3.

(c) On or before March 1, 2023, the Joint Fiscal Office shall issue a written report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance on the work performed pursuant to subsection (a) of this section.

(d)(1) The Agency of Education shall consider the work performed and report issued pursuant to subsection (c) of this section and shall develop an implementation plan, including recommended steps to design and implement new funding and governance models.

(2) On or before July 1, 2023, the Agency shall issue a written report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance that describes the results of its work under this subsection and the implementation plan and makes recommendations for legislative action.

* * * Education Tax-Related Reports * * *

Sec. 18. REPORT; INCOME-BASED EDUCATION TAX SYSTEM; DEPARTMENT OF TAXES

On or before January 1, 2023, the Department of Taxes, in consultation with the Agency of Education and the Joint Fiscal Office, shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance that makes recommendations regarding the implementation of an income-based education tax system to replace the homestead property tax system, including:

(1) restructuring the renter credit under 32 V.S.A. chapter 154 or creating a new credit or other mechanisms to ensure that Vermonters who rent a primary residence participate fairly in the education income tax system;

(2) transitioning from the current homestead property tax system to the new income-based education tax system;

(3) accurate modelling, given the differences between household income for homestead property tax purposes and adjusted gross income for income tax purposes; and

(4) administering a new proposed education income tax system.

Sec. 19. REPORTS; PROPERTY TAX RATES; JOINT FISCAL OFFICE

Vermont's system of equalized pupils within a shared education fund creates significant opportunities to meet the needs of schools and students. However, certain aspects of the current system distort or prevent a fully equitable and progressive education finance system. Therefore, the Joint Fiscal Office shall explore the issues set forth in this section. On or before January 15, 2023, the Joint Fiscal Office shall examine and provide options to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance for structuring the following:

(1) methods for cost containment that create equity in school districts' ability to spend sufficiently on education to meet student needs;

(2) in collaboration with the Department of Taxes and the Agency of Education, the mechanics for setting the yields in a manner that creates a constitutionally adequate education spending amount for school districts at a level that is determined by education funding experts to be sufficient to meet student needs; and

(3) funding similar school districts in an equitable manner regardless of their per pupil education spending decisions.

* * * Joint Fiscal Office; Appropriation * * *

Sec. 20. JOINT FISCAL OFFICE; APPROPRIATION

There is appropriated to the Joint Fiscal Office from the General Fund for fiscal year 2023 the amount of $205,000.00 for the studies and reports required by the Joint Fiscal Office under this act.

* * * Conforming and Technical Changes to Titles 16 and 32 * * *

Sec. 21. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

A school district shall not pay the tuition of a student except to a public school, an approved independent school, an independent school meeting education quality standards, a tutorial program approved by the State Board, an approved education program, or an independent school in another state or country approved under the laws of that state or country, that complies with

the reporting requirement under subsection 4010(c) of this title, nor shall payment of tuition on behalf of a person be denied on account of age. Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school ~~he or she~~ the person may attend, may appeal to the State Board and its decision shall be final.

Sec. 22. 16 V.S.A. § 1531 is amended to read:

§ 1531. RESPONSIBILITY OF STATE BOARD

* * *

(c) For a school district that is geographically isolated from a Vermont career technical center, the State Board may approve a career technical center in another state as the career technical center that district students may attend. In this case, the school district shall receive transportation assistance pursuant to section 1563 of this title and tuition assistance pursuant to ~~section~~ subsection 1561(c) of this title. Any student who is a resident in the Windham Southwest Supervisory Union and who is enrolled at public expense in the Charles H. McCann Technical School or the Franklin County Technical School shall be considered to be attending an approved career technical center in another state pursuant to this subsection, and, if the student is from a school district eligible for a ~~small schools~~ merger support grant pursuant to section 4015 of this title or a small school weight pursuant to section 4010 of this title, the student's full-time equivalency shall be computed according to time attending the school.

Sec. 23. 16 V.S.A. § 1546 is amended to read:

§ 1546. COMPREHENSIVE HIGH SCHOOLS

* * *

(c) Two or more comprehensive high schools for which the State Board has designated a service region shall be a career technical center for the purposes of accountability to the State Board under subchapter 2 of this chapter, responsibilities of the career technical center under subchapter 3 of this chapter, and receiving State financial assistance under subchapter 5 of this chapter, excluding the ~~per equalized pupil~~ general State support grant under subsection 1561(b) of this title. The regional advisory board shall determine how funds received under subchapter 5 shall be distributed. A comprehensive high school aggrieved by a decision of the regional advisory board may appeal to the Secretary who, after opportunity for hearing, may affirm or modify the decision.

Sec. 24. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(3) ~~"Equalized pupils" means the long-term weighted average daily membership multiplied by the ratio of the statewide long-term average daily membership to the statewide long-term weighted average daily membership~~. [Repealed.]

* * *

(7) "Long-term membership" of a school district in any school year means the:

(A) ~~mean~~ average of the district's average daily membership, excluding full-time equivalent enrollment of State-placed students, over two school years, the latter of which is the current school year, plus

(B) full-time equivalent enrollment of State-placed students for the most recent of the two years.

* * *

(8) ~~"Poverty ratio" means the number of persons in the school district who are aged six through 17 and who are from economically deprived backgrounds, divided by the long-term membership of the school district. A person from an economically deprived background means a person who resides with a family unit receiving nutrition benefits. A person who does not reside with a family unit receiving nutrition benefits but for whom English is not the primary language shall also be counted in the numerator of the ratio. The Secretary shall use a method of measuring the nutrition benefits population that produces data reasonably representative of long-term trends. Persons for whom English is not the primary language shall be identified pursuant to subsection 4010(e) of this title.~~ [Repealed.]

* * *

(14) ~~"Adjusted education payment" means the district's education spending per equalized pupil~~ "Per pupil education spending" of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title.

* * *

Sec. 25. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

* * *

(c) Annually, each school district shall receive an education spending payment for support of education costs. An unorganized town or gore shall receive an amount equal to its ~~adjusted education payment~~ per pupil education spending for that year for each student ~~based on the weighted average daily membership count, which shall not be equalized~~. ~~In fiscal years 2007 and after,~~ ~~no~~ No district shall receive more than its education spending amount.

* * *

(i) Annually, ~~by~~ on or before October 1, the Secretary shall send to school boards for inclusion in town reports and publish on the Agency website the following information:

(1) the statewide average district ~~spending per equalized pupil~~ per pupil education spending for the current fiscal year ~~and 125 percent of that average spending~~; and

(2) a statewide comparison of student-teacher ratios among schools that are similar in number of students and number of grades.

Sec. 26. 16 V.S.A. § 4015 is amended to read:

§ 4015. ~~SMALL SCHOOL~~ MERGER SUPPORT FOR MERGED DISTRICTS

~~(a) In this section:~~

~~(1) "Eligible school district" means a school district that:~~

~~(A) operates at least one school with an average grade size of 20 or fewer; and~~

~~(B) has been determined by the State Board, on an annual basis, to be eligible due to either:~~

~~(i) the lengthy driving times or inhospitable travel routes between the school and the nearest school in which there is excess capacity; or~~

~~(ii) the academic excellence and operational efficiency of the school, which shall be based upon consideration of:~~

~~(I) the school's measurable success in providing a variety of high-quality educational opportunities that meet or exceed the educational quality standards adopted by the State Board pursuant to section 165 of this title;~~

(II) the percentage of students from economically deprived backgrounds, as identified pursuant to subsection 4010(d) of this title, and those students' measurable success in achieving positive outcomes;

(III) the school's high student-to-staff ratios; and

(IV) the district's participation in a merger study and submission of a merger report to the State Board pursuant to chapter 11 of this title or otherwise.

(2) "Enrollment" means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student.

(3) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(4) "Average grade size" means two-year average enrollment divided by the number of grades taught in the district on October 1. For purposes of this calculation, kindergarten and prekindergarten programs shall be counted together as one grade.

(5) "AGS factor" means the following factors for each average grade size:

Average grade size		
More than: -	but less than or equal to:	Factor:
0	7	0.19
7	9	0.175
9	10	0.16
10	11	0.145
11	12	0.13
12	13	0.115
13	14	0.10
14	15	0.085
15	16	0.070
16	17	0.055
17	18	0.040
18	19	0.025
19	20	0.015

~~(6) "School district" means a town, city, incorporated, interstate, or union school district or a joint contract school established under chapter 11, subchapter 1 of this title.~~

~~(b) Small schools support grant. Annually, the Secretary shall pay a small schools support grant to any eligible school district. The amount of the grant shall be the greater of:~~

~~(1) the amount determined by multiplying the two-year average enrollment in the district by $500.00 and subtracting the product from $50,000.00, with a maximum grant of $2,500.00 per enrolled student; or~~

~~(2) the amount of 87 percent of the base education amount for the current year, multiplied by the two-year average enrollment, multiplied by the AGS factor.~~

~~(c) [Repealed.]~~

~~(d) [Repealed.]~~

~~(e) In the event that a school or schools that have received a grant under this section merge in any year following receipt of a grant, and the consolidated school is not eligible for a grant under this section or the small school grant for the consolidated school is less than the total amount of grant aid the schools would have received if they had not combined, the consolidated school shall continue to receive a grant for three years following consolidation. The amount of the annual grant shall be:~~

~~(1) in the first year following consolidation, an amount equal to the amount received by the school or schools in the last year of eligibility;~~

~~(2) in the second year following consolidation, an amount equal to two-thirds of the amount received in the previous year; and~~

~~(3) in the third year following consolidation, an amount equal to one-third of the amount received in the first year following consolidation.~~

~~(f)(1) Notwithstanding anything to the contrary in this section, a school district that received a small schools grant in fiscal year 2020 shall continue to receive an annual small schools grant.~~

~~(2) Payment of the grant under this subsection shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following the cessation of operations of the school that made the district eligible for the small schools grant, and further provided that if the building that houses the school that made the district eligible for the small schools grant is consolidated with another school into a renovated or new school building,~~

~~then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.~~

~~(3) A school district that is eligible to receive an annual small schools grant under this subsection shall not also be eligible to receive a small school grant or its equivalent under subsection (b) of this section or under any other provision of law.~~

(a) A school district that was voluntarily formed under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended, and received a merger support grant shall continue to receive that merger support grant, subject to the provisions in subsection (c) of this section.

(b) A school district that was involuntarily formed under the Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to Act 46, Secs. 8(b) and 10 dated November 28, 2018 and that received a small schools grant in fiscal year 2020 shall receive an annual merger support grant in that amount, subject to the provisions in subsection (c) of this section.

(c)(1) Payment of a merger support grant under this section shall not be made in any year that the school district receives a small school weight under section 4010 of this title.

(2) Payment of a merger support grant under this section shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following the cessation of operations of the school that made the district originally eligible for the grant, and further provided that if the building that houses the school that made the district originally eligible for the grant is consolidated with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.

Sec. 27. 16 V.S.A. § 4030 is amended to read:

§ 4030. DATA SUBMISSION; CORRECTIONS

* * *

(b) The Secretary shall use data submitted on or before January 15 prior to the fiscal year that begins the following July 1~~,~~ in order to calculate the amounts due each school district for any fiscal year for ~~the following:~~

~~(1)~~ transportation aid due under section 4016 of this title~~; and~~

~~(2) the small school support grant due under section 4015 of this title~~.

* * *

(d) The Secretary shall not use data corrected due to an error submitted following the deadlines to recalculate ~~the equalized pupil ratio under subdivision 4001(3)~~ weighted long-term membership under section 4010 of this title. The Secretary shall not adjust average daily membership counts if an error or change is reported more than three fiscal years following the date that the original data was due.

* * *

Sec. 28. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(13)(A) "Education property tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending~~, per equalized pupil,~~ for the school year, and the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section.

(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending~~, per equalized pupil,~~ for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * *

(15) "Property dollar equivalent yield" means the amount of per pupil education spending ~~per equalized pupil~~ that would result if the homestead tax rate were $1.00 per $100.00 of equalized education property value, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

(16) "Income dollar equivalent yield" means the amount of per pupil education spending ~~per equalized pupil~~ that would result if the income percentage in subdivision 6066(a)(2) of this title were 2.0 percent, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

Sec. 29. 32 V.S.A. § 5402(e) is amended to read:

(e) The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:

(1) For a municipality that is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending ~~per equalized pupil~~ of the unified union.

(2) For a municipality that is a member of a union school district:

(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending ~~per total equalized pupil~~ in the municipality who attends a school other than the union school.

(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending ~~per equalized pupil~~ of the union school district.

(C) Determine a combined homestead tax rate by calculating the weighted average of the rates determined under subdivisions (A) and (B) of this subdivision (2), with weighting based upon the ratio of union school ~~equalized pupils~~ long-term membership, as defined in 16 V.S.A. § 4001(7), from the member municipality to total ~~equalized pupils~~ long-term membership of the member municipality; and the ratio of ~~equalized pupils~~ long-term membership attending a school other than the union school to total ~~equalized pupils~~ long-term membership of the member municipality. Total ~~equalized pupils~~ long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (e).

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

(a) The following sections shall take effect on July 1, 2022:

(1) Sec. 1 (findings);

(2) Sec. 2 (goals);

(3) Sec. 3 (intent of act);

(4) Sec. 5 (collaboration by the Agency of Education and Joint Fiscal Office);

(5) Sec. 6 (Vermont Center for Geographic Information);

(6) Sec. 7 (calculation of tax rates; tax rate review; fiscal years 2025–2029);

(7) Sec. 8 (suspension of laws);

(8) Sec. 9 (universal income declaration form);

(9) Sec. 11 (Joint Fiscal Office report; English learners services; categorical aid);

(10) Sec. 12 (Agency of Education; staffing);

(11) Sec. 14 (education quality standards; rulemaking);

(12) Sec. 15 (evaluation and reporting on implementation of act);

(13) Sec. 17 (funding and governance structures of career technical education in Vermont);

(14) Sec. 18 (report; income-based education tax system; Department of Taxes);

(15) Sec. 19 (reports; property tax rates; Joint Fiscal Office);

(16) Sec. 20 (Joint Fiscal Office; appropriation); and

(17) this section (effective dates).

(b) The following sections shall take effect on July 1, 2024:

(1) Sec. 4 (amendment to 16 V.S.A. § 4010; determination of weighted long-term membership and per pupil education spending);

(2) Sec. 10 (adding 16 V.S.A. § 4013; English learners services; State aid);

(3) Sec. 13 (amendment to 16 V.S.A. § 165; education quality standards);

(4) Sec. 21 (amendment to 16 V.S.A. § 828; tuition to approved schools; age; appeal);

(5) Sec. 22 (amendment to 16 V.S.A. § 1531; responsibility of State Board);

(6) Sec. 23 (amendment to 16 V.S.A. § 1546; comprehensive high schools);

(7) Sec. 24 (amendment to 16 V.S.A. § 4001; definitions);

(8) Sec. 25 (amendment to 16 V.S.A. § 4011; education payments);

(9) Sec. 26 (amendment to 16 V.S.A. § 4015; merger support for merged districts);

(10) Sec. 27 (amendment to 16 V.S.A. § 4030; data submission; corrections);

(11) Sec. 28 (amendment to 32 V.S.A. § 5401; definitions); and

(12) Sec. 29 (amendment to 32 V.S.A. § 5402(e); determination of homestead education tax rate).

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

Bills Passed in Concurrence with Proposal of Amendment

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

H. 465. An act relating to boards and commissions.

H. 489. An act relating to miscellaneous provisions affecting health insurance regulation.

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

H. 727.

House bill entitled:

An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

Was taken up.

Thereupon, pending third reading of the bill, Senators Perchlik, Campion, Chittenden, Hardy, Hooker, Lyons and Terenzini moved to amend the Senate proposal of amendment as follows:

First: By striking out Sec. 4, withdrawal actions approved by State Board; new districts with an operational date on or after July 1, 2023, in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. WITHDRAWAL ACTIONS APPROVED BY STATE BOARD; NEW DISTRICTS WITH AN OPERATIONAL DATE ON OR AFTER JULY 1, 2023

(a) Application of this section. This section shall apply solely to a

withdrawal action initiated pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A § 724), if each of the following actions occurred prior to that effective date:

(1) the State Board of Education gave final approval to the voter-approved and voter-ratified proposal to withdraw from the union school district;

(2) the State Board declared a new school district to be reconstituted;

(3) the State Board established the new school district's operational date as July 1, 2023 or after;

(4) the voters of the new school district elected school board members;

(5) the voters of the towns within the union district voted to approve the financial terms of withdrawal negotiated by the boards of the new school district and the union district; and

(6) the State Board charged the new school district and its board with performing the transitional activities necessary to assume sole responsibility for the education of resident students on the identified operational date.

(b) Vote of the board of the new school district; operational date. Before July 1, 2022, the board of the new school district shall vote whether to move forward with preparing for the operational date in effect on July 1, 2022 (current operational date) or whether to extend the operational date by one year. If the school board votes to extend the operational date, the operational date shall be extended to one year from the current operational date (new operational date). The board of the new school district shall notify the State Board and clerk of the union district of its decision and operational date on or before July 1, 2022. The State Board shall then review the preparedness of the new school district pursuant to subsection (c) or (d) of this section depending on the operational date. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(c) Operational date in effect as of July 1, 2022; State Board review and action.

(1) Report. If the board of the new school district votes to move forward with preparing for the current operational date, it shall submit a written status report to the Board detailing the actions the district has taken and will take to ensure that, as of its operational date, the district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services. The status report shall include a timeline

indicating the date by which each action shall be complete and the report shall be submitted to the State Board on or before the State Board's regular July 2022 meeting.

(2) State Board review and action. The State Board shall consider the status report and provide the board of the new school district an opportunity to be heard at a meeting located in the new school district. The State Board may also take testimony from other entities including the union school district and the Secretary of Education. The State Board shall issue a determination of preparedness based on the review and report on or before September 1, 2022.

(A) Preparedness deemed likely. If the State Board determines that it is likely the new school district will be prepared on the current operational date to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services, then the new school district, the union district, and, if applicable, the supervisory union or unions shall continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the new school district will not be able to be prepared on the current operational date to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then:

(i) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; provided, however, upon order of the State Board, the new school district and its board may continue to exist for up to six months after the date of the State Board's determination for the sole purpose of completing any outstanding business that cannot legally be performed by another entity;

(ii) the petitioning town shall be a town within the union district;

(iii) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724;

(iv) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act; and

(v) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (2)(B).

(d) Extension of operational date; State Board review and action.

(1) Notification to State Board. If the board of the new school district voted to extend the operational date to one year from the operational date in effect on July 1, 2022, then the board shall notify the State Board of Education of the new operational date pursuant to subsection (b) of this section and shall continue to take all actions necessary to prepare for the realignment of duties on the new operational date. The State Board may ask for updates from the board of the new school district on preparedness efforts at any point before its regular July 2023 meeting.

(2) Report. On or before the regular July 2023 State Board meeting, the new school district shall submit a written status report to the Board detailing the actions the district has taken and will take to ensure that as of its new operational date the district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services. The status report shall include a timeline indicating the date by which each action shall be complete.

(3) State Board review and action. The State Board shall consider the status report and provide the board of the new school district an opportunity to be heard at a meeting located in the new school district. The State Board may also take testimony from other entities including the union school district and the Secretary of Education. The State Board shall issue a determination of preparedness based on the review and the report on or before September 1, 2023.

(A) Preparedness deemed likely. If the State Board determines that it is likely the new school district will be prepared on the new operational date to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services, then the new school district, the union district, and, if applicable, the supervisory union or unions shall continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the new school district will not be able to be prepared on the new operational date to assume full responsibility for the education of its resident students in a manner that substantially complies with

educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services, then:

(i) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; provided, however, upon order of the State Board, the new school district and its board may continue to exist for up to six months after the date of the State Board's determination for the sole purpose of completing any outstanding business that cannot legally be performed by another entity;

(ii) the petitioning town shall be a town within the union district;

(iii) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724;

(iv) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act; and

(v) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (3)(B).

(e) Repeal. This section is repealed on July 1, 2024.

Second: By striking out Sec. 6, withdrawal proposals on which the State Board has not taken action; union district created by the electorate, in its entirety and inserting in lieu thereof a new Sec. 6 to read as follows:

Sec. 6. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD HAS NOT TAKEN ACTION; UNION DISTRICT CREATED BY THE ELECTORATE

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) the voters of the petitioning town approved a proposal to withdraw from the union district;

(3) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(4) the State Board of Education has not approved or taken action to approve the withdrawal proposal or to declare that a new school district is reconstituted.

(b) Decision regarding timing of State Board review. At any time before July 1, 2022, the self-selected representatives of the petitioning town shall decide whether to begin a State Board of Education review of their withdrawal proposal in July of 2022 or July of 2023 and shall transmit their decision and proposed operational date to the State Board of Education and the clerk of the union district. The State Board shall review the withdrawal proposal only once. If the review of the withdrawal proposal occurs in 2023, the State Board may ask for updates from the self-selected members of the petitioning town on preparedness efforts prior to the final withdrawal proposal review. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(c) Report and plan. On or before the second Wednesday of July in the year in which the review will occur, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (e) of this section.

(d) Review and preparedness determination by the State Board.

(1) Review. The State Board shall consider the report and plan and provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may also take testimony from other individuals and entities, including the Secretary of Education and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district. The State Board shall issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than September 1, 2022 or September 1, 2023, as applicable, based on the decision of the self-selected representatives of the petitioning town made pursuant to subsection (b) of this section.

(2) Preparedness deemed likely; State Board of Education action. If the State Board determines that it is likely the proposed new school district on the proposed operational date will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and that it is also

likely supervisory union services will be available to the proposed new school district, then it shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (e) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the proposed new school district will not be able to be prepared on the proposed operational date to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services, and that the criteria will not be met by postponing the operational date, then:

(A) the State Board shall declare that the petitioning town's proposal to withdraw initiated under the former 16 V.S.A. § 724 is denied;

(B) the petitioning town shall remain a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724; and

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(e) Preparedness deemed likely; next steps. If the State Board approves the withdrawal process pursuant to subdivision (d)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(f) Repeal. This section is repealed on July 1, 2025.

Third: By striking out Sec. 7, withdrawal proposals; no final ratification votes, in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. WITHDRAWAL PROPOSALS; NO FINAL RATIFICATION VOTES

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) a vote in the petitioning town to approve a withdrawal proposal was warned to occur on or before June 1, 2022; and

(3) the voters of each of the other towns within the union district have not voted whether to ratify the withdrawal proposal prior to the effective date of this section or they each voted but the votes are not final prior to the effective date.

(b) Vote of the other towns within the union district. If the voters in the petitioning town vote to approve withdrawal, then within 90 days after the town clerks in the other towns within the union district receive notice from the Secretary of State pursuant to the former 16 V.S.A. § 724(b) that the vote in the petitioning town is final, the voters of the other towns within the union district shall vote whether to ratify the withdrawal proposal. The question shall be determined by Australian ballot and shall proceed pursuant to Sec. 3, 16 V.S.A. § 737 (warnings of unified union school district meetings) and §§ 739–741 (vote by Australian ballot) of this act. The ballots shall not be commingled.

(1) Vote not to ratify withdrawal. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur. The voters residing in any town within the union district may initiate new withdrawal procedures pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(2) Vote in favor of withdrawal. If a majority of the voters in all towns within the union district vote in favor of withdrawal, then the withdrawal process shall proceed pursuant to subsections (c)–(e) of this section.

(c) Decision regarding timing of State Board review. Within 30 days after the ratification votes of the other towns within the union district are final, the self-selected representatives of the petitioning town shall decide whether to undergo a State Board of Education review of the withdrawal proposal in 2022 or 2023 and shall transmit their decision and proposed operational date to the State Board of Education and clerk of the union district. In accordance with the decision of the self-selected representatives of the petitioning town regarding the year in which the withdrawal proposal shall be reviewed, the State Board, in consultation with the self-selected representatives, shall determine the date the final withdrawal proposal review will begin and transmit the date to the self-selected representatives of the petitioning town and the clerk of the union school district. The State Board shall review the withdrawal proposal only once. If the review of the withdrawal proposal occurs in 2023, the State Board may ask for updates from the self-selected members of the petitioning town on preparedness efforts prior to the final withdrawal proposal review. The decision of the State Board shall be final

regardless of whether it occurs in 2022 or 2023.

(d) Report and plan. On or before the date set by the State Board to begin the final withdrawal proposal review, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165,

including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (f) of this section.

(e) Review and preparedness determination by the State Board.

(1) Review. The State Board shall consider the report and plan and provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may also take testimony from other individuals and entities including the Secretary of Education and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district. The State Board shall issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than 90 days after the date set by the State Board to begin the final withdrawal proposal review.

(2) Preparedness deemed likely; State Board of Education action. If the State Board determines that it is likely the proposed new school district on the proposed operational date will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and that it is also likely supervisory union services will be available to the proposed new school district, then it shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (f) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the proposed new school district will not be able to be

prepared on the proposed operational date to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services, and that the criteria will not be met by postponing the operational date, then:

(A) the State Board shall declare that the petitioning town's proposal to withdraw initiated under the former 16 V.S.A. § 724 is denied;

(B) the petitioning town shall remain a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724; and

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(f) Preparedness deemed likely; next steps. If the State Board approves the withdrawal process pursuant to subdivision (e)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(g) Repeal. This section is repealed on July 1, 2025.

Which was agreed to.

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

Proposal of Amendment; Third Reading Ordered

H. 265.

Senator Hardy, for the Committee on Health and Welfare, to which was referred House bill entitled:

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

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

Sec. 1. 33 V.S.A. chapter 32 is added to read:

CHAPTER 32. OFFICE OF THE CHILD, YOUTH, AND FAMILY ADVOCATE

§ 3201. DEFINITIONS

As used in this chapter:

(1) "Child, Youth, and Family Advocate" or "Advocate" means an individual who leads the Office of the Child, Youth, and Family Advocate.

(2) "Department" means the Department for Children and Families.

(3) "Office" means the Office of the Child, Youth, and Family Advocate.

(4) "State agency" means any office, department, board, bureau, division, agency, or instrumentality of the State.

§ 3202. OFFICE OF THE CHILD, YOUTH, AND FAMILY ADVOCATE

There is established the Office of the Child, Youth, and Family Advocate for the purpose of advancing the interests and welfare of Vermont's children and youths. The Office shall advocate for the welfare of children and youths receiving services from the Department and those involved in the child protection and juvenile justice systems. The Office shall promote reforms necessary to better serve Vermont's children, youths, and families in a manner that addresses racial and social equity. The Office shall act independently of any State agency in the performance of its duties.

§ 3203. DUTIES AND AUTHORITY

(a) The Office shall:

(1) work in collaboration with relevant parties to strengthen services for children, youths, and families;

(2) analyze and monitor the development and implementation of federal, State, and local laws; regulations; and policies relating to child, youth, and family welfare and recommend changes when appropriate;

(3) review complaints concerning the actions of the Department and of any entity that provides services to children, youths, and families through funds provided by the Department; make appropriate referrals; and investigate those complaints where the Advocate determines that a child, youth, or family may be in need of assistance from the Office;

(4) support children, youths, and families by providing information about service recipients' rights and responsibilities;

(5) provide systemic information concerning child, youth, and family welfare to the public, the Governor, State agencies, legislators, and others, as necessary; and

(6) notwithstanding 2 V.S.A. § 20(d), submit to the General Assembly and the Governor on or before December 1 of each year a report addressing services provided by the Department, including:

(A) the conditions of placements for Vermont's children and youths;

(B) findings related to services for and assistance to children, youths, and families within the child protection and juvenile justice systems;

(C) recommendations related to improving services for children, youths, and families; and

(D) data disaggregated by race, ethnicity, gender, geographic location, disability status, and any other categories that the Advocate deems necessary.

(b) The Office may:

(1) review current systems to assess to what extent children and youths placed in the custody of the Department or who are receiving services under the supervision of the Department receive humane and dignified treatment at all times, including consideration by the Advocate as to what extent the system protects and enhances the child's or youth's personal dignity, right to privacy, and right to appropriate health care and education in accordance with State and federal law;

(2) address any challenges accessing information or records that are necessary for carrying out the provisions of this chapter; and

(3) as part of its annual report pursuant to subdivision (a)(6) of this section, include findings and recommendations related to other services provided to children, youths, and families.

§ 3204. CHILD, YOUTH, AND FAMILY ADVOCATE

(a) The Office shall be directed by the Child, Youth, and Family Advocate, an individual who shall be qualified by reason of education, expertise, and experience and who may have a professional degree in law, social work, public health, or a related field. The Child, Youth, and Family Advocate shall serve on a full-time basis and shall be exempt from classified service.

(b)(1) The Oversight Commission on Children, Youths, and Families established pursuant to section 3211 of this chapter shall recommend qualified applicants for the position of the Child, Youth, and Family Advocate to the Governor for consideration. Subject to confirmation by the Senate, the Governor shall appoint an Advocate within 45 days from among those applicants recommended by the Oversight Commission for a term of four years. The appointment for Advocate shall be made without regard to political affiliation and on the basis of integrity and demonstrated ability. The Advocate shall hold office until reappointed or until a successor is appointed.

(2) The Governor, upon a majority vote of the Oversight Commission, may remove the Child, Youth, and Family Advocate for cause, which includes only neglect of duty, gross misconduct, conviction of a crime, or inability to perform the responsibilities of the Office. The Speaker of the House and President Pro Tempore shall simultaneously receive notification from the Governor of the Advocate's removal. Any vacancy shall be filled by the appointment process set forth in subdivision (1) of this subsection for the remainder of the unexpired term.

(c) The Child, Youth, and Family Advocate shall appoint a Deputy Child, Youth, and Family Advocate, whose duties shall be performed at the direction of the Advocate.

(d) Upon any vacancy in the position of the Advocate, and until such time as a replacement is appointed and confirmed, the Deputy Child, Youth, and Family Advocate shall serve as the acting Child, Youth, and Family Advocate. The acting Child, Youth, and Family Advocate shall have the full responsibilities of the Advocate and shall be entitled to the same compensation as the outgoing Child, Youth, and Family Advocate.

§ 3205. CHILD, YOUTH, AND FAMILY ADVISORY COUNCIL

(a) Purpose and membership. The Child, Youth, and Family Advocate shall appoint and convene an Advisory Council composed of nine stakeholders who have been impacted by child welfare services provided by the Department for Children and Families. The Advisory Council's membership shall reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color, as well as with regard to socioeconomic status, geographic location, gender, sexual identity, and disability status. Members shall provide advice and guidance to the Office of the Child, Youth, and Family Advocate regarding the routine administration and operation of the Office, including providing advice and guidance to the Advocate upon request.

(b) Meetings.

(1) The Advocate shall call the first meeting of the Advisory Council to occur on or before March 15, 2023.

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

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

(4) The Advisory Council shall cease to exist on July 1, 2028.

(c) Confidentiality. In seeking the advice and guidance of the Advisory Council, the Child, Youth, and Family Advocate shall not disclose to the Advisory Council, or any member thereof, individually identifiable information about a child or youth unless the information is already known to the public.

(d) Compensation. Members of the Advisory Council 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 annually. These payments shall be made from monies appropriated to the Office.

§ 3206. INCIDENTS AND FATALITIES

(a) The Department shall notify the Office of all incidents of actual physical injury to children or youths in the custody of the Commissioner or at significant risk of such harm.

(b) The Department shall notify the Office within 48 hours of:

(1) any fatality of a child or youth in its custody; and

(2) the restraint or seclusion of any child or youth in its custody.

§ 3207. ACCESS TO INFORMATION AND FACILITIES

(a) Notwithstanding any other provision of law, the Child, Youth, and Family Advocate and the Deputy Advocate shall, upon request, have timely access, including the right to inspect and copy, to records necessary to carry out the provisions of this chapter, including relevant records produced and held by State entities and third parties. As used in this subsection, "third parties" does not include Vermont's Statistical Analysis Center.

(b) If the Child, Youth, and Family Advocate determines that doing so advances the welfare of a child or youth, the Advocate and Deputy Advocate may:

(1) communicate privately and visit with any child or youth who is in the custody of the Department; and

(2) upon first obtaining the consent of a child or youth's parent or guardian, communicate privately and visit with a child or youth who is not in the custody of the Department.

(c) Facilities and providers delivering services to children and youths shall permit the Child, Youth, and Family Advocate or the Deputy Advocate to access their facilities.

§ 3208. COOPERATION OF STATE AGENCIES

All State agencies shall comply with reasonable requests of the Child, Youth, and Family Advocate and Deputy Advocate for information and assistance.

§ 3209. CONFIDENTIALITY

(a) The Office shall maintain the confidentiality of all case records, third-party records, and court records, as well as any information gathered in the course of investigations and systems monitoring duties. These records are exempt from public inspection and copying under the Public Records Act and shall be kept confidential except as provided in subsections (b) and (c) of this section.

(b) In the course of carrying out the provisions of this chapter, if the Child, Youth, and Family Advocate or Deputy Advocate reasonably believes that the health, safety, or welfare of a child or youth is at imminent risk, the Advocate or Deputy Advocate may disclose relevant documents or information to the Department or any of the individuals or entities listed in subdivision 4921(e)(1) of this title or both. Determinations of relevancy shall be made by the Advocate.

(c) Notwithstanding subsection (a) of this section, the Child, Youth, and Family Advocate or Deputy Advocate may publicly disclose any patterns of conduct or repeated incidents identified by the Advocate or Deputy Advocate in carrying out the provisions of this chapter if the Advocate or Deputy Advocate reasonably believes that public disclosure is likely to mitigate a risk posed to the health, safety, and welfare of a child or youth, except the Advocate or Deputy Advocate shall not publicly disclose either of the following:

(1) individually identifiable information about a child or youth, or the child's or youth's family, foster family, or kin in a kinship placement unless the information is already known to the public; and

(2) investigation findings where there is a pending law enforcement investigation or prosecution.

§ 3210. CONFLICT OF INTEREST

The Child, Youth, and Family Advocate, the Advocate's employees or contractors, and members of the Oversight Commission on Children, Youths, and Families shall not have any conflict of interest with the Department or with any entity that provides services to children, youths, and families through funds provided by the Department relating to the performance of their responsibilities under this chapter. For the purposes of this section, a conflict of interest exists whenever the Child, Youth, and Family Advocate, the Advocate's employees or contractors, or a member of the Oversight Commission on Children, Youths, and Families:

(1) has direct involvement in the licensing, certification, or accreditation of a provider or facility delivering services to children, youths, and families;

(2) has a direct ownership interest in a provider or facility delivering services to children, youths, and families;

(3) is employed by or participates in the management of a provider or facility delivering services to children, youths, and families; or

(4) receives or has the right to receive, directly or indirectly, remuneration under a compensation arrangement with a provider or facility delivering services to children, youths, and families.

§ 3211. OVERSIGHT COMMISSION ON CHILDREN, YOUTHS, AND FAMILIES

(a) Creation. There is created the Oversight Commission on Children, Youths, and Families to provide guidance and recommendations to the Office of the Child, Youth, and Family Advocate.

(b) Membership. The Commission shall be composed of the following members who shall not have a conflict of interest with the Department for Children and Families:

(1) one current member of the House of Representatives who serves on the House Committee on Human Services, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate who serves on the Senate Committee on Health and Welfare, who shall be appointed by the Committee on Committees;

(3) a member with professional expertise in childhood trauma, adverse childhood experiences, or child welfare, who shall be appointed by the Governor;

(4) the Executive Director of Racial Equity established pursuant to 3 V.S.A. § 5001 or designee;

(5) one member of a child advocacy group, board, or commission, who shall be appointed by the Speaker of the House;

(6) one member of a child advocacy group, board, or commission, who shall be appointed by the Committee on Committees;

(7) one member of a child advocacy group, board, or commission, who shall be appointed by the Governor;

(8) an adult who was in the custody of the Department for Children and Families within the past five years, who shall be appointed by the Vermont Foster and Adoptive Family Association; and

(9) the relative caregiver of a child or youth involved in the child protection system, who shall be appointed by Vermont Kin as Parents.

(c) Powers and duties. The Commission shall:

(1) recommend qualified applicants for the position of the Child, Youth, and Family Advocate to the Governor for consideration pursuant to section 3204 of this chapter within 45 days following a vacancy; and

(2) provide oversight of the Office in its efforts to support an equitable, comprehensive, and coordinated system of services and programs for children, youths, and families.

(d) Assistance. The Commission shall have the administrative assistance of the Agency of Administration.

(e) Meetings.

(1) The member representing the House Committee on Human Services shall call the first meeting of the Commission to occur on or before August 1, 2022.

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

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

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Commission serving in the member'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 four meetings annually.

(2) Other members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than four meetings annually. These payments shall be made from monies appropriated to the Office of the Child, Youth, and Family Advocate.

Sec. 2. 33 V.S.A. § 4913 is amended to read:

§ 4913. REPORTING CHILD ABUSE AND NEGLECT; REMEDIAL ACTION

(a) A mandated reporter is any:

* * *

(11) camp counselor; ~~or~~

(12) member of the clergy; or

(13) employee of the Office of the Child, Youth, and Family Advocate established pursuant to chapter 32 of this title.

* * *

Sec. 3. 33 V.S.A. § 4921 is amended to read:

§ 4921. DEPARTMENT'S RECORDS OF ABUSE AND NEGLECT

* * *

(d) Upon request, Department records created under this subchapter shall be disclosed to:

* * *

(4) law enforcement officers engaged in a joint investigation with the Department, an Assistant Attorney General, or a State's Attorney; ~~and~~

(5) other State agencies conducting related inquiries or proceedings; and

(6) the Office of the Child, Youth, and Family Advocate for the purpose of carrying out the provisions in chapter 32 of this title.

* * *

Sec. 4. 33 V.S.A. § 5117 is amended to read:

§ 5117. RECORDS OF JUVENILE JUDICIAL PROCEEDINGS

* * *

(b)(1) Notwithstanding the foregoing, inspection of such records and files by or dissemination of such records and files to the following is not prohibited:

* * *

(H) the Human Services Board and the Commissioner's Registry Review Unit in processes required under chapter 49 of this title; ~~and~~

(I) the Department for Children and Families; and

(J) the Office of the Child, Youth, and Family Advocate for the purpose of carrying out the provisions in chapter 32 of this title.

* * *

Sec. 5. [Deleted.]

Sec. 6. TRANSITION

The initial term of the Child, Youth, and Family Advocate established pursuant to 33 V.S.A. chapter 32 shall begin on January 1, 2023.

Sec. 7. APPROPRIATION

The sum of $120,000.00 is appropriated to the Office of the Child, Youth, and Family Advocate from the General Fund in fiscal year 2023 for carrying out the purposes of this act.

Sec. 8. [Deleted.]

Sec. 9. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Secs. 2 (reporting child abuse and neglect; remedial action), 3 (Department's records of abuse and neglect), 4 (records of juvenile judicial proceedings), and 7 (appropriation) shall take effect on January 1, 2023.

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

Senator Sears, 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 Health and Welfare.

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

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Health and Welfare?, Senators Hardy, Baruth, Kitchel, Nitka, Sears, Starr and Westman moved to amend the proposal of amendment of the Committee on Health and Welfare, as follows:

First: In Sec. 1, 33 V.S.A. chapter 32, section 3202, by striking out the second sentence in its entirety and inserting a new sentence in lieu thereof to read as follows:

The Office shall advocate for the welfare of children and youths receiving services from the Department directly, or through funds provided by the Department, and those involved in the child protection and juvenile justice systems.

Second: In Sec. 1, 33 V.S.A. chapter 32, section 3203, subsection (a), subdivision (3), by striking out "investigate" and inserting in lieu thereof respond to

Third: In Sec. 1, 33 V.S.A. chapter 32, section 3206, by striking out subsections (a) and (b) in their entireties and inserting in lieu thereof the following:

(a) The Department shall notify the Office of:

(1) all incidents of actual physical injury to children or youths in the custody of the Commissioner or at significant risk of such harm; and

(2) instances of restraint or seclusion of any child or youth in custody of the Commissioner.

(b) The Department shall notify the Office within 48 hours of any fatality of a child or youth in its custody.

Fourth: In Sec. 1, 33 V.S.A. chapter 32, section 3209, subsection (a), by striking out "investigations and systems monitoring duties" and inserting in lieu thereof carrying out individual complaint and systems reviews

Fifth: In Sec. 1, 33 V.S.A. chapter 32, section 3209, subsection (c), subdivision (2), before the word "findings" by striking out the word "investigation"

Which was agreed to.

Thereupon, the pending question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Health and Welfare, as amended?, was agreed to on a roll call, Yeas 30, Nays 0.

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

Roll Call

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

Those Senators who voted in the negative were: None.

Thereupon, third reading of the bill was ordered.

Proposals of Amendment; Third Reading Ordered

H. 466.

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

An act relating to surface water withdrawals and interbasin transfers.

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

First: In Sec. 1, 10 V.S.A. chapter 41, section 1002, subdivision (20), after "ponds, lakes," and before "and all bodies of surface waters" by striking out the words and springs

and by striking out subdivision (20)(D) in its entirety and inserting in lieu thereof a new subdivision (20)(D) to read as follows:

(D) constructed off-stream farm ponds or other off-stream impoundments that are used for irrigation or watering of livestock.

Second: In Sec. 1, 10 V.S.A. chapter 41, subchapter 4, section 1042, subsection (a), by striking out the first full sentence in its entirety and inserting in lieu thereof the following:

Beginning on January 1, 2023, any person withdrawing 10,000 gallons or more of surface water within a 24-hour period or 150,000 gallons over any 30-day period shall register with the Secretary.

and by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Methods of reporting withdrawals.

(1) Except as provided in subdivision (2) of this subsection, the following methods shall be used to report the amounts of withdrawn surface water required to be reported under subsection (b) of this section:

(A) Withdrawals of between 10,000 and 50,000 gallons of surface water within a 24-hour period or 150,000 gallons over any 30-day period shall either provide an estimate of total volume withdrawn or provide meter data. The report shall describe how any estimate was calculated.

(B) Withdrawals of more than 50,000 gallons of surface water within a 24-hour period or 1,500,000 gallons over any 30-day period shall provide meter data or measured data by a technically appropriate method approved by the Secretary.

(2) Withdrawals for irrigation or watering of livestock of more than 10,000 gallons of surface water within a 24-hour period or 150,000 gallons over any 30-day period may provide an estimate of the total volume withdrawn based on log records pursuant to a technically appropriate method approved by the Secretary.

Third: In Sec. 1, 10 V.S.A. chapter 41, in subchapter 4, section 1043, by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Permits.

(1) The Secretary may issue a general permit to authorize certain withdrawal activities.

(2) The Secretary shall issue a general permit under this chapter for the withdrawal of surface water for State or municipal infrastructure projects. The general permit shall establish a rate and withdrawal volume that only requires notification of the Secretary and does not require Secretary approval prior to withdrawal.

(3) A permit issued under this subchapter shall be for a period of not longer than 10 years from the date of issuance.

Fourth: By inserting a new section to be Sec. 4a to read as follows:

Sec. 4a. IMPLEMENTATION; RULEMAKING

The Secretary of Natural Resources shall conduct public input and outreach with interested parties prior to initiating formal rulemaking pursuant to the Administrative Procedure Act for surface water withdrawals as set forth in 10 V.S.A. § 1045. The public input and outreach shall include an opportunity for interested parties to comment on a draft rule for surface water withdrawals.

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

Senator Pearson, for the Committee on Agriculture, 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 Natural Resources and Energy with the following amendments thereto:

By striking out the *first* through *fourth* proposals of amendment of the Committee on Natural Resources and by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. chapter 41 is amended to read:

CHAPTER 41. REGULATION OF STREAM FLOW

* * *

§ 1002. DEFINITIONS

~~Wherever~~ As used ~~or referred to~~ in this chapter~~, unless a different meaning clearly appears from the context:~~

(1) "Artificial regulation of stream flow" means the intermittent or periodic manipulation of water levels and the intermittent or periodic regulation of discharge of water into the stream below the dam.

(2) "Banks" means that land area immediately adjacent to the bed of the stream, which is essential in maintaining the integrity thereof.

(3) "Basin" means the third-level, six-digit unit of the hydrologic unit hierarchy as defined by the U.S. Geological Survey (USGS), Federal

Standards and Procedures for the National Watershed Boundary Dataset, Chapter 3 of Section A, Book 11. "Basin" is also referred to as "Hydrologic Unit Code 6" or "HUC-6".

(4) "Bed" means the maximum area covered by waters of the stream for not less than 15 consecutive days in one year.

(5) "Berm" means a linear fill of earthen material on or adjacent to the bank of a watercourse that constrains waters from entering a flood hazard area or river corridor, as those terms are defined in subdivisions 752(3) and (11) of this title.

~~(4)~~(6) "Board" means the Natural Resources Board.

(7) "Capacity" means the maximum volume of water capable of being withdrawn by the water withdrawal system.

~~(5)~~(8) "Cross section" means the entire channel to the top of the banks.

~~(6)~~(9) "Dam" applies to any artificial structure on a stream, or at the outlet of a pond or lake, that is utilized for holding back water by ponding or storage together with any penstock, flume, piping, or other facility for transmitting water downstream to a point of discharge, or for diverting water from the natural watercourse to another point for utilization or storage.

~~(7)~~(10) "Department" means the Department of Environmental Conservation.

(11) "Existing surface withdrawal" means a surface water withdrawal that exists prior to January 1, 2023.

(12) "Frequency" means how often water will be withdrawn from a surface water over a period of time.

~~(8)~~(13) "Instream material" means:

(A) all gradations of sediment from silt to boulders;

(B) ledge rock; or

(C) large woody debris in the bed of a watercourse or within the banks of a watercourse.

(14) "Interbasin transfer" means the conveyance of surface water withdrawn from a basin for use in another basin.

(15) "Large woody debris" means any piece of wood within a watercourse with a diameter of 10 or more inches and a length of 10 or more feet that is detached from the soil where it grew.

~~(9)~~(16) "Person" means any individual; partnership; company; corporation; association; unincorporated association; joint venture; trust; municipality; the State of Vermont or any agency, department, or subdivision of the State; any federal agency; or any other legal or commercial entity.

(17) "Rate of withdrawal" means the volume of surface water that is withdrawn over a period of time, as reported in gallons per minute.

(18) "Reasonable and feasible" means available and capable of being implemented after consideration of cost, existing technology, logistics in light of the overall project purpose, environmental impact, and ability to obtain all necessary approvals for implementation.

(19) "Secretary" means the Secretary of Natural Resources or the Secretary's duly authorized representative.

(20) "Surface water" means all rivers, streams, creeks, brooks, reservoirs, ponds, lakes, and all bodies of surface waters that are contained within, flow through, or border upon the State or any portion of it. "Surface water" does not include the following:

(A) groundwater as defined in section 1391 of this title;

(B) artificial waterbodies as defined under section 29A-101(d) of the Vermont Water Quality Standards;

(C) treatment ponds, lagoons, or wetlands created solely to meet the requirements of a permit issued for a discharge; and

(D) constructed off-stream farm ponds or other off-stream impoundments that are used for irrigation for farming or watering of livestock.

(21) "Vermont Water Quality Standards" means the standards adopted pursuant to chapter 47 and subdivision 6025(b) of this title.

~~(10)~~(22) "Watercourse" means any perennial stream. "Watercourse" ~~shall~~ does not include ditches or other constructed channels primarily associated with land drainage or water conveyance through or around private or public infrastructure.

~~(11) "Secretary" means the Secretary of Natural Resources, or the Secretary's duly authorized representative.~~

(23) "Watershed" means a region containing waters that drain into a particular brook, stream, river, or other body of water.

(24) "Withdrawal" means the intentional diversion from a surface water by pumping, gravity, or other method for the purpose of being used for irrigation, industrial uses, snowmaking, livestock watering, water supply,

aquaculture, or other off-stream uses. "Withdrawal" does not include hydroelectric projects that are regulated by the Federal Energy Regulatory Commission or the Public Utility Commission. "Withdrawal" does not include direct consumption of surface water by livestock.

~~(12) "Berm" means a linear fill of earthen material on or adjacent to the bank of a watercourse that constrains waters from entering a flood hazard area or river corridor, as those terms are defined in subdivisions 752(3) and (11) of this title.~~

~~(13) "Large woody debris" means any piece of wood within a watercourse with a diameter of 10 or more inches and a length of 10 or more feet that is detached from the soil where it grew.~~

* * *

Subchapter 4. Surface Water Withdrawals and Interbasin Transfers

§ 1041. POLICY ON SURFACE WATER WITHDRAWALS FOR OFF-STREAM USES OTHER THAN SNOWMAKING

(a) This subchapter is intended to establish policy and standards for surface water withdrawals that are consistent with section 1001 and chapter 41 of this title, including the Vermont Water Quality Standards.

(b) The policy established under this subchapter is to:

(1) assure the protection, maintenance, and restoration of the chemical, physical, and biological water quality, including water quantity, necessary to sustain aquatic communities and stream function;

(2) help to provide for and enhance the viability of those sectors and industries that rely on the use of surface waters and are important to Vermont's economy;

(3) permit surface water withdrawals and the construction of appurtenant facilities and related systems for uses other than snowmaking, based on an analysis of the need for water and the consideration of alternatives and consistent with this and related policies and other applicable laws and rules; and

(4) recognize that existing users of the State's waters for off-stream uses that may have an adverse effect on water quality should have time and opportunity to improve water quality.

§ 1042. REGISTRATION AND REPORTING; EXCEPTIONS

(a) Registration. Beginning on January 1, 2023, any person withdrawing 10,000 gallons or more of surface water within a 24-hour period or 150,000

gallons or more of surface water over any 30-day period shall register with the Secretary:

(1) the location of each withdrawal, including each impacted surface water;

(2) the frequency and rate of each withdrawal;

(3) a description of the use or uses of the water to be withdrawn;

(4) the capacity of the system to be used for the withdrawal; and

(5) a schedule for the withdrawal.

(b) Report. Beginning on January 1, 2023, a person that is required to register a surface water withdrawal pursuant to subsection (a) of this section shall file an annual report with the Secretary. Reports shall be filed annually by January 15 of the following year. The report shall be made on a form provided by the Secretary and shall include all of the following information:

(1) the total amount of water withdrawn each month;

(2) the location of each withdrawal, including each impacted surface water;

(3) the daily maximum withdrawal for each month;

(4) the date of daily maximum withdrawal; and

(5) any other information required by the Secretary.

(c) Methods of reporting withdrawals. The following methods shall be used to report the amounts of withdrawn surface water required to be reported under subsection (b) of this section:

(1) For withdrawals of between 10,000 and 50,000 gallons of surface water within a 24-hour period or 150,000 gallons or more of surface water over any 30-day period, the person shall either provide an estimate of total volume withdrawn or provide meter data. The report shall describe how any estimate was calculated.

(2) For withdrawals of 50,000 gallons or more of surface water within a 24-hour period or 1,500,000 gallons or more of surface water over any 30-day period, the person shall provide meter data or measured data by a technically appropriate method approved by the Secretary.

(d) Exceptions. The following withdrawals shall not be subject to the requirements of subsection (a) or (b) of this section:

(1) surface water withdrawals for fire suppression or other public emergency response purposes;

(2) surface water withdrawals required to report under subchapter 3 of this chapter for snowmaking uses;

(3) surface water withdrawals approved pursuant to chapter 56 of this title on public water supply and the rules adopted thereunder for use as a public drinking water supply;

(4) surface water withdrawals for irrigation for farming, livestock watering, or other uses for farming, as the term "farming" is defined in 6 V.S.A. § 4802; and

(5) a surface water withdrawal reported to the Secretary under any project that requires the reporting of substantially similar data.

§ 1043. PERMIT REQUIREMENT; PROGRAM DEVELOPMENT

(a) Program development. On or before July 1, 2026, the Secretary shall implement a surface water withdrawal permitting program that is consistent with section 1041 of this subchapter. The program shall be developed to:

(1) require a permit or other authorization for surface water withdrawals based on potential impacts to surface waters or other factors, and establish conditions of operation necessary to protect surface waters and the Vermont Water Quality Standards;

(2) consider surface water withdrawal registration and reporting information submitted pursuant to section 1042 of this chapter in the establishment of permitting thresholds and other permitting requirements;

(3) require efficient use and conservation of surface water;

(4) ensure that withdrawals comply with the Vermont water quality standards;

(5) establish limitations on withdrawals based on low flow or drought conditions and the development of potential alternatives to meet surface water withdrawal needs in such cases; and

(6) require assessment of any reasonable and feasible alternatives to proposed withdrawals that may have less of an impact on surface water quality.

(b) Application. Application for a permit to withdraw surface water under the program established under subsection (a) of this section shall be made on a form provided by the Secretary, and shall include the following information:

(1) the location of each withdrawal, including the identification and type of each impacted surface water;

(2) a description of the use or uses of the water to be withdrawn;

(3) a description of the proposed method of water withdrawal;

(4) the frequency and rate of the withdrawal;

(5) an estimated schedule for the withdrawal;

(6) the capacity of the system to be used for the withdrawal;

(7) the location of the proposed return flow of the withdrawn water, and whether the withdrawal is an interbasin transfer;

(8) an estimate of the volume of water needed for the proposed use or uses;

(9) a description of the alternative means considered for the proposed uses of water that will have less of an impact on surface water quality; and

(10) any other information required by the Secretary.

(c) Permits.

(1) The Secretary may issue a general permit to authorize certain withdrawal activities.

(2) The Secretary shall issue a general permit under this chapter for the withdrawal of surface water for State or municipal infrastructure projects. The general permit shall establish a rate and withdrawal volume that only requires notification of the Secretary and does not require Secretary approval prior to withdrawal.

(3) A permit issued under this subchapter shall be for a period of not longer than 10 years from the date of issuance.

(d) Exceptions. A permit required under this subchapter shall not be required for:

(1) surface water withdrawals for fire suppression or other public emergency response purposes; or

(2) surface water withdrawals for irrigation for farming, livestock watering, or other uses for farming, as the term "farming" is defined in 6 V.S.A. § 4802.

(e) Existing surface water withdrawals.

(1) Snowmaking withdrawals. Existing withdrawals approved pursuant to subchapter 3 of this chapter for snowmaking shall be reviewed pursuant to subdivision (f)(1) of this section.

(2) Nonsnowmaking withdrawals.

(A) A permit required under this subchapter shall not be required until July 1, 2030 for an existing surface water withdrawal for nonsnowmaking purposes, provided that:

(i) the existing surface water withdrawal is both registered and reported to the Secretary pursuant to section 1042 of this title on an annual basis; and

(ii) no expansion of the existing surface water withdrawal occurs on or after January 1, 2023.

(B) For purposes of this subdivision (2), an expansion includes an increase in reported surface water withdrawal rate or volume or increase in reported capacity of the system.

(f) Surface water withdrawals for snowmaking.

(1) Existing withdrawals. Existing surface water withdrawals for snowmaking purposes that have been reviewed and approved pursuant to subchapter 3 of this chapter shall not require additional technical review by the Secretary under this subchapter, provided that the approved snowmaking activity is operated in compliance with the terms and conditions of the Secretary's approval. For such activities, the Secretary may issue a permit under the rules adopted pursuant to this subchapter.

(2) New withdrawals. Proposed surface water withdrawals for new snowmaking activities that require review pursuant to subchapter 3 of this chapter shall be reviewed by the Secretary in accordance with the rules adopted pursuant to section 1032 of this title. If the Secretary determines that the proposed activity is consistent with those rules, the Secretary shall issue a permit required by section 1043 of this section for that activity.

(g) Enforcement.

(1) The Secretary may require a person to obtain a permit under this subchapter when the Secretary, in the Secretary's discretion, determines that a withdrawal or other action circumvents the requirements of this subchapter.

(2) If the Secretary finds that a withdrawal subject to this subchapter results in the construction, installation, operation, or maintenance of any facility or condition that results in or can reasonably be expected to result in a violation of the Vermont Water Quality Standards, the Secretary may issue an order establishing reasonable and proper methods and procedures for the control of that activity in order to reduce or eliminate the violation.

(h) Reservation. Nothing in this subchapter shall be interpreted to supersede, limit, or otherwise effect the Secretary's authority to take action

pursuant to section 1272 of this title or other applicable provision of law or rule.

§ 1044. INTERBASIN TRANSFERS OF SURFACE WATERS

(a) Review of HUC 6 interbasin transfers. The Secretary shall review any interbasin transfer pursuant to the Vermont Water Quality Standards and other requirements of State law listed in subdivision 1253(h)(1) of this title. This review shall be in addition to any applicable standards and permitting requirements adopted pursuant to subsection 1043(a) of this title.

(b) Review of other transfers likely to violate Vermont Water Quality Standards. The Secretary may review any other surface water withdrawal that includes the transfer of surface water from one watershed to another watershed under the requirements of subsection (a) of this section if the Secretary determines that the activity is likely to result in a violation of the Vermont Water Quality Standards. The Secretary shall make a determination under this subsection based on a review of information set forth under subsection 1043(b) of this title that is readily available to the Secretary.

§ 1045. REPORT TO GENERAL ASSEMBLY

Beginning February 15, 2023 and annually thereafter, the Secretary of Natural Resources, after consultation with the Secretary of Agriculture, Food and Markets, shall submit to the Senate Committees on Agriculture and on Natural Resources and Energy and the House Committees on Agriculture and Forestry and on Natural Resources, Fish, and Wildlife the data submitted to the Secretary pursuant to subsections 1042(a) and (b) of this title, data submitted as part of a permit required under section 1043 of this title, and the data submitted to the Secretary of Agriculture, Food and Markets under 6 V.S.A. § 4927.

§ 1046. RULEMAKING

The Secretary shall adopt rules to implement the requirements of this subchapter.

Sec. 2. 10 V.S.A. § 1253(h)(1) is amended to read:

(h)(1) The Secretary shall administer a Clean Water Act Section 401 certification program to review activities that require a federal license or permit or activities subject to regulation under chapter 47, subchapter 4 of this title to ensure that a proposed activity complies with the Vermont Water Quality Standards, as well as with any other appropriate requirement of State law, including:

(A) 10 V.S.A. chapter 37 (wetlands protection and water resources management);

(B) 10 V.S.A. chapter 41 (regulation of stream flow);

(C) 10 V.S.A. § 1264 (stormwater management);

(D) 29 V.S.A. chapter 11 (management of lakes and ponds); and

(E) the Agency of Natural Resources Rules for Water Withdrawals for Snowmaking.

Sec. 3. 10 V.S.A. § 8003(a)(4) is amended to read:

(4) 10 V.S.A. chapters 41 and 43, relating to dams, surface water withdrawals, interbasin transfers, and stream alterations;

Sec. 4. 10 V.S.A. § 8503(a)(1)(C) is amended to read:

(C) chapter 41 (relating to dams, surface water withdrawals, interbasin transfers, and stream alterations, and regulation of stream flow);

Sec. 5. 6 V.S.A. chapter 215, subchapter 6A is added to read:

Subchapter 6A. Surface Water Withdrawals for Farming

§ 4926. DEFINITIONS

As used in this subchapter:

(1) "Surface water" means all rivers, streams, creeks, brooks, reservoirs, ponds, lakes, and all bodies of surface waters that are contained within, flow through, or border upon the State or any portion of it. "Surface water" does not include the following:

(A) groundwater as defined in 10 V.S.A. § 1391;

(B) artificial waterbodies as defined under section 29A-101(d) of the Vermont Water Quality Standards;

(C) treatment ponds, lagoons, or wetlands created solely to meet the requirements of a permit issued for a discharge; and

(D) constructed off-stream farm ponds or other off-stream impoundments that are used for irrigation for farming or watering of livestock.

(2) "Withdrawal" means the intentional diversion from a surface water by pumping, gravity, or other method for the purpose of being used for irrigation for farming, livestock watering, or other uses for farming. "Withdrawal" does not include direct consumption of surface water by livestock.

§ 4927. REPORT OF SURFACE WATER WITHDRAWALS FOR IRRIGATION, LIVESTOCK WATERING, OR OTHER FARMING USE

(a) Report of withdrawal. Beginning on January 15, 2023 and annually thereafter, any person who withdrew 10,000 gallons or more of surface water within a 24-hour period in the preceding calendar year or 150,000 gallons or more of surface water over any 30-day period in the preceding calendar year shall file a report with the Secretary of Agriculture, Food and Markets. The report shall be made on a form provided by the Secretary and shall include all of the following information:

(1) an estimate of the total amount of water withdrawn in the preceding calendar year;

(2) the location of the withdrawals;

(3) the daily maximum withdrawal for each month;

(4) the date of each daily maximum withdrawal; and

(5) any other information related to surface water withdrawal required by the Secretary of Agriculture, Food and Markets.

(c) Sharing of data. Beginning February 1, 2023 and annually thereafter, the Secretary of Agriculture, Food and Markets shall submit to the Secretary of Natural Resources the data collected under this section for the purposes of the report to the General Assembly required by 10 V.S.A. § 1045.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

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

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 Natural Resources and Energy was amended as recommended by the Committee on Agriculture.

Thereupon, the proposal of amendment recommended by the Committee on Natural Resources and Energy, as amended, was agreed to and third reading of the bill was ordered.

Rules Suspended; Bills Messaged

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

H. 465, H. 489, H. 606, H. 727.

Rules Suspended; Bill Delivered

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

S.287.

Rules Suspended; Bill Committed

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

H. 626. An act relating to the sale, use, or application of neonicotinoid pesticidesAn act relating to a universal, publicly financed primary care system.

was committed to the Committee on Appropriations pursuant to Rule 31 with the report of the Committee on Agriculture *intact*,

Adjournment

On motion of Senator Balint, the Senate adjourned until ten o'clock in the forenoon on Friday, May 6, 2022.

FRIDAY, MAY 6, 2022

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. 67

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

Madam President:

I am directed to inform the Senate that:

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

H. 548. An act relating to miscellaneous cannabis establishment procedures.

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

Message from the House No. 68

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

Madam President:

I am directed to inform the Senate that:

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

S. 234. An act relating to changes to Act 250.

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 House bill of the following title:

H. 456. An act relating to establishing strategic goals and reporting requirements for the Vermont State Colleges.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

And the Speaker appointed as members of such Committee on the part of the House:

Rep. Webb of Shelburne
Rep. James of Manchester
Rep. Cupoli of Rutland City

The Governor has informed the House that on May 5, 2022, he approved and signed bills originating in the House of the following titles:

H. 399. An act relating to incarceration terms for criminal defendants who are primary caretakers of dependent children.

H. 731. An act relating to technical corrections for the 2022 legislative session.

Committee Relieved of Appointment; Appointment Referred

On motion of Senator Sirotkin , the appointment of:

Richardson, Amy of Woodstock - Member of the Vermont Housing and Conservation Board - from March 28, 2022 to February 29, 2024.

was taken up, the Committee on Economic Development, Housing and General Affairs was relieved of further consideration of the appointment and it was referred to the Committee on Agriculture.

Rules Suspended; Bill Committed

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

H. 737. An act relating to setting the homestead property tax yields and the nonhomestead property tax rate.

was committed to the Committee on Appropriations pursuant to Rule 31 with the report of the Committee on Finance *intact*,

Pages Honored

In appreciation of their many services to the members of the General Assembly, the President recognized the following-named pages who are completing their services today and presented them with letters of appreciation.

Sylvia Kane of Westford
Jacob Law of Essex Junction
Taylor Morrison of South Barre
Maya Piluski of Westminster
Grace Warrington of Shelburne
Jeremiah Watson of East Haven

Bill Referred to Committee on Finance

H. 745.

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

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

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Calendar for notice, and carrying an appropriation or requiring the expenditure of funds, under the rule were severally referred to the Committee on Appropriations:

H. 446. An act relating to miscellaneous natural resources and development subjects.

H. 518. An act relating to municipal energy resilience initiatives.

H. 716. An act relating to making miscellaneous changes in education law.

Message from the Governor
Appointment Referred

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

The nomination of

Burnham, Nicholas of Hartland - Member of the Fish and Wildlife Board - from May 2, 2022 to February 29, 2028.

To the Committee on Natural Resources and Energy.

House Proposal of Amendment Concurred In with Amendment

S. 100.

House proposal of amendment to Senate bill entitled:

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

Was taken up.

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

* * * Title * * *

Sec. 1. SHORT TITLE

This act may be cited as the "Universal School Meals Act."

* * * Findings * * *

Sec. 2. FINDINGS

The General Assembly finds that:

(1) According to the Vermont Agency of Education, an average of 38 percent of students across all supervisory unions during the 2019–2020 school year qualified for free or reduced-price lunch. The General Assembly recognizes that students need fresh and nutritional foods to enable them to focus on their education and that many students come to school hungry. Providing universal school meals offered at no cost to students or their families creates a necessary foundation for learning readiness during the school day.

(2) A 2021 study by the National Food Access and COVID Research Team found that in the first year of the pandemic, nearly one-third of people in Vermont faced hunger, and families with children were five times more likely

to face hunger. Food insecurity rates remained above pre-pandemic levels a year after the start of the pandemic.

(3) In a 2019 research report, the Urban Institute found that up to 42 percent of children living in food-insecure homes may not be eligible for free or reduced-price school meals.

(4) In 2016, the Center for Rural Studies at the University of Vermont partnered with the Vermont Farm to School Network to measure the economic contribution and impacts of Farm to School in Vermont. The final report found that school meal programs support a vibrant agricultural economy with every $1.00 spent on local food in schools contributing $1.60 to the Vermont economy.

(5) A study conducted by researchers at the University of Vermont and Hunger Free Vermont, and published in the Journal of Hunger and Environmental Nutrition, found that universal school meals programs in Vermont were associated with, among other benefits, improved overall school climate as a result of financial differences being less visible and improved readiness to learn among students overall.

* * * Universal Meals * * *

Sec. 3. UNIVERSAL MEALS

(a) Notwithstanding provision. The provisions of this section shall apply notwithstanding any provision of law to the contrary.

(b) Definition. As used in this section, "approved independent school" means an approved independent school physically located in Vermont.

(c) Universal food program.

(1) In addition to the requirements of 16 V.S.A. § 1264(a)(1) (food program), each school board operating a public school shall cause to operate within each school in the school district the same school breakfast and school lunch program made available to students who qualify for those meals under the National Child Nutrition Act and the National School Lunch Act, as amended, for each attending student every school day at no charge. An approved independent school located in Vermont may operate the same school lunch and the same school breakfast program made available to students who qualify for those meals under the National Child Nutrition Act and the National School Lunch Act, each as amended, to each student attending on public tuition every school day at no charge.

(2) In operating its school breakfast and lunch program, a school district and an approved independent school shall seek to achieve the highest level of student participation, which may include any or all of the following:

(A) providing breakfast meals that can be picked up by students;

(B) making breakfast available to students in classrooms after the start of the school day; and

(C) for school districts, collaborating with the school's wellness community advisory council, as established under subsection 136(e) of this title, in planning school meals.

(3) A school district and an approved independent school shall count time spent by students consuming school meals during class as instructional time.

(d) Award of Grants.

(1) Public schools. From State funds appropriated to the Agency for this subsection, the Agency shall reimburse each school district that made available both school breakfast and lunch to students at no charge under subsection (c) of this section for the cost of each meal actually provided in the district during the previous quarter that qualifies as a paid breakfast or paid lunch under the federal school breakfast and federal school lunch programs. Reimbursement from State funds shall be available only to districts that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision or Provision 2 of these programs, or any other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that program.

(2) Approved independent schools.

(A) Subject to subdivision (B) of this subsection (2), from State funds appropriated to the Agency for this subsection (d), the Agency shall reimburse each approved independent school that made available both school breakfast and lunch to students attending on public tuition at no charge under subsection (c) of this section for the cost of each meal actually provided by the approved independent school to those students during the previous quarter that qualifies as a paid breakfast or paid lunch under the federal school breakfast and federal school lunch programs.

(B) An approved independent school is eligible for reimbursement under this subsection (d) only if it operates a food program that makes available a school lunch, as provided in the National School Lunch Act as amended, and a school breakfast, as provided in the National Child Nutrition Act as amended, to each attending student who qualifies for those meals under these Acts every school day.

(C) Reimbursement from State funds shall be available only to approved independent schools that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision or Provision 2 of these programs, or any other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that program.

(3) Reimbursement amounts for public schools and approved independent schools. The reimbursement amount for breakfast shall be a sum equal to the federal reimbursement rate for a free school breakfast less the federal reimbursement rate for a paid school breakfast, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture. The reimbursement amount for lunch shall be a sum equal to the federal reimbursement rate for a free school lunch less the federal reimbursement rate for a paid school lunch, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture.

(e) Notwithstanding any provision of law to the contrary, 16 V.S.A. § 1265 shall not apply to school year 2022–2023.

(f) The Agency of Education may use the universal income declaration form to collect the household income information necessary for the implementation of a universal meals program.

Sec. 4. REPEAL

Sec. 3 of this act is repealed on July 1, 2023.

Sec. 5. APPROPRIATION; UNIVERSAL MEALS

Notwithstanding 16 V.S.A. § 4025(d) and any other provision of law to the contrary, the sum of $29,000,000.00 is appropriated from the Education Fund to the Agency of Education for fiscal year 2023 to provide reimbursement for school meals under Sec. 3 this act.

* * * Reports * * *

Sec. 6. AGENCY OF EDUCATION; CONSULTATION; REPORT

On or before January 15, 2023, the Agency of Education shall report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance on the impact and status of implementation under this act. The report shall include data on student participation rates in the universal meals program on an individual school level and, if possible, on a grade level; the relationship of federal rules to the State-funded program; and strategies for minimizing the use of State funds.

Sec. 7. JOINT FISCAL OFFICE; REPORT

On or before February 1, 2023, the Joint Fiscal Office (JFO) shall prepare a report examining possible revenue sources including expansion of the sales tax base, enactment of an excise tax on sugar sweetened beverages, and other sources of revenue not ordinarily used for General Fund purposes. The report shall include preliminary revenue estimates and other policy considerations.

* * * Effective Date * * *

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

An act relating to universal school meals.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senators Campion, Chittenden, Hooker, Lyons, Perchlik and Terenzini moved that the Senate concur in the House proposal of amendment with further proposals amendment as follow:

First: In Sec. 3, universal meals, in subdivision (c)(2)(C), after "as established under", by striking out "subsection 136(e) of this title" and inserting in lieu thereof 16 V.S.A. § 136(e)

Second: In Sec. 3, universal meals, by striking out subsection (f) in its entirety.

Third: By striking out Sec. 8, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof a new Sec. 8 and its reader assistance heading to read as follows:

* * * Future Funding Sources * * *

Sec. 8. FUTURE FUNDING; INTENT

It is the intent of the General Assembly to use the data and information from the reports required in this act to identify the amount of and sources of potential long-term funding for universal school meals in Vermont.

Fourth: By adding one new section to be Sec. 9 and its reader assistance heading to read as follows:

* * * Effective Date * * *

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

House Proposals of Amendment to Senate Proposal of Amendment Concurred In with Amendment

H. 736.

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

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

Were taken up.

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

First: In Sec. 2, fiscal year 2023 transportation investments, by inserting the words "and the Climate Action Plan" following "the Comprehensive Energy Plan"

Second: In Sec. 2, fiscal year 2023 transportation investments, by inserting a new subdivision (8)(D) to read as follows:

(D) eBike Incentives. Sec. 5(d) of this act authorizes $50,000.00 for incentives under a continuation of the eBike incentives, which will be the State's programs to provide incentives towards the purchase of electric bicycles, and capped administrative costs.

and by relettering subdivision (8)(D) to be (8)(E)

Third: In Sec. 2, fiscal year 2023 transportation investments, in newly relettered subdivision (8)(E), by striking out "Sec. 5(d)" and inserting in lieu thereof "Sec. 5(e)"

Fourth: In Sec. 2, fiscal year 2023 transportation investments, in subdivision (12), by striking out "Secs. 55–57" and inserting in lieu thereof "Secs. 54–56"

Fifth: In Sec. 5, vehicle incentive programs, by inserting a new subsection (d) to read as follows:

(d) eBike Incentives. The Agency is authorized to spend up to $50,000.00 as appropriated in the fiscal year 2023 budget on a continuation of the eBike incentives as established in 2021 Acts and Resolves No. 55, Sec. 28.

and by relettering the remaining subsections to be alphabetically correct

Sixth: In Sec. 5, vehicle incentive programs, in newly relettered subsection (f), by striking out "(a)–(c)" and inserting in lieu thereof "(a)–(d)"

Seventh: In Sec. 5, vehicle incentive programs, in newly relettered subsection (h), by striking out the word "and" preceding the words "Replace Your Ride", by inserting ", and eBike incentives" following the words "Replace Your Ride", and by striking out "subsection (e)" and inserting in lieu thereof "subsection (f)"

Eighth: In Sec. 7, Vermont Association of Snow Travelers (VAST) authorizations, in subsection (a), by striking out ", through the Department of Motor Vehicles," following "The Agency of Transportation"

Ninth: By striking out Sec. 13, town highway structures and town highway class 2 roadway, in its entirety and inserting in lieu thereof the following:

Sec. 13. TOWN HIGHWAY STRUCTURES

Within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Town Highway Structures, authorized spending is amended as follows:

FY23	As Proposed	As Amended	Change
Grants	6,333,500	7,200,000	866,500
Total	6,333,500	7,200,000	866,500
Sources of funds			
State	6,333,500	7,200,000	866,500
Total	6,333,500	7,200,000	866,500

Sec. 13a. TOWN HIGHWAY CLASS 2 ROADWAY

Within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Town Highway Class 2 Roadway, authorized spending is amended as follows:

FY23	As Proposed	As Amended	Change
Grants	7,648,750	8,600,000	951,250
Total	7,648,750	8,600,000	951,250
Sources of funds			
State	7,648,750	8,600,000	951,250
Total	7,648,750	8,600,000	951,250

Sec. 13b. HIGHWAY MAINTENANCE

(a) Within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance, authorized spending is amended as follows:

FY23	As Proposed	As Amended	Change
Person. Svcs.	44,709,478	44,709,478	0
Operat. Exp.	61,554,303	59,736,553	-1,817,750
Total	106,263,781	104,446,031	-1,817,750
Sources of funds			
State	105,517,966	103,700,216	-1,817,750
Federal	645,815	645,815	0
Inter Unit	100,000	100,000	0
Total	106,263,781	104,446,031	-1,817,750

(b) Restoring the fiscal year 2023 Maintenance Program appropriation and authorization to the level included in the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program shall be the Agency's top priority if there is unexpended State fiscal year 2022 appropriations of Transportation Fund Monies. Accordingly:

(1) At the close of State fiscal year 2022, an amount up to $1,817,750.00 of any unencumbered Transportation Fund monies appropriated in 2021 Acts and Resolves No. 74, Secs. B.900–B.922, as amended by 2022 Acts and Resolves No. 83, Secs. 41–45, that would otherwise be authorized to carry forward is reappropriated for the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance 30 days after the Agency sends written notification of the request for the unencumbered Transportation Fund monies to be reappropriated to the Joint Transportation Oversight Committee, provided that the Joint Transportation Oversight Committee does not send written objection to the Agency.

(2) If any unencumbered Transportation Fund monies are reappropriated pursuant to subdivision (1) of this subsection, then, within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance, authorized spending is further amended to increase operating expenses by not more than $1,817,750.00 in Transportation Fund monies.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, the Agency may request further amendments to the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance through the State fiscal year budget adjustment act.

Tenth: In Sec. 16, one-time public transit monies, by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Implementation. The Agency of Transportation shall, in its sole discretion, distribute the authorization in subsection (b) of this section to transit agencies in the State that are eligible to receive grant funds pursuant to

49 U.S.C. § 5307 or 5311, or both. The authorization shall, as practicable and in the sole discretion of the transit agencies in the State, only be used for the following during fiscal year 2023:

(1) operate routes other than commuter and LINK Express on a zero-fare basis; and

(2) provide service at pre-COVID-19 levels.

Eleventh: By striking out Sec 17, Burlington International Airport Study Committee; report, and its corresponding reader assistance heading in their entireties and inserting in lieu thereof the following:

* * * Burlington International Airport Working Group; Report * * *

Sec. 17. BURLINGTON INTERNATIONAL AIRPORT WORKING GROUP; REPORT

(a) Creation. There is created the Burlington International Airport Working Group (Working Group) to discuss current issues of regional concern at the Burlington International Airport (Airport).

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

(1) the Secretary of Transportation or designee, who shall be the facilitator of the Working Group, but shall not be considered a member of the Working Group;

(2) one member designated by the city council of the City of Burlington;

(3) one member to represent Airport leadership designated by the mayor of the City of Burlington;

(4) one member to represent the general aviation organizations at the Airport designated by the mayor of the City of Burlington;

(5) one member designated by the city council of the City of South Burlington;

(6) one member designated by the city council, inclusive of the mayor and deputy mayor, of the City of Winooski; and

(7) the Director of the Chittenden County Regional Planning Commission or designee, who shall be a member of the Working Group.

(c) Duties. The Working Group shall:

(1) review prior reports and recommendations prepared on the governance structure of the Airport, including the January 1, 2020 memorandum from Eileen Blackwood, Burlington City Attorney to Mayor

Miro Weinberger and the City Council regarding Burlington International Airport and Regional Governance Questions; the June 10, 2013 Burlington International Airport, Airport Strategic Planning Committee Recommendations; and the December 1985 Final Report of the Burlington Airport Study Group;

(2) discuss current issues of regional concern regarding the Airport;

(3) explore opportunities for regional collaboration regarding the Airport;

(4) analyze what actions could address any issues of regional concern regarding the Airport; and

(5) prepare a report, based on the determination of the members of the Working Group, that:

(A) summarizes any current issues of regional concern regarding the Airport;

(B) identifies and discusses any opportunities for regional collaboration regarding the Airport; and

(C) identifies and discusses any actions that could address any issues of regional concern regarding the Airport.

(d) Report. On or before January 15, 2023, the Secretary of Transportation or designee shall submit the written report of the Working Group to the House and Senate Committees on Transportation.

(e) Meetings.

(1) The Secretary of Transportation or designee shall call the first meeting of the Working Group to occur on or before September 30, 2022.

(2) The Working Group shall only meet if a majority of the membership is present.

(3) The Working Group shall cease to exist on July 1, 2023.

Twelfth: By inserting a new section to be Sec. 59a and its reader assistance heading to read as follows:

* * * Relinquishment of Vermont Route 36 in the Town of St. Albans * * *

Sec. 59a. RELINQUISHMENT OF VERMONT ROUTE 36 IN THE TOWN OF ST. ALBANS

(a) Pursuant to 19 V.S.A. § 15(a)(2), the General Assembly approves the Secretary of Transportation to enter into an agreement with the Town of St.

Albans to relinquish to the Town's jurisdiction a segment of the State highway in the Town of St. Albans known as Vermont Route 36. The authority shall expire on June 30, 2032. The segment authorized to be relinquished begins at the 0.000 mile marker, just east of the "Black Bridge" (B2), and continues 14,963 feet (approximately 2.834 miles) easterly to mile marker 2.834, where Vermont Route 36 meets the boundary of the City of St. Albans, and includes the 0.106 mile westbound section of Vermont Route 36 and approaches at the entrance to the St. Albans Bay Town Park.

(b) Following relinquishment, control of the segment of highway shall be under the jurisdiction of the Town of St. Albans, but the Town shall not own any of the land or easements within the highway right-of-way.

(c) The Town of St. Albans shall not sell or abandon any portion of the relinquished segment or allow any encroachments within the relinquished segment without written permission of the Secretary of Transportation.

Thirteenth: By striking out Secs. 63, 24 V.S.A. § 4413(i), and 64, effective dates, and their reader assistance headings in their entireties and inserting in lieu thereof the following:

* * * Transportation Network Companies (TNC);
Preemption; Sunset Extension; Report * * *

Sec. 63. 23 V.S.A. § 754 is amended to read:

§ 754. PREEMPTION; SAVINGS CLAUSE

(a) Municipal ordinances, resolutions, or bylaws regulating transportation network companies are preempted to the extent they are inconsistent with the provisions of this chapter.

(b) Subsection (a) of this section shall not apply to a municipal ordinance, resolution, or bylaw regulating transportation network companies adopted by a municipality with a population of more than 35,000 residents based on the 2010 census and in effect on July 1, 2017. This subsection shall be repealed on July 1, ~~2022~~ 2025.

Sec. 64. TRANSPORTATION NETWORK COMPANIES (TNC) REPORT

(a) The Commissioner of Motor Vehicles, in consultation with the City of Burlington; the Vermont League of Cities and Towns; and transportation network companies (TNCs), as defined in 23 V.S.A. § 750(a)(4), doing business in Vermont, shall file a written report with recommendations on how, if at all, to amend 23 V.S.A. § 754 and, as applicable, 23 V.S.A. chapter 10 with the House Committees on Commerce and Economic Development, on Judiciary, and on Transportation and the Senate Committees on Finance, on Judiciary, and on Transportation on or before March 15, 2024.

(b) In preparing the report, the Commissioner of Motor Vehicles shall review the following related to TNCs:

(1) changes in ridership and consumer practices for calendar years 2018 to 2023, including market penetration across the State;

(2) the results of and process for audits conducted on a State or municipal level;

(3) an analysis prepared by the City of Burlington and TNCs of the differences between the State's regulatory scheme and the City of Burlington's regulatory scheme, including whether allowing those inconsistencies is or will be detrimental or beneficial to any of the following: the State, the traveling public, TNCs, the City of Burlington, or other municipalities; and

(4) significant regulatory changes on a national level.

* * * Effective Dates * * *

Sec. 65. EFFECTIVE DATES

(a) This section and Secs. 57 (amendment to sunset of 32 V.S.A. § 604), 59 (extension of authority to relinquish State highway right-of-way for Vermont Route 207 Extension), and 63 (transportation network companies regulation preemption; 23 V.S.A. § 754(b)) shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Secs. 21–24 (amendments to the 2021 Transportation Bill) shall take effect retroactively on July 1, 2021.

(c) All other sections shall take effect on July 1, 2022.

Thereupon, pending the question, Shall the Senate concur in the House proposals of amendment to the Senate proposal of amendment?, Senators Perchlik, Mazza, Chittenden, Ingalls and Kitchel moved that the Senate concur in the House proposals of amendment to the Senate proposal of amendment with amendment as follow:

First: In Sec. 2, fiscal year 2023 transportation investments, by striking out subdivision (8)(D) in its entirety and inserting in lieu thereof a new subdivision (8)(D) to read as follows:

(D) eBike Incentives. Sec. 5(d) of this act authorizes $50,000.00 for eBike incentives and capped administrative costs.

Second: In Sec. 5, vehicle incentive programs, by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

(d) eBike Incentives. The Agency is authorized to spend up to $50,000.00 as appropriated in the fiscal year 2023 budget on an eBike incentive program.

Third: By striking out Sec. 17, Burlington International Airport Working Group; report, and its corresponding reader assistance heading in their entireties and inserting in lieu thereof the following:

* * * Burlington International Airport Working Group; Report * * *

Sec. 17. BURLINGTON INTERNATIONAL AIRPORT WORKING GROUP; REPORT

(a) Project addition. The following project is added to the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Aviation: Burlington International Airport Study.

(b) Authorization.

(1) Spending authority for the Burlington International Airport Study is authorized as follows:

FY23	As Proposed	As Amended	Change
Other	0	150,000	150,000
Total	0	150,000	150,000
Sources of funds			
State	0	15,000	15,000
Federal	0	135,000	135,000
Total	0	150,000	150,000

(2) Spending authority for Statewide (Aviation Operations & Maintenance) is amended as follows:

FY23	As Proposed	As Amended	Change
Other	1,216,303	1,201,303	-15,000
Total	1,216,303	1,201,303	-15,000
Sources of funds			
State	1,216,303	1,201,303	-15,000
Total	1,216,303	1,201,303	-15,000

(3) The City of Burlington, which is the sponsor of the Burlington International Airport, and the Agency of Transportation shall work together to secure a grant from the Federal Aviation Administration to cover the $135,000.00 in federal monies authorized for expenditure under subdivision (1) of this subsection for the Burlington International Airport Study.

(c) Creation. There is created the Burlington International Airport Working Group (Working Group) to examine the existing governance structure and alternatives to the existing governance structure of the Burlington International Airport (Airport) and to report the Working Group's findings and recommendations.

(d) Membership. The Working Group shall be composed of the following seven voting members and three nonvoting members:

(1) one voting member designated by the mayor of the City of Burlington;

(2) one voting member designated by the city council of the City of Burlington;

(3) one voting member designated by the city council of the City of South Burlington;

(4) one voting member designated by the mayor of the City of Winooski;

(5) one voting member designated by the city council of the City of Burlington, in consultation with the mayor of the City of Burlington, to represent individuals, such as Black, Indigenous, and Persons of Color (BIPOC), immigrants, individuals with low income, and individuals residing in "disadvantaged communities" as defined in federal Executive Order 14008, "Tackling the Climate Crisis at Home and Abroad," adversely affected by the Airport;

(6) one voting member designated by the city council of the City of South Burlington to represent the general aviation organizations at the Airport;

(7) the Secretary of Transportation or designee, who shall be a nonvoting member;

(8) one voting member designated by the President and CEO of the Lake Champlain Regional Chamber of Commerce;

(9) the current, including acting or interim, Director of Aviation for the Airport or designee, who shall be a nonvoting member of the Working Group; and

(10) the Director of the Chittenden County Regional Planning Commission or designee, who shall be a nonvoting member of the Working Group.

(e) Assistance; consultant.

(1) The Working Group shall have the administrative, technical, and legal assistance of the Agency of Transportation, which shall contract with an independent third-party consultant with expertise in airport governance and may contract with an additional person to serve as a neutral facilitator for the Working Group if such assistance cannot be provided by an employee or employees of the Agency of Transportation.

(2) The Agency of Transportation shall work with the Working Group to prepare a request for information and a request for proposal for the retention of the independent third-party consultant that is contracted with pursuant to subdivision (1) of this subsection.

(f) Powers and duties. The Working Group, with the assistance of the consultant retained as required under subsection (e) of this section, shall:

(1) review prior reports and recommendations prepared on the governance structure of the Airport, including the January 1, 2020 memorandum from Eileen Blackwood, Burlington City Attorney to Mayor Miro Weinberger and the City Council regarding Burlington International Airport and Regional Governance Questions; the June 10, 2013 Burlington International Airport, Airport Strategic Planning Committee Recommendations (Airport Strategic Planning Committee Recommendations); and the December 1985 Final Report of the Burlington Airport Study Group;

(2) discuss current issues of regional concern regarding the Airport, explore opportunities for regional collaboration regarding the Airport, and analyze what actions, including but not limited to a change in the governance structure, could address any issues of regional concern regarding the Airport;

(3) examine the advantages and disadvantages of each of the options identified in the Airport Strategic Planning Committee Recommendations;

(4) examine the advantages and disadvantages of any additional governance structure options for the Airport recommended by the consultant or identified by a majority of the voting members of the Working Group as warranting study;

(5) identify any other issue relating to the governance of the Airport that a majority of the voting members of the Working Group determine warrants study; and

(6) make recommendations on the governance structure of the Airport or opportunities for regional collaboration regarding the Airport, or both, as supported by a majority of the voting members of the Working Group.

(g) Reports; recommendations.

(1) The Chair of the Working Group shall provide an oral report outlining the Working Group's progress, including a summary of the membership of the Working Group, the process of retaining the required consultant, and anything else the Chair thinks will have bearing on the final report and recommendations, to the House and Senate Committees on Transportation in February 2023.

(2) On or before January 15, 2024, the Working Group shall submit a written report to the General Assembly with its findings and recommendations. Any recommendations from the Working Group shall address how to ensure that there are not negative financial impacts on the City of Burlington.

(h) Meetings.

(1) The Secretary of Transportation or designee shall call the first meeting of the Working Group to occur on or before September 30, 2022.

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

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

(4) The Working Group shall cease to exist on January 16, 2024.

(i) Compensation and reimbursement. Members of the Working Group 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 as permitted under 32 V.S.A. § 1010 for not more than six meetings.

Fourth: In Sec. 21, 2021 Acts and Resolves No. 55, Sec. 2(8)(D) and (E), in subdivision (E), by striking out "$200.00" and inserting in lieu thereof ~~$200.00~~

Fifth: By striking out Sec. 23, 2021 Acts and Resolves No. 55, Sec. 28(b), in its entirety and inserting in lieu thereof a new Sec. 23 to read as follows:

Sec. 23. 2021 Acts and Resolves No. 55, Sec. 28 is amended to read:

Sec. 28. ELECTRIC BICYCLE INCENTIVES

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

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

* * *

(b) Authorization.

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

incentives and up to $5,000.00 on the costs associated with developing and administering the electric bicycle incentives.

(2) If less than $5,000.00 is expended on administrative costs associated with developing and administering the electric bicycle incentives under subdivision (1) of this subsection, then the balance of that $5,000.00 shall only be authorized for startup costs, outreach education, and costs associated with developing and administering the Replace Your Ride Program in addition to the authorization in Sec. 27(d) of this act.

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

House Proposal of Amendment Concurred In with Amendment

S. 285.

House proposal of amendment to Senate bill entitled:

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

Was taken up.

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

* * * Payment and Delivery System Reform; Appropriations * * *

Sec. 1. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT ALL-PAYER MODEL AGREEMENT

(a)(1) The Director of Health Care Reform in the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall develop a proposal for a subsequent agreement with the Center for Medicare and Medicaid Innovation to secure Medicare's sustained participation in multi-payer alternative payment models in Vermont. In developing the proposal, the Director shall consider:

(A) total cost of care targets;

(B) global payment models;

(C) strategies and investments to strengthen access to:

(i) primary care;

(ii) home- and community-based services;

(iii) subacute services;

(iv) long-term care services; and

(v) mental health and substance use disorder treatment services; and

(D) strategies and investments to address health inequities and social determinants of health.

(2)(A) The development of the proposal shall include consideration of alternative payment and delivery system approaches for hospital services and community-based providers such as primary care providers, mental health providers, substance use disorder treatment providers, skilled nursing facilities, home health agencies, and providers of long-term services and supports.

(B) The alternative payment models to be explored shall include, at a minimum:

(i) value-based payments for hospitals, including global payments, that take into consideration the sustainability of Vermont's hospitals and the State's rural nature, as set forth in subdivision (b)(1) of this section;

(ii) geographically or regionally based global budgets for health care services;

(iii) existing federal value-based payment models; and

(iv) broader total cost of care and risk-sharing models to address patient migration patterns across systems of care.

(C) The proposal shall:

(i) include appropriate mechanisms to convert fee-for-service reimbursements to predictable payments for multiple provider types, including those described in subdivision (A) of this subdivision (2);

(ii) include a process to ensure reasonable and adequate rates of payment and a reasonable and predictable schedule for rate updates;

(iii) meaningfully impact health equity and address inequities in terms of access, quality, and health outcomes; and

(iv) support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care.

(3)(A) The Director of Health Care Reform, in collaboration with the Green Mountain Care Board, shall ensure that the process for developing the proposal includes opportunities for meaningful participation by the full continuum of health care and social service providers, payers, and other interested stakeholders in all stages of the proposal's development.

(B) The Director shall seek to minimize the administrative burden of and duplicative processes for stakeholder input.

(C) To promote engagement with diverse stakeholders and ensure the prioritization of health equity, the process may utilize existing local and regional forums, including those supported by the Agency of Human Services.

(b) As set forth in subdivision (a)(2)(B)(i) of this section and notwithstanding any provision of 18 V.S.A. § 9375(b)(1) to the contrary, the Green Mountain Care Board shall:

(1) in collaboration with the Agency of Human Services and using the stakeholder process described in subsection (a) of this section, build on successful health care delivery system reform efforts by developing value-based payments, including global payments, from all payers to Vermont hospitals or accountable care organizations, or both, that will:

(A) help move the hospitals away from a fee-for-service model;

(B) provide hospitals with predictable, sustainable funding that is aligned across multiple payers, consistent with the principles set forth in 18 V.S.A. § 9371, and sufficient to enable the hospitals to deliver high-quality, affordable health care services to patients;

(C) take into consideration the necessary costs and operating expenses of providing services and not be based solely on historical charges; and

(D) take into consideration Vermont's rural nature, including that many areas of the State are remote and sparsely populated;

(2) determine how best to incorporate value-based payments, including global payments to hospitals or accountable care organizations, or both, into the Board's hospital budget review, accountable care organization certification and budget review, and other regulatory processes, including assessing the impacts of regulatory processes on the financial sustainability of Vermont hospitals and identifying potential opportunities to use regulatory processes to improve hospitals' financial health; and

(3) recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets, which may include the use of national and regional indicators of growth in the health care economy and other appropriate benchmarks, such as the Hospital Producer Price Index, Medical Consumer Price Index, bond-rating metrics, and labor cost indicators, as well as other metrics that incorporate differentials as appropriate to reflect the unique needs of hospitals in highly rural and sparsely populated areas of the State.

(c) On or before January 15, 2023, the Director of Health Care Reform and the Green Mountain Care Board shall each report on their activities pursuant to this section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

Sec. 2. HOSPITAL SYSTEM TRANSFORMATION; PLAN FOR ENGAGEMENT PROCESS; REPORT

(a) The Green Mountain Care Board shall develop a plan for a data-informed, patient-focused, community-inclusive engagement process for Vermont's hospitals to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services while maintaining sufficient capacity for emergency management.

(b) The plan for the engagement process shall include:

(1) which organization or agency will lead the engagement process;

(2) a timeline that shows the engagement process occurring after the development of the all-payer model proposal as set forth in Sec. 1 of this act;

(3) how to hear from and share data, information, trends, and insights with communities about the current and future states of the hospital delivery system, unmet health care as identified through the community health needs assessment, and opportunities and resources necessary to address those needs; and

(4) a description of the opportunities to be provided for meaningful participation in all stages of the process by employers; consumers; health care professionals and health care providers, including those providing primary care services; Vermonters who have direct experience with all aspects of Vermont's health care system; and Vermonters who are diverse with respect to race, income, age, and disability status;

(5) a description of the data, information, and analysis necessary to support the process, including information and trends relating to the current and future states of the health care delivery system in each hospital service area, the effects of the hospitals in neighboring states on the health care services delivered in Vermont, the potential impacts of hospital system transformation on Vermont's nonhospital health care and social service providers, the workforce challenges in the health care and human services systems, and the impacts of the pandemic;

(6) how to assess the impact of any changes to hospital services on nonhospital providers, including on workforce recruitment and retention;

(7) the amount of the additional appropriations needed to support the engagement process; and

(8) a process for determining the amount of resources that will be needed to support hospitals in implementing the transformation initiatives to be developed as a result of the engagement process.

(c) On or before January 15, 2023, the Green Mountain Care Board shall report on its activities pursuant to this section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

Sec. 3. PAYMENT AND DELIVERY SYSTEM REFORM; APPROPRIATIONS

(a) The sum of $900,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2023 to support the work of the Director of Health Care Reform as set forth in Sec. 1 of this act.

(b) The sum of $3,600,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to support the work of the Board as set forth in Sec. 1 of this act.

* * * Health Care Data * * *

Sec. 4. HEALTH INFORMATION EXCHANGE STEERING COMMITTEE; DATA STRATEGY

The Health Information Exchange (HIE) Steering Committee shall continue its work to create one health record for each person that integrates data types to include health care claims data; clinical, mental health, and substance use disorder services data; and social determinants of health data. In furtherance of these goals, the HIE Steering Committee shall include a data integration strategy in its 2023 HIE Strategic Plan to merge and consolidate claims data in the Vermont Health Care Uniform Reporting and Evaluation System (VHCURES) with the clinical data in the HIE.

Sec. 5. 18 V.S.A. § 9410 is amended to read:

§ 9410. HEALTH CARE DATABASE

(a)(1) The Board shall establish and maintain a unified health care database to enable the Board to carry out its duties under this chapter, chapter 220 of this title, and Title 8, including:

(A) determining the capacity and distribution of existing resources;

(B) identifying health care needs and informing health care policy;

(C) evaluating the effectiveness of intervention programs on improving patient outcomes;

(D) comparing costs between various treatment settings and approaches;

(E) providing information to consumers and purchasers of health care; and

(F) improving the quality and affordability of patient health care and health care coverage.

(2) [Repealed.]

(b) The database shall contain unique patient and provider identifiers and a uniform coding system~~,~~ and shall reflect all health care utilization, costs, and resources in this State~~,~~ and health care utilization and costs for services provided to Vermont residents in another state.

* * *

(e) ~~Records or information protected by the provisions of the physician-patient privilege under 12 V.S.A. § 1612(a), or otherwise required by law to be held confidential, shall be filed in a manner that does not disclose the identity of the protected person.~~ [Repealed.]

(f) The Board shall adopt a confidentiality code to ensure that information obtained under this section is handled in an ethical manner.

* * *

(h)(1) All health insurers shall electronically provide to the Board in accordance with standards and procedures adopted by the Board by rule:

(A) their health insurance claims data, provided that the Board may exempt from all or a portion of the filing requirements of this subsection data reflecting utilization and costs for services provided in this State to residents of other states;

(B) cross-matched claims data on requested members, subscribers, or policyholders; and

(C) member, subscriber, or policyholder information necessary to determine ~~third party~~ third-party liability for benefits provided.

(2) The collection, storage, and release of health care data and statistical information that are subject to the federal requirements of the Health Insurance Portability and Accountability Act (HIPAA) shall be governed exclusively by the regulations adopted thereunder in 45 C.F.R. Parts 160 and 164.

* * *

(3)(A) The Board shall collaborate with the Agency of Human Services and participants in the Agency's initiatives in the development of a comprehensive health care information system. The collaboration is intended to address the formulation of a description of the data sets that will be included in the comprehensive health care information system, the criteria and procedures for the development of limited-use data sets, the criteria and procedures to ensure that HIPAA compliant limited-use data sets are accessible, and a proposed time frame for the creation of a comprehensive health care information system.

(B) To the extent allowed by HIPAA, the data shall be available as a resource for insurers, employers, providers, purchasers of health care, and State agencies to continuously review health care utilization, expenditures, and performance in Vermont. In presenting data for public access, comparative considerations shall be made regarding geography, demographics, general economic factors, and institutional size.

(C) Consistent with the dictates of HIPAA, and subject to such terms and conditions as the Board may prescribe by rule, the Vermont Program for Quality in Health Care shall have access to the unified health care database for use in improving the quality of health care services in Vermont. In using the database, the Vermont Program for Quality in Health Care shall agree to abide by the rules and procedures established by the Board for access to the data. The Board's rules may limit access to the database to limited-use sets of data as necessary to carry out the purposes of this section.

(D) Notwithstanding HIPAA or any other provision of law, the comprehensive health care information system shall not publicly disclose any data that contain direct personal identifiers. For the purposes of this section, "direct personal identifiers" include information relating to an individual that contains primary or obvious identifiers, such as the individual's name, street address, e-mail address, telephone number, and Social Security number.

* * *

* * * Blueprint for Health * * *

Sec. 6. 18 V.S.A. § 702(d) is amended to read:

(d) The Blueprint for Health shall include the following initiatives:

* * *

(8) The use of quality improvement facilitation and other means to support quality improvement activities, including using integrated clinical and claims data, where available, to evaluate patient outcomes and promoting best

practices regarding patient referrals and care distribution between primary and specialty care.

Sec. 7. BLUEPRINT FOR HEALTH; COMMUNITY HEALTH TEAMS; QUALITY IMPROVEMENT FACILITATION; REPORT

On or before January 15, 2023, the Director of Health Care Reform in the Agency of Human Services shall recommend to the House Committees on Health Care and on Appropriations and the Senate Committees on Health and Welfare, on Appropriations, and on Finance the amounts by which health insurers and Vermont Medicaid should increase the amount of the per-person, per month payments they make toward the shared costs of operating the Blueprint for Health community health teams and providing quality improvement facilitation, in furtherance of the goal of providing additional resources necessary for delivery of comprehensive primary care services to Vermonters and to sustain access to primary care services in Vermont. The Agency shall also provide an estimate of the State funding that would be needed to support the increase for Medicaid, both with and without federal financial participation.

* * * Options for Extending Moderate Needs Supports * * *

Sec. 8. OPTIONS FOR EXTENDING MODERATE NEEDS SUPPORTS; WORKING GROUP; GLOBAL COMMITMENT WAIVER; REPORT

(a) As part of developing the Vermont Action Plan for Aging Well as required by 2020 Acts and Resolves No. 156, Sec. 3, the Department of Disabilities, Aging, and Independent Living shall convene a working group comprising representatives of older Vermonters, home- and community-based service providers, the Office of the Long-Term Care Ombudsman, the Agency of Human Services, and other interested stakeholders to consider extending access to long-term home- and community-based services and supports to a broader cohort of Vermonters who would benefit from them, and their family caregivers, including:

(1) the types of services, such as those addressing activities of daily living, falls prevention, social isolation, medication management, and case management that many older Vermonters need but for which many older Vermonters may not be financially eligible or that are not covered under many standard health insurance plans;

(2) the most promising opportunities to extend supports to additional Vermonters, such as expanding the use of flexible funding options that enable beneficiaries and their families to manage their own services and caregivers within a defined budget and allowing case management to be provided to

beneficiaries who do not require other services;

(3) how to set clinical and financial eligibility criteria for the extended supports, including ways to avoid requiring applicants to spend down their assets in order to qualify;

(4) how to fund the extended supports, including identifying the options with the greatest potential for federal financial participation;

(5) how to proactively identify Vermonters across all payers who have the greatest need for extended supports;

(6) how best to support family caregivers, such as through training, respite, home modifications, payments for services, and other methods; and

(7) the feasibility of extending access to long-term home- and community-based services and supports and the impact on existing services.

(b) The working group shall also make recommendations regarding changes to service delivery for persons who are dually eligible for Medicaid and Medicare in order to improve care, expand options, and reduce unnecessary cost shifting and duplication.

(c) On or before January 15, 2024, the Department shall report to the House Committees on Human Services, on Health Care, and on Appropriations and the Senate Committees on Health and Welfare and on Appropriations regarding the working group's findings and recommendations, including its recommendations regarding service delivery for dually eligible individuals, and an estimate of any funding that would be needed to implement the working group's recommendations.

(d) If so directed by the General Assembly, the Department shall collaborate with others in the Agency of Human Services as needed in order to incorporate the working group's recommendations on extending access to long-term home- and community-based services and supports as an amendment to the Global Commitment to Health Section 1115 demonstration in effect in 2024 or into the Agency's proposals to and negotiations with the Centers for Medicare and Medicaid Services for the iteration of Vermont's Global Commitment to Health Section 1115 demonstration that will take effect following the expiration of the demonstration currently under negotiation.

* * * Summaries of Green Mountain Care Board Reports * * *

Sec. 9. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

* * *

(e)(1) The Board shall summarize and synthesize the key findings and recommendations from reports prepared by and for the Board, including its expenditure analyses and focused studies. The Board shall develop, in consultation with the Office of the Health Care Advocate, a standard for creating plain language summaries that the public can easily use and understand.

(2) All reports and summaries prepared by the Board shall be available to the public and shall be posted on the Board's website.

* * * Primary Care Providers; Medicaid Reimbursement Rates * * *

Sec. 10. MEDICAID REIMBURSEMENT RATES; PRIMARY CARE AT 100 PERCENT OF MEDICARE FISCAL YEAR 2024

It is the intent of the General Assembly that Vermont's health care system should reimburse all Medicaid participating providers at rates that are equal to 100 percent of the Medicare rates for the services provided, with first priority for primary care providers. In support of this goal, in its fiscal year 2024 budget proposal, the Department of Vermont Health Access shall either provide reimbursement rates for Medicaid participating providers for primary care services at rates that are equal to 100 percent of the Medicare rates for the services or, in accordance with 32 V.S.A. § 307(d)(6), provide information on the additional amounts that would be necessary to achieve full reimbursement parity for primary care services with the Medicare rates.

* * * Prior Authorizations * * *

Sec. 11. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to access clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before

January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

(a) Sec. 3 (payment and delivery system reform; appropriations) shall take effect on July 1, 2022.

(b) The remainder of this act shall take effect on passage.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senators Lyons, Cummings, Hardy, Hooker and Terenzini moved that the Senate concur in the House proposal of amendment with an amendment as follows:

By striking out Secs. 1–3 and their reader assistance headings in their entireties and inserting in lieu thereof new Secs. 1–3 and reader assistance headings to read as follows:

* * * Payment and Delivery System Reform; Appropriations * * *

Sec. 1. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT ALL-PAYER MODEL AGREEMENT

(a)(1) The Director of Health Care Reform in the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall develop a proposal for a subsequent agreement with the Center for Medicare and Medicaid Innovation to secure Medicare's sustained participation in multi-payer alternative payment models in Vermont. In developing the proposal, the Director shall consider:

(A) total cost of care targets;

(B) global payment models;

(C) strategies and investments to strengthen access to:

(i) primary care;

(ii) home- and community-based services;

(iii) subacute services;

(iv) long-term care services; and

(v) mental health and substance use disorder treatment services;

(D) strategies and investments to address health inequities and social determinants of health; and

(E) the role, if any, of accountable care organizations in Vermont's multi-payer alternative payment models going forward.

(2)(A) The development of the proposal shall include consideration of alternative payment and delivery system approaches for hospital services and community-based providers such as primary care providers, mental health providers, substance use disorder treatment providers, skilled nursing facilities, home health agencies, and providers of long-term services and supports.

(B) The alternative payment models to be explored shall include, at a minimum:

(i) value-based payments for hospitals, including global payments, that take into consideration the sustainability of Vermont's hospitals and the State's rural nature, as set forth in subdivision (b)(1) of this section;

(ii) statewide, regional, and hospital-based global budgets for health care services, or a combination of these;

(iii) existing federal value-based payment models; and

(iv) broader total cost of care and risk-sharing models to address patient migration patterns across systems of care.

(C) The proposal shall:

(i) include appropriate mechanisms to convert fee-for-service reimbursements to predictable payments for multiple provider types, including those described in subdivision (A) of this subdivision (2);

(ii) include a process to ensure reasonable and adequate rates of payment and a reasonable and predictable schedule for rate updates;

(iii) meaningfully impact health equity and address inequities in terms of access, quality, and health outcomes; and

(iv) support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care.

(3)(A) The Director of Health Care Reform, in collaboration with the Green Mountain Care Board, shall ensure that the process for developing the proposal includes opportunities for meaningful participation by the full continuum of health care and social service providers, payers, participants in the health care system, and other interested stakeholders in all stages of the proposal's development.

(B) The Director shall provide a simple and straightforward process to enable interested stakeholders to provide input easily.

(C) To promote engagement with diverse stakeholders and ensure the prioritization of health equity, the process may utilize existing local and regional forums, including those supported by the Agency of Human Services.

(b) As set forth in subdivision (a)(2)(B)(i) of this section and notwithstanding any provision of 18 V.S.A. § 9375(b)(1) to the contrary, the Green Mountain Care Board shall:

(1) in collaboration with the Agency of Human Services and using the stakeholder process described in subsection (a) of this section, build on successful health care delivery system reform efforts by developing value-based payments, including global payments, from all payers to Vermont hospitals or accountable care organizations, or both, that will:

(A) help move the hospitals away from a fee-for-service model;

(B) provide hospitals with predictable, sustainable funding that is aligned across multiple payers, consistent with the principles set forth in 18 V.S.A. § 9371, and sufficient to enable the hospitals to deliver high-quality, affordable health care services to patients;

(C) take into consideration the necessary costs and operating expenses of providing services and not be based solely on historical charges; and

(D) take into consideration Vermont's rural nature, including that many areas of the State are remote and sparsely populated;

(2) determine how best to incorporate value-based payments, including global payments to hospitals or accountable care organizations, or both, into the Board's hospital budget review, accountable care organization certification and budget review, and other regulatory processes, including assessing the impacts of regulatory processes on the financial sustainability of Vermont hospitals and identifying potential opportunities to use regulatory processes to improve hospitals' financial health;

(3) recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets, which may include the use of national and regional indicators of growth in the health care economy and other appropriate benchmarks, such as the Hospital Producer Price Index, Medical Consumer Price Index, bond-rating metrics, and labor cost indicators, as well as other metrics that incorporate differentials as appropriate to reflect the unique needs of hospitals in highly rural and sparsely populated areas of the State; and

(4) consider the appropriate role of global budgets for Vermont hospitals.

(c)(1) On or before January 15, 2023, the Director of Health Care Reform and the Green Mountain Care Board shall each report on their activities pursuant to this section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

(2) On or before March 15, 2023, the Director of Health Care Reform shall provide an update to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance regarding the Agency's stakeholder engagement process pursuant to subdivision (a)(3) of this section.

Sec. 2. HOSPITAL SYSTEM TRANSFORMATION; ENGAGEMENT PROCESS; REPORT

(a) The Green Mountain Care Board, in collaboration with the Director of Health Care Reform in the Agency of Human Services, shall develop and conduct a data-informed, patient-focused, community-inclusive engagement process for Vermont's hospitals to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services while maintaining sufficient capacity for emergency management.

(b) The engagement process shall include:

(1) coordination with the stakeholder engagement process to be conducted by the Director of Health Care Reform as set forth in Sec. 1(a)(3) of this act;

(2) hearing from and sharing data, information, trends, and insights with communities about the current and future states of the hospital delivery system, unmet health care needs as identified through the community health needs assessment, and opportunities and resources necessary to address those needs;

(3) providing opportunities for meaningful participation in all stages of the engagement process by employers; consumers; health care professionals and health care providers, including those providing primary care services; Vermonters who have direct experience with all aspects of Vermont's health care system; and Vermonters who are diverse with respect to race, income, age, and disability status;

(4) providing the data, information, and analysis necessary to support the engagement process, including information and trends relating to the current and future states of the health care delivery system in each hospital service area, the effects of the hospitals in neighboring states on the health care services delivered in Vermont, the potential impacts of hospital system transformation on Vermont's nonhospital health care and social service providers, the workforce challenges in the health care and human services systems, and the impacts of the pandemic;

(5) establishing ways to assess the impact of any changes to hospital services on nonhospital providers, including on workforce recruitment and retention; and

(6) determining the amount of resources that will be needed to support hospitals in implementing the transformation initiatives developed as a result of the engagement process.

(c) On or before January 15, 2023, the Green Mountain Care Board shall provide an update on the community engagement process established in this section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

Sec. 3. PAYMENT AND DELIVERY SYSTEM REFORM; APPROPRIATIONS

(a) The sum of $900,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2023 to support the work of the Director of Health Care Reform as set forth in Secs. 1 and 2 of this act, including hiring consultants as needed to assist the Director in carrying out the provisions of those sections.

(b) The sum of $4,100,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to support the work of the Board as set forth in Secs. 1 and 2 of this act, including hiring consultants as needed to assist the Board in carrying out the provisions of those sections.

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

Bill Passed in Concurrence with Proposal of Amendment

H. 265.

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

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

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

H. 466.

House bill entitled:

An act relating to surface water withdrawals and interbasin transfers.

Was taken up.

Thereupon, pending third reading of the bill, Senator McCormack moved to amend the Senate proposal of amendment as follows:

First: In Sec. 1, 10 V.S.A. chapter 41, in subchapter 4, section 1041, subsection (a), after "water withdrawals that are consistent with" and before "of this title" by striking out "section 1001 and chapter 41" and inserting in lieu thereof section 1001 of this chapter and chapter 47

Second: In Sec. 2, 10 V.S.A. § 1253(h)(1), by striking out "chapter 47" where it appears and inserting in lieu thereof chapter 41

Third: By inserting a new section to be Sec. 5a to read as follows:

Sec. 5a. IMPLEMENTATION; RULEMAKING

The Secretary of Natural Resources shall conduct public input and outreach with interested parties prior to initiating formal rulemaking pursuant to the Administrative Procedure Act for surface water withdrawals as set forth in 10 V.S.A. § 1046. The public input and outreach shall include an opportunity for interested parties to comment on a draft rule for surface water withdrawals.

Which was agreed to.

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

Third Reading Ordered

H. 743.

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

An act relating to amending the charter of the Town of Hardwick.

Reported that the bill ought to pass in concurrence.

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

Joint Resolution Amended; Third Reading Ordered

J.R.S. 53.

Senator Hardy, for the Committee on Health and Welfare, to which was referred joint Senate resolution entitled:

Joint resolution supporting transgender youth and their parents who seek essential medical care for the treatment of gender dysphoria.

Reported recommending that the resolution be amended by striking out all after the title and inserting in lieu thereof the following:

Whereas, Vermont values the transgender members of our community and has been a leader in establishing policies that prohibit discrimination based on gender identity, and

Whereas, the American Academy of Pediatrics Vermont Chapter, the University of Vermont Children's Hospital, the Vermont Medical Society, the Vermont Academy of Family Physicians, the Vermont Psychiatric Association, the Vermont American Academy of Emergency Physicians, the Physician Assistant Academy of Vermont, the American Academy of Child and Adolescent Psychiatry, the American Medical Association, and other leading health care authorities support best practice medical care for transgender youth, and

Whereas, patients, their parents, and their health care providers should decide what medical care is appropriate for a patient in accordance with current medical best practices, not politicians, and

Whereas, denying best practice medical care and support to transgender youth can be life-threatening and has been shown to contribute to depression, social isolation, self-hatred, risk of self-harm and suicidal behavior, and more, and

Whereas, more than a third of the 150,000 transgender youth 13 to 17 years of age in the United States live in the 15 states that have restricted or banned access to best practice medical care for transgender youth or are considering legislation to do so, and

Whereas, parents of transgender children, like all parents, simply want to do what is best for their child, and many such parents now face prosecution for child abuse in some jurisdictions for seeking best practice medical care for their transgender child as recommended by their health care provider, and

Whereas, Vermont recognizes the importance of letting transgender youth know that they are seen and valued for who they are, protected from stigmatizing policies that jeopardize their health and well-being, and supported by a community that wants to see them thrive, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly condemns the actions of states to ban best practice medical care for transgender youth and prosecute parents for seeking such essential care for their children, *and be it further*

Resolved: That the General Assembly shall explore all available options to ensure that transgender youth and their families are safe in Vermont to make the best medical care decisions for themselves in consultation with their health care providers *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to Assistant Secretary for Health for the U.S. Department of Health and Human Services Admiral Rachel L. Levine, U.S. Senator Patrick Leahy of Vermont, U.S. Senator Bernie Sanders of Vermont, and U.S. Representative Peter Welch of Vermont.

And that when so amended the joint resolution ought to be adopted.

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

House Proposal of Amendment Concurred In

S. 90.

House proposal of amendment to Senate bill entitled:

An act relating to establishing an amyotrophic lateral sclerosis registry.

Was taken up.

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

Sec. 1. 18 V.S.A. chapter 4A is added to read:

CHAPTER 4A. AMYOTROPHIC LATERAL SCLEROSIS REGISTRY

§ 171. DEFINITIONS

As used in this chapter:

(1) "Amyotrophic lateral sclerosis" or "ALS" means a progressive neurodegenerative disease that affects nerve cells in the brain and the spinal cord.

(2) "Health care provider" means a person, partnership, corporation, facility, or institution licensed or certified or authorized by law to provide professional health care service in this State to an individual during that

individual's medical care, treatment, or confinement.

(3) "Registry" means the statewide amyotrophic lateral sclerosis incidence registry.

§ 172. REGISTRY ESTABLISHED

The Commissioner shall establish, maintain, and operate a statewide amyotrophic lateral sclerosis incidence registry.

§ 173. DUTY OF HEALTH CARE PROVIDERS

A health care provider that screens for, diagnoses, or provides therapeutic services to patients with amyotrophic lateral sclerosis shall report to the Department all individuals diagnosed as having amyotrophic lateral sclerosis not later than six months for the date of diagnosis. The report shall include information on each individual's usual occupation and industry of employment and other elements determined by rule to be appropriate.

§ 174. CONFIDENTIALITY

(a)(1) All identifying information regarding an individual patient or health care provider is exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

(2) Notwithstanding subdivision (1) of this subsection, the Commissioner may enter into data sharing and protection agreements with researchers or state, regional, or national amyotrophic lateral sclerosis registries for bidirectional data exchange, provided access under such agreements is consistent with the privacy, security, and disclosure protections in this chapter. In the case of researchers, the Commissioner shall also first obtain evidence of the approval of their academic committee for the protection of human subjects established in accordance with 45 C.F.R. Part 46. The Commissioner shall disclose the minimum information necessary to accomplish a specified research purpose.

(b) The Department may disclose aggregated and deidentified information from the registry.

§ 175. ANNUAL REPORT

Annually, on or before January 15, the Department shall submit a written report to the Governor, the House Committee on Human Services, and the Senate Committee on Health and Welfare containing the statewide prevalence and incidence estimates of amyotrophic lateral sclerosis, including any trends occurring over time across the State. Reports shall not contain information that directly or indirectly identifies an individual patient or health care provider.

§ 176. RULEMAKING

The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement this chapter, including rules to govern the operation of the registry, data reported to the registry, and data release protocols.

§ 177. LIABILITY

(a) No action for damages arising from the disclosure of confidential or privileged information shall be maintained against any person, or the employer or employee of any person, who participates in good faith in the reporting of amyotrophic lateral sclerosis registry data or data for amyotrophic lateral sclerosis morbidity or mortality studies in accordance with this chapter.

(b) No license of a health care provider shall be denied, suspended, or revoked for the good faith disclosure of confidential or privileged information in the reporting of amyotrophic lateral sclerosis registry data or data for amyotrophic lateral sclerosis morbidity or mortality studies in accordance with this chapter.

(c) Nothing in this section shall be construed to apply to the unauthorized disclosure of confidential or privileged information when such disclosure is due to gross negligence or willful misconduct.

Sec. 2. DEPARTMENT OF HEALTH; EDUCATIONAL MATERIALS

(a) On or before December 31, 2022, the Commissioner of Health shall develop and make available written educational materials that provide information about the National Amyotrophic Lateral Sclerosis Registry, including:

(1) information regarding how to participate in the National Amyotrophic Lateral Sclerosis Registry and resources that can provide assistance with the registration process;

(2) information regarding the eligibility requirements for participation in the National Amyotrophic Lateral Sclerosis Registry; and

(3) contact information for the National Amyotrophic Lateral Sclerosis Registry and local and national research entities investigating the causes of amyotrophic lateral sclerosis.

(b) On or before December 31, 2022, the Department of Health, in cooperation with appropriate professional licensing boards and professional membership associations, shall ensure the educational materials developed pursuant to subsection (a) of this section are made available to all licensed health care providers in Vermont.

Sec. 3. GRANT APPLICATIONS TO FUND AMYOTROPHIC LATERAL SCLEROSIS REGISTRY

The Department of Health shall seek and apply for grants to fund the amyotrophic lateral sclerosis registry established in 18 V.S.A. chapter 4A. As part of its fiscal year 2024 budget presentation, the Department shall describe any grants applied for or awarded for this purpose or other identified funding sources, such as within existing budgets or from other external funding sources.

Sec. 4. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 1 (amyotrophic lateral sclerosis registry) shall take effect on July 1, 2023.

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

House Proposal of Amendment Concurred In

S. 148.

House proposal of amendment to Senate bill entitled:

An act relating to environmental justice in Vermont.

Was taken up.

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

Sec. 1. FINDINGS

The General Assembly finds that:

(1) According to American Journal of Public Health studies published in 2014 and 2018 and affirmed by decades of research, Black, Indigenous, and Persons of Color (BIPOC) and individuals with low income are disproportionately exposed to environmental hazards and unsafe housing, facing higher levels of air and water pollution, mold, lead, and pests.

(2) The cumulative impacts of environmental harms disproportionately and adversely impact the health of BIPOC and communities with low income, with climate change functioning as a threat multiplier. These disproportionate adverse impacts are exacerbated by lack of access to affordable energy, healthy food, green spaces, and other environmental benefits.

(3) Since 1994, Executive Order 12898 has required federal agencies to make achieving environmental justice part of their mission by identifying and addressing disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and

populations with low incomes in the United States.

(4) According to the Centers for Disease Control and Prevention, 30 percent of Vermont towns with high town household poverty have limited access to grocery stores. In addition, a study conducted at the University of Vermont showed that in Vermont, BIPOC individuals were twice as likely to have trouble affording fresh food and to go hungry in a month than white individuals.

(5) Inadequate transportation impedes job access, narrowing the scope of jobs available to individuals with low income and potentially impacting job performance.

(6) In 2020, the Center for American Progress found that 76 percent of BIPOC individuals in Vermont live in "nature deprived" census tracts with a higher proportion of natural areas lost to human activities than the Vermont median. In contrast, 27 percent of white individuals live in these areas.

(7) The U.S. Centers for Disease Control and Prevention states that systemic health and social inequities disproportionately increases the risk of racial and ethnic minority groups becoming infected by and dying from COVID-19.

(8) According to the Vermont Department of Health, inequities in access to and quality of health care, employment, and housing have contributed to disproportionately high rates of COVID-19 among BIPOC Vermonters.

(9) An analysis by University of Vermont researchers found that mobile homes are more likely than permanent structures to be located in a flood hazard area. During Tropical Storm Irene, mobile parks and over 561 mobile homes in Vermont were damaged or destroyed. Mobile homes make up 7.2 percent of all housing units in Vermont and were approximately 40 percent of sites affected by Tropical Storm Irene.

(10) A University of Vermont study reports that BIPOC individuals were seven times more likely to have gone without heat in the past year, over two times more likely to have trouble affording electricity, and seven times less likely to own a solar panel than white Vermonters.

(11) The U.S. Environmental Protection Agency recognized Vermont's deficiencies in addressing environmental justice concerns related to legacy mining and mobile home park habitability, providing grants for these projects in 1998 and 2005.

(12) Vermont State agencies receiving federal funds are subject to the antidiscrimination requirements of Title VI of the Civil Rights Act of 1964.

(13) In response to the documented inadequacy of state and federal environmental and land use laws to protect vulnerable communities, increasing numbers of states have adopted formal environmental justice laws and policies.

(14) At least 17 states have developed mapping tools to identify environmentally overburdened communities and environmental health disparities.

(15) The State of Vermont does not currently have a State-managed mapping tool that clearly identifies environmentally overburdened communities.

(16) The 1991 Principles of Environmental Justice adopted by The First National People of Color Environmental Leadership Summit demand the right of all individuals to participate as equal partners at every level of decision making, including needs assessment, planning, implementation, enforcement, and evaluation.

(17) Article VII of the Vermont Constitution establishes the government as a vehicle for the common benefit, protection, and security of Vermonters and not for the particular emolument or advantage of any single set of persons who are only a part of that community. This, coupled with Article I's guarantee of equal rights to enjoying life, liberty, and safety, and Article IV's assurance of timely justice for all, encourages political officials to identify how particular communities may be unequally burdened or receive unequal protection under the law due to race, income, or geographic location.

(18) Lack of a clear environmental justice policy has resulted in a piecemeal approach to understanding and addressing environmental justice in Vermont and creates a barrier to establishing clear definitions, metrics, and strategies to ensure meaningful engagement and more equitable distribution of environmental benefits and burdens.

(19) It is the State of Vermont's responsibility to pursue environmental justice for its residents and to ensure that its agencies do not contribute to unfair distribution of environmental benefits to or environmental burdens on low-income, limited-English proficient, and BIPOC communities.

Sec. 2. 3 V.S.A. chapter 72 is added to read:

CHAPTER 72. ENVIRONMENTAL JUSTICE

§ 6001. PURPOSE

The purpose of this chapter is to identify, reduce, and eliminate environmental health disparities to improve the health and well-being of all Vermont residents.

§ 6002. DEFINITIONS

As used in this chapter:

(1) "Environmental benefits" means the assets and services that enhance the capability of communities and individuals to function and flourish in society. Examples of environmental benefits include access to a healthy environment and clean natural resources, including air, water, land, green spaces, constructed playgrounds, and other outdoor recreational facilities and venues; affordable clean renewable energy sources; public transportation; fulfilling and dignified green jobs; healthy homes and buildings; health care; nutritious food; Indigenous food and cultural resources; environmental enforcement; and training and funding disbursed or administered by governmental agencies.

(2) "Environmental burdens" means any significant impact to clean air, water, and land, including any destruction, damage, or impairment of natural resources resulting from intentional or reasonably foreseeable causes. Examples of environmental burdens include climate change impacts; air and water pollution; improper sewage disposal; improper handling of solid wastes and other noxious substances; excessive noise; activities that limit access to green spaces, nutritious food, Indigenous food or cultural resources, or constructed outdoor playgrounds and other recreational facilities and venues; inadequate remediation of pollution; reduction of groundwater levels; increased flooding or stormwater flows; home and building health hazards, including lead paint, lead plumbing, asbestos, and mold; and damage to inland waterways and waterbodies, wetlands, forests, green spaces, or constructed playgrounds or other outdoor recreational facilities and venues from private, industrial, commercial, and government operations or other activities that contaminate or alter the quality of the environment and pose a risk to public health.

(3) "Environmental justice" means all individuals are afforded equitable access to and distribution of environmental benefits; equitable distribution of environmental burdens; and fair and equitable treatment and meaningful participation in decision-making processes, including the development, implementation, and enforcement of environmental laws, regulations, and policies. Environmental justice recognizes the particular needs of individuals of every race, color, income, class, ability status, gender identity, sexual orientation, national origin, ethnicity or ancestry, religious belief, or English language proficiency level. Environmental justice redresses structural and institutional racism, colonialism, and other systems of oppression that result in the marginalization, degradation, disinvestment, and neglect of Black,

Indigenous, and Persons of Color. Environmental justice requires providing a proportional amount of resources for community revitalization, ecological restoration, resilience planning, and a just recovery to communities most affected by environmental burdens and natural disasters.

(4) "Environmental justice focus population" means any census block group in which:

(A) the annual median household income is not more than 80 percent of the State median household income;

(B) Persons of Color and Indigenous Peoples comprise at least six percent or more of the population; or

(C) at least one percent or more of households have limited English proficiency.

(5) "Limited English proficiency" means that a household does not have a member 14 years or older who speaks English "very well" as defined by the U.S. Census Bureau.

(6) "Meaningful participation" means that all individuals have the opportunity to participate in energy, climate change, and environmental decision making. Examples include needs assessments, planning, implementation, permitting, compliance and enforcement, and evaluation. Meaningful participation also integrates diverse knowledge systems, histories, traditions, languages, and cultures of Indigenous communities in decision-making processes. It requires that communities are enabled and administratively assisted to participate fully through education and training. Meaningful participation requires the State to operate in a transparent manner with regard to opportunities for community input and also encourages the development of environmental, energy, and climate change stewardship.

§ 6003. ENVIRONMENTAL JUSTICE STATE POLICY

It is the policy of the State of Vermont that no segment of the population of the State should, because of its racial, cultural, or economic makeup, bear a disproportionate share of environmental burdens or be denied an equitable share of environmental benefits. It is further the policy of the State of Vermont to provide the opportunity for the meaningful participation of all individuals, with particular attention to environmental justice focus populations, in the development, implementation, or enforcement of any law, regulation, or policy.

§ 6004. IMPLEMENTATION OF STATE POLICY

(a) As used in this chapter, "covered agencies" means the following State agencies, departments, and bodies: the Agencies of Natural Resources, of

Transportation, of Commerce and Community Development, of Agriculture, Food and Markets, and of Education; the Public Utility Commission; the Natural Resources Board; and the Departments of Health, of Public Safety, and of Public Service.

(b) The covered agencies shall consider cumulative environmental burdens, as defined by rule pursuant to subsection 6005(a) of this title, and access to environmental benefits when making decisions about the environment, energy, climate, and public health projects; facilities and infrastructure; and associated funding.

(c) Each of the covered agencies shall create and adopt on or before July 1, 2025 a community engagement plan that describes how the agency will engage with environmental justice focus populations as it evaluates new and existing activities and programs. Community engagement plans shall align with the core principles developed by the Interagency Environmental Justice Committee pursuant to subdivision 6006(c)(2)(B) of this title and take into consideration the recommendations of the Environmental Justice Advisory Council pursuant to subdivision 6006(c)(1)(B) of this title. Each plan shall describe how the agency plans to provide meaningful participation in compliance with Title VI of the Civil Rights Act of 1964.

(d) The covered agencies shall submit an annual summary beginning on January 15, 2024 and annually thereafter to the Environmental Justice Advisory Council, detailing all complaints alleging environmental justice issues or Title VI violations and any agency action taken to resolve the complaints. The Advisory Council shall provide any recommendations concerning those reports within 60 days after receipt of the complaint summaries. Agencies shall consider the recommendations of the Advisory Council pursuant to subdivision 6006(c)(1)(E) of this title and substantively respond in writing if an agency chooses not to implement any of the recommendations, within 90 days after receipt of the recommendations.

(e) The Agency of Natural Resources, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall review the definitions contained in section 6002 of this title at least every five years and recommend revisions to the General Assembly to ensure the definition achieves the Environmental Justice State Policy.

(f) The Agency of Natural Resources, in consultation with the Interagency Environmental Justice Committee and the Environmental Justice Advisory Council, shall issue guidance on how the covered agencies shall determine which investments provide environmental benefits to environmental justice

focus populations on or before September 15, 2023. A draft version of the guidance shall be released for a 40-day public comment period before being finalized.

(g)(1) On or before February 15, 2024**,** the covered agencies shall, in accordance with the guidance document developed by the Agency of Natural Resources pursuant to subsection (f) of this section, review the past three years and generate baseline spending reports that include:

(A) where investments were made, if any, and which geographic areas, at the municipal level and census block group, where practicable, received environmental benefits from those investments; and

(B) a description and quantification of the environmental benefits as an outcome of the investment.

(2) The covered agencies shall publicly post the baseline spending reports on their respective websites.

(h) On or before July 1, 2024, it shall be the goal of the covered agencies to direct investments proportionately in environmental justice focus populations.

(i)(1) Beginning on January 15, 2026, and annually thereafter, the covered agencies shall either integrate the following information into existing annual spending reports or issue annual spending reports that include:

(A) where investments were made and which geographic areas, at the municipal level and census block group, where practicable, received environmental benefits from those investments; and

(B) the percentage of overall environmental benefits from those investments provided to environmental justice focus populations.

(2) The covered agencies shall publicly post the annual spending reports on their respective websites.

(j) Beginning on January 15, 2025, the covered agencies shall each issue and publicly post an annual report summarizing all actions taken to incorporate environmental justice into its policies or determinations, rulemaking, permit proceedings, or project review.

§ 6005. RULEMAKING

(a) On or before July 1, 2025, the Agency of Natural Resources, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall adopt rules to:

(1) define cumulative environmental burdens;

(2) implement consideration of cumulative environmental burdens within the Agency of Natural Resources; and

(3) inform how the public and the covered agencies implement the consideration of cumulative environmental burdens and use the environmental justice mapping tool.

(b) On or before July 1, 2026 and as appropriate thereafter, the covered agencies, in consultation with the Environmental Justice Advisory Council, shall adopt or amend policies and procedures, plans, guidance, and rules, where applicable, to implement this chapter.

(c)(1) Prior to drafting new rules required by this chapter, agencies shall consult with the Environmental Justice Advisory Council to discuss the scope and proposed content of rules to be developed. Agencies shall also submit draft rulemaking concepts to the Advisory Council for review and comment. Any proposed rule and draft Administrative Procedure Act filing forms shall be provided to the Advisory Council not less than 45 days prior to submitting the proposed rule or rules to the Interagency Committee on Administrative Rules (ICAR).

(2) The Advisory Council shall vote and record individual members' support or objection to any proposed rule before it is submitted to ICAR. The Advisory Council shall submit the results of their vote to both ICAR and the Legislative Committee on Administrative Rules (LCAR).

§ 6006. ENVIRONMENTAL JUSTICE ADVISORY COUNCIL AND INTERAGENCY ENVIRONMENTAL JUSTICE COMMITTEE

(a) Advisory Council and Interagency Committee.

(1) There is created:

(A) the Environmental Justice Advisory Council (Advisory Council) to provide independent advice and recommendations to State agencies and the General Assembly on matters relating to environmental justice, including the integration of environmental justice principles into State programs, policies, regulations, legislation, and activities; and

(B) the Interagency Environmental Justice Committee (Interagency Committee) to guide and coordinate State agency implementation of the Environmental Justice State Policy and provide recommendations to the General Assembly for amending the definitions and protections set forth in this chapter.

(2) Appointments to the groups created in this subsection shall be made on or before December 15, 2022.

(3) Both the Advisory Council and the Interagency Committee shall consider and incorporate the Guiding Principles for a Just Transition developed by the Just Transitions Subcommittee of the Vermont Climate Council in their work.

(b) Meetings. The Advisory Council and Interagency Committee shall each meet not more than eight times per year, with at least four meetings occurring jointly. Meetings may be held in person, remotely, or in a hybrid format to facilitate maximum participation and shall be recorded and publicly posted on the Secretary's website

(c) Duties.

(1) The Advisory Council shall:

(A) advise State agencies on environmental justice issues and on how to incorporate environmental justice into agency procedures and decision making as required under subsection 6004(b) of this title and evaluate the potential for environmental burdens or disproportionate impacts on environmental justice focus populations as a result of State actions and the potential for environmental benefits to environmental justice focus populations;

(B) advise State agencies in the development of community engagement plans;

(C) advise State agencies on the use of the environmental justice mapping tool established pursuant to section 6008 of this title and on the enhancement of meaningful participation, reduction of environmental burdens, and equitable distribution of environmental benefits;

(D) review and provide feedback to the relevant State agency, pursuant to subsection 6005(c) of this title, on any proposed rules for implementing this chapter; and

(E) receive and review annual State agency summaries of complaints alleging environmental justice issues, including Title VI complaints, and suggest options or alternatives to State agencies for the resolution of systemic issues raised in or by the complaints.

(2) The Interagency Committee shall:

(A) consult with the Agency of Natural Resources in the development of the guidance document required by subsection 6004(g) of this title on how to determine which investments provide environmental benefits to environmental justice focus populations; and

(B) on or before July 1, 2023, develop, in consultation with the Agency of Natural Resources and the Environmental Justice Advisory Council, a set of core principles to guide and coordinate the development of the State agency community engagement plans required under subsection 6004(d) of this title.

(3) The Advisory Council and the Interagency Committee shall jointly:

(A) consider and recommend to the General Assembly, on or before December 1, 2023, amendments to the terminology, thresholds, and criteria of the definition of environmental justice focus populations, including whether to include populations more likely to be at higher risk for poor health outcomes in response to environmental burdens; and

(B) examine existing data and studies on environmental justice and consult with State, federal, and local agencies and affected communities regarding the impact of current statutes, regulations, and policies on the achievement of environmental justice.

(d) Membership.

(1) Advisory Council. Each member of the Advisory Council shall be well informed regarding environmental justice principles and committed to achieving environmental justice in Vermont and working collaboratively with other members of the Council. To the greatest extent practicable, Advisory Council members shall represent diversity in race, ethnicity, age, gender, urban and rural areas, and different regions of the State. The Advisory Council shall consist of the following 11 members, with a goal to have more than 50 percent residing in environmental justice focus populations:

(A) the Director of Racial Equity or designee;

(B) the following members appointed by the Committee on Committees:

(i) one representative of municipal government;

(ii) one representative of a social justice organization;

(iii) one representative of mobile home park residents;

(C) the following members appointed by the Speaker of the House:

(i) one representative who resides in a census block group that is designated as an environmental justice focus population;

(ii) one representative of an organization working on food security issues;

(iii) one representative of immigrant communities in Vermont;

(iv) one representative of a statewide environmental organization;

(D) one representative of a State-recognized Native American Indian tribe, recommended and appointed by the Vermont Commission on Native American Affairs;

(E) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(F) the Chair of the Natural Resources Conservation Council or designee.

(2) Interagency Committee. The Interagency Committee shall consist of the following 11 members:

(A) the Secretary of Education or designee;

(B) the Secretary of Natural Resources or designee;

(C) the Secretary of Transportation or designee;

(D) the Commissioner of Housing and Community Development or designee;

(E) the Secretary of Agriculture, Food and Markets or designee;

(F) the Commissioner of Health or designee;

(G) the Director of Emergency Management or designee;

(H) the Commissioner of Public Service or designee;

(I) the Director of Racial Equity or designee;

(J) the Chair of the Natural Resources Board or designee; and

(K) the Chair of the Public Utility Commission or designee.

(3) The Advisory Council and the Interagency Committee may each elect two co-chairs.

(4) After initial appointments, all appointed members of the Advisory Council shall serve six-year terms and serve until a successor is appointed. The initial terms shall be staggered so that one third of the appointed members shall serve a two-year term, another third of the appointed members shall serve a four-year term, and the remaining members shall be appointed to a six-year term.

(5) Vacancies of the Advisory Council shall be appointed in the same manner as original appointments.

(6) The Advisory Council shall have the administrative, technical, and legal assistance of the Agency of Natural Resources.

§ 6007. ENVIRONMENTAL JUSTICE MAPPING TOOL

(a) The Agency of Natural Resources shall create and maintain the State environmental justice mapping tool. The Agency, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall determine indices and criteria to be included in the State mapping tool to depict environmental justice focus populations and measure environmental burdens at the smallest geographic level practicable.

(b) The Agency of Natural Resources may cooperate and contract with other states or private organizations when developing the mapping tool. The mapping tool may incorporate federal environmental justice mapping tools, such as EJSCREEN, as well as existing State mapping tools such as the Vermont Social Vulnerability Index.

(c) On or before January 1, 2025, the mapping tool shall be available for use by the public as well as by the State government.

Sec. 3. SPENDING REPORT

On or before December 15, 2025, the Agency of Natural Resources shall submit a report to the General Assembly describing whether the baseline spending reports completed pursuant to 3 V.S.A. § 6004(g) of this section indicate if any municipalities or portions of municipalities are routinely underserved with respect to environmental benefits, taking into consideration whether those areas receive, averaged across three years, a significantly lower percentage of environmental benefits from State investments as compared to other municipalities or portions of municipalities in the State. This report shall include a recommendation as to whether a statutory definition of "underserved community" and any other revisions to this chapter are necessary to best carry out the Environmental Justice State Policy.

Sec. 4. APPROPRIATIONS

(a) There is appropriated the sum of $500,000.00 in fiscal year 2023 from the General Fund to the Agency of Natural Resources for the cost of developing the mapping tool required in 3 V.S.A. § 6007 and for conducting community outreach associated with the work of the Environmental Justice Advisory Council.

(b) There is appropriated the sum of $250,000.00 in fiscal year 2023 from the General Fund to the Agency of Natural Resources for the following positions:

(1) one full-time Civil Rights Compliance Director; and

(2) two new full-time positions to assist in the implementation of the Environmental Justice State Policy and support the Environmental Justice Advisory Council, one to be hired after July 1, 2022 and one to be hired after December 31, 2022.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposal of Amendment Concurred In with Amendment

S. 188.

House proposal of amendment to Senate bill entitled:

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

Was taken up.

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

Sec. 1. 7 V.S.A. § 861 is amended to read:

§ 861. DEFINITIONS

As used in this chapter:

* * *

(19) ~~"Enclosed, locked facility" means a building, room, greenhouse, outdoor fenced-in area, or other location that is enclosed on all sides and prevents cannabis from easily being viewed by the public. The facility shall be equipped with locks or other security devices that permit access only by:~~

~~(A) Employees, agents, or owners of the cultivator, all of whom shall be 21 years of age or older.~~

~~(B) Government employees performing their official duties.~~

~~(C) Contractors performing labor that does not include cannabis cultivation, packaging, or processing. Contractors shall be accompanied by an employee, agent, or owner of the cultivator when they are in areas where cannabis is being grown, processed, packaged, or stored.~~

~~(D) Registered employees of other cultivators, members of the media, elected officials, and other individuals 21 years of age or older visiting the facility, provided they are accompanied by an employee, agent, or owner~~

~~of the cultivator.~~ [Repealed.]

* * *

(27) "Hemp" means the plant Cannabis sativa L. and any part of the plant, including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp.

(28) "Hemp products" or "hemp-infused products" means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

Sec. 2. 7 V.S.A. § 869 is amended to read:

§ 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND USE STANDARDS; REGULATION OF SMALL CULTIVATORS

(a)~~(1)~~ A cannabis establishment shall not be regulated as "farming" under the Required Agricultural Practices, 6 V.S.A. chapter 215, or other State law, and cannabis produced from cultivation shall not be considered an agricultural product, farm crop, or agricultural crop for the purposes of 32 V.S.A. chapter 124, 32 V.S.A. § 9741, or other relevant State law.

~~(2) Notwithstanding subdivision (1) of this subsection, the cultivation of cannabis on agricultural land and the use of farm buildings to dry or process that cannabis shall not disqualify the land or buildings from the use value appraisal program or constitute "development" under 32 V.S.A. § 3752(5), provided that:~~

~~(A) the agricultural land or farm building is enrolled in the use value appraisal program at the time cannabis cultivation commences;~~

~~(B) the agricultural land or farm building is not transferred to another owner;~~

~~(C) the cultivation, drying, or processing of cannabis is done by a licensed small cultivator on 1,000 square feet or less of agricultural land; and~~

~~(D) all other requirements under 32 V.S.A. chapter 124 continue to be met.~~

(b) The cultivation, processing, and manufacturing of cannabis regulated under this chapter shall comply with all applicable State, federal, and local environmental, energy, or public health law, unless otherwise provided under this chapter.

(c) A cannabis establishment regulated under this chapter shall be subject to regulation under 24 V.S.A. chapter 117 as authorized by this chapter.

(d)(1) The cultivation, processing, and manufacturing of cannabis by all cultivators regulated under this chapter shall comply with the following sections of the Required Agricultural Practices as administered and enforced by the Board:

(A) section 6, regarding conditions, restriction, and operating standards;

(B) section 8, regarding groundwater quality and groundwater quality investigations; and

(C) section 12, regarding subsurface tile drainage.

(2) Application of or compliance with the Required Agricultural Practices under subdivision (1) of this subsection shall not be construed to provide a presumption of compliance with or exemption to any applicable State, federal, and local environmental, energy, public health, or land use law required under subsections (b) and (c) of this section.

(e) Persons cultivating cannabis or handling pesticides for the purposes of the manufacture of cannabis products shall comply with the worker protection standard of 40 C.F.R. ~~part~~ Part 170.

(f) Notwithstanding subsection (a) of this section, a small cultivator licensed under this chapter who initiates cultivation of cannabis outdoors on a parcel of land that was subject to the Required Agricultural Practices prior to licensed cultivation of cannabis shall:

(1) be regulated in the same manner as "farming" and not as "development" on the tract of land where cultivation occurs for the purposes of permitting under 10 V.S.A. chapter 151;

(2) not be regulated by a municipal bylaw adopted under 24 V.S.A. chapter 117 in the same manner that Required Agricultural Practices are not regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A); and

(3) be eligible to enroll in the Use Value Appraisal Program under 32 V.S.A. chapter 124 for the cultivation of cannabis, provided that the agricultural land or farm building on the parcel where cannabis cultivation occurs was enrolled in the Use Value Appraisal Program prior to

commencement of licensed cannabis cultivation and the parcel continues to qualify for enrollment.

Sec. 3. 7 V.S.A. § 881(a) is amended to read:

(a) The Board shall adopt rules to implement and administer this chapter in accordance with subdivisions (1)-(7) of this subsection.

(1) Rules concerning any cannabis establishment shall include:

* * *

(Q) policies and procedures for conducting outreach and promoting participation in the regulated cannabis market by diverse groups of individuals, including those who have been disproportionately harmed by cannabis prohibition; ~~and~~

(R) advertising and marketing; and

(S) requirements for cannabis control testing of hemp, hemp-infused products, cannabis, and cannabis products.

* * *

Sec. 4. 7 V.S.A. § 885 is added to read:

§ 885. CANNABIS QUALITY CONTROL PROGRAM; TESTING

The Cannabis Control Board shall establish a cannabis quality control program for the following purposes:

(1) to develop potency and contaminant testing protocols for hemp, hemp-infused products, cannabis, and cannabis products;

(2) to verify cannabinoid label guarantees of hemp, hemp-infused products, cannabis, and cannabis products;

(3) to test for pesticides, solvents, heavy metals, mycotoxins, and bacterial and fungal contaminants in hemp, hemp-infused products, cannabis, and cannabis products; and

(4) to certify testing laboratories that can offer the services in subdivisions (2) and (3) of this subsection.

Sec. 5. REPEAL

6 V.S.A. § 567 (Agency of Agriculture, Food and Markets cannabis control program) is repealed.

Sec. 6. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

(a) A cultivator licensed under this chapter may cultivate, process, package, label, transport, test, and sell cannabis to a licensed wholesaler, product manufacturer, retailer, integrated licensee, and dispensary and may purchase and sell cannabis seeds and immature cannabis plants to another licensed cultivator.

(b) Cultivation of cannabis shall occur only ~~in an enclosed, locked facility~~:

(1) on property lawfully in possession of the cultivator or with the written consent of the person in lawful possession of the property; and

(2) in an area that is screened from public view and access is limited to the cultivator and persons 21 years of age or older who have permission from the cultivator.

* * *

Sec. 7. 7 V.S.A. § 905 is amended to read:

§ 905. WHOLESALER LICENSE

A wholesaler licensed under this chapter may:

(1) purchase cannabis from a licensed cultivator and integrated licensee, and cannabis products from a licensed product manufacturer, integrated licensee, and dispensary; ~~and~~

(2) transport, process, package, and sell cannabis and cannabis products to a licensed product manufacturer, retailer, integrated licensee, and dispensary; and

(3) sell cannabis seeds or immature cannabis plants to a licensed cultivator.

Sec. 8. 18 V.S.A. § 4230e is amended to read:

§ 4230e. CULTIVATION OF CANNABIS BY A PERSON 21 YEARS OF AGE OR OLDER

(a)(1) Except as otherwise provided in this section, a person 21 years of age or older who cultivates ~~no~~ not more than two mature cannabis plants and four immature cannabis plants shall not be penalized or sanctioned in any manner by the State or any of its political subdivisions or denied any right or privilege under State law.

(2) Each dwelling unit shall be limited to two mature cannabis plants and four immature cannabis plants regardless of how many persons 21 years of

age or older reside in the dwelling unit. As used in this section, "dwelling unit" means a building or the part of a building that is used as a primary home, residence, or sleeping place by one or more persons who maintain a household.

(3) Any cannabis harvested from the plants allowed pursuant to this subsection shall not count toward the one-ounce possession limit in section 4230a of this title, provided it is stored in an indoor facility on the property where the cannabis was cultivated and reasonable precautions are taken to prevent unauthorized access to the cannabis.

(4) Cultivation in excess of the limits provided in this subsection shall be punished in accordance with section 4230 of this title.

(b)(1) Personal cultivation of cannabis only shall occur:

(A) on property lawfully in possession of the cultivator or with the written consent of the person in lawful possession of the property; and

(B) in an ~~enclosure~~ area that is screened from public view and ~~is secure so that~~ access is limited to the cultivator and persons 21 years of age or older who have permission from the cultivator.

(2) A person who violates this subsection shall be assessed a civil penalty as follows:

(A) not more than $100.00 for a first offense;

(B) not more than $200.00 for a second offense; and

(C) not more than $500.00 for a third or subsequent offense.

Sec. 9. CANNABIS CONTROL BOARD; REPORTS; REGULATION OF HEMP PROCESSORS, MANUFACTURERS, AND PRODUCTS; CANNABIS CULTIVATION AS FARMING

(a) On or before January 15, 2023, the Cannabis Control Board shall submit to the House Committees on Agriculture and Forestry and on Ways and Means and the Senate Committees on Agriculture and on Finance written recommendations on how the Cannabis Control Board would regulate hemp products, as that term is defined in 7 V.S.A. § 861; hemp processors; and hemp product manufacturers. The recommendations shall include:

(1) what hemp products the Cannabis Control Board would regulate;

(2) how the products would be regulated, including whether registration would be required and whether hemp processors and manufacturers should be licensed and regulated by the Board;

(3) any registration fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and

(4) the resources required to regulate hemp processors, product manufacturers, and hemp products.

(b) If the federal government removes "marihuana" from the Schedule 1 list of controlled substances set forth in 21 U.S.C. § 812, the Executive Director of the Cannabis Control Board shall, after consultation with the Secretary of Agriculture, Food and Markets, submit to the Senate Committees on Judiciary and on Agriculture and the House Committees on Judiciary and on Agriculture and Forestry a recommendation as to whether the regulation of the cultivation of cannabis should be transferred from the jurisdiction of the Cannabis Control Board to the jurisdiction of the Agency of Agriculture, Food and Markets. The recommendation shall include whether cannabis cultivation should be regulated as "farming" and the estimated staff and budget necessary for the Secretary of Agriculture, Food and Markets to administer regulations.

Sec. 10. EFFECTIVE DATE

This act shall take effect on passage.

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

In Sec. 2, 7 V.S.A. § 869, by striking out subsection (f) in its entirety and inserting in lieu thereof a new subsection (f) to read as follows:

(f) Notwithstanding subsection (a) of this section, a small cultivator licensed under this chapter who initiates cultivation of cannabis outdoors on a parcel of land that was subject to the Required Agricultural Practices prior to licensed cultivation of cannabis shall:

(1) be regulated in the same manner as "farming" and not as "development" on the tract of land where cultivation occurs for the purposes of permitting under 10 V.S.A. chapter 151;

(2) not be regulated by a municipal bylaw adopted under 24 V.S.A. chapter 117 in the same manner that Required Agricultural Practices are not regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A);

(3) be eligible to enroll in the Use Value Appraisal Program under 32 V.S.A. chapter 124 for the cultivation of cannabis, provided that the agricultural land or farm building on the parcel where cannabis cultivation occurs was enrolled in the Use Value Appraisal Program prior to commencement of licensed cannabis cultivation and the parcel continues to

qualify for enrollment; and

(4) be exempt under 32 V.S.A. § 9741(3), (25), and (50) from the tax on retail sales imposed under 32 V.S.A. § 9771.

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

House Proposal of Amendment Not Concurred In; Committee of Conference Requested; Committee of Conference Appointed

S. 283.

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous changes to education laws.

Was taken up.

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

* * * Community College of Vermont In-State Tuition for Refugees * * *

Sec. 1. 16 V.S.A. § 2185 is amended to read:

§ 2185. DETERMINATION OF RESIDENCY FOR TUITION PURPOSES

(a) The Board of Trustees shall adopt policies related to residency for tuition purposes, consistent with State and federal requirements.

(b) Any member of the U.S. Armed Forces on active duty who is transferred to Vermont for duty other than for the purpose of education shall, upon transfer and for the period of active duty served in Vermont, be considered a resident for in-state tuition purposes at the start of the next semester or academic period.

(c) For determination of residency for tuition to the Community College of Vermont, a person who resides in Vermont shall be considered a resident for in-state tuition purposes, beginning at the start of the next semester or academic period after arrival in Vermont, if that person:

(1) qualifies as a refugee pursuant to 8 U.S.C. 1101(a)(42);

(2) is granted parole to enter the United States pursuant to 8 U.S.C. 1182(d)(5); or

(3) is issued a special immigrant visa pursuant to the Afghan Allies Protection Act of 2009, as amended.

Sec. 2. INCENTIVE GRANT ELIGIBILITY; RESIDENCY

(a) Notwithstanding any provision of law to the contrary, a person who qualifies for in-state tuition to the Community College of Vermont under 16 V.S.A. § 2185(c) shall not be ineligible for the Vermont incentive grant program under 16 V.S.A. §§ 2841–2846 solely on account of that person's residency status.

(b) This section is repealed on July 1, 2023.

* * * Suspension or Expulsion of Students * * *

Sec. 3. 16 V.S.A. § 1162 is amended to read:

§ 1162. SUSPENSION OR EXPULSION OF STUDENTS

(a) A superintendent or principal may, pursuant to policies adopted by the school board that are consistent with State Board rules, suspend a student for up to 10 school days or, with the approval of the board of the school district, expel a student for up to the remainder of the school year or up to 90 school days, whichever is longer, for misconduct:

(1) on school property, on a school bus, or at a school-sponsored activity when the misconduct makes the continued presence of the student harmful to the welfare of the school;

(2) not on school property, on a school bus, or at a school-sponsored activity where direct harm to the welfare of the school can be demonstrated; or

(3) not on school property, on a school bus, or at a school-sponsored activity where the misconduct can be shown to pose a clear and substantial interference with another student's equal access to educational programs.

(b) Nothing contained in this section shall prevent a superintendent or principal, subject to subsequent due process procedures, from removing immediately from a school a student who poses a continuing danger to persons or property or an ongoing threat of disrupting the academic process of the school, or from expelling a student who brings a weapon to school pursuant to section 1166 of this title.

(c) Principals, superintendents, and school boards are authorized and encouraged to provide alternative education services or programs to students during any period of suspension or expulsion authorized under this section.

(d) Notwithstanding anything to the contrary in this chapter, a student enrolled in a public school, approved independent school, or prequalified private prekindergarten program who is under eight years of age shall not be suspended or expelled from the school; provided, however, that the school may suspend or expel the student if the student poses an imminent threat of harm or

danger to others in the school.

Sec. 4. REPORT AND RECOMMENDATIONS ON SUSPENSION, EXPULSION, AND EXCLUSIONARY PRACTICES IN EARLY CHILDHOOD EDUCATION SETTINGS

The Building Bright Futures Council, established in 33 V.S.A. § 4602, shall collaborate with the Agencies of Human Services and Education to define suspension, expulsion, and exclusionary practices in early childhood education settings and to establish best practices for supporting children who face such measures. The work of the Council shall include reviewing available data on exclusionary practices. On or before January 15, 2023 the Building Bright Futures Council shall issue a written report to the Senate and House Committees on Education, the Senate Committee on Health and Welfare, and the House Committee on Human Services detailing its work and findings and making recommendations for legislative action.

* * * Entrance Age Threshold for Public School Kindergarten * * *

Sec. 5. REPORT AND RECOMMENDATIONS ON THE IMPACT OF STANDARDIZING THE ENTRANCE AGE THRESHOLD FOR PUBLIC SCHOOL KINDERGARTEN

On or before December 15, 2022, the Agency of Education shall issue a written report to the Senate and House Committees on Education on the impact of standardizing the entrance age threshold for public school kindergarten attendance. In preparing the report, the Agency of Education shall consult with the Vermont Department for Children and Families, the Vermont Department of Health, the Vermont School Boards Association, the Vermont Principals' Association, the Vermont Superintendents Association, and the Vermont National Education Association. The report shall include any recommendations for legislative action.

* * * Statewide Uniform School Calendar * * *

Sec. 6. REPORT AND RECOMMENDATIONS FOR A STATEWIDE UNIFORM SCHOOL CALENDAR

On or before January 15, 2024, the Agency of Education shall issue a written report to the Senate and House Committees on Education with a proposed statewide uniform school calendar, created to improve high-quality learning opportunities for all Vermont students. In creating the calendar, the Agency shall consider the impact on attendance at regional career and technical education centers as well as the impact on families and educators. The uniform calendar shall include student attendance days, periods of vacation, holidays, and teacher in-service education days.

* * * Remote Learning * * *

Sec. 7. REPORT AND RECOMMENDATIONS FOR STATEWIDE REMOTE LEARNING POLICY

On or before January 15, 2023, the Agency of Education, in consultation with the State Board of Education, shall issue a written report to the Senate and House Committees on Education with recommendations for a statewide remote learning policy that incorporates remote learning into the requirements for student attendance, school days, and cumulative instructional hours. The report shall define remote learning and recommend statewide quality standards to ensure substantially equal access to quality basic education. The report shall also include any recommendations for legislative action.

* * * PCBs * * *

Sec. 8. 2021 Acts and Resolves No. 74, Sec. E.709.1 is amended to read:

Sec. E.709.1 ENVIRONMENTAL CONTINGENCY FUND; POLYCHLORINATED BIPHENYLS (PCBs) TESTING IN SCHOOLS

(a) Notwithstanding 10 V.S.A. § 1283, of the funds transferred in Sec. D.101(a) of this act to the Environmental Contingency Fund, the Department of Environmental Conservation, in consultation with the Department of Health and the Agency of Education, shall use up to $4,500,000 to complete air indoor quality testing for Polychlorinated Biphenyls (PCBs) in public schools and approved and recognized independent schools that were constructed or renovated before 1980. All schools subject to this subsection shall test for PCBs on or before July 1, ~~2024~~ 2026. ~~It is the intent of the General Assembly to develop additional guidance during the 2022 legislative session.~~

(b) On or before January 15, 2023, the Secretary of Natural Resources, after consultation with the Secretary of Education and the Commissioner of Health, shall submit to the House Committees on Education and on Natural Resources, Fish, and Wildlife and the Senate Committees on Education and on Natural Resources and Energy the following information addressing the testing of air quality for PCBs in public schools and approved and recognized independent schools that were constructed or renovated before 1980:

(1) the testing methodology used, including where and how samples were collected;

(2) the results from schools that were tested, any immediate responses that were taken by the school, and any planned responses that will take place by a school;

(3) a cost estimate for the work planned to take place for schools that were tested and any cost projections based on the sampling that has taken place;

(4) a schedule for testing all remaining schools, including whether testing will occur when students and staff are present in the school; and

(5) a proposal for how any required response to the presence of PCBs in a school shall be funded, including any proposed financial assistance from the State to schools to implement a required response.

Sec. 9. 2021 Acts and Resolves No. 72, Sec. 3(b) is amended to read:

(b) The Secretary of Education shall contract with an independent third party to conduct the inventory and assessment described in subsection (a) of this section. The inventory shall be completed on or before January 15, 2022, and the assessment shall be completed on or before October 1, ~~2022~~ 2023.

Sec. 10. 2021 Acts and Resolves No. 72, Sec. 12 is amended to read:

Sec. 12. RADON TESTING; SCHOOL FACILITIES

(a) On or before June 30, ~~2023~~ 2026, each public school and approved independent school, as defined in 16 V.S.A. § 11, shall perform a radon measurement in accordance with the ANSI/AARST protocol for conducting Radon and Radon Decay Products in Schools and Large Buildings (MALB-2014) on any facility that has not had a test completed in five or more years~~; provided, however, that any public school or approved independent school that is engaged in implementing an indoor air quality improvement project prior to June 30, 2023 shall perform a radon measurement on or before June 30, 2024~~.

(b) Each public school and approved independent school shall make available the results of the radon measurement described in subsection (a) of this section to each employee and student at the school.

* * * Crime Insurance for Incorporated School Districts * * *

Sec. 11. 16 V.S.A. § 492 is amended to read:

§ 492. POWERS, DUTIES, AND LIABILITIES; BONDS

(a) The powers, duties, and liabilities of the collector, treasurer, prudential committee, and clerk shall be like those of a town collector, treasurer, board of school directors, and the school board clerk, respectively.

(b) Before entering upon their duties, the collector and treasurer shall give a bond to the district conditioned for the faithful performance of their duties, in such sum as may be required. ~~When~~ In lieu of taking a personal bond from

a collector or treasurer, or both, a school district may choose to provide suitable crime insurance covering the collector or treasurer, or both. If a school district has not provided suitable crime insurance in lieu of a bond and a collector or treasurer for ten days neglects to give a bond as required, ~~his or her~~ that office shall be vacant.

* * * Interstate School Districts * * *

Sec. 12. INTERSTATE SCHOOL DISTRICTS; INDIVIDUALIZED EDUCATION PROGRAM

Notwithstanding any provision of law to the contrary, a Vermont resident who is enrolled in an interstate school district, is on an individualized education program (IEP), is 21 years of age or younger, and who is not entitled to receive special education services through the interstate school district due to an age limitation shall be entitled to enroll in a Vermont public high school and receive special education services through 21 years of age. The student may choose the Vermont public high school, provided that the school determines that it has capacity and is able to provide the services required under the student's IEP. The student's local education agency of residence shall be the student's local education agency for special education purposes. Tuition and special education expenses for the student shall be paid by the Agency of Education, and the Agency of Education shall include in its annual budget request to the General Assembly an amount to cover these expenses.

Sec. 13. CONTINGENT EFFECTIVE DATE OF INTERSTATE SCHOOL DISTRICT INDIVIDUALIZED EDUCATION PLAN SERVICES CHANGE

Sec. 12 of this act shall not take effect if, on or before July 1, 2023, the General Court of New Hampshire enacts legislation that extends the age through which a child is eligible to receive special education services to 21 years of age.

* * * Approved and Recognized Independent Schools * * *

Sec. 14. 16 V.S.A. § 166(b)(8) is amended to read:

(8)(A) If an approved independent school experiences any of the following financial reporting events during the period of its approved status, the school shall notify the Secretary of Education within five days after its knowledge of the event unless the failure is de minimis:

(i) the school's failure to file its federal or State tax returns when due, after permissible extension periods have been taken into account;

(ii) the school's failure to meet its payroll obligations as they are due or to pay federal or State payroll tax obligations as they are due;

(iii) the school's failure to maintain required retirement contributions;

(iv) the school's use of designated funds for nondesignated purposes;

(v) the school's inability to fully comply with the financial terms of its secured installment debt obligations over a period of two consecutive months, including the school's failure to make interest or principal payments as they are due or to maintain any required financial ratios;

(vi) the withdrawal or conditioning of the school's accreditation on financial grounds by a private, State, or regional agency recognized by the State Board for accrediting purposes; or

(vii) the school's insolvency, as defined in 9 V.S.A. § 2286(a).

(B)(i) If the ~~State Board~~ Secretary reasonably believes that an approved independent school lacks financial capacity to meet its stated objectives during the period of its approved status, then the ~~State Board~~ Secretary shall notify the school in writing of the reasons for this belief and permit the school a reasonable opportunity to respond.

(ii) If the ~~State Board~~ Secretary, after having provided the school a reasonable opportunity to respond, does not find that the school has satisfactorily responded or demonstrated its financial capacity, the ~~State Board~~ Secretary may establish a review team~~,~~ that, with the consent of the school, includes a member of the Council of Independent Schools, to:

(I) conduct a school visit to assess the school's financial capacity;

(II) obtain from the school such financial documentation as the review team requires to perform its assessment; and

(III) submit a report of its findings and recommendations to the State Board.

(iii) If the State Board concludes that an approved independent school lacks financial capacity to meet its stated objectives during the period of its approved status, the State Board may take any action that is authorized by this section.

(iv) In considering whether an independent school lacks financial capacity to meet its stated objectives during the period of its approved status and what actions the State Board should take if it makes this finding, the State Board may consult with, and draw on the analytical resources of, the Vermont Department of Financial Regulation.

(C) Information provided by an independent school under this subsection that is not already in the public domain is exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

* * * Prekindergarten Prequalification Quality Standards * * *

Sec. 15. 16 V.S.A. § 829 is amended to read:

§ 829. PREKINDERGARTEN EDUCATION

* * *

(c) Prequalification. Pursuant to rules jointly developed and overseen by the Secretaries of Education and of Human Services and adopted by the State Board pursuant to 3 V.S.A. chapter 25, the Agencies jointly may determine that a private or public provider of prekindergarten education is qualified for purposes of this section and include the provider in a publicly accessible database of prequalified providers. At a minimum, the rules shall define the process by which a provider applies for and maintains prequalification status, shall identify the minimum quality standards for prequalification, and shall include the following requirements:

(1) A program of prekindergarten education, whether provided by a school district or a private provider, shall have received:

(A) National Association for the Education of Young Children (NAEYC) accreditation; ~~or~~

(B) at least four stars in the Department for Children and Families' STARS system ~~with a plan to get to at least two points in each of the five arenas~~; or

(C) three stars in the STARS system if the provider has developed a plan, approved by the Commissioner for Children and Families and the Secretary of Education, to achieve four or more stars ~~with at least two points in each of the five arenas in no more than three years, and the provider has met intermediate milestones~~.

(2) A licensed provider shall employ or contract for the services of at least one teacher who is licensed and endorsed in early childhood education or in early childhood special education under chapter 51 of this title.

(3) A registered home provider that is not licensed and endorsed in early childhood education or early childhood special education shall receive regular, active supervision and training from a teacher who is licensed and endorsed in early childhood education or in early childhood special education under chapter 51 of this title.

* * *

* * * Agency of Education; School Facilities Position * * *

Sec. 16. 2021 Acts and Resolves No. 72, Sec. 7 is amended to read:

Sec. 7. AGENCY OF EDUCATION; CREATION OF POSITIONS OR CONTRACT

(a) One limited-service position funded through ~~January 15~~ September 30, 2023 is created in the Agency of Education to implement this act by using an existing position in the position pool. In the event the required expertise is not available through position recruitment, the Agency is authorized to contract for the service to implement this act.

(b) In fiscal years 2022 and 2023, the Agency of Education is authorized to use not more than $127,500.00 from the amount allocated to the Agency of Education Elementary and Secondary School Emergency Relief Fund pursuant to Section 313(e) of the Consolidated Appropriations Act, 2021, Pub. L. No. 116–260 for the position or contract described in subsection (a) of this section.

* * * Effective Dates * * *

Sec. 17. EFFECTIVE DATES

This act shall take effect on passage, except that Secs. 12 (interstate school district individualized education plan services change) and 14 (prekindergarten qualification standards) shall take effect on July 1, 2023.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Campion, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Thereupon, pursuant to the request of the Senate, the President announced the appointment of

Senator Campion
Senator Chittenden
Senator Hooker

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

House Proposals of Amendment Concurred In

S. 258.

House proposals of amendment to Senate bill entitled:

An act relating to agricultural water quality, enforcement, and dairy farming.

Were taken up.

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

First: In Sec. 6, 6 V.S.A. § 4828, in subsection (c), after "separation, or treatment; and before "and projects managed by nonprofit organizations" by inserting "equipment to be used to achieve the most significant or cost-effective benefits that advance the purposes of this section, including by reducing nitrogen runoff;"

Second: By striking out Sec. 9, extension of Task Force to Revitalize the Vermont Dairy Industry, in its entirety and inserting in lieu thereof a new Sec. 9 to read as follows:

Sec. 9. EXTENSION OF TASK FORCE TO REVITALIZE THE VERMONT DAIRY INDUSTRY

(a)(1) Notwithstanding 2020 Acts and Resolves No. 129, Sec. 31(c)(6), the Task Force to Revitalize the Vermont Dairy Industry shall continue to exist and retain the authority granted to it in 2020 Acts and Resolves No. 129, Sec. 31 until February 1, 2023.

(2) The Task Force shall consist of:

(A) two members of the House of Representatives, appointed by the Speaker of the House;

(B) two members of the Senate, appointed by the Committee on Committees; and

(C) four nonlegislators with experience or knowledge of the Vermont dairy industry, two of whom shall be appointed by the Speaker of the House and two of whom shall be appointed by the Committee on Committees.

(b)(1) For attendance of a meeting of the Task Force to Revitalize the Vermont Dairy Industry during adjournment of the General Assembly between the effective date of this act and February 1, 2023, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than 10 meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Task Force that are not legislative members shall be entitled to both per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 10 meetings. These payments shall be made from monies appropriated to the Agency of Agriculture, Food and Markets.

Third: By striking out Sec. 10, effective date, in its entirety and inserting in lieu thereof new Secs. 10–13 to read as follows:

Sec. 10. 6 V.S.A. § 4802 is amended to read:

§ 4802. DEFINITIONS

As used in this chapter:

* * *

(2) "Farming" has the same meaning as used in 10 V.S.A. § 6001(22).

(3) "Good standing" means a participant in a program administered under this chapter:

(A) does not have an active enforcement violation that has reached a final order with the Secretary; and

(B) is in compliance with all terms of a current grant agreement or contract with the Agency.

* * *

(10) "Agricultural activities" means the operation and management of an entity engaged in farming, including all those activities defined as "farming" in this chapter, "agricultural activity" in 12 V.S.A. § 5752, and all of the following:

(A) selling agricultural products at roadside stands or farm markets;

(B) the generation of noise, odors, dust, fumes, and other associated conditions;

(C) the composting of material principally produced by the farm or to be used at least in part on the farm;

(D) the ditching and subsurface drainage of farm fields and the construction of farm ponds;

(E) the handling of livestock wastes and by-products;

(F) the operation of farm machinery and equipment, including irrigation and drainage systems, pumps, and on-farm grain dryers;

(G) the movement of farm vehicles, machinery, equipment, and products and associated inputs on the roadway;

(H) field preparation, crop protection, and ground and aerial seeding and spraying;

(I) the on-site storage and application of agricultural inputs, including lime, fertilizer, organic materials, conditioners, and pesticides;

(J) the use of alternative pest management techniques;

(K) the management, storage, transport, utilization, and application of farm by-products, including manure or agricultural wastes;

(L) the expansion of farming practices or agricultural activities on a farm, or the change or conversion of farming practices of agricultural activities to other farming practices of agricultural activities on a farm; and

(M) the employment, use, and housing of farm labor.

Sec. 11. 6 V.S.A. § 4818 is added to read:

§ 4818. FARMING; SCOPE OF ACTIVITIES

(a) As used to determine the scope of nuisance protection in 12 V.S.A. chapter 195, "agricultural activities" shall include "farming" as defined in this title.

(b) For purposes of the application of 12 V.S.A. § 5753, all "agricultural activities" defined in this chapter, subject to the limitations and requirements set forth in 12 V.S.A. § 5753, are entitled to the rebuttable presumption that they do not constitute a nuisance.

Sec. 12. 12 V.S.A. § 5752 is amended to read:

§ 5752. DEFINITIONS

For the purpose of this chapter, "agricultural activity" means, but is not limited to:

(1) the cultivation or other use of land for producing food, fiber, Christmas trees, maple sap, or horticultural and orchard crops; the raising, feeding, or management of domestic animals as defined in 6 V.S.A. § 1151 or bees; the operation of greenhouses; the production of maple syrup; the on-site storage, preparation, and sale of agricultural products principally produced on the farm; and the on-site production of fuel or power from agricultural products or wastes principally produced on the farm;

(2) the preparation, tilling, fertilization, planting, protection, irrigation, and harvesting of crops; the composting of material principally produced by the farm or to be used at least in part on the farm; the ditching and subsurface drainage of farm fields and the construction of farm ponds; the handling of livestock wastes and by-products; and the on-site storage and application of agricultural inputs, including lime, fertilizer, and pesticides;

(3) "farming" as defined in 10 V.S.A. § 6001; and

(4) "agricultural" activities as defined in 6 V.S.A. § 4802.

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 444.

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

An act relating to approval of amendments to the charter of the City of Barre.

Was taken up.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. CHARTER AMENDMENT APPROVAL

The General Assembly approves the amendments to the charter of the City of Barre as set forth in this act. The voters approved the proposals of amendment on March 2, 2021 and March 1, 2022.

Sec. 2. 24 App. V.S.A. chapter 1 is amended to read:

CHAPTER 1. CITY OF BARRE

* * *

§ 104. GENERAL CORPORATE POWERS

* * *

(b) The City may purchase real property, or interest in real property, within or without its corporate limits, for the public benefit. The City may acquire real property by gift, devise, lease, easement, or condemnation and may sell, lease, mortgage, hold, convey by easement, manage and control such property as its interest may require. Any acquisition or conveyance of property through the means listed in this section shall require approval of the council and shall also be subject to notice as required by 24 V.S.A. § 1061 or any successor provision.

* * *

(d) The City of Barre shall fly only the City, State, United States, and POW/MIA flags.

§ 105. ORDINANCES - SUBJECT MATTER

The general grant of ordinance promulgating authority in section 104 of this charter shall include the authority:

* * *

(g) ~~To adopt and enforce ordinances relating to the mediation of landlord tenant issues by the Housing Board of Review~~ Notwithstanding any contrary provision of general law, to adopt and enforce ordinances establishing a speed limit of less than 25 miles per hour on specified City streets, or sections thereof, within City boundaries as may be required for the safety and general welfare of the City.

* * *

§ 111. BONDING OF CITY OFFICIALS

The Mayor, councilors, members of the Police Department, City Manager, ~~First Constable~~ Finance Director, Superintendent of Public Works, Tax Collector, and Clerk and Treasurer shall annually be bonded by the City for the faithful discharge of their respective duties, as provided by State statute, and the expense of said bonds to be paid by the City.

* * *

§ 205. OFFICERS ELECTED

(a)(1) The legal voters shall elect biennially a Mayor~~, a First Constable,~~ and one person to serve as Clerk and Treasurer.

* * *

§ 307. POWERS OF CITY; POLICY MATTERS; APPOINTMENT OF CERTAIN OFFICERS

All powers of the City and the determination of all matters of policy shall be vested in the City Council except as otherwise provided by this charter or by general law. The City Council shall annually appoint a City Attorney, ~~a City Grand Juror,~~ a Library Liaison, and may provide for any Planning Board, Zoning Board of Adjustment, Recreation Board, or Personnel Board, and may create commissions or other bodies with advisory powers and may appoint personnel to serve on said boards or commissions.

* * *

Subchapter 4. City Officials

* * *

§ 407. APPOINTMENTS

* * *

(b) There shall be appointed by the City Manager after the annual City election in the manner as hereinafter provided a Superintendent of Streets, a Superintendent of Waterworks, a Recreation Director, a City Engineer, a Building Inspector, an Inspector of Electric Wiring, ~~an Inspector of Plumbing,~~ a Tree Warden, and three members of the Board of Health (see section 512 of this charter, Board of Health). All officers shall hold their offices respectively for one year or until their successors shall be appointed and qualified. The City Manager may also appoint such other subordinate officers as may be elected or appointed in towns. Members of the various boards shall be appointed in the same manner, who shall hold office as otherwise herein provided or until their successor shall be appointed and qualified.

* * *

§ 409. CAPITAL IMPROVEMENT PLAN

(a) Preparation and submission. The Manager, after consultation with department heads, shall submit a proposed five-year capital improvement plan to the council at least three months prior to the annual meeting.

(b) Contents. The capital expenditure plan shall include:

(1) a clear narrative summary of needs;

(2) a list of all capital expenditures to be proposed for the next five years with appropriate supporting data;

(3) actual cost estimates, proposed methods of financing, and necessary time schedules for each improvement; and

(4) estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

(c) Revision and update. The capital expenditure plan shall be revised and extended each year to reflect progress or projects still pending.

* * *

ARTICLE 8. ~~CONSTABLE~~ [Repealed.]

* * *

§ 418. ~~DUTIES~~

~~The City Constable shall have the same powers and be under the same duties and liabilities as are prescribed by State statutes for constables of towns.~~ [Repealed.]

* * *

§ 501. CREATION AND ORGANIZATION

For the purpose of coordinating and integrating the inspection services and allied services of the City, and to provide proper and effective administration of building, electrical, ~~plumbing,~~ fire prevention, housing, and zoning laws of the City and State within the City, the City Council shall, by ordinance, create a department to be designated the Department of Buildings and Housing, and prescribe its powers, duties, and functions. Within the Department shall be:

* * *

(2) the Inspector of Electrical Wiring; and

(3) ~~the Plumbing Inspector;~~ [Repealed.]

* * *

§ 605. LOCAL SALES, ROOMS, MEALS, AND ALCOHOLIC BEVERAGES OPTION TAXES

Local option taxes are authorized under this section for the purpose of affording the City an alternative method of raising municipal revenues. Accordingly:

(1) The City Council may assess sales, rooms, meals, and alcohol taxes of one percent.

* * *

(3) Revenues received through a tax imposed under this section shall be designated solely for street and sidewalk reconstruction, capital equipment, and capital improvement needs under section 406a of this charter.

Sec. 3. 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.

Rules Suspended; House Proposals of Amendment Not Concurred In; Committee of Conference Requested; Committee of Conference Appointed

H. 548.

Pending entry on the Calendar for notice, on motion of Senator Sears, the rules were suspended and House proposals of amendment to Senate bill entitled:

An act relating to miscellaneous cannabis establishment procedures.

Were taken up for immediate consideration.

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

First: By striking out Sec. 3, 7 V.S.A. § 868, in its entirety and inserting in lieu thereof the following:

Sec. 3. 7 V.S.A. § 868 is amended to read:

§ 868. PROHIBITED PRODUCTS

(a) The following are prohibited products and may not be cultivated, produced, or sold pursuant to a license issued under this chapter:

(1) cannabis flower with greater than 30 percent tetrahydrocannabinol;

(2) ~~solid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol;~~

~~(3) oil cannabis products except for those that are sold prepackaged for use with battery-powered devices;~~

~~(4)~~ flavored oil cannabis products sold prepackaged for use with battery-powered devices and any cannabis flower that contains characterizing flavor that is not naturally occurring in the cannabis;

~~(5)~~(3) cannabis products that contain delta-9 tetrahydrocannabinol and nicotine or alcoholic beverages; and

~~(6)~~(4) any cannabis, cannabis products, or packaging of such items that are designed to make the product more appealing to persons under 21 years of age.

(b)(1) Except as provided by subdivision (2) of this subsection, solid and liquid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol may be produced by a licensee and sold to another

licensee in accordance with subchapter 3 of this chapter but shall not be sold to the public by a licensed retailer.

(2) Liquid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol that are prepackaged for use with battery-powered devices shall be permitted to be sold to the public by a licensed retailer.

Second: By adding a new section to be Sec. 12a to read as follows:

Sec. 12a. 7 V.S.A. § 910(8) is amended to read:

(8) Products. ~~Retailers and integrated licensees~~ Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of $50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment? On motion of Senator Sears, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Thereupon, pursuant to the request of the Senate, the President announced the appointment of

Senator White
Senator Pearson
Senator Sears

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Rules Suspended; Bill Committed

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

H. 559. An act relating to workers' compensation.

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

Rules Suspended; Bill Committed

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

H. 533. An act relating to converting civil forfeiture of property in drug-related prosecutions into a criminal process.

was committed to the Committee on Appropriations pursuant to Rule 31 with the report of the Committee on Judiciary *intact*.

Message from the House No. 69

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

Madam President:

I am directed to inform the Senate that:

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

H. 489. An act relating to miscellaneous provisions affecting health insurance regulation.

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

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

H. 727. An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

And the Speaker appointed as members of such Committee on the part of the House:

Rep. Conlon of Cornwall
Rep. Toof of St. Albans Town
Rep. Brady of Williston

Committee of Conference Appointed

H. 456.

An act relating to establishing strategic goals and reporting requirements for the Vermont State Colleges.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Campion
Senator Hooker
Senator Perchlik

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Committee of Conference Appointed

H. 727.

An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Campion
Senator Perchlik
Senator Terenzini

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Rules Suspended; Bills Messaged

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

S. 100, S. 188, S. 283, S. 285, H. 265, H. 444, H. 456, H. 466, H. 548, H. 727, H. 736.

Rules Suspended; Action Messaged

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

S. 90, S. 148, S.258.

Message from the House No. 70

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

Madam President:

I am directed to inform the Senate that:

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

S. 210. An act relating to rental housing health and safety and affordable housing.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses.

The Speaker appointed as members of such Committee on the part of the House:

Rep. Stevens of Waterbury
Rep. Walz of Barre City
Rep. Killacky of South Burlington

Senate Concurrent Resolutions

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

By Senators Cummings, Clarkson, Benning, Brock, Campion, Chittenden, Collamore, Hardy, Hooker, Lyons, McCormack, Nitka, Pollina, Ram Hinsdale and White,

S.C.R. 20.

Senate concurrent resolution congratulating the Vermont Spring Open Studio Weekend on its 30th anniversary.

By Senator Lyons,

S.C.R. 21.

Senate concurrent resolution recognizing the week beginning May 1, 2022 as Tardive Dyskinesia Awareness Week in Vermont.

House Concurrent Resolutions

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

By Reps. Pugh and others,

H.C.R. 161.

House concurrent resolution honoring Alice Harter for her dedicated service as a long-term care ombudsman.

By Reps. Ancel and others,

H.C.R. 162.

House concurrent resolution honoring Vermont Historical Society Librarian extraordinaire Paul A. Carnahan for his superb professional leadership.

By Rep. Nicoll,

By Senators Nitka, Clarkson and McCormack,

H.C.R. 163.

House concurrent resolution honoring Ludlow civic leader Herbert Van Guilder.

By Reps. Noyes and others,

By Senator Westman,

H.C.R. 164.

House concurrent resolution honoring Linda Wrazen for her exemplary career at Vermont Humanities.

By Reps. Austin and others,

By Senator Mazza,

H.C.R. 165.

House concurrent resolution congratulating the Green Mountain Power Corporation of Colchester on Time Magazine's designating it as one of the 100 most influential companies in the world.

By Reps. Donahue and Goslant,

H.C.R. 166.

House concurrent resolution honoring Berlin Town Clerk Rosemary Morse for 20 years of exemplary dedication to her community.

By Reps. Morgan and others,

H.C.R. 167.

House concurrent resolution commemorating the 75th Anniversary of the U.S. Air Force.

By Rep. Conlon,

H.C.R. 168.

House concurrent resolution in memory of former House Majority Leader Willem Westpalm van Hoorn Jewett of Ripton.

By Rep. Coffey,

H.C.R. 169.

House concurrent resolution congratulating the Vermont students at the Pioneer Valley Regional School in Northfield, Massachusetts, who are being honored as 2022 Peacemaker Award winners.

Adjournment

On motion of Senator Mazza, the Senate adjourned until ten o'clock in the forenoon on Monday, May 9, 2022.

MONDAY, MAY 9, 2022

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

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

Message from the House No. 71

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

Madam President:

I am directed to inform the Senate that:

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

S. 33. An act relating to project-based tax increment financing districts.

S. 140. An act relating to prohibiting civil arrests at courthouses.

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

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

H. 464. An act relating to miscellaneous changes to the Reach Up Program.

H. 517. An act relating to the Vermont National Guard Tuition Benefit Program.

H. 523. An act relating to reducing hydrofluorocarbon emissions.

And has severally concurred therein.

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

H.C.R. 161. House concurrent resolution honoring Alice Harter for her dedicated service as a long-term care ombudsman.

H.C.R. 162. House concurrent resolution honoring Vermont Historical Society Librarian extraordinaire Paul A. Carnahan for his superb professional leadership.

H.C.R. 163. House concurrent resolution honoring Ludlow civic leader Herbert Van Guilder.

H.C.R. 164. House concurrent resolution honoring Linda Wrazen for her exemplary career at Vermont Humanities.

H.C.R. 165. House concurrent resolution congratulating the Green Mountain Power Corporation of Colchester on Time Magazine's designating it as one of the 100 most influential companies in the world.

H.C.R. 166. House concurrent resolution honoring Berlin Town Clerk Rosemary Morse for 20 years of exemplary dedication to her community.

H.C.R. 167. House concurrent resolution commemorating the 75th Anniversary of the U.S. Air Force.

H.C.R. 168. House concurrent resolution in memory of former House Majority Leader Willem Westpalm van Hoorn Jewett of Ripton.

H.C.R. 169. House concurrent resolution congratulating the Vermont students at the Pioneer Valley Regional School in Northfield, Massachusetts, who are being honored as 2022 Peacemaker Award winners.

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

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

S.C.R. 20. Senate concurrent resolution congratulating the Vermont Spring Open Studio Weekend on its 30th anniversary.

S.C.R. 21. Senate concurrent resolution recognizing the week beginning May 1, 2022 as Tardive Dyskinesia Awareness Week in Vermont.

And has adopted the same in concurrence.

The Governor has informed the House that on May 6, 2022, he returned without signature and vetoed a bill originating in the House of the following title:

H. 715. An act relating to the Clean Heat Standard.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. H. 715** to the House is as follows:

Communication from the Governor

"May 6, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.715, *An act relating to the Clean Heat Standard,* without my signature because of my objections described herein:

As Governor and as elected officials, we have an obligation to ensure Vermonters know the financial costs and impacts of this policy on their lives and the State's economy. Signing this bill would go against this obligation because the costs and impacts are unknown. The Legislature's own Joint Fiscal Office acknowledges this fact, saying:

> *"It is too soon to estimate the impact on Vermont's economy, households, and businesses. The way in which the Clean Heat Standard is implemented, including the way in which clean heat credits are priced and how incentives or subsidies are offered to households and businesses, must be established before meaningful analysis is possible. At the same time, those incentives or subsidies could be costly for the State, suggesting larger fiscal impacts in future years."*

I understand the importance of reducing greenhouse gas emissions, which is why I proposed a $216 million dollar climate package and why my administration has engaged in this policy conversation since January. However, over the last several months it became very clear to me that no one had a good handle on what this program was going to look like, with some even describing it as a carbon tax on the floor.

I have clearly, repeatedly, and respectfully asked the Legislature to include language that would require the policy *and* costs to come back to the General Assembly in bill form so it could be transparently debated with all the details before any potential burden is imposed. This is how lawmaking and governing is supposed to work and what Vermonters expect, deserve and have a right to receive.

What the Legislature has passed is a bill that includes some policy, with absolutely no details on costs and impacts, and a lot of authority and policy making delegated to the Public Utility Commission (PUC), an unelected board. And regardless of the latest talking points, the bill does not guarantee a full legislative deliberation on the policy, plan and fiscal implications prior to implementation. By design, this bill and the inadequate "check back" allows legislators to sign off on a policy concept – absent important details – and not own the decision to raise costs on Vermonters.

For these reasons I cannot allow this bill to go into law and strongly urge the Legislature to sustain this veto.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Message from the House No. 72

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

Madam President:

I am directed to inform the Senate that:

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

S. 139. An act relating to nondiscriminatory school branding.

And has passed the same in concurrence.

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

S. 224. An act relating to juvenile proceedings.

S. 226. An act relating to expanding access to safe and affordable housing.

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

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

H. 96. An act relating to creating the Truth and Reconciliation Commission.

H. 279. An act relating to miscellaneous changes affecting the duties of the Department of Vermont Health Access.

H. 410. An act relating to the use and oversight of artificial intelligence in State government.

H. 546. An act relating to racial justice statistics.

H. 551. An act relating to prohibiting racially and religiously restrictive covenants in deeds.

And has severally concurred therein.

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

H. 729. An act relating to miscellaneous judiciary procedures.

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

The House has considered the Governor's veto on Senate bill of the following title:

S. 286. An act relating to amending various public pension and other postemployment benefits.

And has passed the same, the refusal of the Governor to approve notwithstanding.

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Calendar for notice, and carrying an appropriation or requiring the expenditure of funds, under the rule were severally referred to the Committee on Appropriations:

H. 512. An act relating to modernizing land records and notarial acts law.

H. 730. An act relating to alcoholic beverages and the Department of Liquor and Lottery.

H. 738. An act relating to technical and administrative changes to Vermont's tax laws.

Senate Resolution Referred

S.R. 26.

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

By Senators Brock, Clarkson, Balint, Benning, Bray, Campion, Chittenden, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, Westman, and White,

S.R. 26. Senate resolution urging the Vermont Congressional Delegation to introduce and pursue the enactment of legislation authorizing permanent U.S. residency eligibility for the more than 800 international victims of the Vermont EB-5 scandal.

Whereas, in 1990, as part of the Immigration Act of 1990, Pub. L. No. 101-649, Congress established the EB-5 program, codified at 8 U.S.C. § 153 (b)(5), enabling citizens of other nations who contribute a designated sum to a job-creating business development project to become eligible for permanent U.S. residency, and

Whereas, the EB-5 program is administered through the U.S. Department of Homeland Security's U.S. Citizenship and Immigration Services and the program's designated regional centers, and

Whereas, in the Northeast Kingdom, Ariel Quiros, Bill Stenger, and William Kelly established a series of construction projects at the Jay Peak and Burke Mountain ski areas—some of which were completed, and others of which were only partially completed or were completed contrary to the way they had been described to the investors— and in Newport, where the AnC Bio medical research facility was never built, and

Whereas, millions of dollars were fraudulently misspent on these projects, some on personal expenses, and the more than 800 total victimized contributors from over 70 nations, each of whom contributed $500,000.00 in anticipation of being granted permanent U.S. residency, were denied this outcome, and

Whereas, the creators of these projects have been subject to civil and criminal penalties, including jail terms, and

Whereas, Congress has recognized the problems with the EB-5 program and, in the Consolidated Appropriations Act of 2022, Pub. L. No. 117-103, revised the EB-5 program with the intent of addressing its weaknesses, and

Whereas, although the EB-5 program, as administered in connection with these Vermont projects, lacked sufficient safeguards, the individual contributors of $500,000.00 were acting in good faith, and

Whereas, as the perpetrators of the Vermont EB-5 scandal have been punished, and the EB-5 statute amended, the more than 800 victims of this financial catastrophe deserve to be made eligible for the permanent U.S. residency they reasonably assumed was forthcoming, and

Whereas, the only way this unfair situation may be remedied is if Congress enacts legislation specifically authorizing the victims of the Vermont EB-5 scandal, if otherwise qualified, to be granted their long-anticipated permanent U.S. residency, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont urges the Vermont Congressional Delegation to introduce and pursue the enactment of legislation authorizing permanent U.S. residency eligibility for the more than 800 international victims of the Vermont EB-5 scandal, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to the Vermont Congressional Delegation.

Thereupon, the President, in her discretion, treated the joint resolution as a bill and referred it to the Committee on Government Operations.

House Proposal of Amendment Concurred In

S. 261.

House proposal of amendment to Senate bill entitled:

An act relating to municipal retention of property tax collections.

Was taken up.

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

By striking out Sec. 2, effective date, in its entirety, and inserting in lieu thereof:

Sec. 2. 32 V.S.A. § 5412(e) is amended to read:

(e) A reduction made under this section shall be an amount equal to the loss in education grand list value multiplied by the tax rate applicable to the subject property in the year the request is submitted. However, the total amount for all reductions made under this section in one year shall not exceed ~~$100,000.00~~ $1,000,000.00. If total reductions for a calendar year would exceed this amount, the Director shall instead prorate the reductions

proportionally among all municipalities eligible for a reduction so that total reductions equal ~~$100,000.00~~ $1,000,000.00.

Sec. 3. 32 V.S.A. § 5413 is added to read:

§ 5413. STATE APPRAISAL AND LITIGATION ASSISTANCE PROGRAM

(a) A State appraisal and litigation assistance program shall be created within the Division of Property Valuation and Review of the Department of Taxes to assist municipalities with the valuation of complex commercial or other unique properties within a municipality's jurisdiction and to assist with any appeals arising from those valuations. The Commissioner of Taxes may contract with one or more commercial appraisers to provide State appraisal and litigation assistance to municipalities under this section. The Commissioner may adopt rules to administer the provisions of this section.

(b) The Commissioner shall:

(1) determine the conditions for a property to be eligible for State assistance, including the grand list value or category of the property or other relevant factors as determined by the Commissioner; and

(2) provide a process by which a municipality may apply for assistance under this section for one or more properties.

(c) Any municipality assisted under this section shall be considered to have followed best practices pursuant to subdivision 5412(a)(1)(D) of this title.

Sec. 4. COST ESTIMATE; NEW STATE PROGRAM

On or before January 15, 2023, the Commissioner of Taxes shall submit a cost estimate for the creation of a new State appraisal and litigation assistance program within the Division of Property Valuation and Review of the Department of Taxes to the House Committees on Appropriations and on Ways and Means and the Senate Committees on Appropriations and on Finance. The cost estimate under this section shall include the upfront and ongoing operating costs required to create, implement, and maintain a new program, including contracting with one or more commercial appraisers to provide State assistance to municipalities.

Sec. 5. 32 V.S.A. § 4461(a) is amended to read:

(a) A taxpayer or the selectboard members of a town aggrieved by a decision of the board of civil authority under subchapter 1 of this chapter may appeal the decision of the board to either the Director or the Superior Court of the county in which the property is located. The appeal to the Superior Court shall be heard without a jury. The appeal to either the Director or the Superior

Court shall be commenced by filing a notice of appeal pursuant to Rule 74 of the Vermont Rules of Civil Procedure within 30 days after entry of the decision of the board of civil authority. The date of mailing of notice of the board's decision by the town clerk to the taxpayer shall be deemed the date of entry of the board's decision. The town clerk shall transmit a copy of the notice to the Director or to the Superior Court as indicated in the notice and shall record or attach a copy of the notice in the grand list book. The entry fee for an appeal to the Director is $70.00; provided, however, that the Director may waive, reduce, or refund the entry fee in cases of hardship or to join appeals regarding the same parcel. If, in the opinion of the Director, an appeal under this subsection involves a complex or unique property or valuation that would be best adjudicated by the Superior Court, the Director may decline to assign a property valuation hearing officer pursuant to section 4465 of this title and shall forward the appeal to the Superior Court where it shall be heard. An appeal forwarded by the Director under this subsection shall be considered timely filed in the Superior Court if it was timely appealed to the Director.

Sec. 6. 32 V.S.A. § 4465 is amended to read:

§ 4465. APPOINTMENT OF PROPERTY VALUATION HEARING OFFICER; OATH; PAY

When an appeal to the Director is not withdrawn or forwarded by the Director to Superior Court pursuant to subsection 4461(a) of this title, the Director shall refer the appeal in writing to a person not employed by the Director, appointed by the Director as hearing officer. The Director shall have the right to remove a hearing officer for inefficiency, malfeasance in office, or other cause. In like manner, the Director shall appoint a hearing officer to fill any vacancy created by resignation, removal, or other cause. Before entering into their duties, persons appointed as hearing officers shall take and subscribe the oath of the office prescribed in the Constitution, which oath shall be filed with the Director. The Director shall pay each hearing officer a sum not to exceed $150.00 per diem for each day wherein hearings are held, together with reasonable expenses as the Director may determine. A hearing officer may subpoena witnesses, records, and documents in the manner provided by law for serving subpoenas in civil actions and may administer oaths to witnesses.

Sec. 7. REPORT; TIME-SHARE PROJECT VALUATION

On or before January 15, 2023, the Commissioner of Taxes shall submit a report to the House Committee on Ways and Means and the Senate Committee on Finance proposing options for addressing the complexities of valuing time-share projects in this State. The report under this section shall include a review of other states' time-share project valuation laws and an evaluation of

the feasibility of applying those formulas in Vermont. The report shall propose any recommendations for legislative changes to clarify the valuation of time-share projects.

Sec. 8. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Sec. 2 (refund for reduction in grand list value) shall take effect on January 1, 2023 and shall apply to municipal requests for reduction submitted on or after January 1, 2023 for a final appeal or court action resolved within the previous calendar year, beginning with the 2022 calendar year.

(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.

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

An act relating to municipal retention of property tax collections and valuation for purposes of the education property tax.

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

House Proposal of Amendment Concurred In

S. 269.

House proposal of amendment to Senate bill entitled:

An act relating to extending the Energy Savings Account Partnership Pilot Program.

Was taken up.

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

By striking out Sec. 3, effective date, in its entirety and inserting in lieu thereof the following:

* * * Home Weatherization Assistance Program * * *

Sec. 3. 33 V.S.A. § 2502 is amended to read:

§ 2502. HOME WEATHERIZATION ASSISTANCE PROGRAM

* * *

(b) In addition, the Director shall supplement, or supplant, any federal program with the State Home Weatherization Assistance Program.

(1) The State program shall provide an enhanced weatherization assistance amount exceeding the federal per unit limit allowing amounts up to an average of $8,500.00 per unit allocated on a cost-effective basis. The allowable average per unit may be adjusted to account for the lower cost per unit of multifamily buildings. In units where costs exceed the allowable average by more than 25 percent, prior approval of the Director of the State Economic Opportunity Office shall be required before work commences. This amount shall be adjusted annually ~~by increasing the last year's amount by the percentage increase in the Consumer Price Index for the previous year~~ to account for inflation of materials and labor.

* * *

* * * Reauthorization and Extension of VEGI * * *

Sec. 4. FY 2020–2022; VEGI AWARDS

Any awards for a Vermont Employment Growth Incentive under 32 V.S.A. chapter 105, subchapter 2 granted by the Vermont Economic Progress Council between January 1, 2021 and enactment of this act are authorized by the General Assembly.

Sec. 5. 2016 Acts and Resolves No. 157, Sec. H.12 is 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, ~~2021~~ 2024.

Sec. 6. EFFECTIVE DATES

This act shall take effect on passage except that, notwithstanding 1 V.S.A. § 214, Sec. 4 (VEGI awards) shall take effect retroactively on December 31, 2020.

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

Bill Passed in Concurrence

H. 743.

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

An act relating to amending the charter of the Town of Hardwick.

Joint Resolution Adopted on the Part of the Senate

J.R.S. 53.

Joint Senate resolution of the following title was read the third time and adopted on the part of the Senate:

Joint resolution supporting transgender youth and their parents who seek essential medical care for the treatment of gender dysphoria.

Third Readings Ordered

H. 742.

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

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

Reported that the bill ought to pass in concurrence.

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

H. 746.

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

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

Reported that the bill ought to pass in concurrence.

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

Proposal of Amendment; Third Reading Ordered

H. 572.

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

An act relating to the retirement allowance for interim educators.

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

Sec. 1. FY 2023; RESTORATION OF SERVICE; VERMONT STATE TEACHERS' RETIREMENT SYSTEM

(a) Authority. Notwithstanding 16 V.S.A. § 1939 or any other provision of law, in fiscal year 2023, a beneficiary who retired from the System as a Group A or a Group C member may resume service, as that term is defined in 16 V.S.A. § 1931, to serve as an interim school educator for a period not to exceed one school year and receive the beneficiary's retirement allowance for the entire period that service is resumed, provided that:

(1) the beneficiary has received a retirement allowance for six months or more immediately preceding the resumption of service;

(2) the employer of the beneficiary is subject to the assessment set forth in 16 V.S.A. § 1944d on behalf of the beneficiary and remits payment to the Benefits Fund; and

(3) the employer of the beneficiary remits a one-time fee of $2,500.00 to the State Treasurer for administrative costs associated with the beneficiary resuming service.

(b) Period of service. A person who resumes service under subsection (a) of this section shall not make any contributions to the System during the person's period of service and shall not be entitled to a retirement allowance separately computed for the period that service was resumed.

(c) Employment certification. Each superintendent who hires an interim school educator pursuant to subsection (a) of this section shall certify to the Board that the district exhausted all reasonable options to employ a qualified active educator prior to employing a beneficiary as an interim school educator.

(d) Renewal.

(1) In fiscal years 2024 and 2025, the State Treasurer is authorized to grant not more than two renewals for a one-fiscal-year period to the authority described in subsection (a) of this section. The State Treasurer shall make the determination to renew the authority not earlier than June 1 but not later than June 30 in each fiscal year and shall notify the House and Senate Committees on Government Operations of the determination.

(2) In the event the State Treasurer makes a determination to renew the authority pursuant to subdivision (1) of this subsection, a beneficiary may only resume service during each one-year renewal period if service is performed in a different interim school educator position.

(e) Repeal. This section shall be repealed on June 30, 2026.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

Senator Brock, 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 Government Operations.

Senator Baruth, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on 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. 626.

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

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

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

Sec. 1. 6 V.S.A. § 1101 is amended to read:

§ 1101. DEFINITIONS

As used in this chapter unless the context clearly requires otherwise:

(1) "Secretary" shall have the meaning stated in subdivision 911(4) of this title.

(2) "Cumulative" when used in reference to a substance means that the substance so designated has been demonstrated to increase twofold or more in concentration if ingested or absorbed by successive life forms.

(3) "Dealer or pesticide dealer" means any person who regularly sells pesticides in the course of business, but not including a casual sale.

(4) "Economic poison" shall have the meaning stated in subdivision 911(5) of this title.

(5) "Pest" means any insect, rodent, nematode, fungus, weed, or any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or

other microorganisms, which the Secretary declares as being injurious to health or environment. Pest shall not mean any viruses, bacteria, or other microorganisms on or in living humans or other living animals.

(6) "Pesticide" for the purposes of this chapter shall be used interchangeably with "economic poison."

(7) "Treated article" means a pesticide or class of pesticides exempt under 40 C.F.R. § 152.25(a) from regulation under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136-136y.

(8) "Neonicotinoid pesticide" means any economic poison containing a chemical belonging to the neonicotinoid class of chemicals.

(9) "Neonicotinoid treated article seeds" are treated article seeds that are treated or coated with a neonicotinoid pesticide.

Sec. 2. 6 V.S.A. § 1105a is amended to read:

§ 1105a. TREATED ARTICLES; POWERS OF SECRETARY; BEST MANAGEMENT PRACTICES

(a) The Secretary of Agriculture, Food and Markets, upon the recommendation of the Agricultural Innovation Board, may adopt by rule:

(1) best management practices (BMPs), standards, procedures, and requirements relating to the sale, use, storage, or disposal of treated articles the use of which the Agricultural Innovation Board has determined will have a hazardous or long-term deleterious effect on the environment, presents a likely risk to human health, or is dangerous;

(2) requirements for the response to or corrective actions for exigent circumstances or contamination from a treated article that presents a threat to human health or the environment;

(3) requirements for the examination or inspection of treated articles the use of which the Agricultural Innovation Board has determined will have a hazardous or long-term deleterious effect on the environment, presents a likely risk to human health, or is dangerous;

(4) requirements for persons selling treated articles to keep or make available to the Secretary records of sale of treated articles, and what treatments were received, the use of which the Agricultural Innovation Board has determined will have a hazardous or long-term deleterious effect on the environment, presents a likely risk to human health, or is dangerous; or

(5) requirements for reporting of incidents resulting from accidental contamination from or misuse of treated articles the use of which the

Agricultural Innovation Board has determined will have a hazardous or long-term deleterious effect on the environment, presents a likely risk to human health, or is dangerous.

(b) At least 30 days prior to prefiling a rule authorized under subsection (a) or subsection (c) of this section with the Interagency Committee on Administrative Rules under 3 V.S.A. § 837, the Secretary shall submit a copy of the draft rule to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry for review.

(c)(1) Under subsection (a) of this section, the Secretary of Agriculture, Food and Markets, after consultation with the Agricultural Innovation Board, shall adopt by rule BMPs for the use in the State of neonicotinoid treated article seeds. In developing the rules with the Agricultural Innovation Board, the Secretary shall address:

(A) establishment of threshold levels of pest pressure required prior to use of neonicotinoid treated article seeds;

(B) availability of nontreated article seeds that are not neonicotinoid treated article seeds;

(C) economic impact from crop loss as compared to crop yield when neonicotinoid treated article seeds are used;

(D) relative toxicities of different neonicotinoid treated article seeds and the effects of neonicotinoid treated article seeds on human health and the environment;

(E) surveillance and monitoring techniques for in-field pest pressure;

(F) ways to reduce pest harborage from conservation tillage practices; and

(G) criteria for a system of approval of neonicotinoid treated article seeds.

(2) In implementing the rules required under this subsection, the Secretary of Agriculture, Food and Markets shall work with farmers, seed companies, and other relevant parties to ensure that farmers have access to appropriate varieties and amounts of untreated seed or treated seed that are not neonicotinoid treated article seeds.

Sec. 3. 6 V.S.A. § 3036 is added to read:

§ 3036. MONITORING OF POLLINATOR HEALTH

The Secretary of Agriculture, Food and Markets shall monitor managed pollinator health to establish pollinator health benchmarks for Vermont, including:

(1) presence of pesticides in hives;

(2) mite pressure;

(3) disease pressure;

(4) mite control methods;

(5) genetic influence on survival;

(6) winter survival rate; and

(7) forage availability.

Sec. 4. IMPLEMENTATION; REPORT; RULEMAKING

(a) On or before March 1, 2024, the Secretary of Agriculture, Food, and Markets shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry a copy of the proposed rules required to be adopted under 6 V.S.A. § 1105a.

(b) The Secretary of Agriculture shall not file the final proposal of the rules required by 6 V.S.A. § 1105a under 3 V.S.A. § 841 until at least 90 days from submission of the proposed rules to the General Assembly under subsection (a) of this section or July 1, 2024, which ever shall occur first.

Sec. 5. REVIEW AND REPORT ON BMPS FOR TREATED ARTICLE SEEDS

On or before February 15, 2023, the Agricultural Innovation Board shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry a written report regarding whether best management practices (BMPs) should be adopted for the use of treated article seeds that are not neonicotinoid treated article seeds. The report shall include:

(1) a summary of the Agricultural Innovation Board's review of treated article seeds that are not neonicotinoid treated article seeds, including identification of treated article seeds that may have adverse effects on human health or the environment;

(2) a recommendation of whether BMPs for treated article seeds that are not neonicotinoid treated article seeds should be adopted and whether they should be adopted by rule; and

(3) proposed BMPs for treated article seeds that are not neonicotinoid treated article seeds.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

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

Proposals of Amendment; Third Reading Ordered

H. 697.

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

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

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

First: In Sec. 2, 32 V.S.A. chapter 124, section 3752, by striking out subdivision (17) in its entirety and inserting in lieu thereof a new subdivision (17) to read as follows:

(17) "Reserve forestland" means land that is managed for the purpose of attaining old forest values and functions in accordance with minimum acceptable standards for forest management and as approved by the Commissioner of Forests, Parks and Recreation. On parcels of up to 100 acres, 50 percent or more of the enrolled parcel acres shall be composed of significant and sensitive conditions in accordance with the minimum acceptable standards established by the Commissioner. On parcels of 100 acres or more, 30 percent of the enrolled parcel acres shall be composed of significant and sensitive conditions in accordance with the minimum

acceptable standards established by the Commissioner.

Second: By striking out Secs. 4, report on enrollment of reserve forestland, and 5, effective dates, in their entireties and inserting in lieu therefore three new sections to be Secs. 4–6 to read as follows:

Sec. 4. REPORT ON ENROLLMENT OF RESERVE FORESTLAND

On or before January 15, 2026, the Commissioner of Forests, Parks and Recreation, after consultation with the Director of Property Valuation and Review, shall report to the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means and the Senate Committees on Natural Resources and Energy and on Finance regarding enrollment of managed forestland under the Use Value Appraisal Program. The report shall include:

(1) a summary of how enrollment of managed forestland in the Use Value Appraisal Program has changed since passage of this act, including whether owners of managed forestland changed the status of enrollment of their land to reserve forestland or ecologically significant treatment areas;

(2) the number of persons enrolling land in the Use Value Appraisal Program as reserve forestland;

(3) any other information that the Commissioner determines is relevant to the ongoing enrollment of reserve forestland in the Use Value Appraisal Program, including any relevant information regarding any impacts to the overall managed forestland category;

(4) recommendations on how to promote the long-term enrollment of land in the reserve forestland category of enrolled land in order to attain old forest conditions or functions and values; and

(5) a recommendation on how to protect or conserve the functions and values of significant and sensitive acres enrolled as reserve forestland when the owner of the land wishes to amend the category or subcategory of enrollment.

Sec. 5. ANNUAL REPORT; DIVISION OF PROPERTY VALUATION AND REVIEW

As part of the annual report required under 32 V.S.A. § 3412, the Director of the Division of Property Valuation and Review shall include an assessment of how enrollment of managed forestland in the Use Value Appraisal Program has changed since reserve forestland was approved as eligible managed forestland, including whether owners of managed forestland changed the status of enrollment of their land to reserve forestland or ecologically significant treatment areas.

Sec. 6. EFFECTIVE DATES

(a) This section and Secs. 1 (findings), 3 (report on enrollment of reserve forestland), 3a (implementation), 4 (report on enrollment), and 5 (Division of Property Valuation and Review report) shall take effect on passage.

(b) Sec. 2 (Use Value Appraisal Program) shall take effect on July 1, 2023.

And that the bill ought to pass in concurrence with such proposals 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 proposals of amendment as recommended by the Committee on Natural Resources and Energy.

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

Rules Suspended; Proposal of Amendment; Third Reading Ordered

H. 709.

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up for immediate consideration.

Senator Parent, for the Committee on Agriculture, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill by striking out Sec. 12, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof a new Sec. 12 and a Sec. 13 and their reader assistance headings to read as follows:

* * * Franklin County State Airport; Primary Agricultural Soils * * *

Sec. 12. CONVERSION OF PRIMARY AGRICULTURAL SOILS; FRANKLIN COUNTY STATE AIRPORT

Notwithstanding 1 V.S.A. § 214 or any provision of 10 V.S.A. chapter 151 to the contrary, the conversion of primary agricultural soils by a development or subdivision at the Franklin County State Airport shall not be required to conduct mitigation or pay a mitigation fee for the conversion of primary agricultural soils under 10 V.S.A. chapter 151 if:

(1)(A) the development or subdivision is the result of improvements or maintenance authorized under 5 V.S.A. chapter 15, subchapter 6; or

(B) the development or subdivision was authorized under the Federal Aviation Administration airport master plan for Franklin County State Airport; and

(2) Franklin County State Airport obtains any permit or permit amendment that may be required under 10 V.S.A. chapter 151 for the development or subdivision.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

(a) This section and Sec. 12 (airport; agricultural soils) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2022.

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

Senator Brock, 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 Agriculture with the following amendment thereto:

By striking out Secs. 12, conversion of primary agricultural soils; Franklin County State Airport, and 13, effective dates, and their reader assistance headings in their entireties and inserting in lieu thereof a new Sec. 12 and its reader assistance heading to read as follows:

* * * Effective Date * * *

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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, and the recommendation of proposal of amendment of the Committee on Agriculture was amended as recommended by the Committee on Finance.

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

Rules Suspended; Proposals of Amendment; Third Reading Ordered

H. 446.

Appearing the Calendar for notice, on motion of Senator Balint, the rules were suspended and House bill entitled:

An act relating to miscellaneous natural resources and development subjects.

Was taken up for immediate consideration.

Senator Bray, for the Committee on Natural Resources and Energy, to which the bill was referred reported recommending that the Senate propose to the House to amend the bill as follows:

First: By striking out Sec. 4, Environmental Contingency Fund, and its reader assistance heading in their entirety and inserting in lieu thereof a new Sec. 4 and reader assistance to read as follows.

* * * Waste Management Assistance * * *

Sec. 4. [Deleted.]

Second: By striking out Sec. 24, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof six new sections to be Secs. 24–29 and their reader assistance headings to read as follows:

* * * Food Residuals Management * * *

Sec. 24. MORATORIUM ON ISSUANCE OF SOLID WASTE FACILITY CERTIFICATIONS FOR FOOD DEPACKAGING FACILITIES

Beginning on May 1, 2022, the Secretary of Natural Resources shall not, under 10 V.S.A. chapter 159, issue a new solid waste facility certification for a food depackaging facility or amend an existing solid waste facility certification that results in an increase of capacity at a currently certified food depackaging facility until the rules required under Sec. 27 of this act are adopted and in effect.

Sec. 25. STAKEHOLDER GROUP ON THE ROLE OF DEPACKAGERS IN MANAGING FOOD WASTE

(a) On or before July 1, 2022, the Secretary of Natural Resources shall convene a collaborative stakeholder process to make recommendations on the proper management of packaged organic materials, including:

(1) recommendations on whether the organics management hierarchy in 10 V.S.A. § 6605k should apply to each generator of organic waste;

(2) whether the Agency of Natural Resources should modify its existing policy surrounding the source separation of organic wastes; and

(3) any recommendations on the proper use of depackagers in the management of organic waste.

(b) The stakeholder process shall include the following participants appointed by the Secretary of Natural Resources:

(1) a representative of the Agency of Agriculture, Food and Markets;

(2) a food waste composter;

(3) a farm that allows animals to forage food waste;

(4) a representative of a company operating a depackaging facility;

(5) a representative from the Vermont Retailers and Grocers Association;

(6) a representative from a company that anaerobically digests food waste; and

(7) a representative from a food product manufacturing company in Vermont.

(c) On or before January 15, 2023, the Secretary of Natural Resources shall submit the recommendations of the stakeholder process required by this section to the Senate Committee on Natural Resources and Energy and the House Committee on Natural Resources, Fish, and Wildlife.

Sec. 26. STUDY ON MICROPLASTICS AND PFAS IN FOOD PACKAGING AND FOOD WASTE

On or before January 15, 2024, the Secretary of Natural Resources, in consultation with the Secretary of Agriculture, Food and Markets, shall submit to the Senate Committee on Natural Resources and Energy and the House Committee on Natural Resources, Fish, and Wildlife a report regarding the prevalence of microplastics and per- and polyfluoroalkyl substances (PFAS) in food waste and food packaging in Vermont. The report shall include:

(1) a list of the organics management facilities certified in the State under 10 V.S.A. chapter 159;

(2) a summary of the organics management system in Vermont that includes the transportation of food processing residuals and postconsumer food waste and the materials created by organics management facilities and how that material is managed after creation;

(3) a summary of existing data on the levels of microplastics and plastics in the material produced from organics management facilities in the State, including whether the materials have levels of PFAS above background levels;

(4) a summary of the methods used domestically and internationally by jurisdictions with physical contamination standards to evaluate the percentage by weight of physical contamination present in the material produced by depackaging facilities, residual waste, digestate, compost, and soil amendments;

(5) identification of data gaps to the effective management of microplastics and recommendations on how to close those data gaps; and

(6) recommendations on management changes that will reduce the levels of microplastics in the environment, including:

(A) special management requirements at facilities;

(B) bans of certain containers or packaging that pose greater management risks;

(C) restrictions on the location of managing materials that contain high levels of microplastics;

(D) implementation of the food residuals hierarchy set forth in 10 V.S.A. § 6605k or the current requirements around source separation of organic material from waste material; and

(E) if possible in light of the data, a recommendation for a standard methodology for testing microplastics and a health-based standard for microplastics.

Sec. 27. RULEMAKING

(a) The Secretary of Natural Resources shall adopt by rule requirements for the operation of food waste management facilities certified to operate in the State. The rules may:

(1) establish management standards for the operation of a food waste management facility;

(2) prohibit certain containers and packaging from being managed in a food waste management facility;

(3) establish standards for hand source separation instead of mechanical depackaging;

(4) establish requirements for implementation of the food residuals hierarchy set forth in 10 V.S.A. § 6605k;

(5) place restrictions on the types of food waste that may be managed at a food waste management facility;

(6) adopt a testing methodology for microplastics;

(7) adopt a standard for microplastics from food waste management facilities that protects human health or natural resources; or

(8) at the recommendation of the Secretary of Agriculture, Food and Markets, adopt a standard for microplastics or per- and polyfluoroalkyl substances from food waste management facilities that protects animal health, agricultural soils, or other agricultural resources.

(b) The Secretary of Natural Resources shall not initiate rulemaking under this section until the recommendations required by Secs. 25 and 26 of this act are submitted to the Vermont General Assembly.

Sec. 28. REPEAL

Sec. 24 (moratorium on food depackaging facilities) of this act shall be repealed on the date that the rules required under Sec. 27 of this act are adopted and in effect.

* * * Effective Dates * * *

Sec. 29. EFFECTIVE DATES

(a) This section and Secs. 24–28 (food residuals management) shall take effect on passage.

(b) The remainder of the act shall take effect on July 1, 2022.

And that the bill ought to pass in concurrence with such proposals 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 proposals of amendment as recommended by the Committee on Natural Resources and Energy.

Senator Nitka, for the Committee on Appropriations to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Natural Resources and Energy.

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

Rules Suspended; Action Messaged

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

S. 261, S. 269.

Rules Suspended; Bill and Joint Resolution Messaged

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

H. 743 and J.R.S. 53.

Committee of Conference Appointed

S. 210.

An act relating to rental housing health and safety and affordable housing.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Sirotkin
Senator Clarkson
Senator Brock

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Adjournment

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

Called to Order

The Senate was called to order by the President.

Message from the House No. 73

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

Madam President:

I am directed to inform the Senate that:

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 283. An act relating to miscellaneous changes to education laws.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Webb of Shelburne
Rep. Conlon of Cornwall
Rep. Cupoli of Rutland City

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

H. 548. An act relating to miscellaneous cannabis establishment procedures.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Copeland Hanzas of Bradford
Rep. Gannon of Wilmington
Rep. Colston of Winooski

Message from the House No. 74

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

Madam President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 53. An act relating to exempting feminine hygiene products from the Vermont Sales and Use Tax.

And has adopted the same on its part.

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

H. 465. An act relating to boards and commissions.

H. 739. An act relating to capital construction and State bonding budget adjustment.

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

The Governor has informed the House that on May 9, 2022, he approved and signed bills originating in the House of the following titles:

H. 635. An act relating to secondary enforcement of minor traffic offenses.

H. 655. An act relating to telehealth licensure and registration and to provisional licensure for professions regulated by the Office of Professional Regulation.

H. 741. An act relating to approval of amendments to the charter of the City of St. Albans.

Senate Resolution Placed on Calendar

S.R. 27.

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

By Senate Committee on Government Operations,

S.R. 27. Senate resolution relating to reaffirming the friendship between Vermont and the Republic of China (Taiwan) and supporting both enhanced United States-Taiwan bilateral relations and Taiwan's participation in the international community.

Whereas, the United States and the Republic of China (Taiwan) share a vibrant, mutually beneficial bilateral relationship based on our common values of freedom, democracy, the rule of law, and a free market economy, and the relationship has never been stronger, and

Whereas, the United States is Taiwan's second-largest trading partner, and Taiwan is the United States' eighth-largest trading partner, and American trade in goods with Taiwan totaled an estimated $114.1 billion in 2021, and

Whereas, a Bilateral Trade Agreement (BTA) between Taiwan and the United States would increase Vermont exports to Taiwan and create more jobs in the State, and

Whereas, Vermont and Taiwan have enjoyed a long history of productive bilateral relations as Taiwan is our second-largest export market, and, in 2020, the two jurisdictions entered into a driver's license reciprocity agreement, and

Whereas, the Government of Taiwan desires to establish a Memorandum of Understanding with the State of Vermont to increase educational exchanges, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont reaffirms the friendship between Vermont and the Republic of China (Taiwan) and supports enhanced United States-Taiwan bilateral relations and Taiwan's participation in the international community, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to President Joseph R. Biden, President Tsai Ing-wen of the Republic of China (Taiwan), Director-General Jonathan Sun of the Taipei Economic and Cultural Office in Boston, Governor Philip B. Scott, and to the Vermont Congressional Delegation.

Thereupon, under Rule 34 and 51, the resolution was placed on the Calendar for notice.

House Proposal of Amendment Concurred In

S. 161.

House proposal of amendment to Senate bill entitled:

An act relating to extending the baseload renewable power portfolio requirement.

Was taken up.

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

Sec. 1. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO REQUIREMENT

* * *

(b) Notwithstanding subsection 8004(a) and subdivision 8005(c)(1) of this title, commencing November 1, 2012, each Vermont retail electricity provider shall purchase the provider's pro rata share of the baseload renewable power portfolio requirement, which shall be based on the total Vermont retail kWh sales of all such providers for the previous calendar year. The obligation created by this subsection shall cease on November 1, ~~2024~~ 2032 unless terminated earlier pursuant to subsection (k) of this section.

* * *

(d) ~~The~~ On or before November 1, 2026, the Commission shall determine, for the period beginning on November 1, 2026 and ending on November 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable power portfolio requirement. The Commission shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25. The price shall be the avoided cost of the Vermont composite electric utility system. ~~In~~ As used in this subsection, the term "avoided cost" means the incremental cost to retail electricity providers of electric energy or capacity, or both, which, but

for the purchase from the plant proposed to satisfy the baseload renewable power portfolio requirement, such providers would obtain from a source using the same generation technology as the proposed plant. ~~In~~ For the purposes of this subsection, the term "avoided cost" also includes the Commission's consideration of each of the following:

(1) The relevant cost data of the Vermont composite electric utility system.

(2) The terms of the potential contract, including the duration of the obligation.

(3) The availability, during the system's daily and seasonal peak periods, of capacity or energy from a proposed plant.

(4) The relationship of the availability of energy ~~or,~~ capacity, renewable energy credits and attributes, and other ISO New England revenue streams from the proposed plant to the ability of the Vermont composite electric utility system or a portion thereof to avoid costs. Vermont retail electricity providers shall receive all output of the baseload renewable plant unless the contract price is reduced to reflect the value of all products, attributes, and services that are retained by the seller.

(5) The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from the proposed plant.

(6) The supply and cost characteristics of the proposed plant, including the costs of operation and maintenance of an existing plant during the term of a proposed contract.

(7) Mechanisms for encouraging dispatch of the plant relative to the ISO New England wholesale energy price and value of regional renewable energy credits while also respecting the physical operating parameters, the fixed costs of the proposed plant, and the impact on the forest economy.

(8) The appropriate assignment of risks associated with the ISO New England Forward Capacity Market Pay for Performance program.

(e) In determining the price under subsection (d) of this section, the Commission:

(1) may require a plant proposed to be used to satisfy the baseload renewable power portfolio requirement to produce such information as the Commission reasonably deems necessary;

(2) shall not consider the following in the determination of avoided cost:

(A) capital investments made to meet the efficiency goal established in subsection (k) of this section;

(B) revenue generated by the capital investment made to meet the efficiency goal established in subsection (k) of this section; and

(C) operational costs and operational impacts associated with the project or projects implemented to meet the efficiency goals established in subsection (k) of this section; and

(3) notwithstanding subdivision (2)(C), shall consider sharing with Vermont retail electricity providers the benefits associated with waste heat that may be used to benefit a facility that does not provide baseload renewable energy.

(f) With respect to a plant used to satisfy the baseload renewable power portfolio requirement:

* * *

(2) Any tradeable renewable energy credits and attributes that are attributable to the electricity purchased shall be transferred to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (1) of this subsection unless the Commission approves the plant owner retaining renewable energy credits and attributes or other ISO New England revenue streams. If the Commission approves the plant owner retaining renewable energy credits and attributes, or other ISO New England revenue streams, the price paid by the Vermont retail electricity providers pursuant to this section may be reduced by the Commission to reflect the value of those credits, attributes, products, or services.

* * *

(j) The Commission shall authorize any Agency participating in a proceeding pursuant to this section or an order issued under this section to assess its costs against a proposed plant consistent with section 21 of this title.

(k) Collocation and efficiency requirements.

(1) The owner of the plant used to satisfy the baseload renewable power portfolio requirement shall cause the plant's overall efficiency to be increased by at least 50 percent relative to the 12-month period preceding July 1, 2022. In achieving this efficiency, the owner shall comply with the requirements of this subsection.

(2) On or before July 1, 2023, the owner of the plant shall submit to the Commission and the Department:

(A) A signed contract providing for the construction of a facility at the plant that utilizes the excess thermal heat generated at the plant for a beneficial purpose. As used in this subdivision (A), beneficial purpose may include the displacement of fossil fuel use for the sustainable production of a product or service or more efficient or less costly generation of electricity.

(B) A certification by a qualified professional engineer that the construction of the facility shall meet the requirement of subdivision (1) of this subsection (k).

(3) On or before October 1, 2024, the owner of the plant shall submit to the Commission and the Department a certification that the main components of the facility used to meet the requirement of subdivision (1) of this subsection (k) have been completed.

(4) If the contract and certification required under subdivision (2) of this subsection are not submitted to the Commission and Department on or before July 1, 2023 or if the certification required under subdivision (3) is not submitted to the Commission and Department on or before October 1, 2024, then the obligation under this section for each Vermont retail electricity provider to purchase a pro rata share of the baseload renewable power portfolio requirement shall cease on November 1, 2024, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(5) On or before September 1, 2025, the Department shall investigate and submit a recommendation to the Commission on whether the plant has achieved the requirement of subdivision (1) of this subsection. If the Department recommends that the plant has not achieved the requirement of subdivision (1) of this subsection, the obligation under this section shall cease on November 1, 2025, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(6) After November 1, 2026, the owner of the plant shall report annually to the Department and the Department shall verify the overall efficiency of the plant for the prior 12-month period. If the overall efficiency of the plant falls below the requirement of subdivision (1) of this subsection, the report shall include a plan to return the plant to the required efficiency within one year.

(7) If, after implementing the plan in subdivision (6) of this subsection, the owner of the plant does not achieve the efficiency required in subdivision (1) of this subsection, the Department shall request that the Commission

commence a proceeding to terminate the obligation under this section.

(8) The Department may retain research, scientific, or engineering services to assist it in making the recommendation required under subdivision (5) of this subsection and in reviewing the information required under subdivision (6) of this subsection and may allocate the expense incurred or authorized by it to the plant's owner.

(l) Annual report. Beginning on August 1, 2023, the owner of the plant used to satisfy the baseload renewable power portfolio shall report annually to the House Committee on Energy and Technology and Senate Committee on Finance, the Commissioner of Forests, Parks and Recreation, and the Secretary of Commerce and Community Development on the wood fuel purchases for the plant. The report shall include the average monthly price paid for the wood fuel and the source of the wood fuel, including location, number, types, and sources of non-forest-derived wood.

Sec. 2. 2021 Acts and Resolves No. 39, Sec. 2 is amended to read:

Sec. 2. PUBLIC UTILITY COMMISSION ORDER EXTENSION

All decisions and orders of the former Public Service Board and the Public Utility Commission in the matter Investigation into the Establishment of a Standard-Offer Price for Baseload Renewable Power under the Sustainably Priced Energy Enterprise Development (SPEED) Program, Docket No. 7782, shall remain in full force and effect through October 31, ~~2024~~ 2026. For years 2023 ~~and~~, 2024, and 2025 and the period from January 1, 2026 to October 31, 2026, the purchase price shall be the levelized value determined in Docket No. 7782.

Sec. 3. REPORT; RYEGATE DECOMMISSIONING FUND

On or before January 15, 2023, the Department of Public Service (Department) shall assess the current value of the Ryegate decommissioning fund and determine if it is sufficient to cover the costs necessary to decommission the plant. The Department shall submit the report to the General Assembly and include any recommendations.

Sec. 4. REPORT; WOOD FUEL PRICES

(a) The Commissioner of Forests, Parks and Recreation in consultation with the Secretary of Commerce and Community Development shall conduct analysis and calculate a minimum fair market price for wood fuel to be used by the plant used to satisfy the baseload renewable power portfolio requirement. The Commissioner may hire a forest economist and interview wood chip fuel producers and examine their costs to determine a range in cost

of production that accounts for different equipment types, delivery distance, average wages paid to employees, and return on investment of the enterprises.

(b) The Commissioner of Forests, Parks and Recreation may assess the costs of hiring a consultant for the purposes of the report in subsection (a) of this section on the owners of the baseload renewable power plant, up to $10,000.00.

(c) On or before July 1, 2024, the Commissioner shall submit the calculation to the House Committee on Energy and Technology, the Senate Committee on Finance, and the Public Utility Commission.

Sec. 5. HARVESTING PRACTICES

The Secretary of Natural Resources shall review the Memorandum of Understanding (MOU) that is part of Docket No. 5217 regarding the harvesting policy for Ryegate's wood procurement. On or before July 1, 2023, the Secretary shall provide an update to the House Committee on Energy and Technology and the Senate Committee on Finance on any recommended or completed modifications to the MOU to promote sustainable and healthy forests and forest economy in the region.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.

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

Rules Suspended; Third Reading Ordered

H. 745.

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House bill entitled:

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

Was taken up for immediate consideration.

Senator Collamore, for the Committee on Government Operations, to which the bill was referred, reported that the bill ought to pass in concurrence.

Senator Pearson, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass in concurrence.

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

Rules Suspended; Bills Immediate Consideration

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

S. 33, S. 140, S. 234, H. 353, H. 489, H. 518, H. 716, H. 737, H. 738.

Proposal of Amendment; Third Reading Ordered

H. 353.

Senator Hooker, for the Committee on Health and Welfare, to which was referred House bill entitled:

An act relating to pharmacy benefit management.

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

Sec. 1. INTENT

It is the intent of the General Assembly to increase access to needed medications by making prescription drugs more affordable and accessible to Vermonters by increasing State regulation of pharmacy benefit managers and pharmacy benefit management. It is also the intent of the General Assembly to stabilize and safeguard against the loss of more independent and community pharmacies, where pharmacists provide personalized care to Vermonters and help them with their health care needs, including medication management, medication adherence, and health screenings.

Sec. 1a. 18 V.S.A. § 9421 is amended to read:

§ 9421. PHARMACY BENEFIT MANAGEMENT; REGISTRATION; INSURER AUDIT OF PHARMACY BENEFIT MANAGER ACTIVITIES

* * *

(f) The Department of Financial Regulation shall monitor the cost impacts on Vermont consumers of pharmacy benefit manager regulation pursuant to this section, subchapter 9 of this chapter, and 8 V.S.A. chapter 107 and shall recommend appropriate modifications to the laws as needed to promote health care affordability in this State.

(g) As used in this section:

* * *

Sec. 2. 18 V.S.A. chapter 221, subchapter 9 is amended to read:

Subchapter 9. Pharmacy Benefit Managers

§ 9471. DEFINITIONS

As used in this subchapter:

* * *

(2) "Health insurer" is defined by section 9402 of this title and shall include:

(A) a health insurance company, a nonprofit hospital and medical service corporation, and health maintenance organizations;

(B) an employer, labor union, or other group of persons organized in Vermont that provides a health plan to beneficiaries who are employed or reside in Vermont; and

(C) the State of Vermont and any agent or instrumentality of the State that offers, administers, or provides financial support to State government~~; and~~

~~(D) Medicaid, and any other public health care assistance program~~.

* * *

(5) "Pharmacy benefit manager" means an entity that performs pharmacy benefit management, except an entity that provides pharmacy benefit management services for Vermont Medicaid. The term includes a person or entity in a contractual or employment relationship with an entity performing pharmacy benefit management for a health plan.

* * *

(7) "Pharmacy benefit manager affiliate" means a pharmacy or pharmacist that, directly or indirectly, through one or more intermediaries, is owned or controlled by, or is under common ownership or control with, a pharmacy benefit manager.

§ 9472. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES WITH RESPECT TO HEALTH INSURERS AND COVERED PERSONS

(a) A pharmacy benefit manager that provides pharmacy benefit management for a health plan ~~shall discharge its duties with reasonable care and diligence and be fair and truthful under the circumstances then prevailing that a pharmacy benefit manager acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with~~

~~like aims~~ has a fiduciary duty to its health insurer client that includes a duty to be fair and truthful toward the health insurer, to act in the health insurer's best interests, and to perform its duties with care, skill, prudence, and diligence. In the case of a health benefit plan offered by a health insurer as defined by subdivision 9471(2)(A) of this title, the health insurer shall remain responsible for administering the health benefit plan in accordance with the health insurance policy or subscriber contract or plan and in compliance with all applicable provisions of Title 8 and this title.

(b) A pharmacy benefit manager shall provide notice to the health insurer that the terms contained in subsection (c) of this section may be included in the contract between the pharmacy benefit manager and the health insurer.

(c) A pharmacy benefit manager that provides pharmacy benefit management for a health plan shall do all of the following:

(1) Provide all financial and utilization information requested by a health insurer relating to the provision of benefits to beneficiaries through that health insurer's health plan and all financial and utilization information relating to services to that health insurer. A pharmacy benefit manager providing information under this subsection may designate that material as confidential. Information designated as confidential by a pharmacy benefit manager and provided to a health insurer under this subsection ~~may~~ shall not be disclosed by the health insurer to any person without the consent of the pharmacy benefit manager, except that disclosure may be made by the health insurer:

(A) in a court filing under the consumer protection provisions of 9 V.S.A. chapter 63, provided that the information shall be filed under seal and that prior to the information being unsealed, the court shall give notice and an opportunity to be heard to the pharmacy benefit manager on why the information should remain confidential;

(B) to State and federal government officials;

(C) when authorized by 9 V.S.A. chapter 63;

~~(C)~~(D) when ordered by a court for good cause shown; or

~~(D)~~(E) when ordered by the Commissioner as to a health insurer as defined in subdivision 9471(2)(A) of this title pursuant to the provisions of Title 8 and this title.

(2) Notify a health insurer in writing of any proposed or ongoing activity, policy, or practice of the pharmacy benefit manager that presents, directly or indirectly, any conflict of interest with the requirements of this section.

(3) With regard to the dispensation of a substitute prescription drug for a prescribed drug to a beneficiary in which the substitute drug costs more than the prescribed drug and the pharmacy benefit manager receives a benefit or payment directly or indirectly, disclose to the health insurer the cost of both drugs and the benefit or payment directly or indirectly accruing to the pharmacy benefit manager as a result of the substitution.

(4) ~~Unless the contract provides otherwise, if~~ If the pharmacy benefit manager derives any payment or benefit for the dispensation of prescription drugs within the State based on volume of sales for certain prescription drugs or classes or brands of drugs within the State, pass that payment or benefit on in full to the health insurer.

(5) Disclose to the health insurer all financial terms and arrangements for remuneration of any kind that apply between the pharmacy benefit manager and any prescription drug manufacturer that relate to benefits provided to beneficiaries under or services to the health insurer's health plan, including formulary management and drug-switch programs, educational support, claims processing, and pharmacy network fees charged from retail pharmacies and data sales fees. A pharmacy benefit manager providing information under this subsection may designate that material as confidential. Information designated as confidential by a pharmacy benefit manager and provided to a health insurer under this subsection ~~may~~ shall not be disclosed by the health insurer to any person without the consent of the pharmacy benefit manager, except that disclosure may be made by the health insurer:

(A) in a court filing under the consumer protection provisions of 9 V.S.A. chapter 63, provided that the information shall be filed under seal and that prior to the information being unsealed, the court shall give notice and an opportunity to be heard to the pharmacy benefit manager on why the information should remain confidential;

(B) when authorized by 9 V.S.A. chapter 63;

(C) when ordered by a court for good cause shown; or

(D) when ordered by the Commissioner as to a health insurer as defined in subdivision 9471(2)(A) of this title pursuant to the provisions of Title 8 and this title.

(d) At least annually, a pharmacy benefit manager that provides pharmacy benefit management for a health plan shall disclose to the health insurer, the Department of Financial Regulation, and the Green Mountain Care Board the aggregate amount the pharmacy benefit manager retained on all claims charged to the health insurer for prescriptions filled during the preceding calendar year in excess of the amount the pharmacy benefit manager reimbursed pharmacies.

(e) A pharmacy benefit manager contract with a health insurer shall not contain any provision purporting to reserve discretion to the pharmacy benefit manager to move a drug to a higher tier or remove a drug from its drug formulary any more frequently than two times per year.

(f)(1) A pharmacy benefit manager shall not require a covered person purchasing a covered prescription drug to pay an amount greater than the lesser of:

(A) the cost-sharing amount under the terms of the health benefit plan;

(B) the maximum allowable cost for the drug; or

(C) the amount the covered person would pay for the drug if the covered person were paying the cash price.

(2) Any amount paid by a covered person under subdivision (1) of this subsection shall be attributed toward any deductible and, to the extent consistent with Sec. 2707 of the Public Health Service Act (42 U.S.C. § 300gg-6), the annual out-of-pocket maximums under the covered person's health benefit plan.

(g) Compliance with the requirements of this section is required for pharmacy benefit managers entering into contracts with a health insurer in this State for pharmacy benefit management in this State.

§ 9473. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES WITH RESPECT TO PHARMACIES

(a) Within 14 calendar days following receipt of a pharmacy claim, a pharmacy benefit manager or other entity paying pharmacy claims shall do one of the following:

(1) Pay or reimburse the claim.

(2) Notify the pharmacy in writing that the claim is contested or denied. The notice shall include specific reasons supporting the contest or denial and a description of any additional information required for the pharmacy benefit manager or other payer to determine liability for the claim.

(b) A participation contract between a pharmacy benefit manager and a pharmacist shall not prohibit, restrict, or penalize a pharmacy or pharmacist in any way from disclosing to any covered person any health care information that the pharmacy or pharmacist deems appropriate, including:

(1) the nature of treatment, risks, or alternatives to treatment;

(2) the availability of alternate therapies, consultations, or tests;

(3) the decision of utilization reviewers or similar persons to authorize or deny services;

(4) the process that is used to authorize or deny health care services; or

(5) information on financial incentives and structures used by the health insurer.

(c) A pharmacy benefit manager or other entity paying pharmacy claims shall not:

(1) ~~impose a higher co-payment for a prescription drug than the co-payment applicable to the type of drug purchased under the insured's health plan;~~

~~(2) impose a higher co-payment for a prescription drug than the maximum allowable cost for the drug;~~

~~(3)~~ require a pharmacy to pass through any portion of the insured's co-payment, or patient responsibility, to the pharmacy benefit manager or other payer;

(2) prohibit a pharmacy or pharmacist from discussing information regarding the total cost for pharmacist services for a prescription drug;

~~(4)~~(3) prohibit or penalize a pharmacy or pharmacist for providing information to an insured regarding the insured's cost-sharing amount for a prescription drug; or

~~(5)~~(4) prohibit or penalize a pharmacy or pharmacist for the pharmacist or other pharmacy employee disclosing to an insured the cash price for a prescription drug or selling a lower cost drug to the insured if one is available.

(d) A pharmacy benefit manager contract with a participating pharmacist or pharmacy shall not prohibit, restrict, or limit disclosure of information to the Commissioner, law enforcement, or State and federal government officials, provided that:

(1) the recipient of the information represents that the recipient has the authority, to the extent provided by State or federal law, to maintain proprietary information as confidential; and

(2) prior to disclosure of information designated as confidential, the pharmacist or pharmacy:

(A) marks as confidential any document in which the information appears; and

(B) requests confidential treatment for any oral communication of the information.

(e) A pharmacy benefit manager shall not terminate a contract with or penalize a pharmacist or pharmacy due to the pharmacist or pharmacy:

(1) disclosing information about pharmacy benefit manager practices, except for information determined to be a trade secret under State law or by the Commissioner, when disclosed in a manner other than in accordance with subsection (d) of this section; or

(2) sharing any portion of the pharmacy benefit manager contract with the Commissioner pursuant to a complaint or query regarding the contract's compliance with the provisions of this chapter.

~~(e)~~(f) For each drug for which a pharmacy benefit manager establishes a maximum allowable cost in order to determine the reimbursement rate, the pharmacy benefit manager shall do all of the following:

(1) Make available, in a format that is readily accessible and understandable by a pharmacist, the actual maximum allowable cost for each drug and the source used to determine the maximum allowable cost, which shall not be dependent upon individual beneficiary identification or benefit stage.

(2) Update the maximum allowable cost at least once every seven calendar days. In order to be subject to maximum allowable cost, a drug must be widely available for purchase by all pharmacies in the State, without limitations, from national or regional wholesalers and must not be obsolete or temporarily unavailable.

(3) Establish or maintain a reasonable administrative appeals process to allow a dispensing pharmacy provider to contest a listed maximum allowable cost.

(4)(A) Respond in writing to any appealing pharmacy provider within 10 calendar days after receipt of an appeal, provided that, except as provided in subdivision (B) of this subdivision (4), a dispensing pharmacy provider shall file any appeal within 10 calendar days from the date its claim for reimbursement is adjudicated.

(B) A pharmacy benefit manager shall allow a dispensing pharmacy provider to appeal after the 10-calendar-day appeal period set forth in subdivision (A) of this subdivision (4) if the prescription claim is subject to an audit initiated by the pharmacy benefit manager or its auditing agent.

(5) For a denied appeal, provide the reason for the denial and identify the national drug code and a Vermont-licensed wholesaler of an equivalent drug product that may be purchased by contracted pharmacies at or below the maximum allowable cost.

(6) For an appeal in which the appealing pharmacy is successful:

(A) make the change in the maximum allowable cost within 30 business days after the redetermination; and

(B) allow the appealing pharmacy or pharmacist to reverse and rebill the claim in question.

~~(d)~~(g) A pharmacy benefit manager shall not:

(1) require a claim for a drug to include a modifier or supplemental transmission, or both, to indicate that the drug is a 340B drug unless the claim is for payment, directly or indirectly, by Medicaid; or

(2) restrict access to a pharmacy network or adjust reimbursement rates based on a pharmacy's participation in a 340B contract pharmacy arrangement.

(h)(1) A pharmacy benefit manager or other third party that reimburses a 340B covered entity for drugs that are subject to an agreement under 42 U.S.C. § 256b through the 340B drug pricing program shall not reimburse the 340B covered entity for pharmacy-dispensed drugs at a rate lower than that paid for the same drug to pharmacies that are not 340B covered entities, and the pharmacy benefit manager shall not assess any fee, charge-back, or other adjustment on the 340B covered entity on the basis that the covered entity participates in the 340B program as set forth in 42 U.S.C. § 256b.

(2) With respect to a patient who is eligible to receive drugs that are subject to an agreement under 42 U.S.C. § 256b through the 340B drug pricing program, a pharmacy benefit manager or other third party that makes payment for the drugs shall not discriminate against a 340B covered entity in a manner that prevents or interferes with the patient's choice to receive the drugs from the 340B covered entity.

(i) A pharmacy benefit manager shall not reimburse a pharmacy or pharmacist in this State an amount less than the amount the pharmacy benefit manager reimburses a pharmacy benefit manager affiliate for providing the same pharmacist services.

(j) A pharmacy benefit manager shall not restrict, limit, or impose requirements on a licensed pharmacy in excess of those set forth by the Vermont Board of Pharmacy or by other State or federal law, nor shall it withhold reimbursement for services on the basis of noncompliance with participation requirements.

(k) A pharmacy benefit manager shall provide notice to all participating pharmacies prior to changing its drug formulary.

Sec. 3. 18 V.S.A. § 3802 is amended to read:

§ 3802. PHARMACY RIGHTS DURING AN AUDIT

Notwithstanding any provision of law to the contrary, whenever a health insurer, a third-party payer, or an entity representing a responsible party conducts an audit of the records of a pharmacy, the pharmacy shall have a right to all of the following:

* * *

(2) If an audit is to be conducted on-site at a pharmacy, the entity conducting the audit:

(A) shall give the pharmacy at least 14 days' advance written notice of the audit and the specific prescriptions to be included in the audit; ~~and~~

(B) ~~may~~ shall not audit a pharmacy on Mondays or on weeks containing a federal holiday, unless the pharmacy agrees to alternative timing for the audit~~.~~; and

~~(3) Not to have an entity~~

(C) shall not audit claims that:

~~(A)~~(i) were submitted to the pharmacy benefit manager more than 18 months prior to the date of the audit, unless:

~~(i)~~(I) required by federal law; or

~~(ii)~~(II) the originating prescription was dated within the 24-month period preceding the date of the audit; or

~~(B)~~(ii) exceed 200 selected prescription claims.

(3) If any audit is to be conducted remotely, the entity conducting the audit:

(A) shall give the pharmacy at least seven business days following the pharmacy's confirmation of receipt of the notice of the audit to respond to the audit; and

(B) shall not audit claims that:

(i) were submitted to the pharmacy benefit manager more than three months prior to the date of the audit or on a date earlier than that for which the pharmacy could electronically retransmit a corrected claim; or

(ii) exceed five selected prescription claims.

* * *

(19) To have the preliminary audit report delivered to the pharmacy within ~~60~~ 30 days following the ~~conclusion of the audit~~ pharmacy's preliminary response.

* * *

(21) To have a final audit report delivered to the pharmacy within ~~120~~ 30 days after the end of the appeals period, as required by section 3803 of this title.

* * *

(24) To have all payment data related to audited claims, including:

(A) payment amount;

(B) any direct and indirect remuneration (DIR) or generic effective rate (GER) fees assessed or other financial offsets;

(C) date of electronic payment or check date and number;

(D) the specific contracted reimbursement basis for each claim, including its basis, such as maximum allowable cost (MAC), wholesale acquisition cost (WAC), average wholesale price (AWP), or average manufacturer price (AMP); and

(E) the respective values used to calculate each claim payment.

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

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

(a) As used in this section:

* * *

(4) "Pharmacy benefit manager affiliate" means a pharmacy or pharmacist that, directly or indirectly, through one or more intermediaries, is owned or controlled by, or is under common ownership or control with, a pharmacy benefit manager.

(5) "Drug" or "prescription drug" has the same meaning as "prescription drug" in 26 V.S.A. § 2022 and includes:

(A) biological products, as defined in 18 V.S.A. § 4601;

(B) medications used to treat complex, chronic conditions, including medications that require administration, infusion, or injection by a health care professional;

(C) medications for which the manufacturer or the U.S. Food and Drug Administration requires exclusive, restricted, or limited distribution; and

(D) medications with specialized handling, storage, or inventory reporting requirements.

* * *

(b) A health insurer ~~and~~ or pharmacy benefit manager doing business in Vermont shall permit a retail pharmacist licensed under 26 V.S.A. chapter 36 to fill prescriptions for all prescription drugs in the same manner and at the same level of reimbursement as they are filled by ~~mail order pharmacies~~ any other pharmacist or pharmacy, including a mail-order pharmacy or a pharmacy benefit manager affiliate, with respect to the quantity of drugs or days' supply of drugs dispensed under each prescription.

(c) Notwithstanding any provision of a health insurance plan to the contrary, if a health insurance plan provides for payment or reimbursement that is within the lawful scope of practice of a pharmacist, the insurer may provide payment or reimbursement for the service when the service is provided by a pharmacist.

(d)(1) A health insurer or pharmacy benefit manager shall permit a participating network pharmacy to perform all pharmacy services within the lawful scope of the profession of pharmacy as set forth in 26 V.S.A. chapter 36.

(2) A health insurer or pharmacy benefit manager shall not do any of the following:

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

(B) Offer or implement plan designs that require a covered individual to use a mail-order pharmacy or a pharmacy benefit manager affiliate.

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

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

(E) Offer or implement plan designs that increase plan or patient costs if the covered individual chooses not to use a mail-order pharmacy or a pharmacy benefit manager affiliate. The prohibition in this subdivision (E) includes requiring a covered individual to pay the full cost for a prescription drug when the covered individual chooses not to use a mail-order pharmacy or a pharmacy benefit manager affiliate.

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

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

(5) The provisions of this subsection shall not apply to Medicaid.

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

(a) The Department of Financial Regulation, in consultation with interested stakeholders, shall consider:

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

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

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

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

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

(6) how a pharmacy should be reimbursed for a claim if a pharmacy benefit manager denies a pharmacy's appeal in whole or in part, including whether the pharmacy should be allowed to submit a claim to the health insurer for the balance between the pharmacy benefit manager's

reimbursement and the pharmacy's reasonable acquisition cost plus a dispensing fee;

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

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

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

Sec. 6. APPLICABILITY

(a) The provisions of Sec. 2 of this act (18 V.S.A. chapter 221, subchapter 9, pharmacy benefit managers) shall apply to a contract or health plan issued, offered, renewed, recredentialed, amended, or extended on or after January 1, 2023, including any health insurer that performs claims processing or other prescription drug or device services through a third party.

(b) A person doing business in this State as a pharmacy benefit manager on or before January 1, 2023 shall have six months following that date to come into compliance with the provisions of Sec. 2 of this act (18 V.S.A. chapter 221, subchapter 9, pharmacy benefit managers).

Sec. 7. 2021 Acts and Resolves No. 74, Sec. E.227.2 is amended to read:

Sec. E.227.2 REPEAL

18 V.S.A. § 9473~~(d)~~(g) (pharmacy benefit managers; 340B entities) is repealed on ~~January 1, 2023~~ April 1, 2024.

Sec. 8. EFFECTIVE DATES

(a) Secs. 1a (18 V.S.A. § 9421), 2 (18 V.S.A. chapter 221, subchapter 9), 3 (18 V.S.A. § 3802), and 4 (8 V.S.A. § 4089j) shall take effect on January 1, 2023.

(b) The remaining sections shall take effect on passage.

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 on a roll call, Yeas 24, Nays 4.

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: Balint, Baruth, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Hardy, Hooker, Ingalls, Lyons, MacDonald, Mazza, McCormack, Nitka, Pearson, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, White.

Those Senators who voted in the negative were: *Cummings, Parent, Perchlik, Westman.

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

*Senator Cummings explained her vote as follows:

"I voted NO because I am concerned that undoing the arrangements between the Health Insurers and PBM around the dispensing of specialty drugs will significantly add to the cost of health insurance. I will be introducing an amendment prior to third reading to have these proposals studied by DFR."

Proposal of Amendment; Third Reading Ordered

H. 716.

Senator Chittenden, for the Committee on Education, to which was referred House bill entitled:

An act relating to making miscellaneous changes in education law.

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:

* * * Special Education Funding * * *

Sec. 1. 16 V.S.A. § 2961 is amended to read:

§ 2961. CENSUS GRANT

* * *

(d)(1)(A) For fiscal year 2023, the amount of the census grant for a supervisory union shall be:

(i) the average amount it received for fiscal years 2018, 2019, and 2020, or the average amount it received for fiscal years 2019, 2020, and 2021,

whichever amount is greater, from the State for special education under sections 2961 (standard mainstream block grants), 2963 (special education expenditures reimbursement), and 2963a (exceptional circumstances) of this title; increased by

(ii) the annual change in the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis.

* * *

* * * Holocaust Education; Report * * *

Sec. 2. HOLOCAUST EDUCATION; REPORT AND RECOMMENDATIONS

On or before January 15, 2023, the Agency of Education shall issue a written report to the Senate and House Committees on Education on the status of Holocaust education in public schools and its recommendations to ensure that Holocaust education is included in the educational programs provided to students in public schools. In preparing the report and recommendations, the Agency of Education shall work with the Vermont Holocaust Memorial to avail themselves of that organization's knowledge of the subject and experience in Vermont schools.

* * * Crime Insurance Coverage for School Districts * * *

Sec. 3. 16 V.S.A. § 492 is amended to read:

§ 492. POWERS, DUTIES, AND LIABILITIES; BONDS

(a) The powers, duties, and liabilities of the collector, treasurer, prudential committee, and clerk shall be like those of a town collector, treasurer, board of school directors, and the school board clerk, respectively.

(b) Before entering upon their duties, the collector and treasurer shall give a bond to the district conditioned for the faithful performance of their duties, in such sum as may be required. ~~When~~ In lieu of taking a bond from a collector or treasurer, or both, a school district may choose to provide suitable crime insurance covering the collector or treasurer, or both. If a school district has not provided suitable crime insurance in lieu of a bond and a collector or treasurer for 10 days neglects to give a bond as required, ~~his or her~~ that office shall be vacant.

* * * Peer Review Support Grant Program * * *

Sec. 4. EDUCATOR WORKFORCE DEVELOPMENT; APPROPRIATION; REPORT

(a) Purpose. The purpose of this section is to encourage and support the development and retention of qualified and effective Vermont educators. To combat the growing educator shortage throughout the State and meet the needs of Vermont students, it is necessary to invest in nontraditional educator training programs.

(b) Grant program.

(1) Program creation. In fiscal year 2023, there is established the Peer Review Support Grant Program, to be administered by the Agency of Education, to provide grants to expand support, mentoring, and professional development to prospective educators seeking licensure through the Agency of Education's peer review process, with the goal of increased program completion rates.

(2) Program administration. The Agency shall adopt policies, procedures, and guidelines necessary for implementation of the Program described in subdivision (1) of this subsection.

(3) Eligibility criteria. The Agency shall issue grants to organizations or school districts with programs designed to provide prospective educators in the peer review program the support necessary for successful completion of the peer review process by providing:

(A) support through the Praxis exam process;

(B) local educator lead seminars designed around the Vermont licensure portfolio themes;

(C) local educator mentors;

(D) support in completing the peer review portfolio and licensing process; and

(E) continued professional development support within the first year of licensure.

(4) Report. On or before January 15, 2023, the Agency of Education shall report to the Senate and House Committees on Education on the status of the implementation of the Peer Review Support Grant Program and a summary and performance review of the programs to which grants were awarded. The report shall include any metrics used in the performance review, the number of program participants, endorsement areas of participants, feedback from participants and mentors, and any recommendation for legislative action.

(c) Appropriation. Notwithstanding 16 V.S.A. § 4025(d), the sum of $712,500.00 is appropriated from the Education Fund to the Agency of Education in fiscal year 2023 for the purpose of funding the Peer Review Support Grant Program.

* * * Effective Date * * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

Senator Hardy, 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 Education.

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

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

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Education?, Senators Pearson, Bray, Campion, Chittenden, Hardy, Hooker, Lyons, Perchlik, Pollina and Terenzini moved to amend the proposal of amendment of the Committee on Education by striking out Sec. 5, effective dates, and its reader assistance heading in their entireties and inserting in lieu thereof the following:

* * * Income-Based Education Tax Study Committee * * *

Sec. 5. INCOME-BASED EDUCATION TAX; STUDY COMMITTEE

(a) Creation. There is created the Income-Based Education Tax Study Committee to study and make recommendations regarding the creation and implementation of an income-based education tax system to replace the homestead property tax system for education funding in this State.

(b) Membership. The Study Committee shall be composed of the following members:

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

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Study Committee shall study the creation and implementation of an income-based education tax system, including the following issues:

(1) restructuring the renter credit under 32 V.S.A. chapter 154 or creating a new credit or other mechanisms to ensure that Vermonters who rent a primary residence participate fairly in the education income tax system;

(2) transitioning from the current homestead property tax system to a new income-based education tax system;

(3) accurate modeling, given the differences between household income for homestead property tax purposes and adjusted gross income for income tax purposes;

(4) whether there should be a limit to the amount of income subject to a new income-based education tax;

(5) challenges or other considerations for administering a new proposed education income tax system;

(6) with regard to income as a tax base, the impact of a new proposed education income tax on the State's taxing capacity, including the impact on the General Fund; and

(7) any other relevant considerations.

(d) Assistance. The Study Committee shall have the administrative, technical, and legal assistance of the Agency of Education, the Department of Taxes, the Joint Fiscal Office, the Office of Legislative Counsel, and the Office of Legislative Operations and shall consult with the Vermont League of Cities and Towns and any other interested stakeholders.

(e) Report. On or before December 30, 2022, the Study Committee shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance with its findings and recommendations for legislative action, which shall include proposed legislative language.

(f) Meetings.

(1) The Joint Fiscal Office shall call the first meeting of the Study Committee to occur on or before July 15, 2022.

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

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

(4) The Study Committee shall cease to exist on December 31, 2022.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Study Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

* * * Effective Date * * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

Which was agreed to.

Thereupon, the pending question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Education, as amended?, was decided in the affirmative.

Thereupon, third reading of the bill was ordered.

Proposals of Amendment; Third Reading Ordered

H. 738.

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

An act relating to technical and administrative changes to Vermont's tax laws.

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

First: By striking out Sec. 15, 10 V.S.A. § 4255(c)(7), in its entirety and inserting in lieu thereof:

Sec. 15. 10 V.S.A. § 4255(c)(7) is amended to read:

(7) A certified citizen of a Native American Indian tribe that has been recognized by the State pursuant to 1 V.S.A. chapter 23 may receive ~~a free permanent fishing license or, if the person qualifies for a hunting license, a free permanent combination hunting and fishing license~~ free of charge one or all of the permanent fishing, hunting, or trapping licenses set forth in subdivisions (1)(A)–(D) of this subsection if qualified for the license and upon submission of a current and valid tribal identification card.

Second: By striking out Sec. 17, effective dates, and its reader assistance heading in their entireties and inserting in lieu thereof the following:

* * * Legislative Expense Reimbursement * * *

Sec. 17. 32 V.S.A. § 1052(b) is amended to read:

(b) During any session of the General Assembly, each member is entitled to receive expenses as follows:

(1) Mileage reimbursement. ~~An allowance~~ Reimbursement equal to the ~~cost of one round-trip each day between Montpelier and the member's home~~ actual mileage traveled for each day of session in which the member ~~did not rent lodging in Montpelier or the vicinity. If a member rents lodging in Montpelier or the vicinity for an entire week of session, the member is entitled to an allowance for the cost of one round-trip for that week~~ travels between Montpelier and the member's home or from Montpelier or from the member's home to another site on officially sanctioned legislative business. ~~The allowance~~ Reimbursement of actual mileage traveled under this subdivision shall be at the rate per mile determined by the federal Office of Government-wide Policy and published in the Federal Register for the year of the session.

* * *

(4) ~~Intent. It is the intent of the General Assembly that only a member who is away from home and remains in Montpelier or the vicinity on the night preceding or following the day in which that member's chamber met shall receive reimbursement for expenses as provided in subdivision (1) of this subsection.~~ [Repealed.]

* * * 529 Plans; Student Loan Repayment; VHEIP Income Tax Credit * * *

Sec. 18. 32 V.S.A. § 5825a(b) is amended to read:

(b) A taxpayer who has received a credit under subsection (a) of this section shall repay to the Commissioner 10 percent of any distribution from a higher education investment plan account, up to a maximum of the total credits received by the taxpayer under subsection (a) of this section minus any amount of repayment of such credits in prior tax years except when the distribution:

(1) is used exclusively for costs of attendance at an approved postsecondary education institution as defined in 16 V.S.A. § 2822(6);

(2) is used for a qualifying expense associated with a registered apprenticeship program pursuant to 26 U.S.C. § 529(c)(8); ~~or~~

(3) is made after the death of the beneficiary or after the beneficiary becomes disabled pursuant to subdivisions (q)(2)(C) and (m)(7) of 26 U.S.C. § 72; or

(4) is used for qualified higher education expense loan repayment pursuant to 26 U.S.C. § 529(c)(9), provided the loan being repaid was used exclusively for costs of attendance at an approved postsecondary education institution as defined in 16 V.S.A. § 2822(6).

* * * Communications Union Districts * * *

Sec. 19. 30 V.S.A. § 8086(c)(3) is amended to read:

(3) establish standards for recouping grant funds and transferring ownership of grant-funded network assets ~~to the State~~ if a grantee materially fails to comply with the terms and conditions of a grant;

Sec. 20. 30 V.S.A. § 8086(h) is added to read:

(h)(1) The Board shall require a communications union district that borrows funds for the purpose of financing a broadband project to immediately provide written notice to the Board in the event the communications union district becomes aware that it is at risk of defaulting on the payment of principal or interest on a loan when due. The Board, in turn, shall promptly provide written notice to the General Assembly, or to the Joint Fiscal Committee if the General Assembly is not in session, of such risk of default and shall include in its notification a description of any potential ramifications of the default under the terms and conditions of the applicable loan.

(2) If a communications union district defaults on the payment of principal or interest on a loan secured by grant-funded network assets, such assets may not be transferred or sold for a period of 180 calendar days commencing on the day the loan became past due. To the extent reasonably practicable, it is the intent of the General Assembly that publicly owned network assets remain publicly owned assets.

* * * Crime Insurance Coverage; Municipal Officer or Employee * * *

Sec. 21. 24 V.S.A. §§ 832 and 833 are amended to read:

§ 832. BONDS; REQUIREMENTS

Before the school directors, constable, road commissioner, collector of taxes, treasurer, assistant treasurer when appointed by the selectboard, clerk, and any other officer or employee of the town who has authority to receive or disburse town funds enter upon the duties of their offices, the selectboard shall require each to have crime insurance coverage or give a bond conditioned for the faithful performance of his or her duties: the school directors, to the town school district; the other named officers, to the town. The treasurer, assistant treasurer when appointed by the selectboard, and collector shall also be required to have crime insurance coverage or give a bond to the town school

district for like purpose. All such crime insurance coverage or bonds shall be in sufficient sums and with sufficient sureties as prescribed and approved by the selectboard. If the selectboard at any time considers the crime insurance coverage or a bond of any such officer or employee to be insufficient, it may require, by written order, the officer or employee to give an additional bond in such sum as it deems necessary. If an officer or employee, so required, neglects for ten days after such request to give such original or additional bond, his or her office shall be vacant. A bond or crime insurance coverage furnished pursuant to the provisions of this section shall not be valid if signed by any other officer of the same municipality as surety thereon.

§ 833. APPROVAL; RECORD; EVIDENCE

On the approval of crime insurance coverage or a bond required by section 832 of this title, the selectboard of a town shall file the same in the office of the town clerk to be recorded by such clerk in a book kept for that purpose. Copies thereof duly certified by such clerk shall be evidence in court as if the original were produced.

Sec. 22. 24 V.S.A. § 835 is amended to read:

§ 835. PAYMENT OF PREMIUMS

Bonds or crime insurance coverage required of officers of a municipality shall be paid for by the municipality requiring the same.

Sec. 23. 24 V.S.A. § 1234 is amended to read:

§ 1234. OATH; BOND

Before entering upon ~~his or her~~ a manager's duties, ~~such~~ a manager shall be sworn to the faithful performance of ~~his or her~~ the manager's duties and shall have crime insurance coverage or give a bond to the town in ~~such~~ the amount and with ~~such~~ the sureties as the selectboard may require.

Sec. 24. 24 V.S.A. § 1306 is amended to read:

§ 1306. OATHS AND BONDS OF OFFICERS

The clerk, treasurer, and collector of such corporation shall be sworn. The treasurer and collector shall have crime insurance coverage or give a bond to the corporation in such sum and with such sureties as are prescribed and approved by the trustees, conditioned for the faithful performance of their duties.

Sec. 25. 24 V.S.A. § 2433 is amended to read:

§ 2433. BONDS; ACTIONS

The trustees shall have crime insurance coverage or give bonds to the satisfaction of the selectboard, conditioned for the faithful performance of

their duties. In the name of the town, they may prosecute and defend a suit or action for the recovery or protection of the estate entrusted to their care.

* * * City of Montpelier; Tax Increment Financing District * * *

Sec. 26. MONTPELIER TIF DISTRICT; ORIGINAL TAXABLE VALUE

(a) Notwithstanding any other provision of law, and upon approval by the Vermont Economic Progress Council as provided in subsection (b) of this section, the City of Montpelier may reset its original taxable value, as defined in 24 V.S.A. § 1891(5), to the grand list values as of April 1, 2023, provided that the reset:

(1) maintains the same parcels as the City's certified original taxable value;

(2) does not change the creation date of the district; and

(3) does not extend the City's period to incur indebtedness beyond March 31, 2030.

(b) The reset of the original taxable value in the City of Montpelier's tax increment financing district shall only become final upon approval by the Vermont Economic Progress Council of the City's application for a five-year extension of the deadline to incur its first debt. Notwithstanding any other provision of law, the City may apply to the Vermont Economic Progress Council for an extension of the period to incur its first debt not later than 90 days after the final April 1, 2023 grand list is filed with the city clerk. The City's extension application shall include an updated tax increment financing plan that incorporates the proposed reset original taxable value.

* * * Sales and Use Tax Exemption; Manufacturing Machinery and Equipment * * *

Sec. 27. 32 V.S.A. § 9741(14) is amended to read:

(14)(A) Tangible personal property that becomes an ingredient or component part of~~,~~ or is consumed or destroyed or loses its identity in the manufacture of tangible personal property for sale~~;~~.

(B) ~~machinery~~ Machinery and equipment ~~for use or consumption directly and exclusively, except for isolated or occasional uses,~~ used in or consumed as an integral or essential part of an integrated production operation by a manufacturing or processing plant or facility engaged in the manufacture of tangible personal property for sale, or in the manufacture of other machinery or equipment, parts, or supplies for use in the manufacturing process~~; and devices used to monitor manufacturing machinery and equipment~~

~~or the product during the manufacturing process. Machinery and equipment used in administrative, managerial, sales, or other nonproduction activities, or used prior to the first production operation or subsequent to the initial packaging of a product, shall not be exempt from tax, unless such uses are merely isolated or occasional or unless the machinery used for initial packaging is also used for secondary packaging as part of an integrated process. Machinery and equipment shall not include buildings and structural components thereof. As used in this subdivision, it shall be rebuttably presumed that uses are not isolated or occasional if they total more than four percent of the time the machinery or equipment is operated~~. For the purposes of this ~~subsection~~ subdivision (14), "manufacture" includes extraction of mineral deposits, the entire printing and bookmaking process, and the entire publication process.

(C) As used in this subdivision (14):

(i) "Integrated production operation" means an integrated series of operations at a manufacturing or processing plant or facility to process, transform, or convert tangible personal property by physical, chemical, or other means into a different form, composition, or character from that in which it originally existed. Integrated production operations begin when raw material is first changed physically, chemically, or otherwise in form, composition, or character, including being removed from storage or introduced for this manipulation, and end when the product is placed in initial packaging and shall include production line operations, including initial packaging operations, and waste, pollution, and environmental control operations.

(ii) "Manufacturing or processing business" means a business that utilizes an integrated production operation to manufacture, process, fabricate, or finish items for wholesale and retail distribution as part of what is commonly regarded by the general public as an industrial manufacturing or processing operation or an agricultural commodity processing operation. "Manufacturing or processing business" does not include nonindustrial businesses whose operations are primarily retail and that produce or process tangible personal property as an incidental part of conducting the retail business, such as retailers who bake, cook, or prepare food products in the regular course of their retail trade; the assembling of product by retailers for sale; grocery stores, meat lockers, and meat markets that butcher or dress livestock or poultry in the regular course of their retail trade; contractors who alter, service, repair, or improve real property; and retail businesses that clean, service, or refurbish and repair tangible personal property for its owner. The examples provided in this subdivision (ii) shall not be construed as exclusive.

(iii) "Manufacturing or processing plant or facility" means a single, fixed location owned or controlled by a manufacturing or processing business that consists of one or more structures or buildings in a contiguous area where integrated production operations are conducted to manufacture or process tangible personal property to be ultimately sold at retail. A business may operate one or more manufacturing or processing plants or facilities at different locations to manufacture or process a single product of tangible personal property to be ultimately sold at retail.

(iv) "Primary" or "primarily" means more than 50 percent of the time.

(v) "Production line" means the assemblage of machinery and equipment at a manufacturing or processing plant or facility where the actual transformation or processing of tangible personal property occurs.

(D) For the purposes of this subdivision (14), machinery and equipment shall be deemed to be used as an integral or essential part of an integrated production operation when used during the integrated production operation:

(i) to transport, convey, handle, or store the property undergoing manufacturing or processing at any point from the beginning of the production line until it is placed into initial packaging;

(ii) to act upon, effect, promote, or otherwise facilitate a physical change to the property undergoing manufacturing or processing;

(iii) to guide, control, or direct the movement of property undergoing manufacturing or processing;

(iv) to test or measure materials, the property undergoing manufacturing or processing, or the finished product during the manufacturer's integrated production operations;

(v) to plan, manage, control, or record the receipt and flow of property while undergoing manufacturing or processing;

(vi) to lubricate, control the operating of, or otherwise enable the functioning of other production machinery and equipment and the continuation of production operations;

(vii) to transmit or transport electricity, gas, water, steam, or similar substances used in production operations from the point of generation, if produced by the manufacturer or processor at the plant site, to that manufacturer's production operation; or, if purchased or delivered from off–site, from the point where the substance enters the site of the plant or facility to that manufacturer's production operations;

(viii) to package the property being manufactured or processed in any container or wrapping in which such property is normally sold or transported, even if the machinery operates after the point of initial packaging;

(ix) to cool, heat, filter, refine, or otherwise treat water, steam, acid, oil, solvents, or other substances that are used in production operations;

(x) to provide and control an environment required to maintain certain levels of air quality, humidity, or temperature in special and limited areas of the plant or facility where such regulation of temperature or humidity is part of and essential to the production process;

(xi) to treat, transport, or store waste or other byproducts of production operations at the plant or facility and to clean manufacturing machinery and equipment;

(xii) to control pollution at the plant or facility where the pollution is produced by the manufacturing or processing operation; or

(xiii) to inspect or conduct quality control on the product, even if the inspection or quality control machinery operates after the point of initial packaging.

(E) "Machinery and equipment used as an integral or essential part of an integrated production operation" does not mean:

(i) machinery and equipment used for nonproduction purposes, including machinery and equipment used for plant security, fire prevention, first aid, accounting, administration, record keeping, advertising, marketing, sales or other related activities, plant cleaning, plant communications, and employee work scheduling;

(ii) machinery, equipment, and tools used primarily in maintaining and repairing any type of machinery and equipment or the building and plant;

(iii) transportation, transmission, and distribution equipment not primarily used in a production, warehousing, or material handling operation at the plant or facility, including the means of conveyance of natural gas, electricity, oil, or water, and related equipment, located outside the plant or facility;

(iv) office machines and equipment, including computers and related peripheral equipment, not used directly and primarily to control or measure the manufacturing process;

(v) furniture and other furnishings;

(vi) buildings, other than exempt machinery and equipment that is permanently affixed to or becomes a physical part of the building, and any other part of real estate that is not otherwise exempt;

(vii) building fixtures that are not integral to the manufacturing operation, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical;

(viii) machinery and equipment used for general plant heating, cooling, and lighting; or

(ix) motor vehicles that are registered for operation on public highways.

(F) Subdivisions (D) and (E) of this subdivision (14) shall not be construed as exclusive lists of the machinery and equipment that qualify or do not qualify as an integral or essential part of an integrated production operation. When machinery or equipment is used as an integral or essential part of production operations part of the time and for nonproduction purposes at other times, the primary use of the machinery or equipment shall determine the qualification of the machinery or equipment for the exemption.

* * * Effective Dates * * *

Sec. 28. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Secs. 1–3 (enhanced life estates; property transfer tax), 4 and 5 (underpayment penalties; deadlines), and 18 (529 plans; student loan repayment; VHEIP income tax credit) shall take effect retroactively on January 1, 2022 and shall apply to taxable years beginning on and after January 1, 2022.

(c) Notwithstanding 1 V.S.A. § 214, Secs. 6 and 7 (annual link to federal statutes) shall take effect retroactively on January 1, 2022 and shall apply to taxable years beginning on and after January 1, 2021.

(d) Secs. 8 (32 V.S.A. § 5862b; Children's Trust Foundation checkoff) and 11 (transition; Children's Trust Fund; FY 2023 transfers) shall take effect on July 1, 2022.

(e) Secs. 9 (33 V.S.A. § 3303(b); Children's Trust Fund administration) and 10 (repeals; Children's Trust Fund) shall take effect on December 31, 2022.

(f) Notwithstanding 1 V.S.A. § 214, Secs. 12 and 13 (reporting federal audits and adjustments; partnerships) shall take effect retroactively on January 1, 2022 and shall apply to any adjustments to a taxpayer's federal taxable income with a final determination date occurring on and after July 1, 2022.

(g) Notwithstanding 1 V.S.A. § 214, Sec. 14 (taxation of land underlying solar plant or energy storage facility) shall take effect retroactively on July 1, 2021.

(h) Secs. 15 and 16 (fishing, hunting, and trapping licenses) shall take effect on January 1, 2023.

(i) Sec. 17 (legislative expense reimbursement) shall take effect on January 1, 2023.

(j) Secs. 19 and 20 (communications union districts), 21–25 (crime insurance coverage; municipal officer or employee), 26 (City of Montpelier; tax increment financing district), and 27 (sales and use tax exemption) shall take effect on July 1, 2022.

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

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the proposals of amendment were collectively agreed to.

Thereupon, Senator Hardy moved that the Senate proposal of amendment be amended as follows::

First: By adding a reader assistance heading and two new sections to be Secs. 27a and 27b to read as follows:

* * * Sales and Use Tax Exemption; Menstrual Products * * *

Sec. 27a. 32 V.S.A. § 9706(oo) is amended to read:

(oo) The statutory purpose of the exemption for ~~feminine hygiene~~ menstrual products in subdivision 9741(56) of this title is to limit the cost of goods that are necessary for the health and welfare of Vermonters.

Sec. 27b. 32 V.S.A. § 9741(56) is amended to read:

(56) ~~Feminine hygiene~~ Menstrual products. As used in this subdivision, "~~feminine hygiene~~ menstrual products" means tampons, panty liners, menstrual cups, ~~sanitary~~ menstrual napkins, and other similar tangible personal property designed for ~~feminine hygiene~~ use in connection with the human menstrual cycle but does not include "grooming and hygiene products" as defined in this chapter.

Second: In Sec. 28, effective dates, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) This section and Secs. 27a and 27b (sales and use tax exemption; menstrual products) shall take effect on passage.

Which was agreed to.

Thereupon, third reading of the bill was ordered.

Proposal of Amendment; Third Reading Ordered

H. 518.

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

An act relating to municipal energy resilience initiatives.

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

Sec. 1. FINDINGS; MUNICIPAL ENERGY RESILIENCE

The General Assembly finds that:

(1) Vermont's municipalities own and operate more than 2,000 buildings and facilities, which are used to provide services to its citizens, including libraries; storing town vehicles; providing space for civic engagement; and connecting citizens to healthcare, education, and commercial interests.

(2) Vermont's Global Warming Solutions Act sets aggressive targets for greenhouse gas emissions reductions, and the heating of buildings provide significant opportunities for meeting these targets.

(3) The volatile cost of fossil fuel heating is often one of the largest line items in a municipal budget, which impacts the residential and commercial taxpayers in that municipality.

(4) A modest expansion to the State Energy Management Program, established in 29 V.S.A. § 168, made in 2019 can assist municipalities with responding to the greenhouse gas emissions targets set forth in the Global Warming Solutions Act.

(5) Connecting technical resources at the local, regional, and State level and expanding the State's energy management program to include municipal buildings will promote increased resilience and sustained connection to critical services for all Vermonters.

Sec. 2. MUNICIPAL ENERGY RESILIENCE; DEPARTMENT OF BUILDINGS AND GENERAL SERVICES; ASSESSMENTS

(a) Energy resilience assessments. On or before September 1, 2022, the Department of Buildings and General Services shall issue a request for proposal for a comprehensive energy resilience assessment of covered municipal buildings and facilities.

(b) Request for proposal. The Commissioner of Buildings and General Services shall contract with an independent third party to conduct the assessment described in subsection (a) of this section. The assessment shall be completed on or before January 15, 2024.

(c) Application. A covered municipality shall submit an application to the Department of Buildings and General Services to receive an assessment of its buildings and facilities pursuant to the guidelines established in subsection (e) of this section. As part of the application process, a municipality may use the assistance of a regional planning commission to develop plans.

(d) Scope. For each covered municipality, the assessment described in subsection (a) of this section shall include a scope of work, cost, and timeline for completion for each building or facility. The assessment shall also include:

(1) recommendations for improvements that reduce the operating and maintenance costs, enhance comfort, and reduce energy intensity in a municipal building or facility, including:

(A) the improvement or replacement, or both, of heating, ventilation and air conditioning systems;

(B) the use of a renewable energy source for heating systems, provided that recommendations for the use of a heating systems that uses fossil fuels is not eligible; and

(C) improvements to the buildings or facilities thermal envelope;

(2) an evaluation on the reasonableness of battery storage and EV charging stations and recommended locations, as applicable;

(3) an evaluation of the potential for on-site renewable energy generation options and recommendation on the one most feasible, as applicable;

(4) an estimate of costs for each recommendation;

(5) an estimate of system and equipment life cycle costs and consumption data; and

(6) the potential to phase the scope of work and suggest a prioritized order of completion separate from the energy assessment scope.

(e) Administration. The Department of Buildings and General Services shall establish guidelines for a covered municipality to receive an assessment and shall require at a minimum that:

(1) the covered municipality has access to high-speed Internet as defined in the State's Telecommunication Plan set forth in 30 V.S.A. § 202c or a plan is in place by 2024 to ensure access to high-speed Internet; and

(2) any building that is assessed is compliant with the American Disabilities Act at the time the project is completed.

(f) Definition. As used in this section, "covered municipality" means a city, town, fire district or incorporated village, and all other governmental incorporated units.

Sec. 3. MUNICIPAL ENERGY RESILIENCE GRANT PROGRAM

(a) Program established. In fiscal year 2023, there is established the Municipal Energy Resilience Grant Program to award grants to:

(1) make recommendations to municipalities on the use of more efficient heating systems; and

(2) make necessary improvements to reduce emissions by reducing fossil fuel usage and increasing efficiency in municipally owned buildings.

(b) Definition. As used in this section, "covered municipality" means a city, town, fire district or incorporated village, and all other governmental incorporated units.

(c) Administration; implementation.

(1) Grant awards. The Department of Buildings and General Services, in coordination with Efficiency Vermont, through the State Energy Management Program, shall administer the Program, which shall award grants for the following:

(A) not more than $500,000.00 to each covered municipality for approved projects for weatherization, thermal efficiency, to supplement or replace fossil fuel heating systems with more efficient heating systems, and any other expenditures necessary for the project to be eligible for funding under federal law and guidelines; and

(B) not more than $4,000.00 to each covered municipality to facilitate community meetings and communication about municipal energy resilience.

(2) Grant program design. The Department of Buildings and General Services, in consultation with Efficiency Vermont; the Vermont League of Cities and Towns; regional planning commissions; and experts in the field of thermal enclosure, energy efficiency, and renewable building space systems, shall design the Program. The Program shall include a streamlined and minimal application process for a municipality to apply directly to the Department of Buildings and General Services or with the assistance of a regional planning commission. The Program design shall establish:

(A) an outreach and education plan by regional planning commissions, including specific tactics to reach and support each covered municipality;

(B) an equitable system for distributing grants statewide on the basis of need according to a system of priorities, including the following ranked in priority order:

(i) a municipality with the highest energy burden community needs and lowest resources, as defined in Efficiency Vermont's 2019 Energy Burden Report;

(ii) a municipality that may not have administrative support to apply for grants;

(iii) geographic location;

(iv) community size; and

(v) whether another division of the municipality has already received a grant;

(C) guidelines for renewable and energy efficiency buildings systems resilience, durability, health, and efficiency measures and costs that will be eligible for grant funding; and

(D) eligibility criteria for covered municipalities, including written commitment by the municipality to conduct community workshops and a self-assessment.

(d) Coordination. The Department of Buildings and General Services shall coordinate with any other State entities and agencies working with covered municipalities to provide grants for the Program.

(e) Funding. The Program shall be funded by the American Rescue Plan Act State and Local Fiscal Recovery Fund.

(f) Assessment. A covered municipality is only eligible for a grant under this section if an assessment of its buildings and facilities has been conducted pursuant to Sec. 2 of this act.

Sec. 4. MUNICIPAL ENERGY RESILIENCE GRANT PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $35,000,000.00 shall be appropriated from the American Rescue Plan Act (ARPA) from the State and Local Fiscal Recovery Fund to the Municipal Energy Resilience Grant Program for use as follows:

(1) The amount of $2,400,000.00 shall be appropriated to the Department of Buildings and General Services for regional planning commissions to assist with grant and assessment applications and provide programming and technical assistance to covered municipalities. The funding to regional planning commissions shall be distributed as follows:

(A) Fifty-five percent of the funds shall be divided equally among the regional planning commissions.

(B) Forty-five percent of the funds shall be allocated according to the number of Vermont member municipalities in each regional planning commission as of July 1, 2022.

(2) The amount of $32,600,000.00 shall be appropriated to the Department of Buildings and General Services to be used as follows:

(A) $5,000,000.00 for hiring a contractor to conduct assessments pursuant to Sec. 2 of this act;

(B) $1,000,000.00 for costs associated with administering the grant program; and

(C) $26,600,000.00 for grants to covered municipalities for weatherization, thermal efficiency, and to supplement or replace less efficient heating systems.

* * * Municipal Energy Loan Program * * *

Sec. 5. 29 V.S.A. § 168a is added to read:

§ 168a. MUNICIPAL ENERGY LOAN PROGRAM

(a) Authority. The Department of Buildings and General Service is authorized to provide financing to municipalities through the Municipal Energy Loan Program for equipment replacement, studies, weatherization, construction of improvements affecting the use of energy resources, the implementation of energy efficiency and conservation measures, and the use of renewable resources.

(b) Loan eligibility and criteria. The Commissioner shall establish for the Program described in subsection (a) of this section:

(1) criteria to determine eligibility for funding, including repayment terms;

(2) a priority basis for the selection process that ensures equitable allocation of funds to municipalities, considering at least financial need, geographic distribution, and ability to repay; and

(3) loan conditions that ensure accountability by a municipality receiving funds.

(c) Definitions. As used in this section:

(1) "Energy efficiency improvement" has the same meaning as in section 168 of this title.

(2) "Municipality" means a city, town, fire district or incorporated village, and all other governmental incorporated units.

(3) "Renewables" has the same meaning as in 30 V.S.A. § 8002.

(4) "Resource conservation measures" has the same meaning as in section 168 of this title.

Sec. 6. 29 V.S.A. § 168b is added to read:

§ 168b. MUNICIPAL ENERGY REVOLVING FUND

(a) Creation. There is established the Municipal Energy Revolving Fund to provide financing for the Municipal Energy Loan Program established in section 168a of this title.

(b) Monies in the Fund. The Fund shall consist of:

(1) monies appropriated to the Fund and;

(2) loan repayment by municipalities

(c) Repayment terms. A municipality receiving funding shall repay the Fund through its regular operating budget according to a schedule established by the Commissioner.

(d) Fund administration.

(1) The Commissioner of Finance and Management may anticipate receipts to this Fund and issue warrants based thereon.

(2) The Commissioner of Buildings and General Services shall maintain accurate and complete records of all receipts by and expenditures from the Fund.

(3) All balances remaining at the end of a fiscal year shall be carried over to the following year.

(e) Definitions. As used in this section:

(1) "Energy efficiency improvement" has the same meaning as in section 168 of this title.

(2) "Renewables" has the same meaning as in 30 V.S.A. § 8002.

(f) Annual report. Beginning on or before January 15, 2023 and annually thereafter, the Commissioner of Buildings and General Services shall report to the House Committees on Corrections and Institutions and on Energy and Technology and the Senate Committee on Institutions on the expenditure of funds from the Municipal Energy Revolving Fund. For each fiscal year, the report shall include a summary of each project receiving funding and the municipality's expected savings. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

Sec. 7. MUNICIPAL ENERGY REVOLVING FUND; DEPARTMENT OF BUILDINGS AND GENERAL SERVICES; FEE RECOMMENDATION

On or before January 15, 2023, the Commissioner of Buildings and General Services shall submit a recommendation to the House Committee on Ways and Means and the Senate Committee on Finance for a fee amount to be charged to pay for administrative costs associated with the Municipal Energy Revolving Fund.

Sec. 8. MUNICIPAL ENERGY REVOLVING FUND; FY 2023 APPROPRIATION; REPORT

(a) In FY 2023, to the extent permitted by federal law, the following amounts shall be transferred to the Department of Buildings and General Services from the Department of Public Service for the Municipal Energy Revolving Fund, as established in 29 V.S.A. § 168b:

(1) not more than $800,000.00 from the Energy Efficiency Revolving Loan Fund Capitalization Grant allocated in the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 pursuant to the process set forth in 32 V.S.A. § 5; and

(2) not more than $2,000,000.00 from the Energy Efficiency and Renewable Energy Block Grant Fund in the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 pursuant to the process set forth in 32 V.S.A. § 5.

(b) On or before January 15, 2023, the Department of Public Service shall report to the House Committee on Energy and Technology and the Senate Committee on Finance on the total grant amounts approved by the State and transferred to the Municipal Energy Revolving Fund pursuant to subsection (a) of this section.

Sec. 9. 2015 Acts and Resolves No. 58, Sec. E.112, as amended by 2019 Acts and Resolves No. 72, Sec. E.112, is further amended to read:

Sec. E.112 ENERGY EFFICIENCY; STATE BUILDINGS AND FACILITIES

* * *

(b) Notwithstanding any provision of Title 30 of the Vermont Statutes Annotated, Public Service Board order, or other provision of law to the contrary:

(1) The Department and Efficiency Vermont (EVT) shall augment the Program for a preliminary period of ~~eight~~ 11 years commencing in fiscal year 2016 under which EVT shall provide the Department with support for the Program to deliver cost-effective energy efficiency and conservation measures to State buildings and facilities, with the goal of this pilot to create a self-sustaining program at the Department, with annual savings from energy projects exceeding the annual cost to staff the Program. The Department and EVT may agree to continue conducting this augmented Program in subsequent fiscal years, after considering recommendations for improvement based on evaluation of the preliminary period.

* * *

(2) In addition to the requirements of subdivision (1) of this subsection, the project shall include provision by EVT of support for personnel to implement the Program during fiscal years 2016 to ~~2023~~ 2027.

* * *

(B) Under this subdivision (2), EVT shall provide up to $290,000 during fiscal year 2016. For the remaining ~~seven~~ 10 fiscal years, EVT shall ~~provide an additional amount sufficient to support annual salary and benefit adjustments~~ make available under agreement with the Department an additional amount sufficient to support annual salary and benefit adjustments. These funds shall be received in the Facilities Operations Fund established in 29 V.S.A. § 160a~~,~~ and may be spent using excess receipts authority. Efficiency Vermont and the Department may agree to adjust the funding committed to this Program based on a joint evaluation that annual energy savings generated by this Program exceed the annual cost of the staff positions.

(3) The Public Service Board shall adjust any performance measures applicable to EVT to recognize the requirements of this section.

(c) The Department and EVT shall execute a new or amended memorandum of understanding to implement this section, which shall include targets for future energy savings, a process for determining how savings targets are met, and details of EVT's commitment for personnel over ~~an eight-year~~ a 10-year time period.

(d) On or before October 1 of each year commencing in 2016 and ending in ~~2023~~ 2027, the Department and EVT shall provide a joint report on the implementation of this section.

* * *

(5) The report to be submitted in 2019 ~~and~~, in 2023, and in 2027 shall contain an evaluation of the Program authorized under this section and any resulting recommendations, including recommendations related to Program continuation beyond ~~2023~~ 2027.

* * *

Sec. 10. FY 2023; APPROPRIATION; DEPARTMENT OF BUILDINGS AND GENERAL SERVICES; REGIONAL PLANNING COMMISSIONS; POSITIONS

(a) Department of Buildings and General Services. Two full-time, limited-service positions are created in the Department of Buildings and General Services in fiscal year 2023 for three fiscal years to administer the municipal energy resilience assessments pursuant to Sec. 2 of this act. The positions shall be responsible for determining project eligibility; coordinating with the State Energy Management Program to recruit and coordinate auditors, engineers, and contractors; and providing financing technical assistance for municipalities implementing projects. These positions shall be funded from the amount appropriated in Sec. 4(2)(B) of this act.

(b) Department of Buildings and General Services; Municipal Energy Resilience Grant Program. Two full-time, limited-service positions are created in the Department of Buildings and General Services in fiscal year 2023 for three fiscal years to administer the Municipal Energy Resilience Grant Program created in Sec. 3 of this act. The positions shall be funded from the amount of $1,000,000.00 for administrative costs appropriated in Sec. 4(2)(B) of this act.

* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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 Natural Resources and Energy.

Senator Nitka, for the Committee on Appropriations, 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 Natural Resources and Energy with the following amendment thereto:

In Sec. 4, Municipal Energy Resilience Grant Program; appropriation, in the first sentence, by striking out "$35,000,000.00" and inserting in lieu thereof $45,000,000.00, in subdivision (2), by striking out "$32,600,000.00" and inserting in lieu thereof $42,600,000.00, and in subdivision (2)(C), by striking out "$26,600,000.00" and inserting in lieu thereof $36,600,000.00

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, and the recommendation of proposal of amendment of the Committee on Natural Resources and Energy was amended as recommended by the Committee on Appropriations.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Natural Resources and Energy, as amended?, Senators Bray, Campion, Cummings, Hardy, MacDonald, McCormack, Pearson and Westman moved to amend the proposal of amendment of the Committee on Natural Resources and Energy, as amended, as follows:

First: In Sec. 2, municipal energy resilience; Department of Buildings and General Services; assessments, by striking out subsection (f) in its entirety and inserting in lieu thereof a new subsection (f) to read as follows:

(f) Definition. As used in this section, "covered municipality" means a city, town, fire district or incorporated village, and all other governmental incorporated units except for school districts.

Second: By striking out Sec. 3, Municipal Energy Resilience Grant Program, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. MUNICIPAL ENERGY RESILIENCE GRANT PROGRAM

(a) Program established.

(1) In fiscal year 2023, there is established the Municipal Energy Resilience Grant Program to award grants to:

(A) make recommendations to municipalities on the use of more efficient renewable or electric heating systems; and

(B) make necessary improvements to reduce emissions by reducing fossil fuel usage and increasing efficiency in municipally owned buildings.

(2) For the awards granted pursuant to this subsection, the primary design of replacement systems shall prioritize renewable or electric heating systems as the preferred heating source. If, after review, a non-fossil fuel heating system is not technically feasible as a primary heating source, the recommendation may include upgrades for other heating systems, provided they reduce fossil fuel consumption and meet the goals of this act.

(b) Definition. As used in this section, "covered municipality" means a city, town, fire district or incorporated village, and all other governmental incorporated units except for school districts.

(c) Administration; implementation.

(1) Grant awards. The Department of Buildings and General Services, in coordination with Efficiency Vermont, through the State Energy Management Program, shall administer the Program, which shall award grants for the following:

(A) not more than $500,000.00 to each covered municipality for approved projects for weatherization, thermal efficiency, to supplement or replace fossil fuel heating systems with more efficient renewable or electric heating systems, and any other expenditures necessary for the project to be eligible for funding under federal law and guidelines; and

(B) not more than $4,000.00 to each covered municipality to facilitate community meetings and communication about municipal energy resilience.

(2) Grant Program design. The Department of Buildings and General Services, in consultation with Efficiency Vermont; the Vermont League of Cities and Towns; regional planning commissions; and experts in the field of

thermal enclosure, energy efficiency, and renewable building space systems, shall design the Program. The Program shall include a streamlined and minimal application process for a municipality to apply directly to the Department of Buildings and General Services or with the assistance of a regional planning commission. The Program design shall establish:

(A) an outreach and education plan by regional planning commissions, including specific tactics to reach and support each covered municipality;

(B) an equitable system for distributing grants statewide on the basis of need according to a system of priorities, including the following ranked in priority order:

(i) a municipality with the highest energy burden community needs and lowest resources, as defined in Efficiency Vermont's 2019 Energy Burden Report;

(ii) a municipality that may not have administrative support to apply for grants;

(iii) geographic location;

(iv) community size; and

(v) whether another division of the municipality has already received a grant;

(C) guidelines for renewable and energy efficiency buildings systems resilience, durability, health, and efficiency measures and costs that will be eligible for grant funding; and

(D) eligibility criteria for covered municipalities, including written commitment by the municipality to conduct community workshops and a self-assessment.

(d) Coordination. The Department of Buildings and General Services shall coordinate with any other State entities and agencies working with covered municipalities to provide grants for the Program.

(e) Funding. The Program shall be funded by the American Rescue Plan Act State and Local Fiscal Recovery Fund.

(f) Assessment. A covered municipality is only eligible for a grant under this section if an assessment of its buildings and facilities has been conducted pursuant to Sec. 2 of this act.

Third: In Sec. 5, 29 V.S.A. § 168a, by striking out subdivision (c)(2) in its entirety and inserting in lieu thereof a new subdivision (c)(2) to read as follows:

(2) Definition. As used in this section, "covered municipality" means a city, town, fire district or incorporated village, and all other governmental incorporated units except for school districts.

Which was agreed to.

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

First: By adding a new section to be Sec. 3a to read as follows:

Sec. 3a. RENEWABLE AND EFFICIENCY HEATING SYSTEMS; SCHOOLS; GRANT PROGRAM

(a) Program established. In fiscal year 2023, there is established the Renewable and Efficiency Heating Systems Grant Program (Program) to award grants for renewable and efficient heating systems in schools. Renewable and efficient heating systems grants shall be used to make necessary improvements to address building systems in covered schools to improve health, safety, and efficiency in response to the COVID-19 emergency.

(b) Definition. As used in this section, "covered school" means public schools and approved independent schools as defined under 16 V.S.A. § 11.

(c) Administration; implementation.

(1) The Agency of Education shall administer the Program, which shall:

(A) provide consulting services to covered schools;

(B) award grant funds to covered schools of not more than 50 percent of the total cost for the improvement or repair of existing heating systems, with a focus on renewable energy systems, energy efficiency, and providing appropriate space conditioning; and

(C) award grant funds to covered schools for the installation of renewable or efficiency electric space heating and conditioning systems.

(2) Grant Program design. The Agency of Education, in consultation with the Vermont Superintendents Association and other State entities and

experts in the fields of thermal enclosure, energy efficiency, and renewable building space systems, shall design the Program. The Program design shall establish:

(A) an outreach and education plan, including specific tactics to reach and support all covered schools;

(B) an equitable system for distributing grants statewide based on geographic location, school size, grant dollar amount, and assessed need, with an emphasis on schools that may not have administrative support to apply for grants; and

(C) guidelines for thermal enclosure and renewable and energy efficiency buildings systems resilience, durability, health, and efficiency measures and costs that will be eligible for grant funding.

(d) Costs and fees. The State is authorized to use up to $150,000.00 of the amounts appropriated in Sec. 4 to the Program for administration costs.

(e) Coordination. The Agency of Education may coordinate with any other State entities and agencies working with public schools to provide grants for the Program.

Second: By striking out Sec. 4, Municipal Energy Resilience Grant Program; appropriation, in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. MUNICIPAL ENERGY RESILIENCE GRANT PROGRAM; RENEWABLE AND EFFICIENCY HEATING SYSTEMS GRANT PROGRAM; FY 2023 APPROPRIATIONS

(a) In fiscal year 2023, the amount of $40,000,000.00 shall be appropriated from the American Rescue Plan Act (ARPA) from the State and Local Fiscal Recovery Fund to the Municipal Energy Resilience Grant Program for use as follows:

(1) The amount of $2,400,000.00 shall be appropriated to the Department of Buildings and General Services for regional planning commissions to assist with grant and assessment applications and provide programming and technical assistance to covered municipalities. The funding to regional planning commissions shall be distributed as follows:

(A) Fifty-five percent of the funds shall be divided equally among the regional planning commissions.

(B) Forty-five percent of the funds shall be allocated according to the number of Vermont member municipalities in each regional planning commission as of July 1, 2022.

(2) The amount of $37,600,000.00 shall be appropriated to the Department of Buildings and General Services to be used as follows:

(A) $5,000,000.00 for hiring a contractor to conduct assessments pursuant to Sec. 2 of this act;

(B) $1,000,000.00 for costs associated with administering the Grant Program; and

(C) $31,600,000.00 for grants to covered municipalities for weatherization, for thermal efficiency, and to supplement or replace less efficient heating systems.

(b) In fiscal year 2023, the amount of $5,000,000.00 shall be appropriated to the Agency of Education from the American Rescue Plan Act (ARPA) from the State and Local Fiscal Recovery Fund for the Renewable and Efficiency Heating Systems Grant Program for grants to covered schools as described in Sec. 3a of this act.

Thereupon, pending the question, Shall the proposal of amendment of the Committee on Natural Resources and Energy, as amended, be amended as proposed by Senator Perchlik?, Senator Perchlik requested and was granted leave to withdraw the proposal of amendment.

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

Rules Suspended; Bill Passed in Concurrence with Proposal of Amendment

H. 738.

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

An act relating to technical and administrative changes to Vermont's tax laws.

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.

Rules Suspended; Action Messaged

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

S. 161.

Rules Suspended; Bill Messaged

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

H.738.

Adjournment

On motion of Senator Mazza, the Senate adjourned until ten o'clock in the forenoon on Tuesday, May 10, 2022.

TUESDAY, MAY 10, 2022

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

House Proposal of Amendment Concurred In

S. 140.

House proposal of amendment to Senate bill entitled:

An act relating to prohibiting civil arrests at courthouses.

Was taken up.

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

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly to ensure that every person in the State of Vermont retains the right to free and unfettered access to justice under the law. No person should be denied access to justice because they fear being subject to civil arrest when attending a court hearing or traveling to or from a courthouse. All persons should have the opportunity to use the court system to advocate for themselves and their interests. Prohibiting civil arrests at a courthouse prevents disruption of court proceedings, protects the proper functioning of courts, provides a safe and secure location for the resolution of disputes, and promotes public safety by ensuring that victims and witnesses are not discouraged from attending court proceedings. It is the intent of the General Assembly, consistent with long-established common law, to prohibit civil arrests of individuals at courthouses or traveling to and from a courthouse to uphold the principle set forth in Article 4 of the Vermont Constitution that provides, in part, that "every person within this state ought to find a certain remedy, by having recourse to our laws, for all injuries and wrongs," and that

"every person ought to obtain [that] right freely . . . completely and without denial . . . [or] delay."

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

§ 3577. PRIVILEGE FROM ARREST

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

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

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

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

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

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

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

(3) Remedies.

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

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

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

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

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

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

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

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 489.

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

An act relating to miscellaneous provisions affecting health insurance regulation.

Was taken up.

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

By adding a new Sec. 10 to read:

Sec. 10. UNMERGED HEALTH INSURANCE MARKETS; REPORT

(a) The Department of Financial Regulation, in consultation with the Green Mountain Care Board, shall convene a working group of interested stakeholders to identify options for, consider the advantages and disadvantages

of, and develop recommendations regarding maintaining separate individual and small group health insurance markets in future plan years in a manner that reduces premiums in the small group market without increasing costs in the individual market.

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

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

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

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

H. 353.

House bill entitled:

An act relating to pharmacy benefit management.

Was taken up.

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

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

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

* * *

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

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

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

(a) The Department of Financial Regulation, in collaboration with the Office of Professional Regulation, including the Board of Pharmacy, and the Department of Vermont Health Access and in consultation with other interested stakeholders, shall consider:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Which was disagreed to.

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

Bill Passed in Concurrence with Proposal of Amendment

H. 446.

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

An act relating to miscellaneous natural resources and development subjects.

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

H. 518.

House bill entitled:

An act relating to municipal energy resilience initiatives.

Was taken up.

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

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

Which was agreed to.

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

Bills Passed in Concurrence with Proposal of Amendment

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

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

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

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

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

Bills Passed in Concurrence

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

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

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

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

Rules Suspended; Bills and Resolutions Immediate Consideration

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

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

Third Reading Ordered

S.R. 26.

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

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

Reported that the resolution ought to adopted.

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

Third Reading Ordered

S.R. 27.

Senate committee resolution entitled:

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

Was taken up.

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

Proposals of Amendment; Third Reading Ordered

H. 512.

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

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

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

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

§ 625. STANDARDS AND BEST PRACTICES

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

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

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

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

(A) the Joint Fiscal Office;

(B) the Vermont League of Cities and Towns;

(C) the Vermont Municipal Clerks' and Treasurers' Association;

(D) representatives from the banking, bar, title insurance, and real estate industry; and

(E) other interested parties.

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

Sec. 6. EFFECTIVE DATES

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

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

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

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

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

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

Proposal of Amendment; Third Reading Ordered

H. 533.

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

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

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

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

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

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

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

(2) the Attorney General or designee;

(3) the State Treasurer or designee;

(4) the Defender General or designee;

(5) the Commissioner of Public Safety or designee;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Meetings.

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

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

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

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

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

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

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

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

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

House Proposal of Amendment Concurred In

S. 224.

House proposal of amendment to Senate bill entitled:

An act relating to juvenile proceedings.

Was taken up.

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

* * * Pause of Juvenile Jurisdiction Expansion * * *

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

Sec. 21. EFFECTIVE DATES

* * *

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

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

Sec. 12. EFFECTIVE DATES

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

* * *

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

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

§ 5119. SEALING OF RECORDS

* * *

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

* * *

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

§ 5235. JUVENILE RESTITUTION

* * *

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

* * *

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

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

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

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

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

§ 5304. VICTIMS ASSISTANCE PROGRAM

* * *

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

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

* * *

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

§ 5305. INFORMATION CONCERNING RELEASE FROM CUSTODY

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

* * *

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

§ 5110. CONDUCT OF HEARINGS

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

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

(c) There shall be no publicity given by any person to any proceedings under the authority of the juvenile judicial proceedings chapters except with the consent of the child, the child's guardian ad litem, and the child's parent, guardian, or custodian. A person who violates this provision may be subject to contempt proceedings pursuant to Rule 16 of the Vermont Rules for Family Proceedings. This subsection shall not prohibit a victim from discussing underlying facts of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim, provided that, unless otherwise provided by law or court order, a victim shall not disclose what occurs during a court proceeding or information learned through a court proceeding that is not an underlying fact of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim.

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

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

§ 5126. INFORMATION FROM LAW ENFORCEMENT AGENCY

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

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

(2) information concerning the availability of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) [Repealed.]

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

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

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

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

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

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

(B) when a delinquency petition is filed;

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

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

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

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

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

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

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

child's identity to the victim is in the best interests of both the child and the victim and serves the interests of justice.

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

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

§ 5288. RIGHTS OF VICTIMS IN YOUTHFUL OFFENDER PROCEEDINGS

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

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

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

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

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

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

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

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

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

take those views into consideration in ordering disposition.

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

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

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

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

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

§ 5284. YOUTHFUL OFFENDER DETERMINATION AND DISPOSITION ORDER

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

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

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

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

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

(D) the youth's residential housing status;

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

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

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

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

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

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

* * *

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

§ 5204. TRANSFER FROM FAMILY DIVISION OF THE SUPERIOR COURT

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

(1) arson causing death as defined in 13 V.S.A. § 501;

(2) assault and robbery with a dangerous weapon as defined in 13 V.S.A. § 608(b);

(3) assault and robbery causing bodily injury as defined in 13 V.S.A. § 608(c);

(4) aggravated assault as defined in 13 V.S.A. § 1024;

(5) murder as defined in 13 V.S.A. § 2301;

(6) manslaughter as defined in 13 V.S.A. § 2304;

(7) kidnapping as defined in 13 V.S.A. § 2405;

(8) unlawful restraint as defined in 13 V.S.A. § 2406 or 2407;

(9) maiming as defined in 13 V.S.A. § 2701;

(10) sexual assault as defined in 13 V.S.A. § 3252(a)(1) or (a)(2);

(11) aggravated sexual assault as defined in 13 V.S.A. § 3253; or

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) the youth's residential housing status;

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

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

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

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

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

* * *

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

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

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

* * *

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

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

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

~~(2)~~(4) Information related to the present alleged offense directly or indirectly derived from the risk and needs screening or other conversation with the Department or community-based provider shall not be used against the youth in the youth's criminal or juvenile case for any purpose, including impeachment or cross-examination. However, the fact of participation in risk and needs screening may be used in subsequent proceedings.

* * *

* * * Psychosexual Evaluation * * *

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

§ 5230. DISPOSITION CASE PLAN

* * *

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

(1) lewd and lascivious conduct in violation of 13 V.S.A. § 2601;

(2) lewd and lascivious conduct with a child in violation of 13 V.S.A. § 2602;

(3) sexual assault in violation of 13 V.S.A. § 3252;

(4) aggravated sexual assault in violation of 13 V.S.A. § 3253;

(5) aggravated sexual assault of a child in violation of 13 V.S.A. § 3253a;

(6) kidnapping with intent to commit sexual assault in violation of 13 V.S.A. § 2405(a)(1)(D); or

(7) an offense involving sexual exploitation of children in violation of 13 V.S.A. chapter 64.

* * * Interests of Justice Hearing * * *

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

§ 5294. INTERESTS OF JUSTICE HEARING

Not later than the next business day after a juvenile who is awaiting trial or other legal process and who is treated as an adult for prosecution in the Criminal Division is taken into custody, the court shall hold a hearing and determine whether to issue a written order, pursuant to 34 U.S.C. § 11133(a)(11)(B), that it is in the interests of justice to hold the juvenile in a jail or other secure facility for adults owned or operated by the Department of

Corrections and, if such an order is issued, whether to allow sight or sound contact with adult inmates. Hearings held and orders issued pursuant to this section shall conform with the requirements of 34 U.S.C. § 11133(a)(11)(B), including the criteria set forth therein.

* * * Plan on Secure Placements * * *

Sec. 18. PLAN FOR SECURE PLACEMENTS

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

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

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

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

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

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

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

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

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

* * * Effective Date * * *

Sec. 19. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposals of Amendment Concurred In

H. 729.

House proposals of amendment to Senate bill entitled:

An act relating to miscellaneous judiciary procedures.

Were taken up.

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

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

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

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

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

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

H. 720.

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

To the Senate and House of Representatives:

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

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

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out Sec. 3, report; case manager quality assurance review, in its entirety and inserting in lieu thereof the following:

Sec. 3. REPORT; QUALITY ASSURANCE REVIEW

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

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

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

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

CHERYL M. HOOKER
RUTH E. HARDY
JOSHUA TERENZINI

Committee on the part of the Senate

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

Committee on the part of the House

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

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

S. 53.

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

To the Senate and House of Representatives:

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

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

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

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

§ 5811. DEFINITIONS

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

* * *

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

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

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

* * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) A taxable corporation that is part of an affiliated group engaged in a unitary business shall be treated as a single taxpayer and shall file a group return containing the combined net income of the affiliated group and such other informational returns as the Commissioner shall require by rule. A unitary combined return shall include the income and apportionment factors of any taxable corporation incorporated in the United States or formed under the laws of any state, the District of Columbia, or any territory or possession of the United States and in a unitary relationship with the taxpayer. The income, gain, or losses from members of a combined group shall be combined to the extent allowed under the Internal Revenue Code for consolidated filing as if the combined group was a consolidated filing group, provided that a state tax

credit shall not be combined and shall be limited to the member to which the credit is attributed.

Sec. 5. TRANSITION FROM JOYCE TO FINNIGAN METHOD

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

Sec. 6. RULEMAKING; REPORT

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

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

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

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

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

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

Sec. 9. EFFECTIVE DATES

(a) This section shall take effect on passage.

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

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

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

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

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

Committee on the part of the Senate

JANET ANCEL
EMILIE K. KORNHEISER
SCOTT L. BECK

Committee on the part of the House

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

Rules Suspended; Bill Committed

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

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

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

Rules Suspended; Action Messaged

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

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

Rules Suspended; Bills Messaged

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

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

Adjournment

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

Called to Order

The Senate was called to order by the President.

Message from the House No. 75

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

Madam President:

I am directed to inform the Senate that:

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

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

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

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

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

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

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

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

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

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

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

Message from the House No. 76

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

Madam President:

I am directed to inform the Senate that:

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

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

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

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

And has severally concurred therein.

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

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

And has severally concurred therein.

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

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

And has concurred therein.

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

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

And has concurred therein.

Bill Passed in Concurrence with Proposal of Amendment

H. 716.

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

An act relating to making miscellaneous changes in education law.

Proposal of Amendment; Third Reading Ordered

H. 175.

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

An act relating to the beverage container redemption system.

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

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

CHAPTE 53. BEVERAGE CONTAINERS; DEPOSIT-REDEMPTION SYSTEM

§ 1521. DEFINITIONS

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

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

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

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

(A) containers made of biodegradable material;

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

(C) pouches.

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

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

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

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

(8) "Secretary" means the Secretary of Natural Resources.

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

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

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

§ 1522. BEVERAGE CONTAINERS; DEPOSIT

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

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

(c) [Repealed.]

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

§ 1522a. ~~RULES~~

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

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

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

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

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

§ 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

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

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

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

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

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

§ 1524. LABELING

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

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

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

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

* * *

§ 1527. ~~PENALTY~~

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

§ 1528. BEVERAGE REGISTRATION

No distributor or manufacturer shall sell a beverage container in the State of Vermont without ~~the manufacturer registering the beverage container with the~~

~~Agency of Natural Resources prior to sale,~~ registering 30 days in advance of initiating sale of the beverage container and participating in a stewardship plan approved by the Secretary unless distributed by the Department of Liquor and Lottery. ~~This registration shall take place on a form provided by the Secretary and include the following:~~

~~(1) the name and principal business address of the manufacturer;~~

~~(2) the name of the beverage and the container size;~~

~~(3) whether the beverage is a part of an approved commingling agreement; and~~

~~(4) the name of the person picking up the empty beverage container, if that person is different from the manufacturer.~~

§ 1529. REDEMPTION CENTER CERTIFICATION

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

(1) Specification of the name and location of the facility~~;~~.

(2) ~~If the certified redemption center redeems more than 250,000 containers per year, a requirement that the certified redemption center shall participate in an approved commingling agreement; and~~

~~(3)~~ Additional conditions, requirements, and restrictions as the Secretary may deem necessary to implement the requirements of this chapter. This may include requirements concerning reporting, recording, and inspections of the operation of the site.

* * *

§ 1531. MANUFACTURER PARTICIPATION IN PRODUCER RESPONSIBILITY ORGANIZATION

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

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

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

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

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

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

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

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

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

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

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

§ 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(10) any additional information required by the Secretary.

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

§ 1533. PROGRAM AND FISCAL AUDIT

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

improve the operation of the collection program established by this chapter.

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

§ 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL; REPORT

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

(1) Beginning on July 1, 2025: 75 percent.

(2) Beginning on July 1, 2030: 80 percent.

(3) Beginning on July 1, 2035: 85 percent.

(4) Beginning on July 1, 2050: 90 percent.

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

(1) the current beverage container redemption rate in the State; and

(2) a recommendation of whether the beverage container deposit should be increased to improve redemption of beverage containers.

§ 1535. RULEMAKING

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

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

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

amount of deposits that the deposit initiator collected in the quarter less the amount of the total refund value paid out by the deposit initiator for beverage containers during the quarter.

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

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

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

§ 7714. TYPE 3 PROCEDURES

(a) Purpose; scope.

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

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

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

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

(C) An application or request for approval of:

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

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

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

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

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

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

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

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

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

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

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

§ 1388. CLEAN WATER FUND

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

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

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

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

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

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

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

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

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

Sec. 7. SYSTEMS ANALYSIS OF BEVERAGE CONTAINER SYSTEM

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

Sec. 8. BEVERAGE CONTAINER IMPLEMENTATION STUDY

(a) On or before January 15, 2023, the Secretary of Natural Resources shall submit to the House Committee on Natural Resources, Fish, and Wildlife and

the Senate Committee on Natural Resources and Energy a written report including all of the following:

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

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

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

Sec. 9. EFFECTIVE DATES

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

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

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

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

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

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

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

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

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

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

Senator Pearson, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy.

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

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

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

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

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

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

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

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

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

(13) "Vinous beverages" means all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits or other agricultural product, containing sugar, the total alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60

degrees Fahrenheit. As used in this section, "vinous beverages" does not mean cider.

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

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

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

Sec. 8. BEVERAGE CONTAINER SCOPE AND IMPLEMENTATION STUDY

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

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

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

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

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

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

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

Which was agreed to.

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

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

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

Roll Call

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

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

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

Rules Suspended; Bill Messaged

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

H. 716.

Adjournment

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

WEDNESDAY, MAY 11, 2022

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

House Proposals of Amendment to Senate Proposal of Amendment Concurred In

H. 465.

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

An act relating to boards and commissions.

Was taken up.

The House proposes to the Senate to amend the Senate proposal of amendment as follows:

First: That the bill be amended in Sec. 8, 32 V.S.A. § 1010, by striking out subsection (e) in its entirety and inserting a new subsection (e) to read as follows:

(e) ~~The Governor may authorize per diem compensation and expense reimbursement in accordance with this section for members of boards and commissions, including temporary study commissions, created by Executive Order.~~ Per diem compensation authorized under this section for members of boards, commissions, councils, and committees and all other management, policymaking, or advisory bodies, including temporary study commissions, of the Executive Branch, whether appointed by the Governor or not, shall be not less than $50.00 per day and shall be approved pursuant to this subsection.

(1) The annual budget report of the Governor submitted to the General Assembly as required by 32 V.S.A. § 306 shall contain a separate schedule, by entity, that provides the per diem compensation rate established for the current fiscal year and the per diem rate proposed for the next fiscal year of any per diem that will be increased from its current fiscal year rate. This schedule shall also provide, by entity, the total per diem amounts paid and total expenses reimbursed for all members of the entity in the most recently ended fiscal year. Prior to submitting this schedule, the Governor shall consult with each elective officer or State officer who administers per diems that are not funded by the General Fund.

(2) In the annual budget documentation submitted to the House and Senate Committees on Appropriations, any agency or department that administers funds for a board, commission, council, and committee and all other management, policymaking, or advisory bodies, including temporary study commissions, shall provide a list of the entities and the current and projected per diem rate and expense reimbursement for each entity. The agency or department shall include within its annual budget documentation the justification for any current or projected per diem rate that is greater than $50.00, including the justification for authorizing a per diem rate of greater than $50.00 for a board, commission, council, or committee created by executive order pursuant to subsection (g) of this section.

Second: By striking out Sec. 9, Department of Finance and Management; fiscal year 2024; per diem maximum; report, in its entirety and inserting in lieu thereof a new section to be Sec. 9 to read as follows:

Sec. 9. FISCAL YEAR 2024; SUNSET ADVISORY COMMISSION; PER DIEM MAXIMUM; REPORT

(a) Fiscal year 2024. The fiscal year 2024 annual budget report of the Governor and the fiscal year 2024 annual budget documentation submitted by agencies and departments shall include the documentation and information required in Sec. 8 of this act regarding current and proposed per diem rates for boards, commissions, councils, and committees.

(b) Report. On or before December 1, 2023, the Sunset Advisory Commission shall submit a written report to the House and Senate Committees on Appropriations and on Government Operations with a recommendation on whether to establish a maximum per diem rate for boards, commissions, councils, or committees and any legislative actions necessary to increase uniformity and equality of per diem rates across State government.

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

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 739.

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

An act relating to capital construction and State bonding budget adjustment.

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. 2021 Acts and Resolves No. 50, Sec. 1 is amended to read:

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the ~~$127,378,694.00~~ $143,757,972.00 authorized in this act, not more than ~~$70,074,988.00~~ $69,549,988.00 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.

(c) It is also the intent of the General Assembly that in the second year of the biennium, the General Assembly address the impacts of the COVID-19 pandemic by offsetting capital projects with funds appropriated to the State from the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to the extent these appropriations are in compliance with federal law and guidance.

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

Sec. 2. STATE BUILDINGS

* * *

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

(1) Statewide, major maintenance: ~~$7,350,000.00~~ $7,096,521.00

(2) ~~Statewide, BGS engineering and architectural project costs: $3,747,442.00~~ [Repealed.]

* * *

(12) Burlington, 32 Cherry Street, parking garage renovations planning, design, and construction: ~~$865,000.00~~ $565,000.00

* * *

(15) Montpelier, State House, HVAC renovations: ~~$2,535,000.00~~ $6,800,000.00

* * *

(17) ~~Statewide, three-acre parcel, stormwater planning, design and implementation: $600,000.00~~

~~(18)~~ Statewide, correctional facilities, door control system replacements: $670,000.00

(18) Burlington, 108 Cherry Street, parking garage repairs: $2,000,000.00

(19) Springfield, Southern State Correctional Facility, door control system replacement: $750,000.00

(20) Windsor, former Southeast State Correctional Facility, necessary demolition, salvage, dismantling, and improvements to facilitate future use of the facility: $400,000.00

(21) 133 State Street, renovations for the Office of Legislative Information Technology and shared common spaces: $1,400,000.00

(d)(1) On or before January 15, 2023, the Commissioner of Buildings and General Services shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions heat source options for a system to dehumidify the State House in the summer months that are consistent with the State Agency Energy Plan set forth in 3 V.S.A. § 2291.

(2) For the amount appropriated in subdivision (c)(15) of this section, no funds shall be expended on the heat source for a system to dehumidify the State House in the summer months until the General Assembly approves one of the options, as described in subdivision (1) of this subsection (d).

Appropriation – FY 2022	$19,316,774.00
Appropriation – FY 2023	~~$24,800,442.00~~ $28,714,521.00
Total Appropriation – Section 2	~~$44,117,216.00~~ $48,031,295.00

Sec. 3. 2021 Acts and Resolves No. 50, Sec. 3 is amended to read:

Sec. 3. HUMAN SERVICES

* * *

(b) The following sums are appropriated in FY 2023 to the Department of Buildings and General Services for the Agency of Human Services for the following projects described in this subsection:

(1) Women's correctional facilities, replacement: $1,000,000.00

(2) Statewide, correctional facility, life safety and security needs and enhancements: $200,000.00

(3) Secure Residential Recovery Facility, design and construction: $3,200,000.00

(4) Statewide, correctional facilities, accessibility improvements, Americans with Disabilities Act (ADA) compliance: $1,200,000.00

(5) Statewide, correctional facilities, HVAC, programming, schematic design, and design documents: $500,000.00

* * *

Appropriation – FY 2022	$12,350,000.00
Appropriation – FY 2023	~~$1,200,000.00~~ $6,100,000.00
Total Appropriation – Section 3	~~$13,550,000.00~~ $18,450,000.00

Sec. 4. 2021 Acts and Resolves No. 50, Sec. 4 is amended to read:

Sec. 4. COMMERCE AND COMMUNITY DEVELOPMENT

* * *

(b) The following sums are appropriated in FY 2023 to the Agency of Commerce and Community Development for the following projects described in this subsection:

(1) Major maintenance at statewide historic sites: ~~$350,000.00~~ $683,000.00

* * *

(d) The Division of Historic Preservation shall conduct a facilities condition assessment on all the buildings and structures of the State Historic Sites within the next five years, with a cyclical update plan. Those buildings and structures open to the public shall be prioritized for investigation.

(e) It is the intent of the General Assembly to encourage the Lake Champlain Maritime Museum to, in addition to the development of a decommissioning plan, explore all options for the ongoing use of the Schooner Lois McClure.

Appropriation – FY 2022	$473,000.00
Appropriation – FY 2023	$733,000.00
Total Appropriation – Section 4	$1,206,000.00

Sec. 5. 2021 Acts and Resolves No. 50, Sec. 8 is amended to read:

Sec. 8. VERMONT STATE COLLEGES

* * *

(b) The following sums are appropriated in FY 2023 to the Vermont State Colleges for the projects described in this subsection:

(1) construction, renovation, and major maintenance at any facility owned or operated in the State by the Vermont State Colleges: $2,000,000.00

(2) infrastructure transformation planning and space modification: ~~$100,000.00~~ $900,000.00

(3) nursing programs, renovation of simulation laboratories: $800,000.00

(c) For the amount appropriated in subdivision (b)(3) of this section, on or before January 15, 2023, the Chancellor of the Vermont State Colleges shall submit a report to the House Committees on Corrections and Institutions, on Commerce and Economic Development, and on Health Care and to the Senate Committees on Economic Development, Housing and General Affairs, on

Health and Welfare, and on Institutions, providing an accounting of all expenditures, any encumbered funds, and whether any unexpended funds remain.

Appropriation – FY 2022	$2,000,000.00
Appropriation – FY 2023	~~$2,100,000.00~~ $3,700,000.00
Total Appropriation – Section 8	~~$4,100,000.00~~ $5,700,000.00

Sec. 6. 2021 Acts and Resolves No. 50, Sec. 8a is added to read:

Sec. 8a. NORWICH UNIVERSITY

(a) The sum of $200,000.00 is appropriated to Norwich University for the construction of simulation laboratories for the University's Nursing School.

(b) For the amount appropriated in subsection (a) of this section, on or before January 15, 2023, the President of Norwich University shall submit a report to the House Committees on Corrections and Institutions, on Commerce and Economic Development, and on Health Care and to the Senate Committees on Economic Development, Housing and General Affairs, on Health and Welfare, and on Institutions, providing an accounting of all expenditures, any encumbered funds, and whether any unexpended funds remain.

Appropriation – FY 2023	$200,000.00
Total Appropriation – Section 8a	$200,000.00

Sec. 7. 2021 Acts and Resolves No. 50, Sec. 9 is amended to read:

Sec. 9. NATURAL RESOURCES

* * *

(e) The following sums are appropriated in FY 2023 to the Agency of Natural Resources for the Department of Environmental Conservation for the projects described in this subsection:

* * *

(2) ~~Dam safety and hydrology projects~~ High and Significant Hazard Dam, dam safety improvements:	~~$805,000.00~~ $3,115,000.00

* * *

(4) Little Hosmer Dam, rehabilitation:	$190,000.00
(5) Infrastructure Investment and Jobs Act, Drinking and Clean Water State Revolving Fund, State match:	$2,833,980.00

(f) The following sums are appropriated in FY 2023 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, and statewide small-scale road rehabilitation projects: ~~$4,476,553.00~~ $4,251,553.00

(2) Rustic Cabin Construction Program: ~~$500,000.00~~ $700,000.00

(g) The following amounts are appropriated in FY 2023 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: $1,083,500.00

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

(3) Lake Champlain Walleye Association, Inc., purchase of self-cleaning tanks: $25,000.00

(h) The following shall apply to the amounts appropriated in this section:

(1) For the amounts appropriated in subdivision (e)(5) of this section, the funds shall not be released until the federal grant has been received by the State.

(2) For the amount appropriated in subdivision (f)(2) of this section, the Department of Forests, Parks and Recreation is authorized to use not more than $200,000.00 to work with career technical education centers for assistance with the Rustic Cabin Construction Program.

Appropriation – FY 2022	$11,455,214.00
Appropriation – FY 2023	~~$9,853,264.00~~ $15,187,244.00
Total Appropriation – Section 9	~~$21,308,478.00~~ $26,642,458.00

Sec. 8. 2021 Acts and Resolves No. 50, Sec. 10 is amended to read:

Sec. 10. CLEAN WATER INITIATIVES

* * *

(c) ~~The sum of $500,000.00 is appropriated in FY 2022 to the Agency of Natural Resources for forestry access roads, recreation access roads, and water quality improvements.~~ [Repealed.]

* * *

(e) ~~The sum of $11,000,000.00 is appropriated in FY 2023 to the Agency of Natural Resources for the Department of Environmental Conservation for clean water implementation projects~~ The amount of $200,000.00 is appropriated in FY 2023 to the Agency of Agriculture, Food and Markets for water quality grants and contracts.

* * *

(i) The following amounts are appropriated in FY 2023 to the Agency of Natural Resources for the Department of Environmental Conservation for the projects described in this subsection:

(1) Water Pollution Control Fund, Clean Water State/EPA Revolving Loan Fund (CWSRF) match: $1,548,219.00

(2) Municipal Pollution Control Grants, pollution control projects and planning advances for feasibility studies: $2,715,000.00

(j)(1) The following amounts are appropriated in FY 2023 to the Vermont Housing and Conservation Board for the projects described in this subsection:

(A) Agricultural water quality projects: $200,000.00

(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.

Appropriation – FY 2022	~~$11,000,000.00~~ $10,500,000.00
Appropriation – FY 2023	~~$11,000,000.00~~ $6,663,219.00
Total Appropriation – Section 10	~~$22,000,000.00~~ $17,163,219.00

Sec. 9. 2021 Acts and Resolves No. 50, Sec. 11 is amended to read:

Sec. 11. MILITARY

(a) The sum of $900,000.00 is appropriated in FY 2022 to the Department of Military for maintenance, renovations, and ADA compliance at State armories.

(b) The sum of ~~$900,000.00 are~~ $1,100,000.00 is appropriated in FY 2023 to the Department of Military for the projects described in subsection (a) of this section.

Appropriation – FY 2022	$900,000.00
Appropriation – FY 2023	~~$900,000.00~~ $1,100,000.00
Total Appropriation – Section 11	~~$1,800,000.00~~ $2,000,000.00

Sec. 10. 2021 Acts and Resolves No. 50, Sec. 12 is amended to read:

Sec. 12. PUBLIC SAFETY

* * *

(b) ~~The sum of $50,000.00 is appropriated in FY 2023 to the Department of Public Safety for a feasibility study for the Vermont Police Academy in Pittsford.~~ The following amounts are 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
Appropriation – FY 2022	$6,120,000.00
Appropriation – FY 2023	~~$50,000.00~~ $3,550,000.00
Total Appropriation – Section 12	~~$6,170,000.00~~ $9,670,000.00

Sec. 11. 2021 Acts and Resolves No. 50, Sec. 13 is amended to read:

Sec. 13. AGRICULTURE, FOOD AND MARKETS

* * *

(b) The sum of ~~$350,000.00~~ $1,400,000.00 is appropriated in FY 2023 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for ~~the project described in subsection (a) of this section~~ major maintenance, renovation, and modernization planning and design at the Vermont Building at the Eastern States Exhibition.

Appropriation – FY 2022	$260,000.00
Appropriation – FY 2023	~~$350,000.00~~ $1,400,000.00
Total Appropriation – Section 13	~~$610,000.00~~ $1,660,000.00

Sec. 12. 2021 Acts and Resolves No. 50, Sec. 17a is added to read:

Sec. 17a. SERGEANT AT ARMS

The amount of $185,000.00 is appropriated in FY 2023 to the Sergeant at Arms for upgrades to 2 Governor Aiken Avenue.

Total Appropriation – Section 17a	$185,000.00

Sec. 13. 2021 Acts and Resolves No. 50, Sec. 17b is added to read:

Sec. 17b. FY 2022 AND FY 2023; AMERICAN RESCUE PLAN ACT; STATE AND LOCAL FISCAL RECOVERY FUND; CAPITAL PROJECTS; AUTHORIZATIONS

(a) Findings. The General Assembly finds:

(1) In 2021 Acts and Resolves No. 74, Sec. G.700(c), the General Assembly authorized the Commissioner of Finance and Management to use not more than $15,000,000.00 in American Rescue Plan Act (ARPA) funds to offset capital funds appropriated to projects supporting water and sewer infrastructure in fiscal year 2022 to the extent feasible under federal law and guidance.

(2) The Governor's fiscal year 2022–2023 capital budget adjustment report included recommendations for water and sewer infrastructure projects historically funded in the State's capital construction act that could be funded in fiscal years 2022 and 2023 with ARPA funds.

(3) The General Assembly finds that in addition to the capital projects identified by the Governor's fiscal year 2022–2023 capital budget adjustment report, there are other capital projects that can be funded in fiscal year 2023 with ARPA funds.

(b) Intent. It is the intent of the General Assembly to authorize certain projects that are eligible for ARPA funds in this act but appropriate the funds for these projects in the FY 2023 Annual Appropriations Act.

(c) Authorizations. In fiscal years 2022 and 2023, the following capital projects are authorized to be undertaken with funds appropriated in the FY 2023 Annual Appropriations Act:

(1) In FY 2022 and FY 2023, the Department of Forests, Parks and Recreation is authorized to upgrade forestry access roads, recreation access roads, and make water quality improvements to these roads.

(2) In FY 2023, in addition to the amounts appropriated in Sec. 10(e) of this act, the Agency of Agriculture, Food and Markets is authorized to issue water quality grants and contracts.

(3) In FY 2023, in addition to the amounts appropriated in Sec. 10(i)(2) of this act, the Department of Environmental Conservation is authorized to issue municipal pollution control grants.

(4) In FY 2023, the Department of Forests, Parks and Recreation is authorized to make wastewater repairs and water and sewer infrastructure

improvements and upgrades to restrooms and bathhouses at State parks.

(5) In FY 2023, in addition to the amount appropriated in Sec. 10(j)(1)(A) of this act, the Vermont Housing and Conservation Board is authorized to issue grants for water quality improvement projects.

(6) In FY 2023, the Vermont Historical Society is authorized to make upgrades and repairs to the HVAC system at the Vermont History Center in Barre.

(7) The Department of Buildings and General Services is authorized to begin design and construction for the expansion of the State House in Montpelier.

(8) The Judiciary is authorized to make HVAC improvements to county courthouses.

Sec. 14. 2021 Acts and Resolves No. 50, Sec. 18 is amended to read:

Sec. 18. 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:

* * *

(4) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2(b)(5) (major maintenance): $35,475.94

(5) of the amount appropriated in 2015 Acts and Resolves No. 26, Sec. 2(c)(11) (Southern State Correctional Facility, copper waterline replacement): $82,851.42

(6) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 2(c)(15) (Southern State Correctional Facility, steam line replacement): $147,068.63

(7) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 2(c)(16) (Statewide, ADA projects, State-owned buildings and courthouses): $52,460.30

(8) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 2(c)(19) (Waterbury State Office Complex project, true up): $11,016.00

(9) of the amount appropriated in 2016 Acts and Resolves No. 160, Sec. 13(c)(2) (Westminster, DPS Facility, project cost adjustment for unanticipated site conditions and code modifications): $4,522.99

(10) of the amount appropriated in 2017 Acts and Resolves No. 84 Sec. 2(b)(2) (Statewide – Major Maintenance): $53,755.21

(11) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 2(b)(6) (Randolph, Agencies of Agriculture, Food and Markets and of Natural Resources, collaborative laboratory, construction): $156,275.91

(12) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 2(b)(7) (Springfield, Southern State Correctional Facility, completion of the steamline replacement): $36,382.55

(13) of the amount appropriated in 2017 Acts and Resolves No. 84 Sec. 2(b)(9) (Newport, Northern State Correctional Facility Door Control replacement: $72,287.54

(14) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 2(c)(2) (Statewide, major maintenance): $26,921.21

(15) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 2(c)(18) (Rutland, Marble Valley Regional Correctional Facility): $2,850.00

(16) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 2(c)(8) (Waterbury State Office Complex, Weeks building renovation and fit-up): $224,387.21

(17) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 2(c)(17) (Waterbury State Office Complex, Stanley and Wasson, demolition of Stanley Hall, and programming, schematic design, and design development for Wasson Hall): $265,247.20

(18) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 6(a)(9) (E-911 compliance grants): $39,156.48

(19) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 11(e)(1)(B) (phosphorous removal equipment): $58,890.00

(20) of the amount appropriated in 2018 Acts and Resolves No. 190, Sec. 16(c)(a) (NEK fiber network): $209,291.36

(21) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 2(b)(6) (120 State Street): $800,000.00

(22) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 10(b)(2)(rustic cabin construction): $775,409.25

(23) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 17(a)(1) (stand-alone digital public address system): $147,177.00

(24) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 17(b) (stand-alone digital public address system): $174,888.00

(25) of the amount appropriated in 2019 Acts and Resolves No. 42, Sec. 3(c)(5), as added by 2020 Acts and Resolves No. 139, Sec. 2 (Windsor and St. Johnsbury, site preparation, relocation, and rebuild of a greenhouse at the Caledonia County Workcamp from the former Southeast State Correctional Facility): $162,872.00

* * *

Total Reallocations and Transfers – Section 18 ~~$4,198,694.44~~ $7,737,808.64

Sec. 15. 2021 Acts and Resolves No. 50, Sec. 19 is amended to read:

Sec. 19. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

(a) The State Treasurer is authorized to issue general obligation bonds in the amount of $123,180,000.00 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.

(b) The State Treasurer is authorized to issue additional general obligation bonds in the amount of $12,840,163.00 that were previously appropriated but unissued under 2021 Acts and Resolves No. 50 for the purpose of funding the appropriations in this act.

Total Revenues – Section 19 ~~$123,180,000.00~~ $136,020,163.00

Sec. 16. 2013 Acts and Resolves No. 1, Sec. 100(c), as amended by 2014 Acts and Resolves No. 179, Sec. E.113.1, 2015 Acts and Resolves No. 58, Sec. E.113.1, 2017 Acts and Resolves No. 84, Sec. 29, 2018 Acts and Resolves No. 190, Sec. 18, 2019 Acts and Resolves No. 42, Sec. 25, 2020 Acts and Resolves No. 139, Sec. 19, and 2021 Acts and Resolves No. 50, Sec. 24, is further amended to read:

(c) Sec. 97 (general obligation debt financing) shall take effect on ~~July 1, 2023~~ June 30, 2022.

Sec. 17. 2021 Acts and Resolves No. 50, Sec. 21a is amended to read:

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

(a) The Commissioner of Buildings and General Services is authorized to sell the property located at 13 Baldwin Street in Montpelier, Vermont, pursuant to the requirements of 29 V.S.A. § 166. ~~The~~ To the extent that there are sufficient proceeds from the sale ~~shall be appropriated to future capital~~

~~construction projects~~, the Department of Buildings and General Services is authorized to use up to $300,000.00 in FY 2023 for the project described in Sec. 2(c)(1) of this act.

(b) The Commissioner of Buildings and General Services is authorized to sell the property located at 14–16 Baldwin Street in Montpelier, Vermont, pursuant to the requirements of 29 V.S.A. § 166. The proceeds of the sale of 14–16 Baldwin Street shall be appropriated to future capital construction projects.

(c) The Commissioner of Buildings and General Services is authorized to sell the property located at 9 Baldwin Street in Montpelier, Vermont, contingent upon the completed relocation of the Office of Legislative Information Technology to 133 State Street. The proceeds from the sale shall be appropriated to future capital construction projects.

Sec. 18. 2021 Acts and Resolves No. 50, Sec. 25b is added to read:

Sec. 25b. REDUCING CARBON INTENSITY; STATE BUILDINGS; STATE ENERGY MANAGEMENT PROGRAM; INTENT

(a) It is the intent of the General Assembly that the Department of Buildings and General Services implement strategies as soon as practicable to reduce carbon intensity in buildings under the jurisdiction of the Department. These strategies may include the use of:

(1) non-fossil-fuel alternatives when installing or replacing any space conditioning or water heating systems; and

(2) carbon-storing and least-embodied-carbon materials, as evidenced by appropriate documentation from contractors and suppliers, when constructing, renovating, or substantially repairing a building or facility.

(b) It is also the intent of the General Assembly that the Department of Forests, Parks and Recreations and the Agency of Transportation use the technical assistance of the State Energy Management Program, created in 29 V.S.A. § 168, for eligible projects.

Sec. 19. 2021 Acts and Resolves No. 50, Sec. 30a is added to read:

Sec. 30a. NURSING SCHOOL PROGRAMS; SIMULATION LABORATORIES; REPORT

On or before January 15, 2023, the Vermont State Colleges, Norwich University, and the University of Vermont shall each submit a report to the House Committees on Commerce and Economic Development and on Health Care and to the Senate Committees on Economic Development, Housing and

General Affairs and on Health and Welfare detailing the infrastructure and programming needs, estimated costs, and timeline to renovate or construct nursing simulation laboratories in order to expand student enrollment at nursing programs in the State.

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

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

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

(1) 133 State Street:

(A) Basement: rooms 012, 016, and 021.

(B) First Floor: rooms 121 and 126.

(C) Fourth Floor: board room.

(2) 109 State Street:

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

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

(C) Fourth floor: conference room.

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

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

(1) 2 Aiken Street: entire building.

(2) 4 Aiken Street: entire building.

(3) 133 State Street:

(A) Basement: rooms 015 and 022.

(B) First Floor: rooms 122 and 125.

(c) Beginning on January 1, 2023 and ending on June 30, 2023, 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.

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

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

Sec. 21. 2019 Acts and Resolves No. 42, Sec. 10 is amended to read:

Sec. 10. NATURAL RESOURCES

* * *

(b) The following sums are appropriated in FY 2020 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the following projects:

* * *

(2) Rustic Cabin Construction Program: ~~$797,586.00~~ $22,176.75

* * *

Sec. 22. 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.

Bill Passed in Concurrence with Proposal of Amendment

H. 175.

House bill of the following title

An act relating to the beverage container redemption system.

Was read the third time and passed in concurrence with proposal of amendment on a roll call, Yeas 17, Nays 13.

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

Roll Call

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

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

Bill Passed in Concurrence with Proposal of Amendment

H. 512.

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

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

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

H. 533.

House bill entitled:

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

Was taken up.

Thereupon, pending third reading of the bill, Senator Sears moved to amend the Senate proposal of amendment as follows:

First: In Sec. 1, drug-related property seizure and forfeiture; working group; report, in subsection (d), following "Joint Legislative Justice Oversight Committee", by inserting , the Senate Committee on Judiciary, and the House Committee on Judiciary

Second: By adding a new Sec. 2 to read as follows:

Sec. 2. 18 V.S.A. § 4247 is amended to read:

§ 4247. DISPOSITION OF PROPERTY

(a) Whenever property is forfeited and delivered to the State Treasurer under this subchapter, the State Treasurer shall, ~~no~~ not sooner than 90 days ~~of~~ after the date the property is delivered, sell the property at a public sale held under 27 V.S.A. chapter ~~13~~ 18, subchapter 7.

(b) The proceeds from the sale of forfeited property shall be used first to offset any costs of selling the property, and then, after any liens on the

property have been paid in full, applied to payment of seizure, storage, and forfeiture expenses, including animal care expenses related to the underlying violation. Remaining proceeds shall be distributed as follows:

* * *

(B) The ~~Governor's Criminal Justice and Substance Abuse Cabinet~~ Agency of Administration is authorized to determine the allocations among the groups listed in subdivision (A) of this subdivision (1)~~,~~ and may only reimburse the prosecutor and law enforcement agencies that participated in the enforcement effort resulting in the forfeiture for expenses incurred, including actual expenses for involved personnel. The proceeds shall be held by the Treasurer until the ~~Cabinet~~ Agency notifies the Treasurer of the allocation determinations, at which time the Treasurer shall forward the allocated amounts to the appropriate agency's operating funds.

* * *

Third: By adding a new section to be Sec. 3 to read as follows:

Sec. 3. REPEAL

18 V.S.A. § 4247(b)(1)(B) is repealed on July 1, 2024.

And by renumbering the remaining section to be numerically correct.

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

An act relating to forfeited property disposition and a study assessing civil and criminal seizure and forfeiture of property in drug-related offenses.

Which was agreed to.

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

Senate Resolutions Adopted on the Part of the Senate

Senate resolutions of the following titles were severally read the third time and adopted on the part of the Senate:

S.R. 26. Senate resolution urging the Vermont Congressional Delegation to introduce and pursue the enactment of legislation authorizing permanent U.S. residency eligibility for the more than 800 international victims of the Vermont EB-5 scandal.

S.R. 27. Senate resolution reaffirming the friendship between Vermont and the Republic of China (Taiwan) and supporting both enhanced United States-Taiwan bilateral relations and Taiwan's participation in the international community.

Proposal of Amendment; Third Reading Ordered

H. 730.

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to alcoholic beverages and the Department of Liquor and Lottery.

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:

* * * Ready-to-Drink Spirits Beverages; Ciders * * *

Sec. 1. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this title:

* * *

(6) "Certificate of approval" means a license granted by the Board of Liquor and Lottery to a manufacturer or distributor of malt beverages or vinous beverages, or both, that is not licensed under the provisions of this title, that permits the licensee to sell those beverages to holders of a packager's or wholesale dealer's license.

* * *

(16) "First-class license" means a license permitting the licensee to sell malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages to the public for consumption only on the premises for which the license is granted.

* * *

(19) "Fourth-class license" means a license permitting a licensed manufacturer or rectifier to sell by the unopened container and distribute by ~~the glass~~ sample, with or without charge, beverages manufactured by the licensee.

* * *

(25) "Malt beverages" means all fermented beverages of any name or description manufactured for sale from malt, wholly or in part, or from any substitute therefor, known as, among other things, beer, ale, or lager, containing not less than one percent nor more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

(26) "Manufacturer's or rectifier's license" means a license granted by the Board of Liquor and Lottery that permits the holder to manufacture or rectify malt beverages, vinous beverages, and fortified wines~~,~~; or spirits, ~~and~~ fortified wines, and ready-to-drink spirits beverages.

* * *

(31) "Ready-to-drink spirits beverage" means an alcoholic beverage containing more than one percent alcohol by volume and not more than 12 percent alcohol by volume at 60 degrees Fahrenheit obtained by distillation, by chemical synthesis, or through concentration by freezing and mixed with nonalcoholic beverages, flavoring, or coloring materials. Ready-to-drink spirits beverages may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, and other ingredients.

(32) "Request-to-cater permit" means a permit granted by the Division of Liquor Control authorizing a licensed caterer or commercial caterer to cater individual events.

~~(32)~~(33) "Retail dealer" means any person who sells or furnishes malt or vinous beverages to the public.

~~(33)~~(34) "Retail delivery permit" means a permit granted by the Division of Liquor Control that permits a second-class licensee to deliver malt beverages and vinous beverages sold from the licensed premises for consumption off the premises to an individual who is 21 years of age or older at a physical address in Vermont.

~~(34)~~(35) "Sampler flight" means a flight, ski, paddle, or any similar device by design or name intended to hold alcoholic beverage samples for the purpose of comparison.

~~(35)~~(36) "Second-class license" means a license permitting the licensee to export and to sell malt beverages ~~and~~, vinous beverages, or ready-to-drink spirits beverages to the public for consumption off the premises for which the license is granted.

~~(36)~~(37) "Special event permit" means a permit granted by the Division of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local control commissioners.

~~(37)~~(38) "Special venue serving permit" means a permit granted by the Division of Liquor Control permitting an art gallery, bookstore, public library, or museum to conduct an event at which malt or vinous beverages, or both, are

served by the glass to the public. As used in this section, "art gallery" means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; "bookstore" means a fixed establishment whose primary purpose is to offer books for sale; "public library" has the same meaning as in 22 V.S.A. § 101; and "museum" has the same meaning as in 27 V.S.A. § 1151.

~~(38)~~(39) "Specialty beer" means a malt beverage that contains more than eight percent alcohol and not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

~~(39)~~(40) "Spirits" means beverages that contain more than one percent alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; vinous beverages containing more than 23 percent alcohol; and malt beverages containing more than 16 percent alcohol by volume at 60 degrees Fahrenheit. "Spirits" also means a ready-to-drink spirits beverage that contains more than 12 percent alcohol by volume at 60 degrees Fahrenheit or is packaged in containers greater than 24 fluid ounces in volume.

~~(40)~~(41) "Third-class license" means a license granted by the Board of Liquor and Lottery permitting the licensee to sell spirits and fortified wines for consumption only on the premises for which the license is granted.

~~(41)~~(42) "Vinous beverages" means all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits or other agricultural product, containing sugar, the total alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit.

~~(42)~~(43) "Wholesale dealer's license" means a license granted by the Board of Liquor and Lottery permitting the holder to sell or distribute malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages to first- and second-class licensees, to educational sampling event permit holders, and to agencies of the United States.

(44) "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" includes sweetened, flavored, and carbonated cider.

Sec. 2. 7 V.S.A. § 62 is amended to read:

§ 62. HOURS OF SALE

(a) First- or first- and third-class licensees~~,~~ or festival, special event, or educational sampling event permit holders may sell alcoholic beverages between the hours of 8:00 a.m. and 2:00 a.m. the next morning.

(b)(1) Second-class licensees may sell malt ~~and~~ beverages, vinous beverages and ready-to-drink spirits beverages between the hours of 6:00 a.m. and 12:00 midnight.

* * *

Sec. 3. 7 V.S.A. § 63 is amended to read:

§ 63. IMPORTATION OR TRANSPORTATION OF ALCOHOL; PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

(a)(1) All spirits and fortified wines imported or transported into this State shall be imported or transported by and through the Board of Liquor and Lottery. A person importing or transporting or causing to be imported or transported into this State any spirits or fortified wines, or both, in violation of this section shall be imprisoned not more than one year or fined not more than $5,000.00, or both.

(2) Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than eight quarts of spirits or fortified wines, or both, into this State in ~~his or her~~ the person's own private vehicle or in his or her actual possession at the time of importation without a license or permit, provided the beverages are not for resale.

(b)(1) Except as provided in sections 277, 278, and 283 of this title, all malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages, or ~~both~~ a combination of malt beverages, vinous beverages, and ready-to-drink spirits beverages, imported or transported into this State shall be imported or transported by and through the holder of a wholesale dealer's license issued by the Board of Liquor and Lottery. A person importing or transporting or causing to be imported or transported into this State any malt ~~or~~ beverages, vinous beverages, ~~or both~~ or ready-to-drink spirits beverages, in violation of this section shall be imprisoned not more than one year or fined not more than $1,000.00, or both.

(2) Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than six gallons of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages, or ~~both~~ a combination of malt beverages, vinous beverages, and ready-to-drink spirits beverages, into this State in ~~his or her~~ the person's own private vehicle or in ~~his or her~~ the person's actual possession at the time of importation without a license or permit, provided the beverages are not for resale.

Sec. 4. 7 V.S.A. § 104 is amended to read:

§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

The Board shall supervise and manage the sale of spirits and fortified wines within the State in accordance with the provisions of this title, and through the Commissioner of Liquor and Lottery shall:

* * *

(11) Adopt rules regarding intrastate transportation of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages.

* * *

Sec. 5. 7 V.S.A. § 161 is amended to read:

§ 161. LICENSES VOTED BY TOWN; TOWN MEETINGS; WARNING

(a) Upon petition of not less than five percent of the legal voters of any town, filed with the town clerk in conformance with 17 V.S.A. § 2642, the warning of the annual or special meeting shall contain an article providing for a vote upon the following questions:

Shall licenses for the sale of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages be granted in this town?

Shall spirits and fortified wines be sold in this town?

The vote under the article shall be by ballot in the following form:

Shall licenses for the sale of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages be granted in this town?

Yes ___ No ___

Shall spirits and fortified wines be sold in this town?

Yes ___ No ___

(b) Licenses and permits for the sale of malt ~~and~~ beverages, vinous beverages, ready-to-drink spirits beverages, and spirits and fortified wines shall be issued according to the vote at the annual town meeting held in March 1969 until a town votes otherwise.

Sec. 6. 7 V.S.A. § 201 is amended to read:

§ 201. LICENSES CONTINGENT ON TOWN VOTE

Licenses of the first or second class shall not be granted by the control commissioners or the Board of Liquor and Lottery to be exercised in any city or town, the voters of which vote "No" on the question of whether to permit the sale of malt beverages ~~and~~, vinous beverages, and ready-to-drink spirits

beverages pursuant to section 161 of this title. Licenses of the third class shall not be granted by the Board of Liquor and Lottery to be exercised in any city or town, the voters of which vote "No" on the question of whether to sell fortified wines and spirits pursuant to section 161 of this title.

Sec. 7. 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:

(1) For a manufacturer's or rectifier's license to manufacture or rectify malt beverages, or vinous beverages and fortified wines, or spirits ~~and,~~ fortified wines, and ready-to-drink spirits beverages, $285.00 for each license.

* * *

(7) For a shipping license for malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages:

(A) in-state consumer shipping license, $330.00~~.~~;

(B) out-of-state consumer shipping license, $330.00~~.~~;

(C) vinous beverages retail shipping license, $250.00.

* * *

(16) For a certificate of approval:

(A) for malt beverages, $2,485.00;

(B) for vinous beverages, $985.00~~.~~;

(C) for ready-to-drink spirits beverages, $985.00.

* * *

Sec. 8. 7 V.S.A. § 221 is amended to read:

§ 221. FIRST-CLASS LICENSES

* * *

(b)(1) A first-class license permits the holder to sell malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages for consumption only on those premises.

(2) Except as otherwise provided pursuant to sections 271 and 278 of this title, a first-class license holder shall purchase all malt beverages ~~and,~~

vinous beverages, and ready-to-drink spirits beverages sold pursuant to the license from Vermont wholesale dealers or packagers.

(c) A retail dealer carrying on business in more than one place shall acquire a first-class license for each place where the retail dealer sells malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages for consumption on the premises.

* * *

Sec. 9. 7 V.S.A. § 222 is amended to read:

§ 222. SECOND-CLASS LICENSES

(a)(1) With the approval of the Board of Liquor and Lottery, the control commissioners may grant a second-class license to a retail dealer for the premises where the dealer carries on business if the retail dealer submits an application and pays the fee provided in section 204 of this title and satisfies the Board that the premises:

* * *

(b)(1) A second-class license permits the holder to export malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages and to sell malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages to the public from the licensed premises for consumption off the premises.

* * *

(3) Except as otherwise provided pursuant to sections 225, 271, and 278 of this title, a second-class license holder shall purchase all malt beverages ~~and,~~ vinous beverages, and ready-to-drink spirits beverages sold pursuant to its license from Vermont wholesale dealers or packagers.

(c) A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where the retail dealer sells malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages.

* * *

Sec. 10. 7 V.S.A. § 224 is amended to read:

§ 224. FOURTH-CLASS LICENSES

* * *

(b) At each licensed location, a fourth-class licensee may sell by the unopened container or distribute by the glass, with or without charge, alcoholic beverages manufactured by the licensee.

(1) A licensee may, for consumption at the licensed premises or location, distribute the following amounts of alcoholic beverages to a retail customer:

(A) ~~no~~ not more than two ounces of malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages with a total of eight ounces; and

* * *

Sec. 11. 7 V.S.A. § 226 is amended to read:

§ 226. RETAIL DELIVERY PERMITS

* * *

(b) A retail delivery permit holder may deliver malt beverages ~~and,~~ vinous beverages, and ready-to-drink spirits beverages sold from the licensed premises for consumption off the premises to an individual who is 21 years of age or older subject to the following requirements:

* * *

(4) An employee of a retail delivery permit holder shall not be permitted to make deliveries of malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages pursuant to the permit unless ~~he or she~~ the employee has completed a training program approved by the Division pursuant to section 213 of this chapter.

(5) Malt beverages ~~and,~~ vinous beverages, and ready-to-drink spirits beverages delivered pursuant to a retail delivery permit shall be for personal use and not for resale.

Sec. 12. 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 ciders to a single customer at one time.

(b) The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages or ready-to-drink spirits beverages to a single customer at one time.

* * *

Sec. 13. 7 V.S.A. § 251 is amended to read:

§ 251. EDUCATIONAL SAMPLING EVENT PERMIT

* * *

(b) An educational sampling event permit holder is permitted to conduct an event that is open to the public at which malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, spirits, or all four are served only for the purposes of marketing and educational sampling.

* * *

(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 ~~no~~ not less than $5.00.

(2)(A) Malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain ~~no~~ not more than two ounces of either beverage.

* * *

(f) Taxes for the alcoholic beverages served at the event shall be paid as follows:

* * *

Sec. 14. 7 V.S.A. § 252 is amended to read:

§ 252. SPECIAL EVENT PERMITS

* * *

(b)(1) A special event permit holder may sell alcoholic beverages manufactured or rectified by the permit holder by the glass within the event boundaries or the unopened bottle.

(2) For purposes of tasting, a special event permit holder may distribute beverages manufactured or rectified by the permit holder with or without charge, provided the beverages are distributed:

(A) by the glass; and

(B) in quantities of ~~no~~ not more than two ounces per product and eight ounces total of malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages and ~~no~~ not more than one ounce in total of spirits or fortified wines to each individual.

* * *

Sec. 15. 7 V.S.A. § 253 is amended to read:

§ 253. FESTIVAL PERMITS

* * *

(b) A festival 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 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:

* * *

(2)(A) Malt beverages and 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.

(B) Vinous beverages or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain not more than five ounces with not more than 25 ounces served to any patron at one event.

* * *

(E) Patrons attending a festival 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 permit holder may purchase invoiced volumes of malt ~~or~~ 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.

(2) The invoiced volumes of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event.

(f) A festival 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 ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages pursuant to section 421 of this title.

* * *

Sec. 16. 7 V.S.A. § 254 is amended to read:

§ 254. SPECIAL VENUE SERVING PERMITS

* * *

(b) A permit holder may purchase malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages directly from a licensed retailer.

* * *

(d) A public library or museum may only be granted a permit pursuant to this section for an event held for a charitable or educational purpose at which malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages will be served for a period of not more than six hours.

Sec. 17. 7 V.S.A. § 255 is amended to read:

§ 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

* * *

(b) The Division may grant the following alcoholic beverage tasting permits to the following types of licensees:

(1) A second-class licensee.

(A) The permit authorizes the employees of the second-class licensee or of a designated manufacturer or rectifier to dispense to each customer of legal age on the licensee's premises malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages.

(B) Malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages dispensed at the tasting event shall be from the inventory of the licensee or purchased from a wholesale dealer.

* * *

(2) A licensed manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages.

(A) The permit authorizes the licensed manufacturer or rectifier to dispense to each customer of legal age for consumption on the premises of a second-class licensee beverages produced by the manufacturer or rectifier by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages.

* * *

(3) A licensed wholesale dealer. The permit authorizes a licensed wholesale dealer to dispense malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages for promotional purposes at the wholesale dealer's premises without charge to invited employees of first-, second-, and third-class licensees, provided the invited employees are of legal age.

(c) A vinous beverage, ready-to-drink spirits beverage, or malt beverage tasting event held pursuant to subsection (b) of this section, not including an alcoholic beverage tasting conducted on the premises of the manufacturer or rectifier, shall comply with the following:

(1) continue for ~~no~~ not more than six hours, with ~~no~~ not more than six beverages to be offered at a single event, and ~~no~~ not more than two ounces of any single beverage and ~~no~~ not more than a total of eight ounces of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to be dispensed to a customer;

* * *

Sec. 18. 7 V.S.A. § 256 is amended to read:

§ 256. PROMOTIONAL TASTINGS FOR LICENSEES

(a)(1) At the request of a first- or second-class licensee, a holder of a manufacturer's, rectifier's, or wholesale dealer's license may distribute without charge to the first- or second-class licensee's management and staff, provided they are of legal age, two ounces per person of vinous beverages, ready-to-drink spirits beverages, or one ounce per person, for the purpose of promoting the beverage.

* * *

(b)(1) At the request of a holder of a wholesale dealer's license, a first-class licensee may dispense malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages for promotional purposes without charge to invited management and staff of first-, second-, or third-class licensees, provided they are of legal age.

* * *

(c)(1) Upon receipt of a first- or second-class application by the Division, a holder of a wholesale dealer's license may dispense malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages for promotional purposes without charge to invited management and staff of the business that has applied for a first- or second-class license, provided they are of legal age.

* * *

(4) No malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages shall be left behind at the conclusion of the tasting.

* * *

Sec. 19. 7 V.S.A. § 257 is amended to read:

§ 257. TASTINGS FOR PRODUCT QUALITY ASSURANCE

* * *

(b) Each sample of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages shall be ~~no~~ not larger than two ounces, and each sample of spirits or fortified wines shall be ~~no~~ not larger than one-quarter ounce.

* * *

Sec. 20. 7 V.S.A. § 271 is amended to read:

§ 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

(a)(1) The Board of Liquor and Lottery may grant a manufacturer's or rectifier's license upon application and payment of the fee provided in section 204 of this title that permits the license holder to operate a facility that manufactures or rectifies:

(A) malt beverages;

(B) vinous beverages and fortified wines; or

(C) spirits, ready-to-drink spirits beverages, and fortified wines.

* * *

(b) Except as otherwise provided in section 224 of this title and subsections (d)–(f) of this section:

* * *

(2) malt beverages ~~and~~, vinous beverages, and ready-to-drink spirits beverages may be manufactured or rectified for sale to packagers or wholesale dealers, or for export, or both.

(c) A licensed manufacturer of vinous beverages or fortified wines, or both, may receive from another manufacturer licensed in or outside this State bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages or fortified wines produced by the licensed manufacturer may contain ~~no~~ not more than 25 percent imported vinous beverages.

* * *

Sec. 21. 7 V.S.A. § 273 is amended to read:

§ 273. WHOLESALE DEALER'S LICENSE

* * *

(b) A wholesale dealer's license holder may distribute or sell malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages to first- and second-class licensees and holders of educational sampling event permits.

* * *

Sec. 22. 7 V.S.A. § 274 is amended to read:

§ 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT ~~OR~~ BEVERAGES, VINOUS BEVERAGES, OR READY-TO DRINK SPIRITS BEVERAGES

(a) The Board of Liquor and Lottery may grant to a manufacturer or distributor of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages that is not licensed under the provisions of this title a certificate of approval if the manufacturer or distributor does all of the following:

* * *

(b) A certificate of approval shall permit the holder to export malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages or sell malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to holders of packagers' or wholesale dealers' licenses issued under section 272 or 273 of this title, or both.

(c) A holder of a packager's or a wholesale dealer's license issued under this title shall not purchase within or outside the State, or import or cause to be imported into the State, any malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages unless the person, manufacturer, or distributor from which the beverages are obtained holds a valid certificate of approval or packager's license.

* * *

Sec. 23. 7 V.S.A. § 275 is amended to read:

§ 275. SOLICITOR'S LICENSE

* * *

(b) A solicitor's license holder may, by canvassing or interviewing holders of licenses issued under the provisions of this title:

(1) solicit orders for and promote the sale of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages; and

(2) promote the sale of spirits and fortified wines.

* * *

(d) A person who solicits, or attempts to solicit, orders for malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages; or promotes, or attempts to promote, the sale of malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines by canvassing or interviewing a holder of a license issued under the provisions of this title, without having first obtained a solicitor's license as provided in this section, or who makes a false or fraudulent statement or representation in an application for the license or in connection with an application shall be imprisoned not more than six months or fined not more than $500.00, or both.

Sec. 24. 7 V.S.A. § 277 is amended to read:

§ 277. MALT ~~AND~~, VINOUS, AND READY-TO-DRINK SPIRITS BEVERAGE CONSUMER SHIPPING LICENSE

(a)(1) A manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages licensed in Vermont may be granted an in-state consumer shipping license by filing with the Division of Liquor Control an application in a form required by the Commissioner accompanied by a copy of the applicant's current Vermont manufacturer's license and the fee provided in section 204 of this title.

* * *

(b)(1) A manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages licensed in another state that operates a brewery ~~or~~, winery, or distillery in the United States and holds valid state and federal permits and licenses may be granted an out-of-state consumer shipping license by filing with the Division of Liquor Control an application in a form required by the Commissioner accompanied by copies of the applicant's current out-of-state manufacturer's license and the fee provided in section 204 of this title.

* * *

(c)(1) A consumer shipping license granted pursuant to this section shall permit the licensee to ship malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages produced by the licensee to private residents for personal use and not for resale.

(2) A licensee shall not ship more than 12 cases of malt beverages containing ~~no~~ not more than 36 gallons of malt beverages or ~~no~~ not more than 12 cases of vinous beverages or ready-to-drink spirits beverages containing ~~no~~ not more than 29 gallons of vinous beverages or ready-to-drink spirits beverages to any one Vermont resident in any calendar year.

* * *

Sec. 25. 7 V.S.A. § 279 is amended to read:

§ 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL REQUIREMENTS

A holder of a shipping license granted pursuant to section 277 or 278 of this subchapter shall comply with all of the following:

* * *

(4) Report at least twice per year to the Division if a holder of a consumer shipping license and once per year if a holder of a retail shipping license in a manner and form required by the Commissioner all the following information:

(A) the total amount of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages shipped into or within the State during the preceding six months if a holder of a consumer shipping license or during the preceding 12 months if a holder of a retail shipping license;

* * *

(5) Pay to the Commissioner of Taxes the tax required pursuant to section 421 of this title on the malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages shipped pursuant to this subchapter and comply with the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery in this State shall be deemed to constitute a sale in this State at the place of delivery and shall be subject to all appropriate taxes levied by the State of Vermont.

* * *

Sec. 26. 7 V.S.A. § 280 is amended to read:

§ 280. COMMON CARRIERS; REQUIREMENTS

(a) A common carrier shall not deliver malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages pursuant to this chapter until it has complied with the training provisions in section 213 of this title and been certified by the Division of Liquor Control.

(b) No employee of a certified common carrier may deliver malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages until that employee completes the training required pursuant to subsection 213(c) of this title.

(c) A certified common carrier shall deliver only malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages that have been shipped by the holder of a license issued under section 277 or 278 of this subchapter or vinous beverages that have been shipped by the holder of a vinous beverage storage license issued under section 283 of this subchapter.

Sec. 27. 7 V.S.A. § 281 is amended to read:

§ 281. PROHIBITIONS

(a)(1) Except as otherwise provided in section 226 of this title, direct shipments of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages are prohibited if the shipment is not specifically authorized and in compliance with sections 277–280 of this subchapter.

(2) Any person who knowingly makes, participates in, imports, or receives a direct shipment of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages from a person who does not hold a license, permit, or certificate pursuant to sections 226 or 277–280 of this title may be fined not more than $2,500.00 or imprisoned not more than one year, or both.

(b) The holder of a license issued pursuant to section 277 or 278 of this title or a common carrier that ships malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to an individual under 21 years of age shall be fined not less than $1,000.00 or more than $3,000.00 or imprisoned not more than two years, or both.

* * *

Sec. 28. 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:

(A) malt beverages containing not more than six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

(B) 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:

(A) malt beverages containing more than six percent of alcohol by volume at 60 degrees Fahrenheit;

(B) ciders containing more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and ~~each gallon of~~

(C) vinous beverages sold by them to retailers in the State; and

(3) the sum of $1.10 per gallon of ready-to-drink spirits beverages sold to them by retailers in the State.

(b) A manufacturer or rectifier of malt beverages, ~~or~~ vinous beverages, or ready-to-drink spirits beverages shall pay the taxes required by this subsection to the Commissioner of Taxes for all malt and vinous beverages manufactured or rectified by them and sold at retail.

~~(b)~~(c) A packager or wholesale dealer may sell malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to any duly authorized agency of the U.S. Armed Forces on any U.S. Armed Forces' installation presently existing in the State or ~~which~~ that may in the future be established as though to a retail dealer but without the payment of the gallonage tax, subject to the filing of the returns as provided in subsection (c) of this section.

~~(c)(1)~~(d)(1) For the purpose of ascertaining the amount of tax, on the filing dates set out in subdivision (2) of this subsection according to tax liability, each packager, wholesale dealer, manufacturer, or rectifier shall transmit to the Commissioner of Taxes, upon a form prepared and furnished by the Commissioner, a statement or return under oath or affirmation showing the quantity of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages sold by the packager, wholesale dealer, manufacturer, or rectifier during the preceding filing period, and report any other information requested by the Commissioner accompanied by payment of the tax required by this section. The amount of tax computed under subsection (a) of this section shall be rounded to the nearest whole cent. At the same time this form is due, each packager, wholesale dealer, manufacturer, or rectifier also shall transmit to the Commissioner in electronic format a separate report showing the description, quantity, and price of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages sold by the packager, wholesale dealer, manufacturer, or rectifier to each retail dealer as defined in section 2 of this title; provided, however, for direct sales to retail dealers by manufacturers or rectifiers of vinous beverages or ready-to-drink spirits beverages, the report required by this subsection may be submitted in a nonelectronic format.

* * *

Sec. 29. 7 V.S.A. § 651 is amended to read:

§ 651. SOLICITING ORDERS

A person who, for himself or herself or as agent, takes or solicits orders for the sale of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages, except for licensees or from agencies of the U.S. Armed Forces as specified in section 421 of this title, or of spirits or fortified wines shall be imprisoned not more than six months or fined not more than $500.00 nor less than $100.00, or both.

Sec. 30. 7 V.S.A. § 656 is amended to read:

§ 656. PERSON 16 YEARS OF AGE OR OLDER AND UNDER 21 YEARS OF AGE MISREPRESENTING AGE, PROCURING, POSSESSING, OR CONSUMING ALCOHOLIC BEVERAGES; CIVIL VIOLATION

(a) Prohibited conduct; offense.

(1) Prohibited conduct. A person 16 years of age or older and under 21 years of age shall not:

(A) Falsely represent ~~his or her~~ the person's age for the purpose of procuring or attempting to procure malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines from any licensee, State liquor agency, or other person or persons.

(B) Possess malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines for the purpose of consumption by ~~himself or herself~~ the person or other minors, except in the regular performance of duties as an employee of a licensee licensed to sell alcoholic liquor.

(C) Consume malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines. A violation of this subdivision may be prosecuted in a jurisdiction where the minor has consumed malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines or in a jurisdiction where the indicators of consumption are observed.

* * *

Sec. 31. 7 V.S.A. § 701 is amended to read:

§ 701. DEFINITIONS

Except as otherwise provided pursuant to section 752 of this chapter, as used in this chapter:

(1) "Certificate of approval" means an authorization by the Board of Liquor and Lottery pursuant to section 274 of this title to a manufacturer or distributor of malt beverages ~~or,~~ vinous beverages, or ~~both,~~ ready-to-drink spirits beverages not licensed under the provisions of this title, to sell those beverages to holders of a packager's or wholesale dealer's license issued by the Board pursuant to section 272 or 273 of this title.

(2) "Franchise" or "agreement" ~~shall mean~~ means one or more of the following:

* * *

(B) a relationship that has been in existence for at least one year in which the wholesale dealer is granted the right to offer and sell the brands of malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages offered by the certificate of approval holder or manufacturer;

* * *

(E) a relationship that has been in existence for at least one year in which the wholesale dealer's business is substantially reliant on the certificate of approval holder or manufacturer for the continued supply of malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages; or

* * *

(3) "Franchisee" means any malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages wholesale dealer to whom a franchise or agreement as defined in this section is granted or offered, or any malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined in this section.

(4) "Franchisor" means any malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages certificate of approval holder or manufacturer who enters into any franchise or agreement with a malt beverages or vinous beverages wholesale dealer, or any malt beverages or vinous beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined in this section.

* * *

Sec. 32. 7 V.S.A. § 702 is amended to read:

§ 702. PROHIBITED ACTS BY MANUFACTURER OR CERTIFICATE OF APPROVAL HOLDER

A manufacturer or certificate of approval holder shall not do any of the

following:

* * *

(2) Induce or coerce, or attempt to induce or coerce, any wholesale dealer to do any illegal act or thing by threatening to cancel or terminate the wholesale dealer's malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages franchise agreement.

(3) Fail or refuse to deliver promptly to a wholesale dealer after the receipt of its order any malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages when the product is available for immediate sale. If a manufacturer or certificate of approval holder believes in good faith that it does not have a sufficient amount of a product available for immediate sale to satisfy the demand of a wholesale dealer and its other customers, it shall allocate the available product between the wholesale dealer and its other customers in a fair and equitable manner.

* * *

Sec. 33. 7 V.S.A. § 705 is amended to read:

§ 705. EXCLUSIVE TERRITORIES

No certificate of approval holder or manufacturer~~,~~ who designates a sales territory for which a wholesale dealer shall be primarily responsible or in which a wholesale dealer is required to concentrate its efforts~~,~~ shall enter into any franchise or agreement with any other wholesale dealer for the purpose of establishing an additional franchisee for its brand or brands of malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages in the territory being primarily served or concentrated upon by the first licensed wholesale dealer.

Sec. 34. 7 V.S.A. § 706 is amended to read:

§ 706. SALE TO RETAILERS BY FRANCHISEES

No franchisee that is granted a sales territory for which the franchisee shall be primarily responsible or in which the franchisee is required to concentrate its efforts shall make any sale or delivery of malt beverages ~~or,~~ vinous beverages, or ready-to-drink spirits beverages to any retail licensee whose place of business is not within the sales territory granted to the franchisee.

Sec. 35. 10 V.S.A. § 1521 is amended to read:

§ 1521. DEFINITIONS

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

(1) "Beverage" means beer or other malt beverages and mineral waters, mixed wine drink, soda water and carbonated soft drinks in liquid form and

intended for human consumption. ~~As of January 1, 1990 "beverage" also shall mean~~ "Beverage" also means liquor and ready-to-drink spirits beverage.

* * *

Sec. 36. TRANSFER TO GENERAL FUND

(a) In fiscal year 2023, a minimum of $20,400,000.00 shall be transferred from the Liquor Control Enterprise Fund to the General Fund. The amount transferred pursuant to this subsection shall include any amounts transferred pursuant to the fiscal year 2023 annual budget bill.

(b) In fiscal year 2024, a minimum of $21,200,000.00 shall be transferred from the Liquor Control Enterprise Fund to the General Fund.

(c) It is the intent of the General Assembly that for each year after fiscal year 2024 the amounts transferred from the Liquor Control Enterprise Fund to the General Fund shall annually increase according to the growth rate of liquor tax revenues in the most recent January Consensus Revenue Forecast.

* * * DLL Criminal Background Checks * * *

Sec. 37. 7 V.S.A. § 215 is added to read:

§ 215. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

Subject to the approval of the Board, the Commissioner shall establish a user agreement with the Vermont Crime Information Center in accordance with 20 V.S.A. chapter 117 for the purpose of obtaining Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation to review applications for any liquor or tobacco license issued under this title.

Sec. 38. 31 V.S.A. § 655 is amended to read:

§ 655. DUTIES OF THE COMMISSIONER

* * *

(b) The Commissioner shall:

* * *

(7) Subject to the approval of the Board, establish a user agreement with the Vermont Crime Information Center in accordance with 20 V.S.A. chapter 117 for the purpose of obtaining Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation to review applications for any Lottery sales agent license issued under this title.

* * * Appointment of One Deputy Commissioner * * *

Sec. 39. 7 V.S.A. § 101 is amended to read:

§ 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF LIQUOR AND LOTTERY; BOARD OF LIQUOR AND LOTTERY

(a)(1) The Department of Liquor and Lottery, created by 3 V.S.A. § 212, shall administer the laws relating to alcoholic beverages, tobacco, and the State Lottery. It shall include the Commissioner of Liquor and Lottery and the Board of Liquor and Lottery.

* * *

(3)(A) The Department of Liquor and Lottery shall be under the immediate supervision and direction of the Commissioner of Liquor and Lottery.

* * *

(D) The Commissioner, with the approval of the Governor, may appoint a Deputy Commissioner of Liquor ~~Control~~ and Lottery to supervise and direct the Division of Liquor Control and ~~a Deputy Commissioner of the State Lottery to supervise and direct~~ the Division of Lottery. ~~Both~~ The Deputy ~~Commissioners~~ Commissioner shall be exempt from the classified service and shall serve at the pleasure of the Commissioner.

* * *

* * * Expansion of Rare Spirits Raffle * * *

Sec. 40. 7 V.S.A. § 5 is amended to read:

§ 5. DIVISION OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO PURCHASE RARE AND UNUSUAL PRODUCTS SPIRITS

(a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary, the Division of Liquor Control may conduct raffles for the right to purchase certain rare and unusual spirits and fortified wines that are acquired by the Board of Liquor and Lottery. A raffle conducted pursuant to this section shall meet the following requirements:

(1) Tickets to enter the raffle shall only be available for purchase to a member of the general public, or to a third-class licensee by and through an authorized agent, who is 21 years of age or older.

* * *

* * * Staggered Licenses * * *

Sec. 41. TRANSITIONAL PROVISION; STAGGERED LICENSE RENEWAL

The Department of Liquor and Lottery may extend the expiration date and stagger the issuance or renewal of permits, licenses, and certificates that are set to expire in the years 2022 and 2023. Permits, licenses, and certificates that are renewed on April 30, 2022 shall remain valid for one year or until a later renewal date designated by the Department.

Sec. 42. DEPARTMENT OF LIQUOR AND LOTTERY; STUDIES AND REPORTS

(a) Ready-to-drink spirits beverage study.

(1) On or before January 15, 2024 the Department of Liquor and Lottery shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning the fiscal and economic impacts of privatizing the sale of ready-to-drink spirits beverages. In particular, the report shall:

(A) analyze the taxes imposed on these beverages by other control states that have privatized the sale of these beverages;

(B) provide a recommendation for whether the tax rate on ready-to-drink spirits beverages should increased, decreased, or stay the same;

(C) analyze the Department's annual sales report to determine retail sales and growth by beverage category; and

(D) examine any available sales data reflecting the impact of retail sale of ready-to-drink spirits beverages on the local craft beer industry in Vermont.

(2) In the preparation of the report, the Department of Liquor and Lottery shall solicit input from the Joint Fiscal Office, the Department of Taxes, and other stakeholders.

(b) Fortified wines study. On or before January 15, 2024, the Department of Liquor and Lottery shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning:

(1) the impact on State revenue of privatizing the sale of fortified wines;

(2) an examination of control state models that permit private sale of fortified wines up to 23 percent alcohol by volume; and

(3) the current and historical volume of fortified wine sales by retailers that hold a fortified wines permit.

(c) Study on consumer shipping of spirits.

(1) On or before January 15, 2024, the Department of Liquor and Lottery shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning:

(A) an analysis of the revenue impacts to the State and 802 retailers if direct to consumer shipping of spirits is authorized;

(B) an examination of the illegal direct to consumer shipping market that exists in the State;

(C) an analysis of the volume of direct to consumer spirits sales in the states with legal markets; and

(D) an analysis of the potential impact on Vermont distillers and 802 outlets of permitting out-of-state manufacturers to acquire direct-to-consumer shipping licenses.

(2) On or before January 15, 2023, the Department of Liquor and Lottery shall submit a written interim report concerning the study required by subdivision (1) of this subsection.

(d) Privatization study. On or before January 15, 2024, the Joint Fiscal Office, in conjunction with the Department of Liquor and Lottery, shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning the potential privatization of Vermont's alcoholic beverage market. The study and report shall examine the impact on State revenue, the taxation and enforcement models that could be used in a private market, and recommendations for whether the State should amend regulatory structures to implement a privatized alcoholic beverage market. The Joint Fiscal Office may contract with an independent third-party consultant to conduct the study required by this subsection.

* * * Effective Dates * * *

Sec. 43. EFFECTIVE DATES

(a) This section and Sec. 41 (transitional provision; staggered license renewal) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2022.

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

Senator Sirotkin, 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 Economic Development, Housing and General Affairs with the following amendments thereto:

First: By striking out Sec. 28, 7 V.S.A. § 421, in its entirety and inserting in lieu thereof new Secs. 28 and 28a and their reader assistance headings to read as follows:

* * * Tax on ready-to-drink spirits beverages; effective July 1, 2022 * * *

Sec. 28. 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 malt beverages containing not more than six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; ~~and~~

(2) the sum of 55 cents per gallon for each gallon of:

(A) malt beverages containing more than six percent of alcohol by volume at 60 degrees Fahrenheit; and ~~each gallon of~~

(B) vinous beverages sold by them to retailers in the State; and

(3) the sum of $1.10 per gallon of ready-to-drink spirits beverages sold by them to retailers in the State.

(b) A manufacturer or rectifier of malt beverages, ~~or~~ vinous beverages, or ready-to-drink spirits beverages shall pay the taxes required by this subsection to the Commissioner of Taxes for all malt and vinous beverages manufactured or rectified by them and sold at retail.

~~(b)~~(c) A packager or wholesale dealer may sell malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to any duly authorized agency of the U.S. Armed Forces on any U.S. Armed Forces' installation presently existing in the State or ~~which~~ that may in the future be established as though to a retail dealer but without the payment of the gallonage tax, subject to the filing of the returns as provided in subsection (c) of this section.

~~(c)(1)~~(d)(1) For the purpose of ascertaining the amount of tax, on the filing dates set out in subdivision (2) of this subsection according to tax liability, each packager, wholesale dealer, manufacturer, or rectifier shall transmit to the Commissioner of Taxes, upon a form prepared and furnished by the Commissioner, a statement or return under oath or affirmation showing the quantity of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages sold by the packager, wholesale dealer, manufacturer, or rectifier during the preceding filing period, and report any other information requested by the Commissioner accompanied by payment of the tax required by this section. The amount of tax computed under subsection (a) of this section shall be rounded to the nearest whole cent. At the same time this form is due, each packager, wholesale dealer, manufacturer, or rectifier also shall transmit to the Commissioner in electronic format a separate report showing the description, quantity, and price of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages sold by the packager, wholesale dealer, manufacturer, or rectifier to each retail dealer as defined in section 2 of this title; provided, however, for direct sales to retail dealers by manufacturers or rectifiers of vinous beverages or ready-to-drink spirits beverages, the report required by this subsection may be submitted in a nonelectronic format.

* * *

* * * Tax on ciders; effective July 1, 2023 * * *

Sec. 28a. 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:

(A) malt beverages containing not more than six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

(B) 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:

(A) malt beverages containing more than six percent of alcohol by volume at 60 degrees Fahrenheit;

(B) ciders containing more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

(C) vinous beverages sold by them to retailers in the State; and

* * *

Second: By striking out Sec. 43, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 43. EFFECTIVE DATES

(a) This section and Sec. 41 (transitional provision; staggered license renewal) shall take effect on passage.

(b) Sec. 28a (tax on malt and vinous beverages; ciders) shall take effect on July 1, 2023.

(c) All other sections shall take effect on July 1, 2022.

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

Senator Westman, for the Committee on Appropriations, 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 Economic Development Housing and General Affairs with the following amendment thereto:

By striking out Sec. 42 (Department of Liquor and Lottery; studies and reports) in its entirety and inserting in lieu thereof:

Sec. 42. [Deleted.]

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, and the recommendation of proposal of amendment of the Committee on Economic Development, Housing and General Affairs was amended as recommended by the Committee on Finance.

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

By striking out Sec. 42, Department of Liquor and Lottery; studies and reports, in its entirety and inserting in lieu thereof a new Sec. 42 to read as follows:

Sec. 42. AGENCY OF ADMINISTRATION; STUDY AND REPORT

(a) Privatization study. On or before January 15, 2024, the Agency of Administration shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning the potential privatization of Vermont's alcoholic beverage market. The study and report shall examine the impact on State revenue, the taxation and enforcement models that could be used in a private market, and recommendations for whether the State should amend regulatory structures to implement a privatized alcoholic beverage market. The Agency of shall contract with an independent third-party consultant to conduct the study required by this subsection.

(b) Appropriation. The sum of $50,000.00 is appropriated from the General Fund to the Agency of Administration in fiscal year 2023 for the purpose of contracting with an independent third-party consultant pursuant to subsection (a) of this section.

Which was agreed to.

Thereupon, the proposal of amendment of the Committee on Economic Development and Housing, as amended was amended as recommended by the Committee on Appropriations, as amended.

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

First: By striking out Sec. 1, 7 V.S.A. § 2, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this title:

* * *

(2) "Alcoholic beverages" means malt beverages, vinous beverages, spirits, ready-to-drink spirits beverages, and fortified wines.

* * *

(6) "Certificate of approval" means a license granted by the Board of Liquor and Lottery to a manufacturer or distributor of malt beverages ~~or,~~

vinous beverages, or ~~both,~~ ready-to-drink spirits beverages that is not licensed under the provisions of this title, that permits the licensee to sell those beverages to holders of a packager's or wholesale dealer's license.

* * *

(15) "Festival permit" means a permit granted by the Division of Liquor Control permitting a person to conduct an event at which ~~malt or vinous~~ alcoholic beverages~~, or both,~~ are sold by the glass to the public, provided the event is approved by the local control commissioners.

(16) "First-class license" means a license permitting the licensee to sell malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages to the public for consumption only on the premises for which the license is granted.

* * *

(19) "Fourth-class license" means a license permitting a licensed manufacturer or rectifier to sell by the unopened container and distribute by ~~the glass~~ sample, with or without charge, beverages manufactured by the licensee.

* * *

(25) "Malt beverages" means all fermented beverages of any name or description manufactured for sale from malt, wholly or in part, or from any substitute therefor, known as, among other things, beer, ale, or lager, containing not less than one percent nor more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

(26) "Manufacturer's or rectifier's license" means a license granted by the Board of Liquor and Lottery that permits the holder to manufacture or rectify malt beverages, vinous beverages, and fortified wines~~,~~ or spirits ~~and,~~ fortified wines, and ready-to-drink spirits beverages.

* * *

(31) "Ready-to-drink spirits beverage" means an alcoholic beverage containing more than one percent alcohol by volume and not more than 12 percent alcohol by volume at 60 degrees Fahrenheit obtained by distillation, by chemical synthesis, or through concentration by freezing and mixed with nonalcoholic beverages, flavoring, or coloring materials. Ready-to-drink spirits beverages may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, and other ingredients.

(32) "Request-to-cater permit" means a permit granted by the Division of Liquor Control authorizing a licensed caterer or commercial caterer to cater individual events.

~~(32)~~(33) "Retail dealer" means any person who sells or furnishes malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to the public.

~~(33)~~(34) "Retail delivery permit" means a permit granted by the Division of Liquor Control that permits a second-class licensee to deliver malt beverages and vinous beverages sold from the licensed premises for consumption off the premises to an individual who is 21 years of age or older at a physical address in Vermont.

~~(34)~~(35) "Sampler flight" means a flight, ski, paddle, or any similar device by design or name intended to hold alcoholic beverage samples for the purpose of comparison.

~~(35)~~(36) "Second-class license" means a license permitting the licensee to export and to sell malt beverages ~~and~~, vinous beverages, or ready-to-drink spirits beverages to the public for consumption off the premises for which the license is granted.

~~(36)~~(37) "Special event permit" means a permit granted by the Division of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local control commissioners.

~~(37)~~(38) "Special venue serving permit" means a permit granted by the Division of Liquor Control permitting an art gallery, bookstore, public library, or museum to conduct an event at which malt or vinous beverages, or both, are served by the glass to the public. As used in this section, "art gallery" means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; "bookstore" means a fixed establishment whose primary purpose is to offer books for sale; "public library" has the same meaning as in 22 V.S.A. § 101; and "museum" has the same meaning as in 27 V.S.A. § 1151.

~~(38)~~(39) "Specialty beer" means a malt beverage that contains more than eight percent alcohol and not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

~~(39)~~(40) "Spirits" means beverages that contain more than one percent alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; vinous beverages containing more than 23 percent alcohol; and malt beverages containing more than 16 percent alcohol by volume at 60 degrees Fahrenheit. "Spirits" also means a ready-to-drink spirits

beverage that contains more than 12 percent alcohol by volume at 60 degrees Fahrenheit or is packaged in containers greater than 24 fluid ounces in volume.

~~(40)~~(41) "Third-class license" means a license granted by the Board of Liquor and Lottery permitting the licensee to sell spirits and fortified wines for consumption only on the premises for which the license is granted.

~~(41)~~(42) "Vinous beverages" means all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits or other agricultural product, containing sugar, the total alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit.

~~(42)~~(43) "Wholesale dealer's license" means a license granted by the Board of Liquor and Lottery permitting the holder to sell or distribute malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages to first- and second-class licensees, to educational sampling event permit holders, and to agencies of the United States.

(44) "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" includes sweetened, flavored, and carbonated cider.

Second: By striking out Sec. 13, 7 V.S.A. § 251, in its entirety and inserting in lieu thereof a new Sec. 13 to read as follows:

Sec. 13. 7 V.S.A. § 251 is amended to read:

§ 251. EDUCATIONAL SAMPLING EVENT PERMIT

* * *

(b) An educational sampling event permit holder is permitted to conduct an event that is open to the public at which malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, spirits, or all ~~four~~ five are served only for the purposes of marketing and educational sampling.

* * *

(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 ~~no~~ not less than $5.00.

(2)(A) Malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain ~~no~~ not more

than two ounces of either beverage.

* * *

(f) Taxes for the alcoholic beverages served at the event shall be paid as follows:

* * *

(3) spirits: $19.80 per gallon served; ~~and~~

(4) fortified wines: $19.80 per gallon served; and

(5) ready-to-drink spirits beverages: $1.10 per gallon served.

Third: In Sec. 18, 7 V.S.A. § 256, by striking out subdivision (a)(1) in its entirety and inserting in lieu thereof a new subdivision (a)(1) to read as follows:

(a)(1) At the request of a first- or second-class licensee, a holder of a manufacturer's, rectifier's, or wholesale dealer's license may distribute without charge to the first- or second-class licensee's management and staff, provided they are of legal age, two ounces per person of vinous ~~or~~ beverages, malt beverages, or ready-to-drink spirits beverages for the purpose of promoting the beverage.

Which was agreed to.

Thereupon, the pending question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Economic Development Housing and General Affairs, as amended?, was decided in the affirmative.

Thereupon, pending the question, Shall the bill be read third time?, Senator Ram Hinsdale moved to amend the Senate proposal of amendment in Sec. 1, 7 V.S.A. § 2, subdivision (31) ("read-to-drink spirits beverage"), following the period at the end of the last sentence, by adding a sentence to read as follows: "Ready-to-drink spirits beverage" shall not include a beverage that is packaged in containers greater than 24 fluid ounces in volume.

Which was agreed to.

Thereupon, third reading of the bill was ordered.

Rules Suspended; Bills on Notice Calendar for Immediate Consideration

On motion of Senator Balint, the rules were suspended, and the following bills, appearing on the Calendar for notice, were ordered to be brought up for immediate consideration:

S. 91, S. 173, S. 181, S. 201, S. 281, H. 74, H. 244, H. 477, H. 559.

Third Reading Ordered

H. 74.

Senator Brock, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to making miscellaneous changes concerning self-storage businesses.

Reported that the bill ought to pass in concurrence.

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

Third Reading Ordered

H. 244.

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

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

Reported that the bill ought to pass in concurrence.

Senator Pearson, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass in concurrence.

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

Third Reading Ordered

H. 477.

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to leave for crime victims.

Reported that the bill ought to pass in concurrence.

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

Third Reading Ordered

H. 559.

Senator Sirotkin, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to workers' compensation.

Reported that the bill ought to pass in concurrence.

Senator Cummings, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass in concurrence.

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

House Proposal of Amendment Concurred In

S. 91.

House proposal of amendment to Senate bill entitled:

An act relating to the Parent Child Center Network.

Was taken up.

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

Sec. 1. 33 V.S.A. chapter 37 is amended to read:

CHAPTER 37. ~~PARENT-CHILD~~ PARENT CHILD CENTER ~~PROGRAM~~ NETWORK

§ 3701. ~~PARENT-CHILD~~ PARENT CHILD CENTER ~~PROGRAM~~ NETWORK; ELIGIBILITY

(a) ~~For purposes of~~ As used in this chapter~~, "parent-child center"~~:

(1) "Concrete supports" means community services and resources to address the immediate needs of the family or contribute to the long-term well-being of the family, or both.

(2) "Parent child center" means a community-based organization established for the purpose of providing prevention and early intervention ~~services such as parenting education, support, training, referral, and related services to prospective parents and families with young children including those whose children are medically, socially, or educationally at risk~~ through the core services listed in subsection (d) of this section on behalf of the State.

(3) "Parent Child Center Network" or "Network" means an Agency of Human Services' community partner composed of authorized parent child centers that ensures accountability and collaboration among authorized parent child centers.

(4) "Secretary" means the Secretary of Human Services or designee.

(b) ~~The Secretary of Human Services shall:~~

~~(1) upon applications made annually, award grants to eligible parent-child centers; and~~

~~(2) establish, by rule, a formula for determining the amount of grants awarded under this chapter and minimum eligibility standards for such awards~~

The Secretary shall authorize a parent child center in accordance with this chapter.

(2) The Secretary shall conduct a reauthorization review of each authorized parent child center at least every six years.

(3) The Parent Child Center Network may recommend to the Secretary one or more new parent child centers for authorization. Upon receipt of the Network's recommendations, the Secretary shall review each parent child center recommended for authorization to ensure it meets the criteria set forth in subsection (c) of this section. A parent child center recommended by the Network and determined to meet the criteria in subsection (c) of this section by the Secretary may be deemed an authorized parent child center.

(c) In order to be eligible for ~~a grant under this chapter, a parent-child center~~ authorization pursuant to subsection (b) of this section, a parent child center shall:

(1) Receive some funding from one or more private, local, or federal source. Contributions in kind, whether material, commodities, transportation, or office space, may be used to satisfy the contribution requirement of this subdivision.

(2) Qualify for tax exempt status under the provisions of Section 501(c) of the Internal Revenue Code.

(3) Have ~~parent representation on its~~ a board of directors:

(A) whose membership reflects the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color, as well as with regard to socioeconomic status, geographic location, gender, sexual identity, and disability status; and

(B) that has parent representation.

(4) Represent a designated geographic catchment area.

(5) Complete a peer review every three years, which shall be conducted by the Parent Child Center Network.

(6) Provide each of the eight core services set forth in subsection (d) of this section.

(7) Indicate an intention to participate in the Parent Child Center Network as a member.

(8) Work to achieve population-level quality-of-life outcomes related to children and families pursuant to 3 V.S.A. § 2311.

(d) ~~A parent-child center funded under this chapter shall:~~

~~(1) provide leadership in the coordination of services for families with other community service providers;~~

~~(2) provide such financial or programmatic information as may be necessary to enable the Secretary of Human Services to evaluate the services provided through grant funds, the effect of such services on consumers of these services, and an accounting of the expenditure of grant funds; and~~

~~(3) participate in an annual peer review process conducted by the parent-child center network and the Agency of Human Services~~ An authorized parent child center shall provide, either directly or indirectly through formal community partnerships, the following eight core services:

(1) home visits;

(2) early childhood services;

(3) parent education;

(4) playgroups;

(5) parent support groups;

(6) concrete supports;

(7) community development; and

(8) resources and referrals.

§ 3702. FUNDING

(a) The Secretary of Human Services shall disperse a joint allocation for all parent child center services to the Parent Child Center Network, which shall distribute funding to each authorized parent child center.

(b) The Agency shall consult with the Parent Child Center Network to develop appropriate measures and methods of accountability for authorized members of the Network. The Network and authorized parent child centers shall provide any previously agreed upon information to enable the Secretary to evaluate the services provided through grant funds, the effect of services on consumers, and an accounting of the expenditure of grant funds.

Sec. 2. 33 V.S.A. § 3701 is amended to read:

§ 3701. PARENT CHILD CENTER NETWORK; ELIGIBILITY

* * *

(c) In order to be eligible for authorization pursuant to subsection (b) of this section, a parent child center shall:

* * *

(9) Have an advisory committee that meets regularly and provides input, guidance, and feedback to the board of directors on programs and services provided by the parent child center.

* * *

Sec. 3. TEMPORARY AUTHORIZATION STATUS

Any parent child center in existence on July 1, 2022 shall be deemed to have met the authorization criteria in 33 V.S.A. § 3701(c) through the time period of the parent child center's next reauthorization review pursuant to 33 V.S.A. § 3701(b)(2).

Sec. 4. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 2 (Parent Child Center Network; eligibility) shall take effect on July 1, 2024.

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

House Proposal of Amendment Concurred In

S. 173.

House proposal of amendment to Senate bill entitled:

An act relating to the State House art collection.

Was taken up.

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

* * * Legislative Advisory Committee on the State House * * *

Sec. 1. 2 V.S.A. chapter 19 is amended to read:

CHAPTER 19. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE HOUSE

§ 651. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE HOUSE

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

(b) The Committee shall be composed of ~~13~~ 12 members:

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

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

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

(4) the Director of the Vermont Historical Society;

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

(6) the Commissioner of Buildings and General Services or designee; ~~and~~

(7) the Sergeant at Arms; and

(8) the State Curator.

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

(d) The Committee shall meet ~~at the State House~~ at least one time when the General Assembly is in session ~~and at least one time when~~. When the General Assembly is not in session ~~or at the call of the Chair~~, the Committee shall meet at least one time, but the Committee and any subcommittees shall not cumulatively meet more than six times per year; provided, however, that the Committee and any subcommittees of the Committee may meet more often with the approval of the Speaker of the House and the President Pro Tempore of the Senate. The Commissioner of Buildings and General Services shall keep minutes of the meetings and maintain a file thereof.

(e) The Committee shall have the assistance of the Office of Legislative Counsel and the Office of Legislative Operations.

(f) A member of the Committee shall not vote on a matter under consideration by the Committee regarding any activities or duties the member is responsible for discharging.

§ 652. PER DIEM AND EXPENSES; LEGISLATIVE MEMBERS

For meetings held during adjournment of the General Assembly, the legislative members of the Committee shall be entitled to per diem compensation and expense reimbursement as provided in ~~subsection 406(a)~~ section 23 of this title.

§ 653. FUNCTIONS

(a)~~(1)~~ The ~~Legislative Advisory~~ Committee ~~on the State House~~ shall ~~be consulted on~~:

(1) review, coordinate, and make recommendations on all activities relating to the ~~acquisition~~ collections and care of ~~paintings and~~ art, historic artifacts, and furnishings, and the refurbishing, renovation, preservation, and expansion of the building and its interior~~.~~; and

(2) ~~The Legislative Advisory Committee on the State House shall develop~~ approve a ~~plan for the acquisition or commission of artwork~~ collections policy for the State House collection ~~that represents Vermont's diverse people and history, including diversity of gender, race, ethnicity, sexuality, and disability status~~, as developed by the State Curator pursuant to 29 V.S.A. § 154a(c).

(b) The Sergeant at Arms and the Commissioner of Buildings and General Services, in discharging responsibilities under subdivision 62(a)(6) of this title and 29 V.S.A. §§ 154(a) and 154a, respectively, shall consider the recommendations of the Committee. ~~The Committee's recommendations shall be advisory only.~~

Sec. 2. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE HOUSE; ROLES AND RESPONSIBILITIES; STUDY

The Legislative Advisory Committee on the State House shall review the roles and responsibilities of the State Curator, the Sergeant at Arms, and the Friends of the Vermont State House. On or before December 15, 2022, the Committee shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions recommendations for legislative action, if any, to clarify these roles and responsibilities.

* * * Sergeant at Arms * * *

Sec. 3. 2 V.S.A. § 62 is amended to read:

§ 62. LEGISLATIVE DUTIES

(a) The Sergeant at Arms shall:

(1) execute orders of either house, the Joint Legislative Management Committee, the Committee on Joint Rules, or the House or Senate Committee on Rules;

(2) maintain order among spectators and take measures to prevent interruption of either house or any committee thereof;

(3) arrange for special meetings and conferences at the State House;

(4) provide for the distribution of mail to all legislators;

(5) schedule the time for the use of rooms for committee meetings and hearings;

(6) maintain the State House and its furnishings in ~~a~~ good ~~state of~~ repair ~~and provide security for all furniture, draperies, rugs, desks, and other furnishings kept in the State House~~ in consultation with the State Curator;

(7) provide for the establishment of a cafeteria and supervise its operation;

(8) provide security for the State House, pursuant to the responsibilities set forth in 29 V.S.A. § 171; and

(9) perform such other duties for the benefit of the legislators as may be required by any duly authorized committee thereof.

(b) ~~He or she~~ The Sergeant at Arms or any person ~~in his or her employ~~ employed by the Sergeant at Arms shall not accept any compensation or gift for ~~his or her~~ the services of the Sergeant at Arms or any of the employee's services other than ~~his or her~~ the Sergeant at Arms' or the employee's salary, respectively. ~~If he or she or any~~ Any person ~~in his or her employ~~ who violates this provision~~, he or she~~ shall be fined $25.00.

(c) The Sergeant at Arms shall not be responsible for:

(1) structural repairs~~,~~ or capital improvements~~,~~ to the ~~or~~ State House building;

(2) the maintenance ~~for~~ of the State House building ~~(as the term maintenance is defined in 29 V.S.A. § 159);~~

(3) curating the historic State House and its collections; or ~~for~~

(4) the use, upkeep, or maintenance of the State House grounds.

(d) The Sergeant at Arms and employees of the Sergeant at Arms shall seek guidance from and operate in accordance with policies adopted by the Joint Legislative Management Committee.

* * * State Curator * * *

Sec. 4. 29 V.S.A. § 154a is amended to read:

§ 154a. STATE CURATOR

(a) Creation. The position of State Curator is created within the Department of Buildings and General Services.

(b) Duties. The State Curator's responsibilities shall include:

(1) oversight of the ~~general historic preservation of the State House, including maintaining the~~ historical integrity of the State House ~~and works of art in the State House~~;

(2) interpretation of the State House to the visiting public through exhibits, publications, ~~and~~ tours, and other means of communication; ~~and~~

(3) acquisition, management, and care of State collections of art ~~and,~~ historic artifacts, and furnishings, provided that ~~any works of art~~ all items obtained for the State House are acquired pursuant to the ~~requirements of 2 V.S.A. § 653(a)~~ collections policy adopted pursuant to subsection (c) of this section; and

(4) oversight and management of the State's historic and contemporary art and collections in other State buildings and on State property.

(c) ~~Acquisition~~ Collections policy. ~~In coordination with the Legislative Advisory Committee on the State House, and in accordance with the plan developed pursuant to 2 V.S.A. § 653, the~~ The State Curator shall ~~adopt an acquisition~~ develop a collections policy, in coordination with experts, that ensures that the acquisition of art, historic artifacts, and furnishings, and the commissioning of art and furnishings, for the State House reflects Vermont's diverse people and history, including a diversity of race, ethnicity, sex, gender identity, sexual orientation, and disability status, and a diversity of artistic media and artists~~,~~ and celebrates the natural history of the State~~,~~ and the diversity of the people and stories of Vermont throughout the history of the State. Upon approval of the Legislative Advisory Committee on the State House pursuant to 2 V.S.A. § 653, the State Curator shall adopt the collections policy.

(d) Interpretive plan. In coordination with the Friends of the Vermont State House and the Vermont Historical Society, the State Curator shall create an interpretive plan that tells the stories of the State House art collection through accessible written, multimedia, and oral means. The plan shall include appropriate and inclusive training of State House volunteers and staff.

* * * Effective Dates * * *

Sec. 5. EFFECTIVE DATES

This act shall take effect on passage, except that all members of the General Assembly serving on the Legislative Advisory Committee on the State House as of the date of enactment of this act shall remain on the Committee through the end of the 2021–2022 biennium.

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

House Proposal of Amendment Concurred In

S. 181.

House proposal of amendment to Senate bill entitled:

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

Was taken up.

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

* * * Ordinance Authority Subject to Permissive Referendum * * *

Sec. 1. 24 V.S.A. § 2291 is amended to read:

§ 2291. ENUMERATION OF POWERS

For the purpose of promoting the public health, safety, welfare, and convenience, a town, city, or incorporated village shall have the following powers:

(1) To set off portions of public highways of the municipality for sidewalks and bicycle paths and to regulate their installation and use.

* * *

(4) To regulate the operation and use of vehicles of every kind including the power~~:~~ to erect traffic signs and signals~~;~~, to regulate the speed of vehicles subject to 23 V.S.A. chapter 13, subchapter 12; to implement traffic-calming devices, to regulate or exclude the parking of all vehicles~~;~~, and to provide for waiver of the right of appearance and arraignment in court by persons charged with parking violations by payment of specified fines within a stated period of time.

* * *

(6) To regulate the location, installation, maintenance, repair, and removal of utility poles, wires and conduits, water pipes or mains, storm drains, or gas mains and sewers, upon, under, or above public highways or public property of the municipality.

* * *

(13) To compel the cleaning or repair of any premises that in the judgment of the legislative body is dangerous to the health or safety of the public and to establish health and safety standards for premises within the

municipality in order to protect the public or prevent physical injury to other properties in the vicinity.

* * *

* * * Municipal Authority Subject to Voter Approval * * *

Sec. 2. 17 V.S.A. § 2645a is added to read:

§ 2645a. CHARTERED MUNICIPALITIES; VOTE TO SUSPEND CHARTER AUTHORITY AND RELY ON GENERAL MUNICIPAL LAW

(a) A municipality may propose to suspend for not more than three years specific authority granted in the municipality's charter and instead use later-enacted general municipal authority granted to all Vermont municipalities by the General Assembly, provided that the proposal is approved by the voters at any annual or special meeting warned for that purpose.

(b) The proposal may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality. The proposal shall specifically identify and contain the later-enacted general law that the municipality proposes to use in lieu of the charter provision.

(c) If the proposal is approved by a majority of voters at an annual or special meeting warned for that purpose, then the municipal clerk shall certify the results of the vote to the House and Senate Committees on Government Operations.

(d) Annually on or before November 15, the Office of Legislative Counsel shall prepare a list of the charter provisions that are subject to a repeal review pursuant to this section.

Sec. 3. 17 V.S.A. § 2646a is added to read:

§ 2646a. TOWN OFFICERS; TOWN VOTE TO ALLOW ELECTION OF NONRESIDENTS

(a)(1) Notwithstanding section 2646 of this subchapter, a municipality may propose to allow individuals who are residents of the State, but not residents of the municipality, to be elected or appointed town officers. However, this section shall not apply to members of the legislative body of the municipality or justices of the peace. For the municipality's boards or commissions that are established by State law and are required to be composed of residents, the majority of the members of the boards or commissions shall be residents of the municipality.

(2) The proposal must be approved by the voters at any annual or special meeting warned for that purpose.

(b) The proposal may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality. The proposal shall identify the town office that may be filled by a nonresident.

Sec. 4. 17 V.S.A. § 2651a is amended to read:

§ 2651a. CONSTABLES; APPOINTMENT; REMOVAL; ELIMINATION OF OFFICE

* * *

(d)(1) A town may vote at an annual meeting to eliminate the office of constable.

(2) If a town votes to eliminate the office of constable, the selectboard shall appoint a town officer to discharge the constable's duties, if any, subject to 24 V.S.A. § 1936a. The town officer shall proceed in the discharge of the constable's duties in the same manner and be subject to the same liabilities as are established by law for constables.

(3) A vote to eliminate the office of constable shall remain in effect until rescinded by majority vote of the registered voters present and voting at an annual meeting warned for that purpose.

(4) The term of office of any constable 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 a town officer under this subsection, whichever occurs first.

Sec. 5. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(c) In the case of an urban municipality or of a rural town where the planning commission does not serve as the board of adjustment or the development review board, members of the board of adjustment or the development review board shall be appointed by the legislative body, the number and terms of office of which shall be determined by the legislative body subject to the provisions of subsection ~~(a)~~(b) of this section. The municipal legislative body may appoint alternates to a planning commission, a board of adjustment, or a development review board for a term to be determined by the legislative body. Alternates may be assigned by the legislative body to serve on the planning commission, the board of adjustment, or the development review board in situations when one or more members of

the board are disqualified or are otherwise unable to serve. Vacancies shall be filled by the legislative body for the unexpired terms and upon the expiration of such terms. Each member of a board of adjustment or a development review board may be removed for cause by the legislative body upon written charges and after public hearing. If a development review board is created, provisions of this subsection regarding removal of members of the board of adjustment shall not apply.

* * *

(f) Notwithstanding subsections (b) and (c) of this section, a municipality may vote at an annual or special meeting to change the number of members that may be appointed to a board of adjustment or development review board.

(1) The proposal to change the number of members serving on a board may be brought by the legislative body or by petition of five percent of the voters of the municipality.

(2) If the number of members on a board is reduced, the members with the nearest expiration of their term of office shall serve until the expiration of that term and then the office shall terminate.

Sec. 6. 24 V.S.A. § 4322 is amended to read:

§ 4322. PLANNING COMMISSION; MEMBERSHIP

(a) A planning commission shall have not less than three nor more than nine voting members. All members may be compensated and reimbursed by the municipality for necessary and reasonable expenses. At least a majority of the members of a planning commission shall be residents of the municipality.

(b) The ~~selectboard~~ legislative body of a rural town, or not more than two elected or appointed officials of an urban municipality who are chosen by the legislative body of the urban municipality, shall be nonvoting ex officio members of a planning commission. If a municipality has an energy coordinator under chapter 33, subchapter 12 of this title, the energy coordinator may be a nonvoting ex officio member of the planning commission.

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

(1) for an appointed planning commission, the legislative body may change the number of members that may be appointed to the commission; and

(2) for an elected planning commission, a municipality may vote at an annual or special meeting to change the number of members that may be elected to the commission.

(d) Notwithstanding subsection 4323(c) of this subchapter, if the number of members on an appointed or elected planning commission is reduced, the members with the nearest expiration of their term of office shall serve until the expiration of that term and then the office shall terminate.

* * * Authority of Legislative Body without Voter Approval * * *

Sec. 7. 18 V.S.A. § 5361 is amended to read:

§ 5361. APPROPRIATIONS AND REGULATIONS BY TOWNS

A town may vote sums of money necessary for purchasing, holding, improving, and keeping in repair suitable grounds and other conveniences for burying the dead. The selectboard may make necessary regulations concerning public burial grounds and for fencing and keeping the same in proper order.

* * * Emergency Provisions for the Operation of Government * * *

Sec. 8. 1 V.S.A. § 312a is added to read:

§ 312a. MEETINGS OF PUBLIC BODIES; STATE OF EMERGENCY

(a) As used in this section:

(1) "Affected public body" means a public body:

(A) whose regular meeting location is located in an area affected by a hazard; and

(B) that cannot meet in a designated physical meeting location due to a declared state of emergency pursuant to 20 V.S.A. chapter 1.

(2) "Hazard" means an "all-hazards" as defined in 20 V.S.A. § 2(1).

(b) Notwithstanding subdivisions 312(a)(2)(D) and (c)(2) of this title, during a declared state of emergency under 20 V.S.A. chapter 1:

(1) A quorum or more of an affected public body may attend a regular, special, or emergency meeting by electronic or other means without designating a physical meeting location where the public may attend.

(2) The members and staff of an affected public body shall not be required to be physically present at a designated meeting location.

(3) An affected public body of a municipality may post any meeting agenda or notice of a special meeting in two publicly accessible designated electronic locations in lieu of the two designated public places in the municipality, or in a combination of a designated electronic location and a designated public place.

(c) When an affected public body meets electronically under subsection (b) of this section, the affected public body shall:

(1) use technology that permits the attendance and participation of the public through electronic or other means;

(2) allow the public to access the meeting by telephone; and

(3) post information that enables the public to directly access and participate in meetings electronically and shall include this information in the published agenda for each meeting.

(d) Unless unusual circumstances make it impossible for them to do so, the legislative body of each municipality and each school board shall record any meetings held pursuant to this section.

(e) An affected public body of a municipality shall continue to post notices and agendas in or near the municipal clerk's office pursuant to subdivision 312(c)(2) of this title and shall provide a copy of each notice or agenda to the newspapers of general circulation for the municipality.

Sec. 9. 32 V.S.A. § 4404 is amended to read:

§ 4404. APPEALS FROM LISTERS AS TO GRAND LIST

* * *

(c)(1) The board shall meet at the time and place so designated, and on that day and from day to day thereafter shall hear and determine such appeals until all questions and objections are heard and decided. Each property, the appraisal of which is being appealed, shall be inspected by a committee of not less than three members of the board who shall report to the board within 30 days from the hearing on the appeal and before the final decision pertaining to the property is given. If, after notice, the appellant refuses to allow an inspection of the property as required under this subsection, including the interior and exterior of any structure on the property, the appeal shall be deemed withdrawn. The board shall, within 15 days from the time of the report, certify in writing its notice of decision, with reasons, in the premises, and shall file ~~such~~ the notice with the town clerk who shall thereupon record the same in the book wherein the appeal was recorded and forthwith notify the appellant in writing of the action of such board~~,~~ by certified mail. If the board does not substantially comply with the requirements of this subsection and if the appeal is not withdrawn by filing written notice of withdrawal with the board or deemed withdrawn as provided in this subsection, the grand list of the appellant for the year for which appeal is being made shall remain at the amount set before the appealed change was made by the listers; except, if there has been a complete reappraisal, the grand list of the appellant for the year for which appeal is being made shall be set at a value that will produce a tax liability equal to the tax liability for the preceding year. The town clerk shall

immediately record the same in the book wherein the appeal was recorded and forthwith notify the appellant in writing of ~~such~~ the action~~,~~ by certified mail. Thereupon the appraisal so determined pursuant to this subsection shall become a part of the grand list of ~~such~~ the person.

(2) During a declared state of emergency under 20 V.S.A. chapter 1, a board of civil authority within a municipality affected by an all-hazards event shall not be required to physically inspect any property that is the subject of an appeal. If the appellant requests in writing that the property be inspected for purposes of the appeal, a member or members of the board shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, then the appeal shall be deemed withdrawn.

(3) As used in this subsection, "electronic means" means the transmittal of video or photographic evidence by the appellant at the direction of the board members conducting the inspection.

(d) Listers and agents to prosecute and defend suits wherein a town is interested shall not be eligible to serve as members of the board while convened to hear and determine such appeals nor shall an appellant, ~~his or her~~ the appellant's servant, agent, or attorney be eligible to serve as a member of the board while convened to hear and determine any appeals. However, listers and agents to prosecute and defend suits wherein a town is interested shall be given the opportunity to defend the appraisals in question.

Sec. 10. 32 V.S.A. § 4467 is amended to read:

§ 4467. DETERMINATION OF APPEAL

(a) Upon appeal to the Director or the court, the hearing officer or court shall proceed de novo and determine the correct valuation of the property as promptly as practicable and to determine a homestead and a housesite value if a homestead has been declared with respect to the property for the year in which the appeal is taken. The hearing officer or court shall take into account the requirements of law as to valuation, and the provisions of Chapter I, Article 9 of the Constitution of Vermont and the 14th Amendment to the Constitution of the United States.

(b) If the hearing officer or court finds that the listed value of the property subject to appeal does not correspond to the listed value of comparable properties within the town, the hearing officer or court shall set ~~said~~ the property in the list at a corresponding value. The findings and determinations of the hearing officer shall be made in writing and shall be available to the appellant.

(c)(1) If the appeal is taken to the Director, the hearing officer may inspect the property prior to making a determination, unless one of the parties requests an inspection, in which case the hearing officer shall inspect the property prior to making a determination. Within 10 days of the appeal being filed with the Director, the Director shall notify the property owner in writing of ~~his or her~~ the Director's option to request an inspection under this section.

(2) During a declared state of emergency under 20 V.S.A. chapter 1, a hearing officer shall not be required to physically inspect any property that is the subject of an appeal. If the appellant requests in writing that the property be inspected for purposes of the appeal, the hearing officer shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, then the appeal shall be deemed withdrawn.

(3) As used in this subsection, "electronic means" means the transmittal of video or photographic evidence by the appellant at the direction of the hearing officer conducting the inspection.

Sec. 11. 24 V.S.A. § 5152 is added to read:

§ 5152. DISCONNECTIONS PROHIBITED; STATE OF EMERGENCY

(a) Notwithstanding this chapter or any provision of law to the contrary, a municipality; a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 and who provides another person water as a part of the operation of that public water system; or a company engaged in the collecting, sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) shall be prohibited from disconnecting any person from services during a declared state of emergency under 20 V.S.A. chapter 1, provided that:

(1) the state of emergency is declared in response to an all-hazards event that will cause financial hardship and the inability of ratepayers to pay for water or sewer services; and

(2) the all-hazards event does not require the water or sewer service provider to disconnect services to protect the health and safety of the public.

(b) A person or company that is subject to subsection (a) of this section may temporarily disconnect water or sewer services during the declared state of emergency when the temporary disconnection is necessary for the maintenance or repair of the water or sewer system.

(c)(1) A violation of subsection (a) of this section by a municipality or a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 may be enforced by the Agency of Natural Resources pursuant to 10 V.S.A. chapter 201.

(2) A violation of subsection (a) of this section by a company engaged in the collecting, sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) may be enforced by the Public Utility Commission pursuant to 30 V.S.A. § 30.

(d) A ratepayer shall remain obligated for any amounts due to a water or sewer service provider subject to this section. The ratepayer shall have a minimum of 90 days after the end of the declared state of emergency to pay the amounts due.

Sec. 12. 20 V.S.A. § 47 is added to read:

§ 47. MUNICIPAL DEADLINES, PLANS, AND LICENSES; EXTENSION

(a) During a state of emergency declared under this chapter, a municipal corporation may:

(1) extend any statutory deadline applicable to municipal corporations, provided that the deadline does not relate to a license, permit, program, or plan issued or administered by the State or federal government; and

(2) extend or waive deadlines applicable to licenses, permits, programs, or plans that are issued by the municipal corporation.

(b) During a state of emergency declared under this chapter, any expiring license, permit, program, or plan issued by a municipal corporation that is due for renewal or review shall remain valid for 90 days after the date that the declared state of emergency ends.

Sec. 12a. 1 V.S.A. § 316 is amended to read:

§ 316. ACCESS TO PUBLIC RECORDS AND DOCUMENTS

* * *

(i) If an agency maintains public records in an electronic format, nonexempt public records shall be available for copying in either the standard electronic format or the standard paper format, as designated by the party requesting the records. ~~An~~ If requested by the party requesting the records, an agency may, but is not required to, provide copies of public records in a nonstandard format, ~~to~~ create a public record, or ~~to~~ convert paper public records to electronic format.

* * *

* * * Repeal * * *

Sec. 13. REPEAL

19 V.S.A. § 312 (use of town highway funds) is repealed.

* * * Effective Date * * *

Sec. 14. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

House Proposal of Amendment Concurred In

S. 201.

House proposal of amendment to Senate bill entitled:

An act relating to best management practices for trapping.

Was taken up.

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

Sec. 1. DEPARTMENT OF FISH AND WILDLIFE; BEST MANAGEMENT PRACTICES FOR TRAPPING

(a) On or before January 15, 2023, the Commissioner of Fish and Wildlife shall submit to the Senate Committee on Natural Resources and Energy, the House Committee on Natural Resources, Fish, and Wildlife, and the Fish and Wildlife Board recommended best management practices (BMPs) for trapping that propose criteria and equipment designed to modernize trapping and improve the welfare of animals subject to trapping programs. The BMPs shall be based on investigation and research conducted by scientists and experts at the Department of Fish and Wildlife and shall use the "Best Management Practices for Trapping in the United States" issued by the Association of Fish and Wildlife Agencies as the minimum standards for BMP development. The BMPs shall include recommended:

(1) trapping devices and components of trapping devices that are more humane than currently authorized devices and are designed to minimize injury to a captured animal;

(2) criteria for adjusting or maintaining trapping devices so that they operate correctly and humanely;

(3) trapping techniques, including the appropriate size and type of a trap for target animals, use of lures or other attractants, trap safety, and methods to avoid nontarget animals;

(4) requirements for the location of traps, including the placing of traps for purposes other than nuisance trapping at a safe distance, from public trails, class 4 roads, playgrounds, parks, and other public locations where persons may reasonably be expected to recreate;

(5) criteria for when and how live, captured animals should be released or dispatched; and

(6) revisions to trapper education materials and instructions that incorporate the recommendations or requirements set forth in subdivisions (1)–(5) of this subsection.

(b) The report required under subsection (a) of this section shall include a recommendation from the Commissioner of Fish and Wildlife for funding the replacement of currently authorized trapping devices with trapping devices that are compliant with the recommended BMPs. The Commissioner's recommendation shall include alternatives financed with public funding, private funding, or some combination of public and private funding.

(c) In developing the BMPs required under subsection (a) of this section, the Commissioner shall provide an opportunity for public review and comment and shall hold at least one public hearing regarding the proposed BMPs.

(d) As used in this section, "trapping" means to take or attempt to take furbearing animals with traps, including the dispatching of lawfully trapped furbearing animals.

Sec. 2. 10 V.S.A. § 4861 is amended to read:

§ 4861. FUR-BEARING ANIMALS~~,~~; TAKING~~,~~; POSSESSION

(a) Fur-bearing animals shall not be taken except in accordance with the provisions of this part~~,~~ and of rules of the Board. The fur or skins of fur-bearing animals may be possessed at any time unless otherwise provided by this part, rules of the Board, or orders of the Commissioner.

(b) On or before January 1, 2024, the Fish and Wildlife Board shall revise the rules regulating the trapping of fur-bearing animals in the State. The revised rules shall be at least as stringent as best management practices for trapping recommended by the Department of Fish and Wildlife to the General Assembly.

(c) On or before January 1, 2024 and annually thereafter, the Commissioner of Fish and Wildlife shall submit in writing to the House

Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy information regarding the species and number of nontarget animals killed or injured by trapping in the preceding calendar year.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposal of Amendment Concurred In

S. 281.

House proposal of amendment to Senate bill entitled:

An act relating to hunting coyotes with dogs.

Was taken up.

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

Sec. 1. 10 V.S.A. §§ 5008 and 5009 are added to read:

§ 5008. HUNTING COYOTE WITH AID OF DOGS; PERMIT

(a) No person shall pursue coyote with the aid of dogs, either for training or taking purposes, without a permit issued by the Commissioner.

(1) The Commissioner may deny any permit at the Commissioner's discretion. The Commissioner shall not issue more than 100 permits annually.

(2) The number of permits that the Commissioner issues to nonresidents in any given year shall not exceed 10 percent of the number of permits issued to residents in the preceding year. The Commissioner shall establish a process and standards for determining which nonresidents are to receive a permit, including who will receive a permit if there are more nonresident applicants than nonresident permits.

(3) A nonresident may train dogs to pursue coyote only while the training season is in effect in the nonresident's home state and subject to the requirements of this part and rules adopted under this part.

(b)(1) The Commissioner shall issue permits under this section to a resident for a fee of $50.00.

(2) The application fee for a nonresident permit issued under this section shall be $10.00, and the fee for a nonresident permit issued under this

section shall be $200.00 for a successful applicant.

§ 5009. PURSUING COYOTE WITH AID OF DOGS; LANDOWNER PERMISSION

(a) A person shall not release a dog onto land posted in accordance with section 5201 of this title for the purpose of pursuing coyote with the aid of dogs unless the dog owner or handler of the hunting dog has obtained a courtesy permission card from the landowner or landowner's agent allowing the pursuit of coyote with the aid of dogs on the land.

(b) A person shall not release onto land a dog for the purpose of pursuing coyote with the aid of dogs if in the previous 365 days a dog had been previously found on the land, and the dog owner, a handler of the dog, or a person participating in the hunt has been personally informed by law enforcement that hunting dogs are not permitted on the property.

(c)(1) For a first offense, a person who violates this section shall have committed a minor fish and wildlife violation and shall be assessed a five-point violation under subdivision 4502(b)(1) of this title.

(2) For a second or subsequent violation of this section, a person shall be assessed a 10-point violation under subdivision 4502(b)(2) of this title and shall be fined under section 4515 of this title.

Sec. 2. MORATORIUM ON HUNTING COYOTE WITH AID OF DOGS

(a) A person shall not pursue coyote with the aid of dogs, either for the training of dogs or for the taking of coyote, except that a person may pursue coyote with the aid of dogs in defense of a person or property if the person pursuing coyote with the aid of dogs:

(1) is the landowner; or

(2) has obtained a courtesy permission card from the landowner or landowner's agent allowing the release of a dog onto the land for the purpose of pursuing coyote with the aid of dogs.

(b) This section shall be repealed on the effective date of the Fish and Wildlife Board rules required by Sec. 3 of this act.

Sec. 3. FISH AND WILDLIFE BOARD RULES; PURSUING COYOTE WITH THE AID OF DOGS

(a) The General Assembly through the rules required under this section intends to reduce conflicts between landowners and persons pursuing coyote with the aid of dogs by reducing the frequency that dogs or persons pursuing coyote enter onto land that is posted against hunting or land where pursuit of coyote with dogs is not authorized. In addition, the General Assembly intends

that the rules required under this section support the humane taking of coyote, the management of the population in concert with sound ecological principles, and the development of reasonable and effective means of control.

(b) The Fish and Wildlife Board shall adopt a rule regarding the pursuit of coyote with the aid of dogs, either for the training of dogs or for the taking of coyote. The rule shall include at least the following provisions:

(1) a limit on the number of dogs that may be used to pursue coyote;

(2) a prohibition on the substitution of any new dog for another dog during pursuit of a coyote;

(3) the legal method of taking coyote pursued with the aid of dogs, such as rifle, muzzle loader, crossbow, or bow and arrow;

(4) a definition of control to minimize the risk that dogs pursuing coyote:

(A) enter onto land that is posted against hunting;

(B) enter onto land where pursuit of coyote with dogs is not authorized;

(C) harass or harm people or domestic animals; and

(D) cause other unintentional damages to people or property;

(5) provisions to encourage persons pursuing coyote with the aid of dogs to seek landowner permission before entering or releasing dogs onto land that is not posted in accordance with 10 V.S.A. § 5201; and

(6) required reporting of every coyote killed during pursuit with the aid of dogs.

(c) The Board shall consider whether to include within the rule required by this section provisions related to seasonal restrictions and baiting.

(d) As used in this section, "harass" means to annoy a person or domestic animal to such an extent as to significantly disrupt normal behavioral patterns.

Sec. 4. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN SUPPRESSORS

(a) As used in this section:

(1) "Gun suppressor" means any device for ~~silencing,~~ muffling~~,~~ or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such

assembly or fabrication.

(2) "Sport shooting range" shall have the same meaning as used in 10 V.S.A. § 5227(a).

(b) A person shall not manufacture, make, or import a gun suppressor, except for:

(1) a licensed manufacturer, as defined in 18 U.S.C. § 921, who is registered as a manufacturer pursuant to 26 U.S.C. § 5802;

(2) a licensed importer, as defined in 18 U.S.C. § 921, who is registered as an importer pursuant to 26 U.S.C. § 5802; or

(3) a person who makes a gun suppressor in compliance with the requirements of 26 U.S.C. § 5822.

(c) A person shall not use a gun suppressor in the State, except for use by:

(1) a Level III certified law enforcement officer or Department of Fish and Wildlife employee in connection with ~~his or her~~ the officer's or employee's duties and responsibilities and in accordance with the policies and procedures of that officer's or employee's agency or department;

(2) the Vermont National Guard in connection with its duties and responsibilities;

(3) a licensed manufacturer or a licensed importer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer or an importer pursuant to 26 U.S.C. § 5802, who in the ordinary course of ~~his or her~~ the manufacturer's or importer's business as a manufacturer or as an importer tests the operation of the gun suppressor; ~~or~~

(4) a person lawfully using a sport shooting range; or

(5) a person taking game as authorized under 10 V.S.A. § 4701.

(d)(1) A person who violates subsection (b) of this section shall be fined not less than $500.00 for each offense.

(2) A person who violates subsection (c) of this section shall be fined $50.00 for each offense.

Sec. 5. 10 V.S.A. § 4701 is amended to read:

§ 4701. USE OF GUN, BOW AND ARROW, AND CROSSBOW; LEGAL DAY; DOGS

(a) Unless otherwise provided by statute, a person shall not take game except with:

(1) a gun fired at arm's length;

(2) a bow and arrow; or

(3) a crossbow as authorized by the rules of the Board.

(b) A person shall not take game between one-half hour after sunset and one-half hour before sunrise unless otherwise provided by statute or by the rules of the Board.

(c) A person may take game and fur-bearing animals during the open season therefor, with the aid of a dog, unless otherwise prohibited by statute or by the rules of the Board.

(d) A person taking game with a gun may possess, carry, or use a gun suppressor in the act of taking game.

Sec. 6. 10 V.S.A. § 4704 is amended to read:

§ 4704. USE OF MACHINE GUNS, AND AUTOLOADING RIFLES, ~~AND GUN SUPPRESSORS~~

(a) A person engaged in hunting for wild animals shall not use, carry, or have in ~~his or her~~ the person's possession:

(1) a machine gun of any kind or description; or

(2) an autoloading rifle with a magazine capacity of over six cartridges, except a .22 caliber rifle using rim fire cartridges~~; or~~

~~(3) a gun suppressor~~.

(b) ~~As used in this section, "gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.~~ [Repealed.]

Sec. 7. 10 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

Words and phrases used in this part, unless otherwise provided, shall be construed to mean as follows:

* * *

(9) Game: game birds or game quadrupeds, or both.

(10) Game birds: quail, partridge, woodcock, pheasant, plover of any kind, Wilson snipe, other shore birds, rail, coot, gallinule, wild ducks, wild geese, and wild turkey.

* * *

(15) Wild animals or wildlife: all animals, including birds, fish, amphibians, and reptiles, other than domestic animals, domestic fowl, or domestic pets.

* * *

(23) Take and taking: pursuing, shooting, hunting, killing, capturing, trapping, snaring, and netting fish, birds, and quadrupeds and all lesser acts, such as disturbing, harrying, worrying, or wounding or placing, setting, drawing, or using any net or other device commonly used to take fish or wild animals, whether they result in the taking or not; and shall include every attempt to take and every act of assistance to every other person in taking or attempting to take fish or wild animals, provided that when taking is allowed by law, reference is had to taking by lawful means and in a lawful manner.

* * *

(41) Gun suppressor: any device for muffling or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

Sec. 8. 13 V.S.A. § 4010(c) is amended to read:

(c) A person shall not use a gun suppressor in the State, except for use by:

* * *

(3) a licensed manufacturer or a licensed importer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer or an importer pursuant to 26 U.S.C. § 5802, who in the ordinary course of the manufacturer's or importer's business as a manufacturer or as an importer tests the operation of the gun suppressor; or

(4) a person lawfully using a sport shooting range~~; or~~

~~(5) a person taking game as authorized under 10 V.S.A. § 4701~~.

Sec. 9. 10 V.S.A. § 4701(d) is amended to read:

(d) ~~A person taking game with a gun may possess, carry, or use a gun suppressor in the act of taking game.~~ [Repealed.]

Sec. 10. 10 V.S.A. § 4704 is amended to read:

§ 4704. USE OF MACHINE GUNS ~~AND~~, AUTOLOADING RIFLES, AND GUN SUPPRESSORS

~~(a)~~ A person engaged in hunting for wild animals shall not use, carry, or have in the person's possession:

(1) a machine gun of any kind or description; ~~or~~

(2) an autoloading rifle with a magazine capacity of over six cartridges, except a .22 caliber rifle using rim fire cartridges; or

(3) a gun suppressor.

Sec. 11. EFFECTIVE DATES

(a) This section and Sec. 3 (Fish and Wildlife Board rules) shall take effect on passage.

(b) Secs. 2 (moratorium on hunting coyote with aid of dogs) and 4–7 (gun suppressors) shall take effect on July 1, 2022.

(c) Sec. 1 (permit requirement and prohibition on pursuing coyote with aid of dogs) shall take effect on the effective date of the Fish and Wildlife Board rules required under Sec. 3 of this act.

(d) Secs. 8–10 (repeal of authority to use gun suppressors while hunting) shall take effect on July 1, 2024.

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

Rules Suspended; Bills Messaged

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

H. 465, H. 512, H. 533, H. 739.

Rules Suspended; Bills Delivered

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

S. 91, S. 173, S. 181, S. 201, S. 281.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator White, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

The nomination of

Jefferson, Shirley of South Royalton - Member State Police Advisory Commission - December 1, 2021 to June 30, 2025.

The nomination of

Wasik, Mary Jean of Pittsford - Member Human Services Board - May 24, 2021 to February 28, 2027.

The nomination of

Donohue, Michael of Shelburne - Chair Human Services Board - May 24, 2021 to February 28, 2027.

The nomination of

Gregory, Peter of Harland - Member State Infrastructure Bank Board - May 24, 2021 to February 28, 2025.

The nomination of

Carpenter, Caroline of Salisbury - Member Vermont Economic Development Authority - January 1, 2022 to June 30, 2027.

The nomination of

Hale, Karyn of Lyndonville - Member Vermont Economic Development Authority - September 17, 2021 to June 20, 2024.

The nomination of

Leavitt, Thomas of Waterbury - Member Vermont Housing Finance Agency - December 1, 2021 to January 31, 2024.

The nomination of

Pinto, Audra, Dr. of Essex Junction - Member Health, State Board of - September 20, 2021 to February 28, 2027.

The nomination of

Wilson, Bruce of Winooski - Member Human Rights Commission - February 1, 2022 to February 28, 2026.

The nomination of

Clifford, Eric of Starksboro - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Elliot, Wayne of Essex Junction - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Fischer, Robert of Barre - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2024.

The nomination of

Fisher, Lori of Williston - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Naud, Mark of South Hero - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2024.

The nomination of

Solomon, Hilary of Middletown Springs - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2024.

The nomination of

Wennberg, Jeff of Rutland - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Smith, Denise of St. Albans - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Giffin, Tom of Rutland - Member Parole Board - March 28, 2022 to February 28, 2025.

The nomination of

Aldrich, Brad of Shelburne - Member Natural Resources Board - March 28, 2022 to January 31, 2025.

The nomination of

Richardson, Amy of Woodstock - Member Vermont Housing and Conservation Board - March 28, 2022 to February 29, 2024.

The nomination of

Boyde, Glenn of Colchester - Member State Police Advisory Commission - March 28, 2022 to February 28, 2025.

The nomination of

Filipek, John of Jericho - Member State Police Advisory Commission - March 28, 2022 to February 28, 2026.

The nomination of

Foley, Mark, Jr. of Rutland - Member Vermont Municipal Bond Bank - March 28, 2022 to January 31, 2024.

The nomination of

Dengler, Wayne of Isle La Monte - Member Parole Board - March 28, 2022 to February 28, 2025.

The nomination of

Moore, Gary of Bradford - Member Connecticut River Valley Flood Control Commission - April 26, 2021 to February 28, 2027.

Were collectively confirmed by the Senate.

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

Samuelson, Jennifer of Shelburne - Secretary Human Services, Agency of - March 28, 2022 to February 28, 2023.

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: Balint, Baruth, Benning, Bray, Brock, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Campion, Terenzini.

The nomination of

Walsh, Thomas of Colchester - Member Green Mountain Care Board - December 17, 2021 to February 28, 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: Balint, Baruth, Benning, Bray, Brock, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Campion, Starr.

The nomination of

Richardson, Daniel P. of Montpelier - Judge Superior Judge - April 26, 2022 to March 31, 2027.

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: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

The Senator absent and not voting was: Starr.

The nomination of

Allen, James Riley of Montpelier - Member Public Utility Commission - March 1, 2021 to February 28, 2027.

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: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

The Senator absent and not voting was: Starr.

Adjournment

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

Afternoon

The Senate was called to order by the President.

Message from the House No. 77

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

Madam President:

I am directed to inform the Senate that:

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

S. 250. An act relating to law enforcement data collection and interrogation.

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

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

S. 188.

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House proposal of amendment to Senate proposal of amendment to Senate bill entitled:

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

Was taken up for immediate consideration.

The House proposes to the Senate to amend the Senate proposal of amendment to the House proposal of amendment as follows:

First: By striking out Sec.1 in its entirety and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. § 861 is amended to read:

§ 861. DEFINITIONS

As used in this chapter:

* * *

(16) "Child-deterrent packaging" means tear-resistant packaging that can be sealed in a manner that would deter children under five years of age from easily accessing the contents of the package within a reasonable time and not difficult for adults to use properly.

(17) "Child-resistant packaging" means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance in the container within a reasonable time and not difficult for ~~normal~~ adults to use properly~~,~~ but does not mean packaging that all children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.

~~(17)~~(18) "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.

~~(18)~~(19) "Dispensary" means a business organization licensed pursuant to chapter 37 of this title or 18 V.S.A. chapter 86.

~~(19)~~(20) ~~"Enclosed, locked facility" means a building, room, greenhouse, outdoor fenced-in area, or other location that is enclosed on all sides and prevents cannabis from easily being viewed by the public. The facility shall be equipped with locks or other security devices that permit access only by:~~

~~(A) Employees, agents, or owners of the cultivator, all of whom shall be 21 years of age or older.~~

~~(B) Government employees performing their official duties.~~

~~(C) Contractors performing labor that does not include cannabis cultivation, packaging, or processing. Contractors shall be accompanied by an employee, agent, or owner of the cultivator when they are in areas where cannabis is being grown, processed, packaged, or stored.~~

~~(D) Registered employees of other cultivators, members of the media, elected officials, and other individuals 21 years of age or older visiting the facility, provided they are accompanied by an employee, agent, or owner of the cultivator.~~ [Repealed.]

~~(20)~~(21) "Flavored oil cannabis product" means any oil cannabis product that contains an additive to give it a characterizing flavor.

(22) "Hemp" means the plant Cannabis sativa L. and any part of the plant, including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp.

(23) "Hemp products" or "hemp-infused products" means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

~~(21)~~(24) "Integrated licensee" means a person licensed by the Board to engage in the activities of a cultivator, wholesaler, product manufacturer, retailer, and testing laboratory in accordance with this chapter.

~~(22)~~(25) "Municipality" means a town, city, or incorporated village.

(26) "Owner" means a natural person who controls, or shares control of, a Cannabis Establishment.

~~(23)~~(27) "Person" shall include any natural person; corporation; municipality; the State of Vermont or any department, agency, or subdivision of the State; and any partnership, unincorporated association, or other legal entity.

~~(24)~~(28) "Plant canopy" means the square footage dedicated to live plant production and does not include areas such as office space or areas used for the storage of fertilizers, pesticides, or other products.

~~(25)~~(29) "Principal" means ~~an individual vested with the authority to conduct, manage, or supervise the business affairs of a person, and may include the president, vice president, secretary, treasurer, manager, or similar executive officer of a business; a director of a corporation, nonprofit corporation, or mutual benefit enterprise; a member of a nonprofit corporation, cooperative, or member-managed limited liability company; and a partner of a partnership~~ 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.

~~(26)~~(30) "Small cultivator" means a cultivator with a plant canopy or space for cultivating plants for breeding stock of not more than 1,000 square feet.

Second: By adding Secs. 10–22 to read as follows:

Sec. 10. 7 V.S.A. § 862a is added to read:

§ 862a. SYNTHETIC AND HEMP-DERIVED CANNABINOIDS

The Board shall have the authority to regulate synthetic cannabinoids and hemp-derived cannabinoids, including delta-8 and delta-10 tetrahydrocannabinol.

Sec. 11. 7 V.S.A. § 868 is amended to read:

§ 868. PROHIBITED PRODUCTS

(a) The following are prohibited products and may not be cultivated, produced, or sold pursuant to a license issued under this chapter:

(1) cannabis flower with greater than 30 percent tetrahydrocannabinol;

~~(2) solid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol;~~

~~(3) oil cannabis products except for those that are sold prepackaged for use with battery-powered devices;~~

~~(4)~~ flavored oil cannabis products sold prepackaged for use with battery-powered devices and any cannabis flower that contains characterizing flavor that is not naturally occurring in the cannabis;

~~(5)~~(3) cannabis products that contain delta-9 tetrahydrocannabinol and nicotine or alcoholic beverages; and

~~(6)~~(4) any cannabis, cannabis products, or packaging of such items that are designed to make the product more appealing to persons under 21 years of age.

(b)(1) Except as provided by subdivision (2) of this subsection, solid and liquid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol may be produced by a licensee and sold to another licensee in accordance with subchapter 3 of this chapter but shall not be sold to the public by a licensed retailer or integrated licensee.

(2) Liquid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol that are prepackaged for use with battery-powered devices shall be permitted to be sold to the public by a licensed retailer or integrated licensee.

Sec. 12. 7 V.S.A. § 881 is amended to read:

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

(a) The Board shall adopt rules to implement and administer this chapter in accordance with subdivisions (1)–(7) of this subsection.

(1) Rules concerning any cannabis establishment shall include:

* * *

(I) regulation of additives to cannabis and cannabis products, including ~~those~~ cannabidiol derived from hemp and substances that are toxic or designed to make the product more addictive, more appealing to persons under 21 years of age, or to mislead consumers;

* * *

(3) Rules concerning product manufacturers shall include:

(A) requirements that a single package of a cannabis product shall not contain more than 50 milligrams of THC, except in the case of:

(i) cannabis products that are not consumable, including topical preparations; ~~and~~

(ii) solid concentrates, oils, and tinctures; and

(iii) cannabis products sold to a dispensary pursuant to 18 V.S.A. chapter 86 and regulations issued pursuant to that chapter;

* * *

(5) Rules concerning retailers shall include:

* * *

(C) requirements that if the retailer sells hemp or hemp products, the hemp and hemp products are clearly labeled as such ~~and displayed separately from cannabis and cannabis products~~;

(D) requirements for opaque, child-resistant packaging of ~~cannabis and~~ cannabis products and child-deterrent packaging for cannabis at point of sale to customer; and

* * *

Sec. 13. 7 V.S.A. § 883 is amended to read:

§ 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

(a) The Board shall obtain from the Vermont Crime Information Center a copy of a ~~license applicant's~~ fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation for each license applicant, principal of an applicant, and person who controls an applicant who is a natural person.

(b) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Notwithstanding subsection (a) of this section, the Board may accept third-party criminal background checks submitted by an applicant for a cannabis establishment license or renewal in lieu of obtaining the records from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation. Any such third-party background check shall:

(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act; and

(2) include a multistate and multi-jurisdiction criminal record locator.

Sec. 14. 7 V.S.A. § 884 is amended to read:

§ 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board. A person may apply for an identification card prior to obtaining employment with a licensee. An employee identification card shall authorize the person to work for any licensee.

(b)(1)(A) Prior to issuing the identification card to an owner or principal of a cannabis establishment, the Board shall obtain from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.

(B) Prior to issuing the identification card to an employee of a cannabis establishment, the Board shall obtain a copy of a fingerprint-based identity history summary record from the Federal Bureau of Investigation.

(2) The Board shall adopt rules that set forth standards for determining whether a person should be denied a cannabis establishment identification card because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Once an identification card application has been submitted, a person may serve as an employee of a cannabis establishment pending the background check, provided the person is supervised in his or her duties by someone who is a cardholder. The Board shall issue a temporary permit to the person for this purpose, which shall expire upon the issuance of the identification card or disqualification of the person in accordance with this section.

(d) An identification card shall expire one year after its issuance or, in the case of owners and principals, upon the expiration of the cannabis establishment's license, whichever occurs first.

Sec. 15. 7 V.S.A. § 901(d)(3) is amended to read:

(3)(A) Except as provided in ~~subdivision~~ 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) of this subsection (d). Each license shall permit only one location of the establishment.

(B) An applicant and its affiliates that ~~are~~ control a dispensary registered ~~pursuant to 18 V.S.A. chapter 86~~ on April 1, 2022 may obtain one integrated license provided in subdivision (1)(F) of this subsection (d) or a maximum of one of each type of license provided in subdivisions (1)(A)–(E) of this subsection (d). An integrated licensee may not hold a separate cultivator, 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, wholesale operations, product manufacturing, retail sales, and testing.

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

Sec. 16. PURPOSE; LEGISLATIVE INTENT

The purpose of the amendment to 7 V.S.A. § 901(d)(3)(B) in Sec. 7 of this act is solely to make the language consistent with the defined terms used throughout 7 V.S.A. chapter 33. The amendment should not be construed to alter the meaning of the provision as it was originally enacted in 2019 Acts and Resolves No. 164, Sec. 7.

Sec. 17. 7 V.S.A. § 907 is amended to read:

§ 907. RETAILER LICENSE

(a) A retailer licensed under this chapter may:

(1) purchase cannabis from a licensed cultivator, wholesaler, or integrated licensee~~,~~ and cannabis products from a licensed wholesaler, product manufacturer, integrated licensee, and dispensary; and

(2) transport, possess, package, and sell cannabis and cannabis products to the public for consumption off the registered premises.

* * *

(e) ~~Internet ordering and delivery~~ Delivery of cannabis to customers ~~are~~ is prohibited.

Sec. 18. 7 V.S.A. § 909(c) is added to read:

(c) An integrated licensee shall comply with the provisions of subsection 908(f) of this title and have its cannabis or cannabis products tested by an independent licensed testing laboratory.

Sec. 19. 7 V.S.A. § 910(8) is amended to read:

(8) Products. ~~Retailers and integrated licensees~~ Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of $50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter.

Sec. 20. 18 V.S.A. § 4230h is amended to read:

§ 4230h. CHEMICAL EXTRACTION VIA BUTANE OR HEXANE PROHIBITED

(a) No person shall manufacture concentrated cannabis by chemical extraction or chemical synthesis using butane or hexane ~~unless authorized as a dispensary pursuant to a registration issued by the Department of Public Safety pursuant to chapter 86 of this title~~.

* * *

Sec. 21. 2019 Acts and Resolves No. 164, Sec. 8(a)(1) is amended to read:

(a)(1) The cannabis plant, cannabis product, and useable cannabis possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86 shall no longer apply on and after February 1, 2022. A dispensary shall be permitted to cultivate cannabis and manufacture cannabis products for the purpose of transferring or selling such products to an integrated licensee on or after April 1, 2022 until October 1, 2022 and engaging in the activities permitted by 7 V.S.A. chapter 33.

Sec. 22. CANNABIS CONTROL BOARD; REPORT CANNABIS CONCENTRATES

On or before December 1, 2022, the Cannabis Control Board shall report to the General Assembly with a summary of the regulated market share for solid concentrates above 60% THC and the status of the illicit market for those products in other states with a regulated adult-use cannabis market.

and by renumbering the remaining section to be numerically correct.

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

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

H. 727.

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

An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

Was taken up for immediate consideration.

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

To the Senate and House of Representatives:

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

H. 727. An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

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

Sec. 1. 16 V.S.A. chapter 11, subchapter 1 is redesignated to be chapter 9, subchapter 6 to read:

Subchapter ~~1~~6. ~~GENERALLY;~~ CONTRACTS BETWEEN DISTRICTS TO OPERATE SCHOOLS JOINTLY

§ 571. CONTRACTS TO CONSTRUCT AND OPERATE JOINT SCHOOLS

* * *

§ 572. JOINT BOARDS FOR JOINT, CONTRACT, OR CONSOLIDATED SCHOOLS

* * *

Sec. 2. REPEAL

16 V.S.A. chapter 11 (union schools) is repealed on passage of this act.

Sec. 3. 16 V.S.A. chapter 11 is added to read:

CHAPTER 11. UNION SCHOOL DISTRICTS

Subchapter 1. General Provisions

§ 701. POLICY

It is the policy of the State to provide substantially equal educational opportunities for all children in Vermont by authorizing two or more school districts, including an existing union school district, to form a union school district for the purpose of providing for the education of its resident students in the grades for which it is organized, and for the new union school district to be a body politic and corporate with the powers incident to a municipal corporation, with all of the rights and responsibilities that a town school district has in providing for the education of its resident students. Formation of union school districts shall be designed to encourage and support local decisions and actions that provide substantial equity of educational opportunities statewide, lead students to achieve or exceed the State's Education Quality Standards, maximize operational efficiencies, promote transparency and accountability, and be delivered at a cost that parents, voters, and taxpayers value.

§ 702. DEFINITIONS

As used in this chapter:

(1) "Board clerk" means the individual selected to be clerk of the board of a union school district by the members of the board from among their number pursuant to the provisions of sections 714 (initial members of union school district board), 729 (unified union district board members), and 747 (union elementary and union high school district board members) of this chapter.

(2) "District clerk" means the individual elected as clerk of a union school district by the voters of the district pursuant to the provisions of sections 715 (union school district organizational meeting), 735 (unified union school district officers and election), and 753 (union elementary and union high school district officers and election) of this chapter.

(3) "Forming districts" means all school districts, including union school districts, that are located within the geographical boundaries of a proposed or voter-approved union school district prior to the operational date of the union school district, which will potentially merge or have merged to form the new union school district.

(4) "Member district" means a school district, which can be a union school district, that is a member of a union elementary school district or a union high school district for certain grades, prekindergarten through grade 12, and is a distinct district organized to provide for the education of its resident students for all other grades, whether by operating one or more schools or paying tuition.

(5) "Operational date" means the date on which a union school district formed pursuant to the provisions of this chapter assumes full and sole responsibility for the education of all resident students in the grades for which it is organized.

(6) "School district" means a school district organized as a town school district, city school district, incorporated school district, or union school district, unless clearly inapplicable.

(7) In addition to its plain meaning, "town" means a city or incorporated village.

(8) In addition to its plain meaning, "town school district" means a city school district, or incorporated school district, and does not mean a union school district.

(9) "Town within a unified union school district" means each town located inside the geographic boundaries of a unified union school district and in which the district's resident students live.

(10) "Transitional period" means the period of time beginning on the day on which a union school district becomes a legal entity pursuant to section 713 (certification of votes) of this chapter and continuing until its operational date.

(11) "Unified union school district" means a union school district organized to provide for the education of the district's resident students in all grades, prekindergarten through grade 12.

(12) "Union elementary school district" and "union high school district" mean a union school district organized to provide for the education of the district's resident students in fewer than all grades, prekindergarten through grade 12.

(13)(A) "Union school district" means a municipality formed under the provisions of this chapter that is governed by a single publicly elected board and that is responsible for the education of students residing in two or more towns in the grades for which the district is organized by:

(i) operating a school or schools for all grades;

(ii) operating a school or schools for all students in one or more grades and paying tuition for all students in the remaining grade or grades; or

(iii) paying tuition for all grades.

(B) Use of the term "union school district" or "union district" includes a union elementary school district, union high school district, and

unified union school district unless the context clearly limits it to fewer than all options.

(14) "Weighted voting" means a system, sometimes used in the "proportional to town population" model of union school district board membership, set forth in subdivisions 711(d)(1), 711(e)(1), 730(a)(1), 748(a)(1), and 748(b)(1) of this chapter, where proportionality is achieved by assigning a different number of votes to each board member.

§ 703. APPLICATION OF OTHER LAWS AND ARTICLES OF AGREEMENT

(a) Other education laws. The provisions of this chapter are intended to be in addition to the general provisions of law pertaining to schools, school districts, and supervisory unions. General provisions of law shall apply to union school districts unless inconsistent with or otherwise provided in this chapter.

(b) Existing articles of agreement.

(1) If a union school district joins with other school districts to form a new union school district pursuant to the provisions of sections 706–715 (process of exploration, formation, and organization of a union school district) of this chapter, then the articles of agreement of the existing union school district are repealed, and the articles of agreement of the new union school district shall govern.

(2) If a union school district joins another existing union school district pursuant to the provisions of section 721 (joining an existing union school district) of this chapter, then the articles of agreement of the joining district are repealed, and the articles of agreement of the enlarged union school district shall govern, unless the districts agree otherwise.

Subchapter 2. Exploration, Formation, and Organization

Article 1. Process

§ 706. PROPOSAL TO FORM STUDY COMMITTEE; BUDGET AND MEMBERSHIP

(a) Establishment of committee. When the boards of two or more school districts vote to establish a study committee to study the advisability of forming a union school district or are petitioned to do so by at least five percent of voters in the school district, the boards shall meet with the superintendent or superintendents of each school district. With the advice of the superintendent or superintendents, the boards shall establish a budget for the study committee's work and shall determine the number of persons to serve on the study committee pursuant to subsection (b) of this section.

(b) Budget and membership. Each participating school district's share of the established budget and membership on the study committee shall be the same as the proportion of the school district's equalized pupils to the total equalized pupils of all school districts intending to participate formally in the study committee. As used in this subsection, "equalized pupils" has the same meaning as in section 4001 of this title.

(c) Existing union school districts.

(1) Existing union elementary or union high school district; proposed unified union school district. If the board of an existing union elementary or union high school district votes to participate in a study committee to consider formation of a unified union school district, or is petitioned by the voters to do so, then:

(A) The interests of the existing union school district shall be represented by its member districts on the study committee.

(B) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote on any resulting proposal to form a unified union school district pursuant to section 710 shall be at the member district level.

(C) If the existing union school district does not have any member districts because all towns for which it is organized are members of both a union elementary school district and a union high school district, then the existing union school district shall represent its own interests on the study committee, and the towns within it shall not participate on its behalf.

(D) If a town is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, and does not have a town school district board, then notwithstanding other provisions to the contrary:

(i) To the extent possible, the boards of the union elementary and union high school districts of which the town is a member shall make a reasonable attempt, jointly, to appoint a member to the study committee who resides in the town.

(ii) The legislative body or appropriate officer of the town shall perform electoral functions, including warning meetings and conducting the voting process, ordinarily performed by and in member districts on behalf of a union school district.

(2) Existing unified union school district; proposed unified union school district. If the board of a unified union school district votes to participate in a study committee to consider formation of a new unified union school district rather than the enlargement of the existing unified union school district pursuant to section 721 (joining an existing union school district) of this chapter, or is petitioned by the voters to do so, then:

(A) The existing unified union school district shall represent its own interests on the study committee, and the towns within it shall not participate on its behalf.

(B) To the extent possible, the board of the existing unified union school district shall make a reasonable attempt to appoint members to the study committee who reside in each town within the district.

(C) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote of the electorate on any resulting proposal to form a new unified union school district pursuant to section 710 shall proceed pursuant to the provisions for commingled Australian ballot voting as set forth in subchapter 3 (unified union school districts) of this chapter.

(3) Existing union elementary or union high school district; proposed union elementary or union high school district. If the board of an existing union elementary or union high school district votes to participate in a study committee to consider formation of a new union elementary or union high school district rather than enlarging the existing union school district pursuant to section 721 (joining an existing union school district) of this chapter, or is petitioned by the voters to do so, then:

(A) The existing union school district shall represent its own interests on the study committee, and the member districts of the existing union school district shall not participate on its behalf.

(B) To the extent possible, the board of the existing union school district shall make a reasonable attempt to appoint members to the study committee who reside in each of the member districts within the existing union school district.

(C) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote of the electorate on any resulting proposal to form a new union elementary or union high school district pursuant to section 710 of this chapter shall proceed pursuant to the provisions for commingled Australian ballot voting as set forth in subchapter 4 (union elementary and union high school districts) of this chapter.

§ 707. APPROVAL OF STUDY BUDGET; APPOINTMENT OF STUDY COMMITTEE; PARTICIPATION

(a) Proposed budget exceeding $50,000.00.

(1) If the proposed budget established in section 706 of this chapter exceeds $50,000.00, then subject to the provisions of that section the board of each potentially participating school district shall warn the district's voters to meet at an annual or special school district meeting to vote whether to appropriate funds necessary to support the district's financial share of a study committee's costs. The meeting in each school district shall be warned for the same date. The warning in each school district shall contain an identical article in substantially the following form:

> Shall the school district of _____ appropriate funds necessary to support the school district's financial share of a study to determine the advisability of forming a union school district with some or all of the following school districts: _____, _____, and _____? It is estimated that the _____ school district's share, if all of the identified school districts vote to participate, will be $_____. The total proposed budget, to be shared by all participating school districts is $ _____."

(2) If the vote in subdivision (1) of this subsection is in the affirmative in two or more school districts, then the boards of the affirming school districts shall appoint a study committee consisting of the number of persons determined pursuant to section 706 (proposed study committee budget and membership) of this chapter. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(3) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(b) Proposed budget not exceeding $50,000.00.

(1) If the proposed budget established in section 706 of this chapter does not exceed $50,000.00, then the boards of the participating school districts shall appoint a study committee consisting of the number of persons determined under that section. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study

committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(2) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(c) Additional costs.

(1) If the voters approve a budget that exceeds $50,000.00 but the study committee later determines that its budget is likely to exceed the projected, voter-approved amount, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding the previously approved budget in the manner set forth in subdivision (a)(1) of this section before the study committee obligates or expends sums in excess of the initial voter-approved amount.

(2) If a proposed budget does not exceed $50,000.00 at the time the school boards appoint members to the study committee, but the study committee later determines that its total budget is likely to exceed $50,000.00, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding $50,000.00 in the manner set forth in subdivision (a)(1) of this section before the study committee obligates or expends funds in excess of $50,000.00.

(d) Grants. Costs to be paid by State, federal, or private grants shall not be included when calculating whether a study committee's budget or proposed budget exceeds $50,000.00.

(e)(1) Subsequent appointments of persons to the study committee; vacancy. Subject to the requirement that each school board appoint at least one current member of the board, the board of a participating school district shall appoint a person residing in the school district to the study committee if one of the school district's seats is vacant because a study committee member:

(A) is no longer a member of the school district's board and was the sole board member appointed by that school district;

(B) has resigned from or is no longer able to serve on the study committee; or

(C) has not attended three consecutive study committee meetings without providing notice to the study committee chair of the reason for each absence and obtaining a determination of the study committee members that the absences were reasonable.

(2) Notice under subdivision (1)(C) of this subsection shall be given in advance of absences whenever possible.

(f) Formal participation in study committee.

(1) A school district shall not be a formal participant in and appoint members to more than one study committee created under this chapter at any one point in time.

(2) A school district shall not formally withdraw its participation in an existing study committee after the school district has appointed members to that committee until the study committee dissolves pursuant to subsection 708(e) of this chapter.

(g) Additional formal participants.

(1) Subject to the provisions of subsection (f) of this section, a school district may join as an additional formal participant in a study committee after creation of the committee if:

(A) the school district's board has requested the committee's approval to participate after either a vote of the school district's board or a petition by five percent of the school district's voters and if the study committee votes to approve formal participation by the district; or

(B) the study committee has voted to ask the school district to participate formally and either the board of the school district votes to approve formal participation or is petitioned by five percent of the school district's voters to do so.

(2) A school district that becomes a formal participant in an existing study committee pursuant to this subsection is subject to the provisions of section 706 (proposed study committee budget and membership) of this chapter regarding financial and representational proportionality and to all other requirements of study committees set out in this chapter.

(h) Informal participation by other school districts.

(1) The board of a school district that is not a formal participant in an existing study committee may authorize one or more of the board's members to contact the study committee to discuss whether it may be advisable to include the school district within a proposal to form a new union school district as an "advisable" district, as described in section 708 (necessary and advisable districts) of this chapter.

(2) An existing study committee may authorize one or more of its members to contact the board of one or more additional school districts that are not formal participants in the committee to discuss whether it may be advisable to include the school district within a proposal to form a new union school district as an "advisable" district.

(3) An existing study committee may invite representatives of a nonparticipating school district's board to participate informally in the study committee's deliberations.

(4) Nothing in this section shall be construed to prohibit the board of a school district from authorizing informal exploration between and among the boards of school districts prior to the formation of a study committee.

§ 708. STUDY COMMITTEE; NECESSARY AND ADVISABLE DISTRICTS; CONTENTS OF STUDY COMMITTEE REPORT AND PROPOSED ARTICLES; DISSOLUTION OF COMMITTEE

(a) Study committee; process.

(1) The superintendent shall convene a study committee's first meeting when the committee's members are appointed. If the participating districts are members of more than one supervisory union, then the superintendents shall decide which of their number shall convene the meeting. The study committee members shall elect a chair who shall notify the Secretary in writing of the committee's creation and the chair's election within 30 days following the vote of the committee's creation.

(2) Staff of the supervisory union or unions shall provide administrative assistance to the study committee.

(3) The Secretary shall cooperate with the study committee and is authorized to make Agency staff available to provide technical assistance to the committee.

(4) The study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of 1 V.S.A. chapter 5, subchapter 2.

(5) Although a study committee should try to achieve consensus, committee decisions shall be reached by a majority of all committee members present and voting.

(b) Necessary and advisable school districts. If a study committee decides to recommend formation of a union school district, then it shall determine whether each school district included in the recommended formation is "necessary" or "advisable" to formation.

(1) "Necessary" school district.

(A) The study committee shall identify a school district as "necessary" to formation of the union school district only if the school district is a formal participant in the study committee.

(B) Subject to the provisions of subsection 706(c) of this chapter, the school board of a "necessary" school district is required to warn a vote of the

electorate under sections 710 (vote to form union school district) and 711 (initial members of union school district board election) of this chapter.

(C) A proposed union school district is formed only if the voters voting in each "necessary" school district vote to approve formation.

(2) "Advisable" school district.

(A) The study committee may identify any school district as "advisable" to formation of the union school district even if the school district is not a formal participant in the study committee.

(B) The school board of an "advisable" school district is not required to warn a vote of the electorate under sections 710 (vote to form union school district) and 711 (initial members of union school district board election) of this chapter, except upon application of 10 percent of the voters in the school district.

(C) Voter approval in an "advisable" district is not required for formation of a new union school district.

(3) Existing union elementary or union high school district. Notwithstanding other provisions of this subsection, an existing union elementary or union high school district is "necessary" to the formation of a unified union school district even though its interests are represented by its member districts pursuant to subdivision 706(c)(1) (study committee budget and membership for existing union school districts) of this chapter.

(c) Proposal to form union school district; report and proposed articles of agreement. If a study committee determines that it is advisable to propose formation of a union school district, then it shall prepare a report analyzing the strengths and challenges of the current structures of all "necessary" and "advisable" school districts and outlining the ways in which a union school district promotes the State policy set forth in section 701 of this chapter. The study committee shall also prepare proposed articles of agreement that, if approved pursuant to the provisions of this chapter, shall serve as the operating agreement for the new union school district. At a minimum, articles of agreement shall state:

(1) The name of any school district the study committee considers "necessary" to formation of the proposed union school district.

(2) The name of any school district the study committee considers "advisable" to include in the proposed union school district.

(3) The legal name or temporary legal name by which the union school district shall be known.

(4) The grades, if any, that the proposed union school district will operate and the grades, if any, for which it will pay tuition.

(5) The cost and general location of any proposed new school buildings to be constructed and the cost and general description of any proposed renovations to existing school buildings.

(6) A plan for the first year of the union school district's operation for transportation of students, assignment of staff, and use of curriculum that is consistent with existing contracts, collective bargaining agreements, and other provisions of law. The board of the union school district, if formed, shall make all subsequent decisions regarding transportation, staff, and curriculum subject to existing contracts, collective bargaining agreements, and other provisions of law.

(7) A list of the indebtedness of each "necessary" and "advisable" district, which the union school district shall assume.

(8) The specific pieces of real property of each "necessary" and "advisable" district that the union school district shall acquire, their valuation, and how the union school district shall pay for them.

(9) Consistent with the proportional representation requirements of the Equal Protection Clause of the U.S. Constitution, the method or methods of apportioning representation on the union school district board as set forth in subsections 711(d) (unified union school district), (e) (union elementary or union high school district), and (f) (weighted voting) of this chapter.

(10) The term of office for each member initially elected to the union school district board, to be arranged so that one-third expire on the day of the second annual meeting of the union school district, one-third on the day of the third annual meeting, and one-third on the day of the fourth annual meeting, or as near to that proportion as possible.

(11) The date on which the proposal to create the union school district and the election of initial union school district board members will be submitted to the voters.

(12) The date on which the union school district will be solely responsible for the education of its resident students in the grades for which it is organized and will begin operating any schools, paying any tuition, and providing educational services.

(13) Whether the election of board members, election of school district officers, votes on the union school district budget, or votes on other public questions, or any two or more of these, shall be by Australian ballot.

(14) Any other matters that the study committee considers pertinent.

(d) No proposal to form a union school district. If a study committee determines that it is inadvisable to propose formation of a union school district, then its members shall vote to dissolve the committee. If the study committee members vote to dissolve, then the chair shall notify the Secretary in writing of the vote.

(e) Dissolution of study committee.

(1) If a study committee proposes formation of a union school district pursuant to subsection (c) of this section, then the committee shall cease to exist when the clerk of each school district voting on a proposal to establish the union school district has certified the results of the vote to the Secretary pursuant to subsection 713(a) of this chapter.

(2) If a study committee determines that it is inadvisable to propose formation of a union school district, then the committee shall cease to exist when the chair notifies the Secretary of the committee's vote pursuant to subsection (d) of this section.

§ 709. REVIEW BY LOCAL SCHOOL DISTRICT BOARDS; CONSIDERATION AND APPROVAL BY STATE BOARD OF EDUCATION

(a) If a study committee determines that it is advisable to propose formation of a union school district, then the committee shall transmit its report and proposed articles of agreement to the school board of each school district that the report identifies as either "necessary" or "advisable" to formation of the proposed union school district. Each board may review the report and proposed articles and may provide its comments to the study committee. The study committee has sole authority to determine the contents of the report and proposed articles and to decide whether to submit them to the State Board under subsection (b) of this section.

(b) If a study committee determines that it is advisable to propose formation of a union school district, then the committee shall transmit the report and proposed articles of agreement to the Secretary who shall submit them with recommendations to the State Board.

(c)(1) The State Board:

(A) shall consider the study committee's report and proposed articles of agreement and the Secretary's recommendations;

(B) shall provide the study committee an opportunity to be heard;

(C) may ask the Secretary or the study committee, or both, to make further investigation and may consider any other information the State Board deems to be pertinent; and

(D) may request that the study committee amend the report or the proposed articles of agreement, or both.

(2) If the State Board finds that formation of the proposed union school district is in the best interests of the State, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then it shall approve the study committee's report and proposed articles of agreement, together with any amendments, as the final report and proposed articles of agreement, and shall give notice of its action to the study committee.

(d) The chair of the study committee shall file a copy of the approved final report and proposed articles of agreement with the clerk of each school district identified as "necessary" or "advisable" at least 30 days prior to the vote of the electorate on whether to form the union school district.

§ 710. VOTE TO FORM UNION SCHOOL DISTRICT

Subject to the provisions of subsections 706(c) (proposal to form study committee; existing union school districts) and 708(b) (study committee; necessary and advisable districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to form the proposed union school district, as follows:

(1) The vote shall be held on the date specified in the final report.

(2) The vote shall be by Australian ballot.

(3) The vote shall be at separate school district meetings held on the same day.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 shall be provided.

(5) The board of each school district voting on the proposal shall warn the vote either as a special meeting of the school district or as part of its annual meeting.

§ 711. VOTE TO ELECT INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

(a) Election of initial members of union school district board. At the meeting warned to vote on formation of a union school district under section 710 of this chapter, the voters shall also elect the initial members who will serve on the board of the union school district if the voters approve the district's formation.

(1) The vote to elect the initial members shall be by Australian ballot.

(2) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 shall be provided.

(b) Representation and term length. Initial membership on a union school district board shall be pursuant to the method of representation set forth in the articles of agreement, for the terms specified in that document, and pursuant to the provisions of this section and subdivisions 708(c)(9) and (10) (study committee; proposed articles of agreement; apportionment and terms) of this chapter.

(c) Operational definitions. As used in subsections (d) and (e) of this section, any term not defined in section 702 of this chapter shall have its plain meaning, except as provided in this subsection.

(1) If, pursuant to section 425 (other town school district officers) of this title, the voters of a school district have elected a district clerk who is not also the clerk of the town served by the school district, then "town clerk" means the elected clerk of that school district.

(2) Notwithstanding subdivision (1) of this subsection, if a potential forming district is an existing unified union school district, then:

(A) Reference to the voters of the "school district" means the voters of each town within the existing unified union school district, who shall vote at a location in their town of residence that is identified in the warning issued by the existing unified union school district; provided, however, that the total of all votes cast in the towns shall determine the modified at-large and at-large election of initial board members pursuant to subdivisions (d)(2) (proposed unified union district; modified at-large), (d)(3) (proposed union district; at-large), (e)(2) (proposed union elementary or union high school district; modified-at large), and (e)(3) (proposed union elementary or union high school district; at-large) of this section, as well as whether the existing unified union school district approves formation of the new unified union school district.

(B) "Town clerk" means the clerk of each town within the existing unified union school district; provided, however, that the town clerk of each town shall transmit the name of each duly nominated candidate to the clerk of the existing unified union school district, who shall prepare the unified union school district ballot for that town and transmit the ballot to the town clerk to make available to the voters.

(3) Notwithstanding subdivision (1) (clerk of school district) of this subsection, if a town is a member of both a union elementary school district and a union high school district, is not independently organized as a district

that is responsible for the education of students in any grade, and does not have a town school district board, then:

(A) reference to the voters of the "school district" means the voters of the town that is the member of both existing union school districts, who shall vote at a location in their town of residence that is identified in the warning issued by:

(i) the existing union elementary school district if the voters are voting on a proposed unified union school district or a proposed union elementary school district; or

(ii) the existing union high school district if the voters are voting on a proposed union high school district; and

(B) "town clerk" means the clerk of the town that is a member of both existing union school districts; provided, however, that the town clerk shall transmit the name of each duly nominated candidate to the clerk of the union school district identified in subdivision (A) of this subdivision (3), who shall prepare the ballot for that town and transmit the ballot to the town clerk to make available to the voters.

(d) Proposed unified union school district. Subject to the provisions of subsections 706(c) (existing union school districts) and 708(b) (necessary and advisable school districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to elect initial board members of a proposed unified union school district, as follows

(1) Proportional to town population. When representation on the board of a proposed unified union school district is apportioned to each potential town within the proposed district in a number that is closely proportional to the town's relative population:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member based on town population. A petition shall be valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk of the town in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) The town clerk shall place the name of each duly nominated candidate on the ballot to be presented to the voters of the school district.

(C) The voters of the school district for the town in which the candidate resides shall elect as many board members to the unified union school board as are apportioned based on the town's population.

(2) Modified at-large model: allocation to town; at-large representation. When representation on the board of a proposed unified union school district is allocated to each potential town within the proposed district, but the allocation is not closely proportional to the town's relative population and the board member is elected at-large:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member allocated to the voters' town. A petition shall be valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk of the town in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a unified union school district board member allocated to a potential town within the proposed district but to be elected at-large under the modified at-large model, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed unified

union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the board members to be elected at-large under the modified at-large model; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(3) At-large representation. When representation on the board of a proposed unified union school district is not apportioned or allocated to the potential towns within the proposed district pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection and the board member is elected at-large:

(A) The voters of one or more school districts identified as "necessary" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member at-large. A petition shall be valid only if:

(i) the candidate is a current voter of a school district identified as "necessary" to the formation of the proposed union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in one or more school districts identified as "necessary" to the formation of the proposed unified union school district;

(iv) the voters file the petition with the town clerk in the "necessary" school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a unified union school district board member elected at-large, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed unified union school district to place the candidate's name on the ballot presented to the voters in those

districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the members to be elected at-large; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(e) Proposed union elementary or union high school district. Subject to the provisions of subsections 706(c) (existing union school districts) and 708(b) (necessary and advisable school districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to elect initial board members of the proposed union school district, as follows:

(1) Proportional to town population. When representation on the board of a proposed union elementary or union high school district is apportioned to each potential member district of the proposed district in a number that is closely proportional to the potential member district's relative population:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member representing the potential member district. A petition shall be valid only if:

(i) the candidate is a current voter of the potential member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the potential member district or one percent of the legal voters in the district, whichever is less;

(iv) the petition is filed with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) The town clerk shall place the name of each duly nominated candidate on the ballot to be presented to the voters of the potential member district.

(C) The voters of the district shall elect as many board members as are apportioned to the potential member district based on population.

(2) Modified at-large model: allocation to town; at-large representation. When representation on the board of a proposed union elementary or union high school district is allocated to each potential member district, but the allocation is not closely proportional to the potential member district's relative population and the board member is elected at-large:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member allocated to the potential member district. A petition shall be valid only if:

(i) the candidate is a current voter of the potential member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the potential member district or one percent of the legal voters in the district, whichever is less;

(iv) the petition is filed with the town clerk of the school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for union school district board member allocated to a potential member district but to be elected at-large under the modified at-large mode, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the potential member district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the board members to be elected at-large under the modified at-large model; provided, however, that ballots shall be included in

the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(3) At-large representation. When representation on the board of a proposed union elementary or union high school district board is not apportioned or allocated to the potential member districts pursuant to subdivision (1) (proportional to town population) or (2) (modified at large) of this subsection and the board member is elected at-large:

(A) The voters of one or more school districts identified as "necessary" to the formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member at-large. A petition shall be valid only if:

(i) the candidate is a current voter of a school district identified as "necessary" to the formation of the proposed union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in one or more school districts identified as "necessary" to the formation of the proposed union school district;

(iv) the petition is filed with the town clerk in the "necessary" school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a union school district board member to be elected at-large, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed union school district shall vote for the board members to be elected at-large; provided, however, that ballots shall be included in the calculation of total votes cast

pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(f) Weighted voting. If representation on a union school district board is apportioned based upon population pursuant to subdivision (d)(1) or (e)(1) of this section, then the union school district may achieve proportionality through a system of weighted voting.

§ 712. CONTENTS OF WARNING ON VOTES TO ESTABLISH THE UNION SCHOOL DISTRICT AND ELECT THE INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

The warning for each school district meeting to vote on formation of a union school district shall contain two articles in substantially the following form. The language used in Article 1 shall be the same for each "necessary" and "advisable" district voting on formation of the new district. Article II of the warning shall not include names of candidates for the union school district board.

WARNING

The voters of the _____ School District are hereby notified and warned to meet at _____ on the __ day of _____, 20__, to vote by Australian ballot between the hours of _____, at which time the polls will open, and _____, at which time the polls will close, upon the following articles of business:

Article I. FORMATION OF UNION SCHOOL DISTRICT

Shall the _____ School District, which the proposed articles of agreement have identified as ["necessary" or "advisable"] to the formation of the proposed union school district, join with the school district[s] of _____ and _____, which are identified as "necessary" to formation, and potentially the school district[s] of _____ and _____, which are identified as "advisable" to formation, for the purpose of forming a union school district, as provided in Title 16, Vermont Statutes Annotated, upon the following conditions and agreements:

(a) Grades. The union school district shall be organized to provide for the education of resident students in grades _____ through _____ and shall assume full and sole responsibility therefor on July 1, 20__.

(b) Operation of schools. The union school district shall operate and manage one or more schools offering instruction in grades _____ through _____. [Amend as necessary if the district will pay tuition for any or all grades for which it is organized.]

(c) Union school district board. [State method by which representation of each member of the union school board is to be determined pursuant to section 711 (vote to elect initial members) of this chapter.]

(d) Assumption of debts and ownership of school property. The union school district shall assume the indebtedness of forming districts, acquire the school properties of the forming districts, and pay for them, all as specified in the final report and proposed articles of agreement.

(e) Final report. The provisions of the final report and proposed articles of agreement approved by the State Board of Education on the __ day of _____, 20__, which is on file in the office of the clerk of each school district named in this warning, shall govern the union school district.

Article II. ELECTION OF INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

To elect a total of _____ (_) member(s) to serve as initial members of the proposed union school district board for the terms established in the final report and proposed articles of agreement: [Amend as necessary to reflect method for determining school board membership pursuant to section 711 (vote to elect initial members) of this chapter.]

(a) [Insert number] Board Member[s] to serve until the second annual meeting of the union school district, in 20__.

(b) [Insert number] Board Member[s] to serve until the third annual meeting of the union school district, in 20__.

(c) [Insert number] Board Member[s] to serve until the fourth annual meeting of the union school district, in 20__.

§ 713. CERTIFICATION OF VOTES; DESIGNATION OF DISTRICT AS UNION SCHOOL DISTRICT; RECORDING BY SECRETARY OF STATE

(a) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each school district voting on the proposal to form a union school district shall certify the results of that vote to the Secretary of Education. The clerk shall submit the certification regardless of whether the district voters approved the proposed formation of a union school district.

(b) If the voters voting in each school district identified as "necessary" to formation of the proposed union school district vote to form the district, then the "necessary" school districts constitute a union school district, together with

any school district designated as "advisable" that votes to form the proposed union school district.

(c) If the voters approve formation of a union school district pursuant to subsection (b) of this section, then upon receiving the certification of each clerk pursuant to subsection (a) of this section, but not sooner than 30 days after the initial vote, the Secretary shall designate the newly formed district as a union school district. The Secretary shall certify that designation and send the certification together with the clerks' certifications to the Secretary of State, who shall record the certification.

(d) When the Secretary of State records the certification of the Secretary of Education, the union school district shall be a body politic and corporate with the powers incident to a municipal corporation, shall be known by the name or number given in the recorded certification, by that name or number may sue and be sued, and may hold and convey real and personal property for the use of the union school district. The recorded certification shall be notice to all parties of the formation of the union school district with all the powers incident to such a district as provided in this title.

(e) The Secretary of State shall file a certified copy of the recorded certification with the clerk of each member district of a new union elementary or union high school district and with the town clerk of each town within a new unified union school district. The Secretary of State shall file the certified copies not later than 14 days after the date on which the Secretary of Education certifies the existence of the union school district to the Secretary of State. Filing a certified copy with each clerk shall be prima facie evidence of full compliance with the requirements for the formation of a union school district as set forth in this subchapter.

§ 714. INITIAL MEMBERS OF UNION SCHOOL DISTRICT BOARD; TALLYING OF AT-LARGE VOTES; OATH OF OFFICE AND ASSUMPTION OF DUTIES

(a) Tallying of at-large votes for initial members of board. If the voters have elected some or all of the initial members of the union school district board under either model involving at-large voting as set forth in subdivision 711(d)(2) (proposed unified union school district; modified at-large), (d)(3) (proposed unified union school district; at-large), (e)(2) (proposed union elementary or union high school district; modified at-large), or (e)(3) (proposed union elementary or union high school district; at-large) of this chapter, then the total votes cast for each of the at-large candidates shall be calculated as follows:

(1) Within seven days after the vote, the clerk of each school district voting on the proposal to form a union school district shall transmit electronically to the Secretary of Education the total number of votes cast in that school district for each at-large candidate.

(2) The Secretary shall calculate the total votes cast for each candidate and transmit those calculations to the clerks for verification. Ballots cast by the voters of any "advisable" district that does not approve the proposal to form a new union school district shall not be included in the calculation.

(3) When each clerk has verified the calculations, the Secretary shall prepare and execute a certification of the votes cast for each candidate.

(b) Notification. If the voters approve formation of a new union school district, then within 30–45 days after the vote or 15 days after a vote to reconsider the original vote to form the district, whichever is later, the notification of the election of initial board members shall be sent to the Secretary of State as follows:

(1) The clerk of each forming district shall transmit the names of board members elected in a manner that is proportional to town population as set forth in subdivision 711(d)(1) (proposed unified union district; proportional to town population) or (e)(1) (proposed union elementary or union high school district; proportional to town population) of this chapter.

(2) The Secretary of Education shall transmit the names of board members elected under either model involving at-large voting.

(c) Oath of office; assumption of duties; election of chair and clerk. The superintendent of the supervisory union serving the new union school district shall cause the initial board members to be sworn in. Although the swearing-in may occur prior to the organizational meeting required by section 715 of this chapter, it shall not occur before the Secretary of State files the certified copy of the recorded certification with each clerk pursuant to subsection 713(e) of this chapter. The initial board members shall assume office upon being sworn in and shall meet to elect one of their number to serve as the board chair and one other of its number to serve as the board clerk, and to transact any other business within its jurisdiction; provided, however, such meeting shall not occur prior to the organizational meeting required by section 715.

§ 715. ORGANIZATIONAL MEETING; NOTICE; BUSINESS TO BE TRANSACTED

(a) Meeting. The union school district shall hold an organizational meeting within 60 days after the Secretary of State files the certified copy of

the recorded certification with each clerk pursuant to subsection 713(e) of this chapter.

(b) Notice.

(1) The Secretary of Education shall prepare and execute a warning for the organizational meeting. The warning shall give notice of the day, hour, and location of the meeting and shall itemize the business to be transacted.

(2) The Secretary of Education shall transmit the signed warning to the superintendent, who shall post the warning in at least one public place in each town within the union school district and shall cause the warning to be published once in a newspaper of general circulation in the towns within the union school district. Posting and publication shall be made not more than 40 days nor less than 30 days before the date of the meeting.

(3) The union school district shall bear the cost of posting and publishing the warning.

(c) Business to be transacted.

(1) The Secretary or a person designated by the Secretary shall call the organizational meeting to order and the registered voters shall consider the following items of business:

(A) Elect a temporary presiding officer and a temporary clerk of the union school district from among the voters present at the organizational meeting.

(B) Adopt Robert's or other rules of order, which shall govern the parliamentary procedures of the organizational meeting and all subsequent meetings of the union school district.

(C) Elect a moderator of the union school district from among the voters.

(D) Elect a clerk of the union school district from among the voters or vote to authorize the school board to appoint a clerk of the union school district from among the voters.

(E) Elect a treasurer of the union school district or vote to authorize the school board to appoint a treasurer of the union school district. The treasurer may also be the supervisory union treasurer and need not be a resident of the union school district.

(F) Determine the date and location of the union school district's annual meeting, which shall be not earlier than February 1 nor later than June 1, if not previously determined by the voter-approved articles of agreement.

(G) Determine whether compensation shall be paid to the moderator, clerk, and treasurer of the union school district elected at the organizational meeting and at subsequent annual meetings of the union school district and, if so, the amount to be paid to them.

(H) Determine whether compensation shall be paid to members of the union school district board and, if so, the amount to be paid to them.

(I) Establish provisions for payment by the union school district of any expense incurred or to be incurred by or on behalf of the district for the period between the date on which the voters approved formation of the union school district and the first annual meeting of the union district.

(J) Determine whether to authorize the initial board of the union school district to borrow money pending receipt of payments from the Education Fund by the issuance of its note payable not later than one year from the date of the note. Regardless of whether the voters provide this authorization, the initial board is authorized to borrow sufficient funds to meet pending obligations until the voters approve a budget for the initial year of operation pursuant to subdivision 716(b)(3) of this chapter.

(K) Transact any other business, the subject matter of which has been included in the warning, that the voters have power to transact at any annual or special meeting and transact any nonbinding business that may legally come before the voters.

(2) When there is only one nominee for temporary presiding officer, temporary clerk, moderator, district clerk, or district treasurer, the voters may, by acclamation, instruct an officer to elect the nominee by casting one ballot, and upon the ballot being cast, the nominee shall be legally elected and shall thereupon be sworn.

(3) The elected officers listed in subdivisions (1)(A) (temporary presiding officer and temporary clerk), (C) (moderator of the union school district), (D) (clerk of the union school district), and (E) (treasurer of the union school district) of this subsection shall be sworn in before entering upon the duties of their offices and a record made by the district clerk. They shall assume office upon being sworn in. The officers listed in subdivisions (1)(C), (D), and (E) of this subsection shall serve terms as set forth in section 735 (unified union school districts; officers) or 753 (union elementary and union high school district; officers) of this chapter unless the voters extend the term length up to three years.

(4) Any member of the union school district board not sworn in before the organizational meeting pursuant to section 714 of this chapter may be sworn in at or after the organizational meeting.

Article 2. Transition; Dissolution, Reorganization, and Discontinuation of Forming Districts; Sale of Real Property; Supervisory Unions and Supervisory Districts

§ 716. TRANSITION TO FULL OPERATIONS

(a) Operational date. The operational date of a union school district is the July 1 next following the date on which the voters vote to approve formation of the district, unless the voter-approved articles of agreement establish a different date.

(b) Roles and authority during transitional period. During the transitional period:

(1) The forming districts, through their boards, shall continue to be responsible for the education of their respective resident students.

(2) The board of the new union school district shall develop school district policies; adopt curriculum, educational programs, assessment measures, and reporting procedures; negotiate and enter into contractual agreements; negotiate and enter into collective bargaining agreements; set the school calendar for the fiscal year that begins on the operational date; prepare and present to the voters the proposed budget for the fiscal year that begins on the operational date; prepare for the annual and any special meetings of the new union school district that may occur during the transitional period; and transact any other lawful business coming before it.

(3) During the transitional period and continuing until the voters approve a budget for the initial fiscal year of operation, the board of the new union school district shall have the authority to borrow sufficient funds to meet pending obligations. The board shall vote whether to include the total sum borrowed under this subsection as education spending in the board's proposed budget for the initial fiscal year or to treat the sum as a deficit pursuant to 24 V.S.A. § 1523(b) (municipal and county government; duties of selectboards as to a deficit).

(c) Assets.

(1) Definition. For purposes of this subsection, the "assets" of a forming district shall include all real and personal property, operating fund accounts, special fund accounts, trust fund accounts, accounts receivable, and any other property to which the forming district holds title or over which it has control.

(2) Transfer and acquisition of title. On or before the operational date, the forming districts shall transfer and the union school district shall acquire ownership of all assets of the forming districts that are owned by the forming districts on or before the June 30 immediately preceding the operational date, unless the voter-approved articles of agreement explicitly provide for an alternative disposition of a specific asset. The transfer of an asset shall be subject to all encumbrances and conditions of record, unless the voter-approved articles of agreement explicitly provide otherwise.

(3) Prohibition. A forming district shall not transfer ownership of an asset to any entity other than the union school district between the date on which the vote occurs pursuant to section 710 (vote to form union school district) of this chapter and the operational date unless explicitly authorized in the voter-approved articles of agreement or approved by the voters of the union school district during the transitional period.

(4) Trust funds. A union school district shall hold and apply all trust funds transferred to it by a forming district as the terms of the trust indicate. If the trust allows, a union school district may use the funds to benefit union school district students who reside, or buildings that are located, outside the geographical boundaries of the forming district that originally held the trust.

(5) Reserve funds. A union school district shall hold and apply all reserve funds transferred to it by a forming district pursuant to the conditions imposed prior to the date on which the forming district voted to approve formation of the union school district.

(d) Liabilities.

(1) Definition. For purposes of this subsection, the "liabilities" of a forming district shall include all contractual obligations, all indebtedness including principal and interest, and any other legal commitment of a forming district.

(2) Transfer and assumption of liabilities. On or before the operational date, the forming districts shall transfer and the union school district shall assume all liabilities of the forming districts that exist on the June 30 immediately preceding the operational date, unless the voter-approved articles of agreement explicitly provide otherwise.

(3) Prohibition. Notwithstanding the provisions of subdivision (2) of this subsection (d), a union school district shall not assume liabilities that a forming district incurs between the date on which the vote occurs pursuant to section 710 (vote to form union school district) of this chapter and the operational date unless explicitly authorized in the voter-approved articles of

agreement or approved by the union school district board during the transitional period; provided, however, that a union school district shall in all cases assume the contractual obligations of the member districts regarding each collective bargaining agreement or other employment contract entered into during the transitional period until the agreement's or contract's expiration.

(e) Unpaid expenses. At the district's first annual meeting following assumption of full operations or at a later meeting as necessary, the voters of a new union school district shall vote a sum sufficient to pay any unpaid balance of expenses, as defined in subdivision 715(c)(1)(H) of this chapter, that was incurred by or on behalf of the union school district during the transitional period.

§ 717. DISSOLUTION, REORGANIZATION, AND DISCONTINUATION OF FORMING DISTRICTS

(a) Unified union school district; dissolution of forming districts. On its operational date, a unified union school district shall supplant all forming districts and the forming districts shall cease to exist; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the supplanted forming districts and their boards may continue to exist for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new unified union school district.

(b) Union Elementary and Union High School Districts.

(1) Reorganization of forming districts. On its operational date, a union elementary or union high school district shall supplant each forming district for the grades for which the union elementary or union high school district is organized (the supplanted grades). Each forming district shall cease to be organized to provide for education in the supplanted grades but shall continue to be responsible for the other grades for which it is organized; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the forming districts and their boards may continue to exist for the supplanted grades for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new union elementary or union high school district.

(2) Dissolution of forming districts. If a forming district is organized to provide for education solely in the grades for which the new union elementary or union high school district is organized and the forming district is a member district of another union school district for all other grades, prekindergarten through grade 12, then the forming district shall cease all educational

operations on the new union district's operational date, the new union school district shall assume all powers and responsibilities of the forming district, and the forming district shall cease to exist; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the forming district and its board may continue to operate for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new union elementary or union high school district.

§ 718. TRANSFER OF REAL PROPERTY TO TOWN IN WHICH IT IS LOCATED

If the original voter-approved articles of agreement require sale of real property to the town in which the property is located and the sale is scheduled to occur after the operational date, or if after the operational date and after completing any statutory and contractual prerequisites the union school district offers to sell any of its real property to the town in which the property is located, then the town may assume title to the real property for a price that is less than the fair market value only as follows:

(1) The conveyance to the town shall be made subject to all encumbrances of record, the assumption or payment of all outstanding bonds and notes, and the repayment of any school construction aid or grants that may be required by law if any such obligation was incurred before the operational date.

(2) The conveyance to the town shall be conditioned upon the town owning and using the real property for community and public purposes for a minimum of five years.

(3) If the town sells the real property prior to five years of ownership, then the town shall compensate the union school district for all capital improvements and renovations initiated after the operational date and prior to the sale to the town.

§ 719. SUPERVISORY UNION; SUPERVISORY DISTRICT

(a) The State Board shall assign each union school district formed under this chapter to a supervisory union for administrative, educational, and planning services, effective on the day on which the union school district becomes a body politic and corporate pursuant to subsection 713(d) (Secretary of State records the certification of the Secretary of Education) of this chapter.

(b) If a union school district formed under this chapter is a unified union school district, then the State Board may designate it as a supervisory district

pursuant to the provisions of this title, to be effective not earlier than the operational date of the unified union school district.

(c) If a supervisory union includes at least one district that is a unified union school district, then the State Board, on its own initiative or at the request of the board of the supervisory union or the board of one or more districts in the supervisory union, may at any time, adjust the supervisory union board representation required by section 266 of this title to more fairly and accurately reflect the relative number of students for which each district is responsible and the grades for which the district operates a school or schools.

Article 3. Changes in Union District Membership and Other Amendments to Articles of Agreement

§ 721. JOINING AN EXISTING UNION SCHOOL DISTRICT

(a) Action initiated by district outside the union school district.

(1) After preliminary study, if the board of a school district determines that it would be advisable to join an existing union school district, then the board of the interested school district shall request approval of the State Board to pursue this possibility.

(2) If the State Board determines that it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title for the interested school district to join the existing union school district, then at a meeting of the interested school district warned for the purpose, the voters shall vote whether to apply to the existing union school district for admission.

(3) If the voters of the interested school district approve the proposal to apply to the union school district for admission, then the clerk of the interested school district shall certify the results of the vote to the Secretary and to the clerk of the union school district.

(4) If the voters of the union school district approve the application of the school district within two years after the vote in subdivision (2) of this subsection, then the clerk of the union school district shall certify the results of the vote to the Secretary.

(b) Action initiated by union school district.

(1) After preliminary study, if the board of a union school district determines that it would be advisable to enlarge the district, then the board of the union school district shall submit a plan to the State Board requesting approval to incorporate a distinct school district into the union school district.

(2) If the State Board determines that it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title for the school district to join the existing union school district, then at a union school district meeting warned for the purpose, the voters shall vote whether to enlarge the union school district to include the school district.

(3) If the voters of the union school district approve the proposal to include the school district, then the clerk of the union school district shall certify the results of that vote to the Secretary and to the clerk of the school district.

(4) If the voters of the school district approve the offer to join the union school district within two years after the vote in subdivision (2) of this subsection, then the clerk of the school district shall certify the results of the vote to the Secretary.

(c) Certification; Secretary of State. Upon receipt of the clerk's certification pursuant to subdivision (a)(4) (school district application approval) or (b)(5) (school district approval of offer to join the union school district) of this section, the Secretary of Education shall designate the existing union school district to be enlarged pursuant to the votes and shall certify the enlargement to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the union school district shall be enlarged accordingly, although the union school district and the school district that will join it may decide in advance of the votes that the enlarged union school district shall have a later operational date. The Secretary of State shall file a certified copy of the recorded certification with the clerks of the union school district and of the district that is joining it. The Secretary of State shall file the certified copies not later than 14 days after the date the Secretary of Education certifies the designation to the Secretary of State. Filing a certified copy with each clerk shall be prima facie evidence of full compliance with the requirements for enlarging an existing union school district as set forth in this section.

(d) Powers and responsibilities. A union school district enlarged pursuant to this section shall have all the powers and responsibilities given to a union school district by this title. Unless otherwise approved by the voters of the union school district and the school district that will join it, if the operational date is delayed pursuant to an agreement under subsection (c) of this section, then the joining school district shall share in the expenses of the union school district beginning on the date the Secretary of State records the certification of the Secretary of Education.

(e) Australian ballot. All votes of the electorate under this section shall occur by Australian ballot.

§ 722. AMENDMENTS TO ARTICLES OF AGREEMENT

(a) The union school district voters. Only the voters of a union school district may amend a specific condition or agreement in the district's articles of agreement if the condition or agreement was set forth as a distinct subsection in the warning required by section 712 (warning on vote to establish union school district and elect initial members of the board) of this chapter to form the union school district or in a subsequent warning to amend the articles pursuant to this section, which the voters approved.

(b) The union school district board. The board of a union school district may amend a specific condition or agreement in the district's articles of agreement only if the condition or agreement was not set forth as a distinct subsection in a warning required in subsection (a) of this section, but was instead incorporated into the warning by reference pursuant subsection 712(e) of this chapter (warning on vote to establish union school district and elect initial members of the board), or if the original articles of agreement or voter-approved amendments authorize the board to amend a specific condition or agreement.

(c) Reduction of grades operated. Notwithstanding the provisions of subsection (a) (union school district voters) of this section, the voters shall not vote whether to reduce the grades that the union school district operates, and to begin paying tuition for those grades, unless the State Board finds it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title and gives prior approval to the proposed amendment.

(d) Number of board members. Notwithstanding the provisions of subsections (a) (union school district voters) and (b) (union school district board) of this section, if membership on a union school district board is proportional to town population as set forth in subdivisions 711(d)(1) (proposed unified union school district) and (e)(1) (proposed union elementary or union high school district) of this chapter, and if the district's articles of agreement direct the board to adjust board membership when necessary to conform to each new decennial census, then the board shall amend the articles to adjust the apportionment of board seats without presenting the amendment to the voters for approval.

(e) Districts created by State Board order. Notwithstanding the provisions of subsections (a) (union school district voters) and (b) (union school district board) of this section, the authority to amend the articles governing any union

school district formed by the State Board's Final Report and Order issued on November 30, 2018 pursuant to 2015 Acts and Resolves No. 46, as amended, vests either with the electorate or the board pursuant to the provisions of Article 14, as that article was issued by the State Board or subsequently amended by the voters of the union school district.

(f) Process. A vote by the voters of a union school district to amend the articles of agreement shall be by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–742 (vote by Australian ballot) of this chapter for unified union school districts and sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) for union elementary and union high school districts. The warning shall contain each proposed amendment as a distinct question to be determined separately. The provisions of this subsection shall not apply to any issue to the extent that a different section of law provides a specific amendment procedure.

§ 723. DECISION TO VOTE BY AUSTRALIAN BALLOT

(a) If a union school district's articles of agreement do not provide that the election of board members or district officers, budget votes, or votes on other public questions shall proceed by Australian ballot, then the voters of a union school district may vote to do so at any annual or special meeting of the union school district where the question has been duly warned.

(b) Any category of vote to be taken by Australian ballot shall proceed in this manner in all towns within or member districts of a union school district.

(c) If voting in a unified union school district proceeds by Australian ballot, then the provisions of sections 739–742 (vote by Australian ballot) of this chapter shall apply to all votes taken by Australian ballot.

(d) If voting in a union elementary or union high school district proceeds by Australian ballot, then the voters shall also determine whether the ballots shall be commingled prior to counting total votes cast by Australian ballot in the union district.

(1) If the voters determine that the ballots shall not be commingled for counting in this manner, then the board of civil authority of each town within the union elementary or union high school district shall count the ballots cast in that town and report that town's results to the clerk of the union elementary or union high school district, who shall calculate the total votes cast within the district and report the total result to the public.

(2) If the voters determine that the ballots shall be commingled for counting, then the ballots shall be deposited in separate ballot boxes at each

polling location and the provisions of sections 757–759 (vote by Australian ballot) of this chapter shall apply.

(e) The vote on whether to proceed by Australian ballot shall be taken by paper ballot.

(f) Unless clearly inconsistent, the provisions of 17 V.S.A. chapter 55 shall apply to actions taken under this section.

§ 724. WITHDRAWAL FROM OR DISSOLUTION OF A UNIFIED UNION SCHOOL DISTRICT

(a) Definition. As used in this section, "petitioning town" means the town within a unified union school district that seeks to withdraw from the union district pursuant to the provisions of this section.

(b) Withdrawal study committee.

(1) To initiate the process set forth in this section, the voters residing in the petitioning town shall submit petitions to the clerk of the unified union school district indicating the petitioners' desire to withdraw the petitioning town from the union district. Individual petitions shall be signed by at least five percent of the voters residing in each of the towns within the union school district, with each town having its own petition. The petitioners shall submit each petition to that town's town clerk for verification of the voting registration status of the signors. On a form created by the Secretary of State's Office, and appended to each petition, shall be the names of three voters residing in the petitioning town to serve on a withdrawal study committee and a signed statement by each of the three named voters consenting to serve. Once each petition has been verified by the subject town clerk, the petitioners shall submit the petitions to the clerk of the unified union school district.

(2) Within 30 days after receiving the petition, the board of the union district shall recognize the creation of the withdrawal study committee and shall appoint a board subcommittee to serve as a liaison between the board and the withdrawal study committee and to represent the interests of the union district.

(3) Within 30 days after the board's appointment of the liaison subcommittee, the superintendent of the union district shall convene the first formal meeting of the withdrawal study committee. The study committee shall elect one committee member to serve as chair.

(4) Before beginning any analysis under subsection (c) of this section or seeking technical or analytical services from the union district staff or supervisory union staff, or both, the withdrawal study committee shall obtain a

letter of commitment from a supervisory union board to explore the provision of supervisory union services if withdrawal is ultimately approved.

(5) The withdrawal study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of chapter 5, subchapter 2 of that title.

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

(1) the educational advantages and disadvantages likely to result from the proposed withdrawal of the petitioning town from the union district:

(A) on the students residing in the proposed new school district; and

(B) on the students remaining in the union district if withdrawal is approved;

(2) the educational advantages and disadvantages likely to result from the continued inclusion of the petitioning town as a town within the union district:

(A) on the students residing in the petitioning town; and

(B) on the students residing in the other towns within the union district;

(3) the financial advantages and disadvantages likely to result from the proposed withdrawal of the petitioning town from the union district:

(A) on the taxpayers residing in the proposed new school district; and

(B) on the taxpayers remaining in the union district if withdrawal is approved;

(4) the financial advantages and disadvantages likely to result from the continued inclusion of the petitioning town as a town within the union district:

(A) on the taxpayers residing in the petitioning town; and

(B) on the taxpayers residing in the other towns within the union district;

(5) the likely operational and financial viability and sustainability of:

(A) the proposed new school district; and

(B) the union district if withdrawal is approved;

(6) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(7) the potential source of supervisory union services for the proposed new school district, including discussions with the board of any supervisory union to which the report of the withdrawal study committee might propose assignment.

(d) Report, including a plan for withdrawal; decision not to prepare report.

(1) Report supporting withdrawal.

(A) If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes to advance the withdrawal process as further outlined in this section, then the committee shall prepare a report, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website.

(B) At a minimum, the report shall include:

(i) the analysis conducted pursuant to subsection (c) of this section, describing the ways in which the data and analysis:

(I) support withdrawal; and

(II) do not support the continuation of the union district in its current configuration;

(ii) the proposed financial terms of withdrawal, including the proposed ownership of buildings and other assets and the proposed responsibility for financial and other contractual obligations, including debts;

(iii) a plan, including a detailed timeline, for the actions the proposed new school district would take to ensure that, on a proposed operational date, it could provide for the education of its students in prekindergarten through grade 12 by operating all grades, tuitioning all grades, or operating some grades and tuitioning the remainder, in a manner that will meet educational quality standards as required by section 165 of this title, and including, if applicable, the process by which the proposed new school district would explore formation of a new union school district with one or more other school districts in the region and would integrate or condition any votes to withdraw with votes on formation of a new union district; and

(iv) a proposal, including analysis, for the potential source of supervisory union services for the proposed new school district, including, if applicable to the proposal:

(I) a recommendation of one or more potential supervisory unions to which the State Board could assign the proposed new school district; and

(II) a statement from the board of the potential supervisory union or unions regarding the ability and willingness to accept the proposed new school district as a member district.

(C) Within 45 days following receipt of the withdrawal study committee report, the union district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of its report and to answer any questions posed by the board. The board shall also invite the members of the liaison subcommittee to share any analysis and conclusions at the meeting. The withdrawal study committee has sole authority to determine the contents of its report.

(2) Decision not to propose withdrawal. If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes not to approve advancement of the withdrawal process, then:

(A) the withdrawal study committee shall prepare a brief written statement explaining the reasons underlying the votes supporting and not supporting advancement, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website;

(B) within 45 days following receipt of the withdrawal study committee report, the union district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of the written statement and to answer any questions posed by the board; and

(C) the withdrawal study committee shall cease to exist upon adjournment of the union district board's meeting.

(e) Secretary and State Board.

(1) Secretary. If the study committee voted to proceed pursuant to subdivision (d)(1) of this section, then within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, it shall deliver its report electronically to the Secretary for review. The liaison subcommittee may also submit a report outlining its analysis and conclusions. The Secretary shall submit the report or reports, with recommendations, to the State Board.

(2) State Board review. The State Board:

(A) shall consider the report or reports and the Secretary's recommendations;

(B) shall provide representatives of the withdrawal study committee and the liaison subcommittee an opportunity to be heard;

(C) may, in its discretion, take testimony from other individuals and entities;

(D) may ask the Secretary, the withdrawal study committee, or the liaison subcommittee to make further investigation and may consider any other information the State Board deems to be pertinent; and

(E) may request the members of the withdrawal study committee to amend the report.

(3) State Board action.

(A) Advisory opinion with positive recommendation. If the State Board finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts and aligns with the policy set forth in section 701 of this title, then within 90 days after receiving the report of the study committee the State Board shall:

(i) issue an opinion recommending approval of the withdrawal proposal;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding or declaration, and approve any other motion, related and necessary to the withdrawal proposal.

(B) Advisory opinion with negative recommendation. If the State Board finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then within 90 days after receiving the report of the study committee the State Board shall:

(i) issue an opinion recommending disapproval of the withdrawal proposal, including a written statement detailing the reasons supporting this conclusion;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding or declaration and approve any other motion related and necessary to the withdrawal proposal.

(f) Vote of the electorate.

(1) Vote following positive recommendation of the State Board.

(A) Within 30 days after receipt of the State Board's written recommendation, the superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union district and the town clerk of each town within the union district.

(B) Within 90 days after the clerk of the union district receiving the reports and recommendations described in subdivision (A) of this subsection, the voters of the union district, including those residing in the petitioning town, shall vote whether to approve withdrawal as set forth in the report. The question shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–741 (vote by Australian ballot) of this chapter. The ballots shall not be commingled.

(C) Withdrawal from the union district shall occur if the question is approved by a majority vote of the union district voters living in each town within the district, including the petitioning town. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(D) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each town within the union district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that town approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(2) Vote following negative recommendation of the State Board.

(A) The superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison

subcommittee with the clerk of the union district and with the town clerk of each town within the union district.

(B) The union district voters residing in the petitioning town shall vote whether to withdraw from the union district pursuant to the terms set forth in the report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–741 (vote by Australian ballot) of this chapter.

(ii) The withdrawal proposal shall proceed to a vote in each of the other towns within the union district only if approved by a majority of the union district voters residing in the petitioning town present and voting yes or no on the warned question. If a majority of the voters in the petitioning town do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(C) Within 45 days after the vote in subdivision (B) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of the petitioning town shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the petitioning town shall submit the certification regardless of whether the voters in the petitioning town approved withdrawal. The withdrawal study committee shall cease to exist upon submission of the certification.

(D) If the union district voters residing in the petitioning town approve the withdrawal proposal pursuant to subdivision (B) of this subdivision (f)(2), then, within 90 days after receiving notice of the certification as required in subdivision (C) of this subdivision (f)(2), the voters of the union district residing in each of the other towns shall vote on the same day whether to approve withdrawal of the petitioning town as set forth in the final report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–741 (vote by Australian ballot) of this chapter. The ballots shall not be commingled.

(ii) Withdrawal from the union district shall occur if the question is approved by a majority vote of the union district voters living in each of the other towns within the union district. If a majority of the voters in one or

more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(E) Within 45 days after the vote in subdivision (D) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each of the other towns within the union district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that town approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(g) Election of potential board members. On the day on which they vote whether to approve withdrawal, the union district voters residing in the petitioning town shall also vote for three individual registered voters from the petitioning town to serve as the initial members of the proposed new school district's board if withdrawal is approved. The nomination and election of the initial members shall proceed pursuant to subdivision 730(a)(1) of this chapter (election of board members under the proportional to town model by Australian ballot). The term of office for each initial member shall be arranged so that one term expires on the day of the second annual meeting of the proposed new school district, one term expires on the day of the third annual meeting, and one term expires on the day of the fourth annual meeting.

(h) State Board's duties if withdrawal is approved. If the union district voters approve withdrawal pursuant to subsection (f) of this section, then upon receiving notice from the Secretary pursuant to subdivision (f)(1)(D) or (f)(2)(E) of this section, the State Board shall:

(1) Declare the withdrawal approved as of the date of the Board's meeting; provided, however, that withdrawal shall not be final until the date identified in the voter-approved proposal of withdrawal.

(2) Declare the creation and existence of the new school district, effective on the date of the Board's declaration; provided, however, that:

(A) the new school district shall assume full and sole responsibility for the education of its resident students on the date identified in the voter-approved proposal of withdrawal; and

(B) until the identified operational date, the new school district shall exist for the sole purposes of:

(i) convening an organizational meeting of the voters of the new school district to prepare the district to assume its responsibilities;

(ii) organizing the school board of the new school district, which shall be responsible for preparing a proposed budget for the fiscal year beginning on the identified operational date;

(iii) approving the budget of the new school district for the fiscal year beginning on the identified operational date; and

(iv) taking any other actions necessary, as district voters or as a school board, for the new school district to assume full responsibility for providing for the education of the district's resident students in all grades, prekindergarten through grade 12, on the identified operational date.

(3) Determine or set a schedule for determining the manner in which supervisory union services will be provided to the new school district, to be effective on the district's identified operational date.

(A) In addition to the considerations set forth in section 261 of this title, when the State Board makes its determination, it shall consider the potential positive and negative consequences on all affected districts and supervisory unions if supervisory union services were provided to the new school district in a manner that required:

(i) a union district serving as its own supervisory district to become a member of a multidistrict supervisory union; or

(ii) a neighboring supervisory union to accept one or more additional districts that the supervisory union testifies it is not able to accommodate.

(B) If assigned to a multidistrict supervisory union, then the board of the new school district may appoint its members to the supervisory union board pursuant to section 266 of this title, where they may participate as nonvoting members of that board until the new school district's operational date.

(i) Certification; Secretary of State. If the State Board declares the creation and existence of a new school district pursuant to subdivision (h)(2) of this section, then within 30 days following such action the Secretary of Education shall certify the adjustment of the towns within the union district to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the towns within the union district shall be adjusted accordingly; provided, however, that the voter-approved proposal of withdrawal shall establish the date on which withdrawal shall be final, the new school district shall assume full and sole responsibility for the education of its resident students, and the union school district shall no longer have responsibility for the education of those students. Not more than 14 days after the date the Secretary of Education certifies the adjustment, the Secretary of

State shall file a certified copy of the recorded certification with the clerk of the union district and the clerk for the town in which the new school district is located. Filing a certified copy with the clerks shall be prima facie evidence of full compliance with the requirements for adjusting the union school district by withdrawal as set forth in this section.

(j) Timing of action.

(1) The voters residing in any town within a union district shall not initiate the withdrawal process set forth in this section within the first year after the latter of the operational date of a newly formed union district or, if applicable, the operational date of a union district adjusted pursuant to subsection (i) of this section.

(2) If a petitioning town's action to withdraw from a union school district is unsuccessful, then the voters residing in that town shall not initiate a new withdrawal action under this section until two years after either a withdrawal study committee votes not to approve advancement of the withdrawal process or the vote by the voters that concluded the initial withdrawal action.

§ 725. WITHDRAWAL FROM OR DISSOLUTION OF A UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT

(a) Definitions. As used in this section:

(1) "Petitioning district" means:

(A) a member district of a union elementary or union high school district that seeks to withdraw from the union district pursuant to the provisions of this section; or

(B) a town that is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, does not have a town school district board, and that seeks to withdraw from a union elementary or union high school district pursuant to the provisions of this section.

(2) "New school district" means the petitioning district once the State Board has declared it to be withdrawn from the union elementary or union high school district.

(b) Withdrawal study committee.

(1) To initiate the process set forth in this section, the board of the petitioning district shall submit a petition to the clerk of the union elementary

or union high school district indicating its desire to withdraw the petitioning district from the union district and identifying at least three board members of the petitioning district who will serve on a withdrawal study committee. The board of the petitioning district shall submit the petition to the clerk of the union school district after either a vote by the board of the petitioning district or receipt of individual petitions signed by at least five percent of the voters residing in the petitioning district and five percent of the voters residing in each of the other member districts within the union school district, with each member district having its own petition. The clerk of the petitioning district shall submit each petition to the subject member district's clerk for verification of the voting registration of the signors. Once each petition has been verified by the subject district clerk, the board of the petitioning district shall append the individual petitions to the withdrawal petition it sends to the clerk of the union district.

(2) To initiate the process set forth in this section if the petitioning district does not have a town school district board, the voters residing in the petitioning district shall submit petitions to the clerk of the unified union school district indicating the petitioners' desire to withdraw the petitioning district from the union district. Individual petitions shall be signed by at least five percent of the voters residing in the petitioning district and five percent of the voters residing in each of the member districts within the union school district, with each district having its own petition. The petitioning district shall submit each petition to that district's clerk for verification of the voting registration status of the signors. On a form created by the Secretary of State's Office, and appended to each petition, shall be the names of three voters residing in the petitioning district to serve on a withdrawal study committee and a signed statement by each of the three named voters consenting to serve. Once each petition has been verified by the subject district clerk, the petitioning district shall submit the petitions to the clerk of the union school district.

(3) Within 30 days after receiving the petition, the board of the union district shall recognize the creation of the withdrawal study committee and shall appoint a board subcommittee to serve as a liaison between the board and the withdrawal study committee and to represent the interests of the union district.

(4) Within 30 days after the board's appointment of the liaison subcommittee, the superintendent of the union district shall convene the first formal meeting of the withdrawal study committee. The study committee shall elect one committee member to serve as Chair.

(5) Before beginning any analysis under subsection (c) of this section or seeking technical or analytical services from the union district staff or supervisory union staff, or both, the withdrawal study committee shall obtain a letter of commitment from a supervisory union board to explore the provision of supervisory union services if withdrawal is ultimately approved.

(6) The withdrawal study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of chapter 5, subchapter 2 of that title.

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

(1) the educational advantages and disadvantages likely to result from the proposed withdrawal of the petitioning district from the union elementary or union high school district:

(A) on the students residing in the proposed new school district; and

(B) on the students remaining in the union district if withdrawal is approved;

(2) the educational advantages and disadvantages likely to result from the continued inclusion of the petitioning district as a member district of the union elementary or union high school district:

(A) on the students residing in the petitioning district; and

(B) on the students residing in the other member districts of the union district;

(3) the financial advantages and disadvantages likely to result from the proposed withdrawal of the petitioning district from the union elementary or union high school district:

(A) on the taxpayers residing in the proposed new school district; and

(B) on the taxpayers remaining in the union district if withdrawal is approved;

(4) the financial advantages and disadvantages likely to result from the continued inclusion of the petitioning district within the union elementary or union high school district:

(A) on the taxpayers residing in the petitioning district; and

(B) on the taxpayers residing in the other member districts within the union district;

(5) the likely operational and financial viability and sustainability of:

(A) the proposed new school district; and

(B) the union elementary or union high school district if withdrawal is approved;

(6) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(7) the potential source of supervisory union services for the proposed new district, including discussions with the board of any supervisory union to which the report of the withdrawal study committee might propose assignment or the continuation of assignment.

(d) Report, including a plan for withdrawal; decision not to prepare report.

(1) Report supporting withdrawal.

(A) If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes to advance the withdrawal process as further outlined in this section, then the committee shall prepare a report, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website.

(B) At a minimum, the report shall include:

(i) the analysis conducted pursuant to subsection (c) of this section, describing the ways in which the data and analysis:

(I) support withdrawal; and

(II) do not support the continuation of the union elementary or union high school district in its current configuration;

(ii) the proposed financial terms of withdrawal, including the proposed ownership of buildings and other assets and the proposed responsibility for financial and other contractual obligations, including debts;

(iii) a plan, including a detailed timeline, for the actions the proposed new school district would take to ensure that, on the proposed operational date, it could provide for the education of its students in the grades for which the union elementary or union high school district is organized, in a manner that will meet educational quality standards as required by section 165 of this title, and including, if applicable, the process by which the proposed new school district would explore formation of a new union district with one

or more other school districts in the region and would integrate or condition any votes to withdraw with votes on formation of a new union district; and

(iv) a proposal, including analysis, for the source of supervisory union services for the proposed new school district.

(C) Within 45 days following receipt of the study committee report, the union elementary or union high school district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of its report and to answer any questions posed by the board. The board shall also invite the members of the liaison subcommittee to share any analysis and conclusions at the meeting. The withdrawal study committee has sole authority to determine the contents of its report.

(2) Decision not to propose withdrawal. If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes not to approve advancement of the withdrawal process, then:

(A) the withdrawal study committee shall prepare a brief written statement explaining the reasons underlying the votes supporting and not supporting advancement, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website;

(B) within 45 days following receipt of the study committee report, the union elementary or union high school district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of the written statement and to answer any questions posed by the board; and

(C) the withdrawal study committee shall cease to exist upon adjournment of the union elementary or union high school district board's meeting.

(e) Secretary and State Board.

(1) Secretary. If the study committee voted to proceed pursuant to subdivision (d)(1) of this section, then within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, it shall deliver its report electronically to the Secretary for review. The liaison subcommittee may also submit a report outlining its analysis and conclusions. The Secretary shall submit the report or reports, with recommendations, to the State Board.

(2) State Board review. The State Board:

(A) shall consider the report or reports and the Secretary's recommendations;

(B) shall provide representatives of the withdrawal study committee and the liaison subcommittee an opportunity to be heard;

(C) may, in its discretion, take testimony from other individuals and entities;

(D) may ask the Secretary, the withdrawal study committee, or the liaison subcommittee to make further investigation and may consider any other information the State Board deems to be pertinent; and

(E) may request the members of the withdrawal study committee to amend the report.

(3) State Board action.

(A) Advisory opinion with positive recommendation. If the State Board finds that the withdrawal proposal contained in the report is in the best interests of the State, the region, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then within 90 days after receiving the report of the study committee the State Board shall:

(i) issue an opinion recommending approval of the withdrawal proposal;

(ii) provide a preliminary assessment of the source of supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding or declaration, and approve any other motion, related and necessary to the withdrawal proposal.

(B) Advisory opinion with negative recommendation. If the State Board finds that the withdrawal proposal contained in the report is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then within 90 days after receiving the report of the study committee, the State Board shall:

(i) issue an opinion recommending disapproval of the withdrawal proposal, including a written statement detailing the reasons supporting this conclusion;

(ii) provide a preliminary assessment of the source supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding or declaration, and approve any other motion, related and necessary to the withdrawal proposal.

(f) Vote of the electorate.

(1) Vote following positive recommendation of the State Board.

(A) Within 30 days after receipt of the State Board's written recommendation, the superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union elementary or union high school district and the district clerk of each of the member districts within the union elementary or union high school district.

(B) Within 90 days after the clerk of the union district receiving the reports and recommendations described in subdivision (A) of this subdivision (f)(1), the voters of the union elementary or union high school district, including those residing in the petitioning district, shall vote whether to approve withdrawal as set forth in the report. The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

(C) Withdrawal from the union elementary or union high school district shall occur if the question is approved by a majority vote of the union district voters living in each of the member districts within the union elementary or union high school district, including in the petitioning district. If a majority of the voters in one or more member districts within the union elementary or union high school district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(D) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each member district within the union elementary or union high school district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that district approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(E) If the petitioning district or one of the other member districts does not have a town school district board, the legislative body or appropriate officer of the town shall perform electoral functions, including warning meetings and conducting the voting process, ordinarily performed by and in member districts on behalf of a union school district.

(2) Vote following negative recommendation of the State Board.

(A) The superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union elementary or union high school district and the district clerk of each of the member districts within the union elementary or union high school district.

(B) The union district voters residing in the petitioning district shall vote whether to withdraw from the union elementary or union high school district pursuant to the terms set forth in the report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

(ii) The withdrawal proposal shall proceed to a vote in each of the other member districts within the union elementary or union high school district only if approved by a majority of the union district voters residing in the petitioning district present and voting yes or no on the warned question. If a majority of the voters in the petitioning district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(C) Within 45 days after the vote in subdivision (B) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of the petitioning district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union elementary or union high district, the clerks of each of the other member districts within the union district, and the Secretary of Education. The clerk of the petitioning district shall submit the certification regardless of whether the voters in the petitioning district approved withdrawal. The withdrawal study committee shall cease to exist upon submission of the certification.

(D) If the union elementary or union high school district voters residing in the petitioning district approve the withdrawal proposal pursuant to subdivision (B) of this subdivision (f)(2), then, within 90 days after receiving notice of the certification as required in subdivision (C) of this subdivision (f)(2), the voters of the union elementary or union high school district residing in each of the other member districts shall vote on the same day whether to approve withdrawal of the petitioning district as set forth in the final report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union

high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

(ii) Withdrawal from the union elementary or union high school district shall occur if the question is approved by a majority vote of the union district voters living in each of the other member districts within the union elementary or union high school district. If a majority of the voters living in one or more member districts within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(E) Within 45 days after the vote in subdivision (D) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each of the other member districts within the union elementary or union high school district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that member district approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(F) If the petitioning district or one of the other member districts does not have a town school district board, the legislative body or appropriate officer of the town shall perform electoral functions, including warning meetings and conducting the voting process, ordinarily performed by and in member districts on behalf of a union school district.

(g) Election of potential board members. If the petitioning district does not have a town school district board, on the day on which they vote whether to approve withdrawal, the union district voters residing in the petitioning school district shall also vote for three individual registered voters from the petitioning district to serve as the initial members of the proposed new school district's board if withdrawal is approved. The nomination and election of the initial members shall proceed pursuant to subdivision 748(a)(1) of this chapter (election of board members under the proportional to town model by Australian ballot). The term of office for each initial member shall be arranged so that one term expires on the day of the second annual meeting of the proposed new school district, one term expires on the day of the third annual meeting, and one term expires on the day of the fourth annual meeting.

(h) State Board's duties if withdrawal is approved. If the union elementary or union high school district voters approve withdrawal pursuant to subsection (f) of this section, then upon receiving notice from the Secretary pursuant to subdivision (f)(1)(D) or (f)(2)(E) of this section, the State Board shall:

(1) declare the withdrawal approved as of the date of the Board's meeting; provided, however, that withdrawal shall not be final until the date identified in the voter-approved proposal of withdrawal;

(2) declare it to be the obligation of the new school district to assume responsibility for the education of its residents in the grades for which the union elementary or union high school district was previously responsible, effective on the date of the Board's declaration; provided, however, that:

(A) the new school district shall assume full and sole responsibility for the education of its resident students in the grades for which the union elementary or union high school district was previously responsible on the date identified in the voter-approved proposal of withdrawal; and

(B) until the identified operational date, the new school district shall exist for the sole purposes of:

(i) providing for the education of its residents in the grades for which it was organized prior to withdrawal;

(ii) convening an organizational meeting of the voters of the new school district to prepare the district to assume its new responsibilities if the petitioning district did not have a town school district board;

(iii) organizing the school board of the new school district if the petitioning district did not have a town school district board;

(iv) preparing a proposed budget for the fiscal year beginning on the identified operational date;

(v) approving the budget of the new school district for the fiscal year beginning on the identified operational date; and

(vi) taking any other actions necessary, as district voters or as a school board, for the new school district to assume full responsibility for providing for the education of the district's resident students in the grades it is now organized to provide for, on the identified operational date; and

(3) ensure a smooth transition of supervisory services, to be effective on the district's identified operational date.

(i) Certification; Secretary of State. If the State Board declares it to be the obligation of the new school district pursuant to subdivision (h)(2) of this section to provide for the education of resident students who were formerly the responsibility of the union elementary or union high school district, then within 30 days following such action the Secretary of Education shall certify the adjustment of the member districts within the union elementary or union high school district to the Secretary of State. When the Secretary of State

records the certification of the Secretary of Education, the member districts within the union elementary or union high school district shall be adjusted accordingly; provided, however, that the voter-approved proposal of withdrawal shall establish the date on which withdrawal shall be final, the new school district shall assume full and sole responsibility for the education of its residents in the grades for which it is now organized, and the union school district shall no longer have responsibility for the education of those students. Not more than 14 days after the date the Secretary of Education certifies the adjustment, the Secretary of State shall file a certified copy of the recorded certification with the clerk of the union elementary or union school district and the clerk for new school district. Filing a certified copy with the clerks shall be prima facie evidence of full compliance with the requirements for adjusting the union school district by withdrawal as set forth in this section.

(j) Timing of action.

(1) The voters residing in any member district within a union elementary or union high school district shall not initiate the withdrawal process set forth in this section within the first year after the latter of the operational date of a newly formed union elementary or union high school district or, if applicable, the operational date of a union elementary or union high school district adjusted pursuant to subsection (h) of this section.

(2) If a petitioning district's action to withdraw from a union elementary or union high school district is unsuccessful, then the voters residing in that member district shall not initiate a new withdrawal action under this section until two years after either a withdrawal study committee votes not to approve advancement of the withdrawal process or the vote by the voters that concluded the initial withdrawal action.

Subchapter 3. Unified Union School Districts

Article 1. Unified Union School Districts – Boards and Board Members

§ 729. BOARD MEMBERS; TERM; CONDUCT OF MEETINGS; QUORUM AND VOTING; POWERS AND DUTIES

(a) Members. Except as set forth in subchapter 2 (exploration, formation, and organization) of this chapter for initial members, each member of the board of a unified union school district shall:

(1) be elected by the voters at a warned meeting of the unified union school district pursuant to sections 730 (nomination and election of unified union school district board members) and 737 (warnings of unified union school district meetings) of this title;

(2) assume office upon election, except as provided in subdivision 737(f)(3) (warnings of unified union school district meetings) of this chapter; and

(3) be sworn in before entering upon the duties of the office.

(b) Term. A member elected at an annual meeting shall serve for a term of three years or until the member's successor is elected and has taken the oath of office. A member elected at a special meeting shall serve for the balance of the term of office remaining.

(c) Quorum. A majority of the members of the board shall constitute a quorum. Subject to the provisions of subsection (d) of this section but notwithstanding any other provision of law, the concurrence of a majority of members present at a unified union school district board meeting shall be necessary and sufficient for board action; provided, however, the concurrence of more than a majority shall be necessary if required for a particular action by the voter-approved articles of agreement.

(d) Weighted voting. If weighted voting is used to achieve constitutionally required proportionality for members elected under the "proportional to town population" model described in subdivisions 711(d)(1) (proposed unified union school district; proportional to town population) and 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this chapter, then a number of members of the board holding a majority of the total number of weighted votes shall constitute a quorum, and a majority of the weighted votes cast shall be necessary and sufficient for board action.

(e) Board chair and board clerk. At the board meeting next following each annual district meeting, the unified union school district board shall elect one of its number to serve as the chair of the board and one other of its number to serve as the clerk of the board.

(f) Powers, duties, and liabilities. The powers, duties, and liabilities of a unified union school district board, board chair, and board clerk shall be the same as those of a board, board chair, and board clerk of a town school district.

(g) Minutes. The board clerk shall prepare minutes of the proceedings of the unified union school district board, unless the board votes to delegate those duties to another individual. The board clerk shall transmit the minutes and all other documents constituting the record of board proceedings to the clerk of the unified union school district, who shall be responsible for maintaining a permanent record of board proceedings. In the board clerk's absence, another member of the school board shall assume the duties of the clerk.

(h) Stipend. The board clerk may be paid upon order of the board.

§ 730. UNIFIED UNION SCHOOL DISTRICT BOARD MEMBERS; NOMINATION AND ELECTION; BOND

(a) If by Australian ballot. The provisions of this subsection (a) shall apply to a unified union school district that conducts elections for board membership by Australian ballot.

(1) Proportional to town population.

(A) When membership on the board of a unified union school district is apportioned to each town within the district in a number that is closely proportional to the town's relative population, the voters residing in the town may file a petition nominating a candidate for board membership. A petition is valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) After confirming that the names on the petition correspond to registered voters of the town, the town clerk shall transmit the name of each duly nominated candidate to the clerk of the unified union school district.

(C) The district clerk shall prepare a unified union school district ballot for each town and shall transmit the ballot to the town clerk to make available to the voters residing in the town.

(D) The voters of a town within the unified union school district shall elect as many board members as are apportioned for that term of office based on the population of the town.

(2) Modified at-large model: allocation to town; at-large representation.

(A) When membership on the board of a unified union school district is allocated to each town within the district, but the allocation is not closely proportional to the town's relative population and the board member is elected at-large, the voters residing in any one or more of the towns within the district

may file a petition nominating a candidate for board membership under the "modified at-large" model. A petition is valid only if:

(i) the candidate is a current voter of the town to which the seat is allocated;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the unified union school district;

(iv) the voters file the petition with the clerk of the unified union school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each town within the unified union school district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The district clerk shall prepare the unified union school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each town within the district to make available to the voters residing in the town.

(D) The voters of the unified union school district shall elect as many board members as are to be elected at-large for that term of office under the "modified at-large" model.

(3) At-large representation.

(A) When membership on a unified union school district board is not apportioned or allocated pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection (a) and the board member is elected at large, the voters residing in any one or more of the towns within the district may file a petition nominating a candidate for at-large board membership. A petition is valid only if:

(i) the candidate is a current voter of a town within the unified union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the unified union school district;

(iv) the voters file the petition with the clerk of the unified union school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each town within the unified union school district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The district clerk shall prepare the unified union school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each town within the district to make available to the voters residing in the town.

(D) The voters of the unified union district shall elect as many board members as are to be elected at-large for that term of office.

(b) If not by Australian ballot. The provisions of this subsection shall apply to a unified union school district that has not voted to conduct elections for board membership by Australian ballot.

(1) The nomination and election of candidates for the office of unified union school district board member shall occur at a warned meeting of the unified union school district; provided, however, if the district elects board members under the "proportional to town population" model, then the nomination and election of candidates shall occur at an annual or special meeting of the town in which the candidate resides, warned for the purpose pursuant to subsection 737(f) of this chapter.

(2) Voters shall only nominate a person who is present at the meeting and the person shall accept or reject the nomination.

(3) The clerk shall ensure that the candidate is a voter of a specific town if the district elects board members under either the "proportional to town population" model or the "modified at-large" model.

(c) Bond. Before a newly elected board member enters upon the duties of office, the district shall ensure that the district's blanket bond covers the new

member. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(d) Notification. Within 10 days after the election of a board member pursuant to this section, the district clerk shall transmit the name of newly elected board members to the Secretary of State.

§ 731. VACANCY ON UNIFIED UNION SCHOOL DISTRICT BOARD

(a) Filling a vacancy. Notwithstanding any other provision of law to the contrary, this section shall apply to a vacancy on a unified union school district board, unless otherwise provided in the articles of agreement of the district as initially approved by the voters on or before July 1, 2019.

(1) Proportional to town population. If the vacancy is for a seat where membership is apportioned to a town within the unified union school district in a number that is closely proportional to the town's relative population and only voters residing in the town elect the board member, then the clerk of the unified union school district shall notify the selectboard of the town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(2) Modified at-large model: allocation to town; at-large representation. If the vacancy is for a seat where membership is allocated to a town within the unified union school district in a number that is not closely proportional to each town's relative population and the board member is elected at large, then the district clerk shall notify the selectboard of the town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(3) At-large representation. If the vacancy is for a seat that is neither apportioned nor allocated to a town within the unified union school district as provided in subdivision (1) or (2) of this subsection and the board member is elected at-large, then within 30 days after creation of the vacancy the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(4) Vacancy in all seats. If all seats on a school board are vacant, then the Secretary of State shall call a special election to fill the vacancies.

(b) Notification. Within 10 days after the appointment of a board member pursuant to this section, the district clerk of the unified union school district

shall transmit the name of the appointed board member to the Secretary of State.

(c) Obligations and expenses.

(1) Vacancy in majority. If there are vacancies in a majority of the members of a unified union school district board at the same time, then the remaining member or members are authorized to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled pursuant to the provisions of this section.

(2) Vacancy in all seats. If there are no members of the unified union school district board in office, then the Secretary of State shall authorize the district clerk or other qualified person to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled.

§ 732. UNIFIED UNION SCHOOL DISTRICT BUDGET; PREPARATION AND AUTHORIZATION

(a) The board of a unified union school district shall prepare and distribute a proposed budget annually for the next school year pursuant to the provisions of subdivision 563(11) (powers of school boards; budget) of this title.

(b) If the voters do not approve the board's proposed budget, then the board shall prepare and present a revised proposed budget pursuant to 17 V.S.A. § 2680(c)(2) (local elections; Australian ballot system; rejected budget).

(c) If the voters do not approve a budget on or before June 30 of any year, then the board of the unified union school district may borrow funds pursuant to the authority granted under section 566 (school district; authority to borrow) of this title. As used in section 566, the "most recently approved school budget" of a union school district in its first fiscal year of full operations means the cumulative budget amount of the most recently approved school budgets of all districts that merged to form the union district plus one percent.

§ 733. ANNUAL REPORT; DATA

(a) The board of a unified union school district shall prepare an annual report concerning the affairs of the district and have it printed and distributed to the voters of the district pursuant to the provisions of subdivision 563(10) (school districts; powers of school boards; report) of this title. The board shall file the report with the unified union school district clerk and with the town clerk of each town within the district.

(b) Annually, on or before August 15, the unified union school district board shall provide to the Secretary answers to statistical inquiries that may be addressed to the district by the Secretary.

Article 2. Unified Union School Districts – Officers, Annual Meetings, and Special Meetings

§ 735. OFFICERS; ELECTION; TERM; VACANCY; BOND

(a) Officers. At an annual meeting of the unified union school district, the voters shall elect a moderator from among the registered voters of the district. The voters shall also vote to elect a clerk and a treasurer of the district; provided, however, at any annual or special meeting, the voters may vote to authorize the school board to appoint the clerk or the treasurer, or both. The clerk of the district shall be elected or appointed from among the voters. The treasurer may also be the supervisory union treasurer and need not be a resident of the union school district.

(b) Election.

(1) If an officer is elected by Australian ballot in a unified union school district, then the provisions of subdivision 730(a)(3) for election by Australian ballot of at-large candidates for the unified union school district board shall apply.

(2) Votes cast to elect an officer shall be commingled and reported to the voters pursuant to section 742 (commingling of votes cast by Australian ballot and from the floor) of this chapter.

(c) Terms.

(1) Moderator. A moderator elected at an annual meeting pursuant to this section shall assume office on July 1 following the election, unless the voters vote at an annual meeting for the moderator to assume office upon election. A moderator shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(2) Clerk. A clerk elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(3) Treasurer. A treasurer elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A treasurer shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(d) Vacancy. The board of the unified union school district shall fill a vacancy in any office elected pursuant to this section as soon as practicable after the vacancy occurs. The appointee shall serve upon appointment for the remainder of the unexpired term of office or until the voters elect a successor.

(e) Oath of office. An officer elected or appointed pursuant to this section shall be sworn in before entering upon the duties of the office.

(f) Bond. The district shall ensure that its blanket bond covers a newly elected or appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(g) Notification. Within 10 days after the election or appointment of any officer pursuant to this section, the clerk of the unified union school district shall transmit the name of the officer to the Secretary of State.

§ 736. OFFICERS; POWERS, DUTIES, AND LIABILITIES

(a) Moderator. The powers, duties, and liabilities of the moderator of a unified union school district shall be the same as those of a moderator of a town school district. The moderator shall preside at each annual and special meeting of the unified union school district. In the moderator's absence, the voters shall elect a moderator pro tempore to preside.

(b) Clerk. The powers, duties, and liabilities of the clerk of a unified union school district shall be the same as those of a clerk of a town school district. The district clerk shall keep a record of the votes and the proceedings of the union school district meetings and shall provide certified copies of them when requested.

(c) Treasurer. The powers, duties, and liabilities of the treasurer of a unified union school district shall be the same as those of a treasurer of a town school district.

(d) Documents. The person having custody shall provide to each newly elected or appointed officer of a unified union district all books, papers, and electronic documents of the office.

§ 737. WARNINGS OF UNIFIED UNION SCHOOL DISTRICT MEETINGS

(a) The board of a unified union school district shall have the same authority and obligation to warn or call meetings of the district as a town school board has to warn or call town school district meetings.

(b) Except as provided in subsection (f) of this section, the district clerk shall warn a unified union school district meeting pursuant to the provisions of 17 V.S.A. § 2641 (town meetings and local elections; warning and notice publication) by posting a warning and notice to voters, signed by the chair of the board or the chair's designee, specifying the date, time, location, and business of the meeting, in at least one public place in each town within the unified union school district, and causing the same to be published once in a newspaper circulating in the unified union school district. In the district clerk's absence, the chair of the board or the chair's designee shall warn the meeting pursuant to the provisions of this section.

(c) The warning shall, by separate articles, specifically indicate the business to be transacted, to include the offices and the questions upon which the electorate shall vote. The warning shall also contain any article or articles requested by a petition signed by at least five percent of the voters of the district and filed with the district clerk pursuant to 17 V.S.A. § 2642 (town meetings and local elections; warning and notice contents).

(d) The posted notice that accompanies the warning shall include information on voter registration, early and absentee voting, the time and location at which the ballots will be counted, and any other applicable information.

(e) The warning shall be recorded in the office of the district clerk before posting.

(f) This subsection applies if a unified union school district elects school board members under the "proportional to town population" model and if it elects those members by a floor vote rather than by Australian ballot.

(1) The election shall be warned as follows:

(A) The district clerk shall transmit the signed warning to each town clerk.

(B) The district clerk shall assist each town clerk to incorporate the warning into the warning for the annual or special meeting of each town.

(C) Each town clerk, rather than the district clerk, shall post and publish the warning pursuant to the provisions of subsection (b) of this section.

(2) Notwithstanding any provision of law to the contrary, if any town within the unified union school district elects its selectboard members by Australian ballot, then the warning, nomination, ballot preparation, and election of unified union school district board members shall proceed pursuant to the same laws that govern the town.

(3) If an annual town meeting at which the board members are elected under this subsection is more than 30 days prior to the annual meeting of the unified union school district, then notwithstanding subsection 729(a) (members of unified union school district boards) of this section, the newly elected board members shall assume office at the conclusion of the district's annual meeting.

(g) Notwithstanding any provisions of this section to the contrary, a unified union school district:

(1) shall warn a meeting called for the purpose of considering a bond issue pursuant to the provisions of 24 V.S.A. § 1755; and

(2) shall warn a meeting to consider a revised proposed budget pursuant to the provisions of subsection 732(b) of this chapter.

§ 738. CHECKLIST FOR UNION DISTRICT MEETINGS WHERE VOTING IS CONDUCTED FROM THE FLOOR

(a) Not later than the close of business on the day before an annual or special meeting of a unified union school district, the town clerk of each town within the district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (elections; registration of voters). The checklist shall control for purposes of determining voter eligibility in the unified union school district.

(b) During the annual or special meeting, one or more members of each town's board of civil authority shall assist the district clerk to determine voter eligibility and to supervise voting during the meeting.

(c) This section shall not apply to a meeting warned pursuant to subsection 737(f) (unified union school district meetings; proportional to town population; floor vote) of this chapter.

§ 739. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

For any vote that proceeds by Australian ballot in a unified union school district:

(1) A district voter shall vote by Australian ballot in the town in which the voter currently resides at the polling location identified in the warning.

(2) Voting shall occur in each town on the same day.

(3) The board of civil authority of each town shall be responsible for determining the eligibility of persons to vote and for supervising voting at that polling location.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 (conduct of elections; early and absentee voters) shall be provided.

§ 740. PREPARATION AND FORM OF AUSTRALIAN BALLOT

(a) The clerk of a unified union school district shall prepare the ballot for any vote that proceeds by Australian ballot in the district.

(b) Only questions warned by the unified union school district and presented to the voters of that district shall appear on a ballot prepared pursuant to subsection (a) of this section.

(c) Warned questions of the unified union school district shall not appear on the same ballot as questions warned by the legislative body of a town within the unified union school district.

§ 741. COUNTING OF AUSTRALIAN BALLOTS

(a) Process.

(1) At least two members of the board of civil authority of each town within a unified union school district, or two election officials appointed by the board of civil authority of that town, shall transport ballots cast in the town in a sealed container to a central location designated by the district clerk. The district clerk shall place the ballots from all locations into a single container.

(2) The boards of civil authority shall not count the ballots for purposes of determining the outcome of the votes cast in that town prior to transporting them but may open the containers and count the total number of ballots cast at that polling location.

(3) The district clerk or designee shall supervise representatives of the boards of civil authority, identified in subdivision (1) of this subsection, to count ballots at the central location pursuant to section 742 (commingling and reporting of votes cast by Australian ballot and from the floor) of this title. The district clerk shall also have the authority to appoint current unified union school district board members who are not on the ballot to aid in the counting of ballots.

(4) The ballots shall be counted as soon as possible, but not later than 24 hours after the time at which the polls closed.

(5) If ballots are to be counted on the day following the election, then the clerk of each town within the unified union school district shall store the ballots in a secure location in the town until they are transported on the following day to the central location designated by the district clerk for counting.

(6) After the ballots have been counted, the district clerk shall seal them in a secure container and store them for at least 90 days in a secure location.

(b) Applicability. The counting of Australian ballots cast by voters in a unified union school district for the election of members of the district board, for the election of district officers, for proposed budgets, and for any other public questions shall proceed pursuant to the provisions of this section, except when:

(1) Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters;

(2) the ballots have been cast to elect a unified union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this title; or

(3) the articles of agreement as initially approved by the voters on or before July 1, 2019 explicitly provide that the board of civil authority of each town within the unified union school district shall count Australian ballots cast in that town and report that town's results to the district clerk, who shall calculate total votes cast within the unified union school district and report the result of the vote to the public.

§ 742. COMMINGLING AND REPORTING OF ALL VOTES CAST BY AUSTRALIAN BALLOT AND FROM THE FLOOR

(a) Commingling. Votes cast by the voters of a unified union school district shall be commingled, whether cast by Australian ballot or from the floor, and shall not be counted according to the town in which a voter resides.

(b) Report to public. The district clerk shall report the commingled results of votes cast by voters of a unified union school district.

(c) Applicability. The commingling and reporting of votes cast by voters in a unified union school district for the election of members of the district board, for the election of district officers, for proposed budgets, and for any other public question shall proceed pursuant to the provisions of this section regardless of whether the votes proceeds by Australian ballot or by a floor vote, except when:

(1) Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters;

(2) the ballots have been cast to elect a unified union school district board member where membership on the board is apportioned based on town

population pursuant to subdivision 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this chapter; or

(3) the articles of agreement as initially approved by the voters on or before July 1, 2019 explicitly provide that the board of civil authority of each town within the unified union school district shall count Australian ballots cast in that town and report that town's results to the district clerk, who shall calculate total votes cast within the unified union school district and report the result of the vote to the public.

§ 743. BOND ISSUES; DEBT LIMIT

(a) A unified union school district may make improvements, as defined by 24 V.S.A. § 1751 (municipal and county government; indebtedness definitions), and may incur indebtedness for improvements as provided in 24 V.S.A. chapter 53, subchapter 1 (municipal and county government; indebtedness generally).

(b) The debt limit of the unified union school district shall be 10 times the total of the education grand lists of the towns within the unified union school district. The existing indebtedness of a unified union school district incurred to finance any project approved under sections 3447 to 3456 (State aid for capital construction costs) of this title shall not be considered a part of the indebtedness of the unified union school district for purposes of determining its debt limit for a new proposed bond issue.

(c) Bond issues under this section shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–742 (vote by Australian ballot) of this subchapter. The ballots shall be commingled before counting.

Subchapter 4. Union Elementary School Districts and Union High School Districts

§ 745. DEFINITIONS

As used in this subchapter, words have the meaning as defined in section 702 (definitions) of this title and any words not defined in that section have their plain meaning, except:

(1) Member district. "Member district" means either a town school district that is a member district as defined in section 702 (definitions) of this title or a town in a member district if the member district is itself a union elementary or union high school district, as applicable.

(2) Town clerk.

(A) If, pursuant to section 425 (other town school district officers) of this title, the voters of a member district have elected a district clerk who is not also the clerk of the town, then "town clerk" means the elected clerk of that member district.

(B) Notwithstanding subdivision (A) of this subdivision (2), if a union elementary or union high school district is a member district of the union school district, then "town clerk" has its plain meaning and means the clerk of each town in the member district.

Article 1. Union Elementary and Union High School Districts – Boards and Board Members

§ 747. BOARD MEMBERS; TERM; CONDUCT OF MEETINGS; QUORUM AND VOTING; POWERS AND DUTIES

(a) Members. Except as set forth in subchapter 2 (exploration, formation, and organization) of this chapter for initial members, each member of the board of a union elementary school or union high school district shall:

(1) be elected by the voters at warned meeting pursuant to section 748 (union elementary and union high school district board members) of this chapter;

(2) assume office upon election, except as provided in subdivision 755(f)(3) (warnings of union elementary and union high school district meetings) of this chapter; and

(3) be sworn in before entering upon the duties of the office.

(b) Term. A member elected at an annual meeting shall serve for a term of three years or until the member's successor is elected and has taken the oath of office. A member elected at a special meeting shall serve for the balance of the term remaining.

(c) Quorum. A majority of the members of the board shall constitute a quorum. Subject to the provisions of subsection (d) of this section but notwithstanding any other provision of law, the concurrence of a majority of members present at a union elementary or union high school district board meeting shall be necessary and sufficient for board action; provided, however, the concurrence of more than a majority shall be necessary if required for a particular action by the voter-approved articles of agreement.

(d) Weighted voting. If weighted voting is used to achieve constitutionally required proportionality for members elected under the "proportional to town population" model set out in subdivisions 711(e)(1) (proposed union elementary or union high school district; proportional to town population) and

748(a)(1) (union elementary and union high school district board members; Australian ballot; proportional to town population) of this chapter, then a number of members of the board holding a majority of the total number of weighted votes shall constitute a quorum, and a majority of the weighted votes cast shall be necessary and sufficient for board action.

(e) Board chair and board clerk. At the meeting next following each annual meeting, the union elementary or union high school district board shall elect one of its number to serve as the chair of the board and one other of its number to serve as the clerk of the board.

(f) Powers, duties, and liabilities. The powers, duties, and liabilities of a union elementary or union high school district board, board chair, and board clerk shall be the same as those of a board, board chair, and board clerk of a town school district.

(g) Minutes. The board clerk shall prepare minutes of the proceedings of the union elementary or union high school district board, unless the board votes to delegate those duties to another individual. The board clerk shall transmit the minutes and all other documents constituting the record of board proceedings to the clerk of the union elementary or union high school district, who shall be responsible for maintaining a permanent record of board proceedings. In the board clerk's absence, another member of the school board shall assume the duties of the clerk.

(h) Stipend. The board clerk may be paid upon order of the board.

§ 748. UNION ELEMENTARY AND UNION HIGH SCHOOL DISTRICT BOARD MEMBERS; NOMINATION AND ELECTION; BOND

(a) If by Australian ballot. The provisions of this subsection (a) shall apply to a union elementary or union high school district that conducts elections for board membership by Australian ballot.

(1) Proportional to town population.

(A) When membership on the board of a union elementary or union high school district is apportioned to each member district in a number that is closely proportional to the member district's relative population, the voters of the member district may file a petition nominating a candidate for board membership. A petition is valid only if:

(i) the candidate is a current voter of the member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the member district or one percent of the legal voters in that district, whichever is less;

(iv) the voters file the petition with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) After confirming that the names on the petition correspond to registered voters of the member district, the town clerk shall transmit the name of each duly nominated candidate to the clerk of the union elementary or union high school district.

(C) The union district clerk shall prepare a union elementary or union high school district ballot for each member district and shall transmit the ballot to the town clerk to make available to the voters residing in the member district.

(D) The voters of the member district shall elect as many board members as are apportioned for that term of office on the union elementary or union high school district board based on the population of the member district.

(2) Modified at-large model: allocation to town; at-large representation.

(A) When membership on the board of a union elementary or union high school district is allocated to each member district, but the allocation is not closely proportional to the member district's population and the board member is elected at-large, the voters residing in any one or more of the member districts may file a petition nominating a candidate for board membership under the "modified at-large" model. A petition is valid only if:

(i) the candidate is a current voter of the member district to which the seat is allocated;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the union elementary or union high school district;

(iv) the voters file the petition with the clerk of the union elementary or union high school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the union district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each member district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The union district clerk shall prepare the union elementary or union high school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each member district to make available to the voters residing in the member district.

(D) The voters of the union elementary or union high school district shall elect as many board members as are to be elected at-large for that term of office under the "modified at-large" model.

(3) At-large representation.

(A) When membership on the board of a union elementary or union high school district is not apportioned or allocated pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection (a) (Australian ballot) and the board member is elected at large, the voters residing in any one or more of the member districts may file a petition nominating a candidate for at-large board membership. A petition is valid only if:

(i) the candidate is a current voter of the union elementary or union high school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the union elementary or union high school district;

(iv) the voters file the petition with the clerk of the union elementary or union high school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the union district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each member district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of

the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The union district clerk shall prepare the union elementary or union high school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each member district to make available to the voters residing in the member district.

(D) The voters of the union elementary or union high school district shall elect as many board members as are to be elected at-large for that term of office.

(b) If not by Australian ballot. The provisions of this subsection (b) shall apply to a union elementary or union high school district that does not conduct elections for board membership by Australian ballot.

(1) The nomination and election of candidates for the office of union elementary or union high school district board member shall occur at a warned meeting of the union school district; provided, however, if the union district elects board members under the "proportional to town population" model, then the nomination and election of candidates shall occur at an annual or special meeting of the member district for the town in which the candidate resides, warned for the purpose pursuant to subsection 755(f) (warnings of union elementary and union high school district meetings; members elected under proportional to town population model and by floor vote) of this chapter.

(2) Voters shall only nominate a person who is present at the meeting, and the person shall accept or reject the nomination.

(3) The meeting shall proceed in a manner to ensure that the candidate is a voter of a specific member district if the union district elects board members under either the "proportional to town population" model or the "modified at-large" model.

(c) Bond. Before a newly elected board member enters upon the duties of office, the union district shall ensure that the district's blanket bond covers the new member. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(d) Notification. Within 10 days after the election of a board member pursuant to this section, the union elementary or union high school district clerk shall transmit the name of the newly elected board member to the Secretary of State.

§ 749. VACANCY ON UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT BOARD

(a) Filling a vacancy. Notwithstanding any other provisions of law to the contrary, this section shall apply to a vacancy on a union elementary or union high school district board, unless otherwise provided in the articles of agreement of the union elementary or union high school district as initially approved by the voters on or before July 1, 2019.

(1) Proportional to town population. If the vacancy is for a seat where membership is apportioned to a member district in a number that is closely proportional to its relative population and only voters residing in the member district elect the board member, then the union elementary or union high school district clerk shall notify the board of the member district not later than five days after learning of the vacancy. Within 30 days after receiving notice, the board of the member district shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(2) Modified at-large model: allocation to town; at-large representation. If the vacancy is for a seat where membership is allocated to a member district in a number that is not closely proportional to each district's relative population and the board member is elected at-large, then the union elementary or union high school district clerk shall notify the board of the member district not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the member district's board, the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(3) At-large representation. If the vacancy is for a seat that is neither apportioned nor allocated to a member district pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection and the board member is elected at-large, then within 30 days after creation of the vacancy the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(4) No board of member district. For purposes of subdivisions (1) (proportional to town population) and (2) (modified at-large) of this subsection (a), if the member district is also a union school district and any related town school district has discontinued operations pursuant to subdivision 717(b)(2) (discontinuation of forming districts in union elementary and union high school districts) of this chapter and has no board, then the clerk of the union elementary or union high school district shall notify the selectboard of the pertinent town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(5) Vacancy in all seats. If all seats on a school board are vacant, then the Secretary of State shall call a special election to fill the vacancies.

(b) Notification. Within 10 days after the appointment of a board member pursuant to this section, the clerk of the union elementary or union high school district shall transmit the name of the appointed board member to the Secretary of State.

(c) Obligations and expenses.

(1) Vacancy in majority. If there are vacancies in a majority of the members of a union elementary or union high school district board at the same time, then the remaining member or members are authorized to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled pursuant to the provisions of this section.

(2) Vacancy in all seats. If there are no members of the union elementary or union high school district board in office, then the Secretary of State shall appoint and authorize the district clerk or other qualified person to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled.

§ 750. UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT BUDGET; PREPARATION AND AUTHORIZATION

(a) The board of a union elementary or union high school district shall prepare and distribute a proposed budget annually for the next school year pursuant to the provisions of subdivision 563(11) (powers of school boards; budget) of this title.

(b) If the voters do not approve the board's proposed budget, then the board shall prepare a revised proposed budget pursuant to 17 V.S.A. § 2680(c)(2) (local elections using the Australian ballot system; rejected budget).

(c) If the voters do not approve a budget on or before June 30 of any year, the board of the unified union school district may borrow funds pursuant to the authority granted under section 566 (school districts; authority to borrow) of this title. As used in section 566, the "most recently approved school budget" of a union school district in its first fiscal year of full operations means the cumulative budget amount of the most recently approved school budgets of all districts that merged to form the union district plus 1 percent.

§ 751. ANNUAL REPORT; DATA

(a) The board of a union elementary or union high school district shall prepare an annual report concerning the affairs of the district and have it printed and distributed to the voters of the district pursuant to the provisions of subdivision 563(10) (powers of school boards; report) of this title. The board shall file the report with the union district clerk and the clerk of each member district.

(b) Annually, on or before August 15, the union elementary or union high school district board shall provide to the Secretary answers to statistical inquiries that may be addressed to the district by the Secretary.

Article 2. Union Elementary and Union High School Districts – Officers, Annual Meetings, and Special Meetings

§ 753. OFFICERS; ELECTION; TERM; VACANCY; BOND

(a) Officers. At an annual meeting of the union elementary or union high school district, the voters shall elect a moderator from among the registered voters. The voters shall also vote to elect a clerk and a treasurer of the district; provided, however, at any annual or special meeting, the voters may vote to authorize the school board to appoint the clerk or the treasurer, or both. The clerk of the district shall be elected or appointed from among the voters. The treasurer may also be the supervisory union treasurer and need not be a resident of the union elementary or union high school district.

(b) Election if by Australian ballot. If a union elementary or union high school district elects its officers by Australian ballot, then the provisions of subdivision 748(a)(3) of this chapter for election by Australian ballot of at-large candidates for the union elementary or union high school district board shall apply.

(c) Terms.

(1) Moderator. A moderator elected at an annual meeting pursuant to this section shall assume office on July 1 following the election, unless the voters vote at an annual meeting for the moderator to assume office upon election. A moderator shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(2) Clerk. A clerk elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(3) Treasurer. A treasurer elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(d) Vacancy. The board of the union elementary or union high school district shall fill a vacancy in any office elected or appointed pursuant to this section as soon as practicable after the vacancy occurs. The appointee shall serve upon appointment for the remainder of the unexpired term of office or until the voters elect a successor.

(e) Oath of office. An officer elected or appointed pursuant to this section shall be sworn in before entering upon the duties of the office.

(f) Bond. The district shall ensure that its blanket bond covers a newly elected or appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(g) Notification. Within 10 days after the election or appointment of any officer pursuant to this section, the clerk of the union elementary or union high school district shall transmit the name of the officer to the Secretary of State.

§ 754. OFFICERS; POWERS, DUTIES, AND LIABILITIES

(a) Moderator. The powers, duties, and liabilities of the moderator of a union elementary or union high school district shall be the same as those of a moderator of a town school district. The moderator shall preside at each annual and special meeting of the union elementary or union high school district. In the moderator's absence, the voters shall elect a moderator pro tempore to preside.

(b) Clerk. The powers, duties, and liabilities of the clerk of a union elementary or union high school district shall be the same as those of a clerk of

a town school district. The district clerk shall keep a record of the votes and the proceedings of the union school district meetings and shall provide certified copies of them when requested.

(c) Treasurer. The powers, duties, and liabilities of the treasurer of a union elementary or union high school district shall be the same as those of a treasurer of a town school district.

(d) Documents. The person having custody shall provide to each elected or appointed officer of a union district all books, papers, and electronic documents of the office.

§ 755. WARNINGS OF UNION ELEMENTARY AND UNION HIGH SCHOOL DISTRICT MEETINGS

(a) The board of a union elementary or union high school district shall have the same authority and obligation to warn or call meetings of the district as a town school board has to warn or call town school district meetings.

(b) Except as provided in subsection (f) of this section, not less than 30 nor more than 40 days before the meeting, the union district clerk shall warn a union elementary or union high school district meeting by posting a warning and notice to voters, signed by the chair of the union district board or the chair's designee, specifying the date, time, location, and business of the meeting, in the district clerk's office and at least one public place in each town within the union elementary or union high school district, and causing the same to be published once in a newspaper circulating in the union district at least five days before the meeting. In the district clerk's absence, the chair of the board or the chair's designee shall warn the meeting pursuant to the provisions of this section.

(c) The warning shall, by separate articles, specifically indicate the business to be transacted, including the offices and the questions upon which the electorate shall vote. The warning shall also contain any article or articles requested by a petition signed by at least five percent of the voters of the district and filed with the district clerk pursuant to 17 V.S.A. § 2642 (town meetings and local elections; warning and notice contents).

(d) The posted notice that accompanies the warning shall include information on voter registration, early and absentee voting, the time and location at which the ballots will be counted, and other applicable information.

(e) The warning shall be recorded in the office of the district clerk and shall be provided to the town clerk of each town in the unified elementary or union high school district before being posted.

(f) This subsection shall apply if a union elementary or union high school district elects school board members under the "proportional to town population" model and if it elects those members by a floor vote rather than by Australian ballot.

(1) The election shall be warned as follows:

(A) The district clerk shall transmit the signed warning to each town clerk.

(B) The district clerk shall assist each town clerk to incorporate the warning into the warning for the annual or special meeting of each member district.

(C) Each town clerk, rather than the union district clerk, shall post and publish the warning pursuant to the provisions of subsection (b) of this section.

(2) Notwithstanding any provision of law to the contrary, if any member district elects its own board members by Australian ballot, then the warning, nomination, ballot preparation, and election of union school district board members shall proceed pursuant to the same laws that govern the member district.

(3) If an annual meeting of a member district at which the union district board members are elected under this subsection is more than 30 days prior to the annual meeting of the union school district, then notwithstanding subsection 747(a) (board members of union elementary and union high school districts) of this chapter, the newly elected board members shall assume office at the conclusion of the union school district's annual meeting.

(g) Notwithstanding any provision of this section to the contrary, a union elementary or union high school district:

(1) shall warn a meeting called for the purpose of considering a bond issue in accordance with the provisions of 24 V.S.A. § 1755; and

(2) shall warn a meeting to consider a revised proposed budget pursuant to the provisions of subsection 750(b) (union elementary or union high school district revised proposed budget) of this chapter.

§ 756. UNION DISTRICT MEETINGS CONDUCTED FROM THE FLOOR

(a) Not later than the close of business on the day before the meeting, the town clerk of each member district of a union elementary or union high school district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member

district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (registration of voters). The checklist shall control for purposes of determining voter eligibility in the union elementary or union high school district.

(b) During the annual or special meeting, one or more members of each town's board of civil authority shall assist the union district clerk to determine voter eligibility and to supervise voting during the meeting.

(c) Votes cast at an annual or special meeting shall be commingled and shall not be counted according to the town in which a voter resides.

(d) The provisions of this section shall apply to all votes of the electorate in a union elementary or union high school district that do not proceed by Australian ballot; provided, however:

(1) They shall not apply if Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters.

(2) They shall not apply to a vote warned pursuant to subsection 755(f) (warnings of union elementary and union high school district meetings; members elected under proportional to town population model and by floor vote) of this chapter.

(e) If a person who resides in a member district and is otherwise eligible to vote at a union elementary or union high school district meeting has not maintained residence in the member district for the requisite number of days but resided in another member district of the union elementary or union high school district for the requisite number of days, then the town clerk of the member district in which the person currently resides shall enter such person's name on the checklist of legal voters if the person presents to that town clerk a certificate signed by the town clerk of the member district in which the person formally resided confirming that the person lived within the union elementary or union high school district for the requisite number of days.

§ 757. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

In any vote that proceeds by Australian ballot in a union elementary or union high school district:

(1) A district voter shall vote by Australian ballot in the town in which the voter currently resides at the polling location identified in the warning.

(2) Voting shall occur in each town on the same day.

(3) The board of civil authority of each town shall be responsible for determining the eligibility of persons to vote and for supervising voting at that polling location.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 (conduct of elections; early or absentee voters) shall be provided.

§ 758. PREPARATION AND FORM OF AUSTRALIAN BALLOT

(a) The clerk of a union elementary or union high school district shall prepare the ballot for any vote that proceeds by Australian ballot in the union school district.

(b) Only questions warned by the union elementary or union high school district and presented to the voters of that district shall appear on a ballot prepared pursuant to subsection (a) of this section.

(c) Warned questions of the union elementary or union high school district shall not appear on the same ballot as questions warned by a member district of the union elementary or union high school district or by the legislative body of a town within the union elementary or union high school district.

§ 759. COUNTING AND REPORTING RESULTS OF VOTE BY AUSTRALIAN BALLOT

(a) Process if commingled. If the voters have approved the commingling of votes cast by Australian ballot for any or all categories of public questions, including elections and budget votes, or if Vermont law requires commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) At least two members of the board of civil authority of each town within a union elementary or union high school district, or two election officials appointed by the board of civil authority of that town, shall transport ballots cast in the member district in a sealed container to a central location designated by the clerk of the union elementary or union high school district.

(2) The boards of civil authority shall not count the ballots for purposes of determining the outcome of the votes cast in the member district prior to transporting them but may open the containers and count the total number of ballots cast at that polling location.

(3) The union elementary or union high school district clerk or designee shall supervise representatives of the boards of civil authority to count ballots at the central location. The union elementary or union high school district clerk shall also have the authority to appoint current union elementary or union high school district board members who are not on the ballot to aid in the counting of ballots

(4) The ballots shall be counted as soon as possible, but not later than 24 hours after the time at which the polls closed.

(5) If ballots are to be counted on the day following the election, then the clerk of each member district shall store the ballots in a secure location until they are transported on the following day to the central location designated by the union district clerk for counting.

(6) Ballots from all member districts shall be combined into a single group before counting and shall not be counted according to the member district or town in which a voter resides.

(7) After the ballots have been counted, the union district clerk shall seal them in a secure container and store them for at least 90 days at a secure location.

(8) The union district clerk shall report the commingled results of votes cast within the union elementary or union high school district to the public.

(b) Process if not commingled. If the voters have not approved the commingling of votes cast by Australian ballot for budgets, elections, or any other category of public question, and if Vermont law does not require commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) The board of civil authority of each town within the union elementary or union high school district shall count Australian ballots cast in the member district and report the results to the clerk of the union district.

(2) The clerk of the union district shall calculate total votes cast within the union district for any vote that requires approval by the electorate of the entire union elementary or union high school district, rather than approval by the voters in one member district or by the voters in each member district separately.

(3) The union district shall report to the public the results of total votes cast; provided, however, that both the union district clerk and the clerk of each member school district shall report the results of ballots cast to elect a union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 748(a)(1) of this chapter.

§ 760. BOND ISSUES; DEBT LIMIT

(a) A union elementary or union high school district may make improvements, as defined by 24 V.S.A. § 1751, and may incur indebtedness for the improvements as provided in 24 V.S.A. chapter 53, subchapter 1.

(b) The debt limit of the union elementary or union high school district shall be 10 times the total of the education grand lists of the member districts of the union school district. The existing indebtedness of a union elementary or union high school district incurred to finance any project approved under sections 3447 to 3456 of this title shall not be considered a part of the indebtedness of the union elementary or union high school district for purposes of determining its debt limit for a new proposed bond issue. An obligation incurred by a union elementary or union high school district pursuant to this chapter shall be the joint and several obligation of the union school district and each of its member districts. Any joint or several obligation incurred by a member district pursuant to this subsection shall not be considered in determining the debt limit for the separate purposes of the member district.

(c) Bond issues under this section shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary school district and union high school district meetings) and 757–759 (vote by Australian ballot) of this subchapter. Ballots shall be commingled before counting.

Subchapter 5. Districts Formed Pursuant to Prior Laws

§ 763. RATIFICATION; ARTICLES OF AGREEMENT; APPLICATION OF CHAPTER

(a) Each union school district in existence on July 1, 2022, is ratified and subject to the provisions of this chapter 11, regardless of whether the district was formed by an affirmative vote of the electorate or by the State Board as part of its "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to [2015 Acts and Resolves No.] 46, Sections 8(b) and 10" dated November 28, 2018 (the Order).

(b) References in this chapter 11 to articles of agreement initially adopted by the voters shall also mean articles of agreement as issued by the State Board as part of the Order.

(c) Articles of agreement in effect on June 30, 2022, as initially adopted by the voters or subsequently amended, shall govern the district unless and until amended; provided, however, and notwithstanding the provisions of 1 V.S.A. § 214 or other laws to the contrary, the provisions of this chapter 11 shall govern in all matters not addressed in the articles of agreement and shall take precedence in the event of conflict with any article.

§ 764. SECRETARY OF STATE; RECORDING CERTIFICATES

(a) To ensure that documentary evidence relating to the creation of union school districts can be found in one location, the Secretary of Education shall

forward to the Secretary of State copies of the certifications designating the existence of each new union school district created pursuant to the State Board's "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to 2015 Acts and Resolves No. 46, Sections 8(b) and 10" dated November 28, 2018 (the Order).

(b) The Secretary of State shall record the certifications and all subsequent amendments and addenda to the certifications.

(c) The Secretary of State shall file a certified copy of the recorded certification and any amendments or addenda with the elected clerk of each union school district created by the Order.

Sec. 4. WITHDRAWAL ACTIONS APPROVED BY STATE BOARD; NEW DISTRICTS WITH AN OPERATIONAL DATE ON OR AFTER JULY 1, 2023

(a) Application of this section. This section shall apply solely to a withdrawal action initiated pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A § 724), if each of the following actions occurred prior to that effective date:

(1) the State Board of Education gave final approval to the voter-approved and voter-ratified proposal to withdraw from the union school district;

(2) the State Board declared a new school district to be reconstituted;

(3) the State Board established the new school district's operational date as July 1, 2023 or after;

(4) the voters of the new school district elected school board members;

(5) the voters of the towns within the union district voted to approve the financial terms of withdrawal negotiated by the boards of the new school district and the union district; and

(6) the State Board charged the new school district and its board with performing the transitional activities necessary to assume sole responsibility for the education of resident students on the identified operational date.

(b) Vote of the board of the new school district; operational date. Before July 1, 2022, the board of the new school district shall vote whether to move forward with preparing for the operational date in effect on July 1, 2022 (current operational date) or whether to extend the operational date by one year. If the school board votes to extend the operational date, the operational date shall be extended to one year from the current operational date (new operational date). The board of the new school district shall notify the State

Board and clerk of the union district of its decision and operational date on or before July 1, 2022. The State Board shall then review the preparedness of the new school district pursuant to subsection (d) of this section. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(c) Status report. On or before the regular July State Board meeting in the year in which the review will occur, the new school district shall submit a written status report to the Board detailing the actions the district has taken and will take to ensure that, as of its operational date, the district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services. The status report shall include a timeline indicating the date by which each action shall be complete.

(d) State Board review and findings.

(1) Review. The State Board shall consider the status report and provide the board of the new school district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities, including the union school district and the Agency of Education. The State Board shall issue a determination of preparedness based on the review and report on or before the September 1 of the year in which the review will occur.

(2) Preparedness deemed likely. If the State Board determines that it is likely the new school district will be prepared, on the identified operational date provided to the State Board pursuant to subsection (b), to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then the new school district, the union district, and, if applicable, the supervisory union or unions shall continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(3) Preparedness deemed unlikely.

(A) If the State Board determines there is a reasonable risk that the new district will not be able to be prepared, on the operational date provided to the State Board pursuant to subsection (b), to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then the Board shall issue a written advisory statement detailing the factors underlying its conclusion, which it

shall post on its website and transmit electronically to the board of the new school district.

(B) Upon receipt of an advisory opinion pursuant to subdivision (d)(3)(A) of this section, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(C) Prior to the operational date and after public discussion and any board deliberations:

(i) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(ii) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(I) The question shall be decided by Australian ballot.

(II) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(D) If the new school district requests the State Board to take action under subdivision (3)(C) of this subsection (d), then:

(i) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(ii) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(I) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(II) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (d)(3)(D).

(e) Repeal. This section is repealed on July 1, 2024.

Sec. 5. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD HAS NOT TAKEN ACTION; ALTERNATIVE GOVERNANCE PROPOSAL PREVIOUSLY PRESENTED

(a) Application of this section.

(1) For purposes of this section and notwithstanding any provision of law to the contrary, the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) are deemed to authorize withdrawal from a unified union school district created by the State Board of Education in its "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to Act 46, Secs. 8(b) and 10" dated November 28, 2018 (Order).

(2) This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the former 16 V.S.A. § 724 if each of the following actions occurred prior to the effective date of Sec. 3 of this act:

(A) the State Board created the union district in its Order;

(B) prior to issuance of the Order, the districts that merged to form the union district submitted a proposal to the Secretary of Education and the State Board setting forth the details of their self-evaluation and a proposal for an alternative governance structure pursuant to 2015 Acts and Resolves No. 46, Sec. 9 (Section 9 proposal);

(C) the voters of the petitioning town approved a proposal to withdraw from the union district;

(D) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(E) the State Board of Education has not approved or taken action to approve the withdrawal proposal or to declare that a new school district is reconstituted.

(b) Report and plan. At any time after the effective date of this section, but on or before the regular September 2022 State Board meeting, the self-selected representatives of the petitioning town and the board of the union district shall submit to the State Board in writing:

(1) A report explaining the ways in which the current plan of the petitioning town and the union district for operation after withdrawal conforms to or differs from the Section 9 proposal.

(2) A plan, including a timeline, identifying the actions the petitioning town and the union district have taken and will take to transition to the proposed structure and to ensure that, as of an identified operational date, the proposed new school district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. At a minimum, the plan and timeline should include the actions identified in subsection (d) of this section.

(c) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and also whether it is likely or unlikely that supervisory union services will be available to both the proposed new school district and the union district on the operational date. If the State Board determines preparedness is unlikely, it shall issue a written advisory statement detailing the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district

and, if appropriate, the union district to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(d) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (c)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district, and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation of the proposed financial terms of withdrawal by the board of the new school district and the board of the union district in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including all actions necessary to address the collectively bargained rights of employees of the current employing entity.

(e) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion

pursuant to subdivision (c)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (e)(4).

(f) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the five elements set forth in subdivisions (A)–(E) of subdivision (a)(2) are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (e) have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(g) Repeal. This section is repealed on July 1, 2024.

Sec. 6. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD HAS NOT TAKEN ACTION; UNION DISTRICT CREATED BY THE ELECTORATE

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) the voters of the petitioning town approved a proposal to withdraw from the union district;

(3) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(4) the State Board of Education has not approved or taken action to approve the withdrawal proposal or to declare that a new school district is reconstituted.

(b) Decision regarding timing of State Board review. At any time before July 1, 2022, the self-selected representatives of the petitioning town shall decide whether to begin a State Board of Education review of their withdrawal proposal in July of 2022 or July of 2023 and shall transmit their decision and proposed operational date to the State Board of Education and the clerk of the union district. The State Board shall review the withdrawal proposal only once. If the review of the withdrawal proposal occurs in 2023, the State Board may ask for updates from the self-selected members of the petitioning town on preparedness efforts prior to the final withdrawal proposal review. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(c) Report and plan. On or before the second Wednesday of July in the year in which the review will occur, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (e) of this section.

(d) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities. The State Board shall issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than the September 1 of the year in which the review will occur based on the decision the self-selected representatives of the petitioning town made pursuant to subsection (b) of this section.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and whether it is likely or unlikely that supervisory union services will be available to the proposed new school district on the operational date. If the State Board determines preparedness is unlikely, it shall issue a written advisory statement detailing the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (e) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(e) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (d)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(f) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion pursuant to subdivision (d)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the

withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (e)(4).

(g) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the four elements set forth in subdivisions (1)–(4) of subdivision (a) are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (d) of this section have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(h) Repeal. This section is repealed on July 1, 2025.

Sec. 7. WITHDRAWAL PROPOSALS; NO FINAL RATIFICATION VOTES

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the

effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) a vote in the petitioning town to approve a withdrawal proposal was warned to occur on or before June 1, 2022; and

(3) the voters of each of the other towns within the union district have not voted whether to ratify the withdrawal proposal prior to the effective date of this section or they each voted but the votes are not final prior to the effective date.

(b) Vote of the other towns within the union district. If the voters in the petitioning town vote to approve withdrawal, then within 90 days after the town clerks in the other towns within the union district receive notice from the Secretary of State pursuant to the former 16 V.S.A. § 724(b) that the vote in the petitioning town is final, the voters of the other towns within the union district shall vote whether to ratify the withdrawal proposal. The question shall be determined by Australian ballot and shall proceed pursuant to Sec. 3, 16 V.S.A. § 737 (warnings of unified union school district meetings) and §§ 739–741 (vote by Australian ballot) of this act. The ballots shall not be commingled.

(1) Vote not to ratify withdrawal. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur. The voters residing in any town within the union district may initiate new withdrawal procedures pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(2) Vote in favor of withdrawal. If a majority of the voters in all towns within the union district vote in favor of withdrawal, then the withdrawal process shall proceed pursuant to subsections (c)–(g) of this section.

(c) Decision regarding timing of State Board review. Within 30 days after the ratification votes of the other towns within the union district are final, the self-selected representatives of the petitioning town shall decide whether to undergo a State Board of Education review of the withdrawal proposal in 2022 or 2023 and shall transmit their decision and proposed operational date to the State Board of Education and clerk of the union district. In accordance with the decision of the self-selected representatives of the petitioning town regarding the year in which the withdrawal proposal shall be reviewed, the State Board, in consultation with the self-selected representatives, shall determine the date the final withdrawal proposal review will begin and

transmit the date to the self-selected representatives of the petitioning town and the clerk of the union school district. The State Board shall review the withdrawal proposal only once. If the review of the withdrawal proposal occurs in 2023, the State Board may ask for updates from the self-selected members of the petitioning town on preparedness efforts prior to the final withdrawal proposal review. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(d) Report and plan. On or before the date set by the State Board to begin the final withdrawal proposal review, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (f) of this section.

(e) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities. The State Board shall issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than 90 days after the date set by the State Board to begin the final withdrawal proposal review.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and whether it is likely or unlikely that supervisory union services will be available to the proposed new school district on the operational date. If the State Board determines preparedness is unlikely, it shall issue a written advisory statement detailing the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (f) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district

and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(f) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (e)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(g) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion

pursuant to subdivision (e)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (g)(4).

(h) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the four elements set forth in subdivisions (1)–(4) of subdivision (a) of this section are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (g) of this section have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(i) Repeal. This section is repealed on July 1, 2025.

Sec. 8. TEMPORARY MORATORIUM ON UNION SCHOOL DISTRICT SCHOOL CLOSURES

(a) Notwithstanding any provision of law to the contrary, a union school district shall be prohibited from closing a school building within its district unless the school building closure has already been accounted for in the fiscal year 2023 school budget, the closure is necessary to protect the health and safety of students, the school district is unable to adequately staff the school building at issue, or the closure is approved by the district voters residing in the town in which the building is located. As used in this section, "closing a school building" means the district ceases to use the building to provide direct education for a majority of the grades operated within the building on or before July 1, 2022.

(b) This section is repealed on July 1, 2024.

Sec. 9. UNION SCHOOL DISTRICT CLOSURES; REPORT

On or before September 1, 2023, the Agency of Education shall issue a written report to the Senate and House Committees on Education on union school district school building closures. In preparing the report, the Agency shall consult with the State Board of Education, the Vermont School Boards Association, the Vermont Principals' Association, the Vermont Superintendents Association, the Vermont National Education Association, and the Vermont League of Cities and Towns. The Agency shall also solicit and consider comments from the public. The report shall include:

(1) an examination of examples of recent school closures, or attempted school closures, within union school districts and identification of common trends and issues;

(2) an examination of the impact school closures have had or are anticipated to have on towns or member districts seeking to withdraw from a union school district;

(3) an examination of the issues leading a school board to consider closing a school building, the options to address the issue that could be employed instead of school closure, and the impact the inability to close a school building has had or is expected to have on the union school district or any of the towns or member districts within it;

(4) an examination of the factors that should be used to determine school viability and sustainability and how those factors relate to school closure decisions;

(5) an examination of the advantages and disadvantages of creating a consistent statewide process for union school district school closures and a common definition of what actions constitute a closure;

(6) recommendations on school closure standards and processes; and

(7) recommendations for legislative action, including recommended legislative language.

Sec. 10. UNION SCHOOL DISTRICT WITHDRAWAL; ANNUAL REPORT

The Agency of Education shall make an annual report to the Senate and House Committees on Education on or before January 15. The report shall include a detailed analysis of each union school district withdrawal action the Agency reviewed during the preceding year. The report shall also include any recommendations for legislative action.

Sec. 11. 16 V.S.A. § 1804 is added to read:

§ 1804. EMPLOYMENT TRANSITION; NEW SCHOOL DISTRICT CREATED UPON WITHDRAWAL FROM A UNION SCHOOL DISTRICT

(a) Definitions. The definitions in section 1801 of this subchapter shall not apply to this section. As used in this section:

(1) "Expanded district" means a school district:

(A) that was responsible for the education of students residing in a single town for some, but not all, grades, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others; and

(B) that, as the result of its withdrawal from a union elementary or union high school district pursuant to section 725 of this title, is solely responsible for the education of its resident students in all grades prekindergarten through grade 12, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others.

(2) "New district" means:

(A) a school district created by withdrawal from a unified union school district pursuant to section 724 of this title that is responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others;

(B) a school district responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others, that was formed when another town's withdrawal from a unified union school district resulted in dissolution of the union district;

(C) an expanded district that did not operate any schools immediately prior to withdrawal and, after withdrawal, operates a school in one or more of the grades previously operated by the union district; or

(D) a school district created by withdrawal from a union elementary or union high school district pursuant to section 725 of this title if prior to withdrawal the withdrawing member was a member of both a union elementary school district and a union high school district, was not independently organized as a district responsible for the education of students in any grade, and did not have a town school district board.

(3) "Operational date" means the date on which a new district or an expanded district assumes full and sole responsibility for the education of its resident students in the grades for which the union district was previously responsible. "Initial operational year" and "second operational year" mean the year commencing on the operational date and the year immediately following the initial operational year, respectively.

(4) "Transitional period" means the period of time beginning on the day on which the State Board declares the creation and existence of the new district or the expanded district pursuant to subdivision 724(h)(2) or 725(h)(2) of this title and continuing until the new district's or newly expanded district's operational date.

(b) Negotiations council and recognized representatives of a new district. At its first meeting during the transitional period, the board of a new district shall:

(1) appoint a school board negotiations council for the new district for the purpose of negotiating with the representatives of future licensed and nonlicensed employees of the new district; and

(2) recognize the representative of the employees of the union school district as the recognized representative of the employees of the new district.

(c) Employment agreements for the initial and second operational years of a new district.

(1) After the new district's organizational meeting, the new district's school board negotiations council and the representative of the employees of the new district shall commence negotiations relating to the employment of licensed and nonlicensed employees in the initial operational year. Negotiations shall be conducted pursuant to the provisions of chapter 57 of this title for teachers and administrators and 21 V.S.A. chapter 22 for other employees. The negotiations council or councils representing employees of the union school district shall represent the employees of the new district unless and until the exclusive representative for employees of the new district designates new representatives to a negotiations council.

(2) If the parties do not ratify a new agreement at least 90 days prior to the new district's operational date, then the new district and its employees shall be governed by the terms of the collectively bargained agreement in place for the union district for the year preceding the initial operational year unless and until the parties agree otherwise.

(d) Non-probationary employees; changes to seniority and other provisions. For each new district and its employees, whether governed by an

agreement in the initial operational year pursuant to subdivision (c)(1) or (c)(2) of this section:

(1) an employee of the union district in the year preceding the initial operational year who was not a probationary employee of the union district at the conclusion of that year shall not be considered a probationary employee if employed by the new district in the initial operational year; and

(2) prior to the operational date, the board of the union district, the board of the new district, and the representative of the employees of the union district may negotiate a temporary memorandum of understanding to adjust provisions in the union district contract regarding seniority, reductions in force, layoff, and recall in order to assist the workforce needs of both the union district and the new district and the best interests of the licensed and nonlicensed employees they employ.

(e) Individual employment contracts not covered by a collective bargaining agreement. On its operational date, the new district shall assume the obligations of each existing individual employment contract, including accrued leave and associated benefits, of any union district employee not covered by a collective bargaining agreement who worked in the building located in the new district in the year preceding the initial operational year and who chooses to continue to work in the same capacity in that building in the initial operational year.

(f) Supervisory unions. If the State Board creates a new supervisory union to provide services to the new district and one or more other school districts, then the provisions of subsections (b) through (e) of this section shall apply to the transition of any employee who was employed by the union district in the year prior to the initial operational year to provide services typically provided by a supervisory union employee, if the employee is employed by the new supervisory union in the initial operational year to provide the same services, with the board of the new supervisory union assuming the responsibilities of the board of the new district as outlined in subsections (b) through (e) of this section.

Sec. 12. APPLICATION OF EMPLOYMENT TRANSITION PROVISIONS

The provisions of Sec. 11 of this act shall also apply to any school district with an operational date of July 1, 2023 or later if the State Board of Education created the district as the result of a withdrawal action initiated pursuant to the terms of 16 V.S.A. § 721a or § 724 that were in effect on January 1, 2022.

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

BRIAN A. CAMPION
ANDREW J. PERCHLIK
JOSHUA TERENZINI

Committee on the part of the Senate

PETER C. CONLON
CASEY J. TOOF
ERIN BRADY

Committee on the part of the House

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

Rules Suspended; Bills Placed in all Remaining Stages

On motion of Senator Balint, the rules were suspended, and the following bills were severally placed in all remaining stages of passage:

H. 74, H. 244, H. 477, H. 559, H. 730.

Bills Passed in Concurrence

House bills of the following titles were severally read the third time and passed in concurrence:

H. 74. An act relating to making miscellaneous changes concerning self-storage businesses.

H. 244. An act relating to authorizing the natural organic reduction of human remains.

H. 477. An act relating to leave for crime victims.

H. 559. An act relating to workers' compensation.

Bill Passed in Concurrence with Proposal of Amendment

H. 730.

House bill of the following title was read the third time and passed in concurrence with proposal of amendment:

An act relating to alcoholic beverages and the Department of Liquor and Lottery.

Rules Suspended; Bills Messaged

On motion of Senator Balint, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 74, H. 244, H. 477, H. 559, H. 727, H. 730.

Rules Suspended; Bill Delivered

On motion of Senator Balint, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 188.

Recess

On motion of Senator Balint the Senate recessed until 3:45 PM.

Called to Order

The Senate was called to order by the President.

Message from the House No. 78

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 11. An act relating to prohibiting robocalls.

And has adopted the same on its part.

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. 210. An act relating to rental housing health and safety and affordable housing.

And has adopted the same on its part.

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. 283. An act relating to miscellaneous changes to education laws.

And has adopted the same on its part.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the eleventh day of May, 2022 he did not approve and *allowed to become law without his signature* a bill originating in the Senate of the following title:

S. 197. An act relating to the provision of mental health supports.

Text of Communication from Governor

The text of the communication to the Senate from His Excellency, the Governor, setting for his reasons for refusing to sign and *allowing to become law without his signature,* **Senate Bill No. S. 197**, is as follows:

"May 11, 2022

Vermont General Assembly
115 State Street
Montpelier, VT 05633

Re: S. 197, An act relating to the provisions of mental health supports

Dear Legislators:

Today, I am letting S. 197, *An act relating to the provisions of mental health supports* go into law because, in the aftermath of remote learning and school masking policies of the last two years of the pandemic, our school staffs and our kids need resources and supports to address learning deficits and mental health needs which only became worse during COVID, particularly among Vermont's most vulnerable kids. I thank the Legislature for appropriating $3 million in federal funds for this purpose.

Unfortunately, while S. 197 will become law, it will be without my signature due to what I believe is a separation of powers issue related to executive privilege within the bill. In response to Section 5 of this bill, the Task Force will release materials upon request only, and only to the extent I have made a determination in my discretion to waive the privilege. Letting this bill go into law without my signature does not constitute a waiver of my executive privilege.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the eleventh day of May, 2022 he approved and signed bills originating in the Senate of the following titles:

S. 162. An act relating to the collective bargaining rights of teachers.

S. 206. An act relating to planning and support for individuals and families impacted by Alzheimer's Disease and related disorders

Recess

On motion of Senator Balint the Senate recessed until 3:57 P.M.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 11.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to prohibiting robocalls.

Was taken up for immediate consideration.

Senator Sirotkin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 11. An act relating to prohibiting robocalls.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its further proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. PURPOSE; IMPLEMENTATION

(a) The purpose of Secs. 1–45 of this act is to expand opportunities for workforce education, training, and development for Vermonters and to make meaningful investments to support and expand the workforce across the State.

(b) It is the intent of the General Assembly that each recipient of funding through Secs. 1–45 of this act shall conduct significant outreach to ensure that all Vermonters, and particularly populations that have experienced unequal access to public or private economic benefits due to geography, socioeconomic status, disability status, gender or gender identity, age, immigration or refugee status, or race, have the opportunity to benefit from the financial and programmatic benefits made available through this act.

Sec. 2. IMMEDIATE STRATEGIES AND FUNDING FOR EXPANDING THE LABOR FORCE; INCREASING THE NUMBER OF PARTICIPANTS AND PARTICIPATION RATES; APPROPRIATIONS

(a) In fiscal year 2023, the following amounts are appropriated from the General Fund to the following recipients for the purposes specified:

(1) $2,500,000.00 to the University of Vermont Office of Engagement, in consultation with the Vermont Student Assistance Corporation, to administer a statewide forgivable loan program of $5,000.00 per graduate for recent college graduates across all Vermont higher education institutions who commit to work in Vermont for two years after graduation.

(2) $387,000.00 to Vermont Technical College to develop a skilled meat cutter training and apprenticeship facility.

(b) In fiscal year 2023, the Agency of Human Services shall use the amount of $500,000.00 that is appropriated to it in Sec. B.1100(a)(17) of the FY 2023 Budget Bill from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to provide grants, which may be administered through a performance-based contract, to refugee- or New American-focused programs working in Vermont to support increased in-migration or retention of recent arrivals.

Sec. 3. [Deleted.]

Sec. 4. INVESTMENT IN THE UP-SKILLING OF PRIVATE SECTOR EMPLOYERS TO SUPPORT THE EVOLUTION OF BUSINESS AND ORGANIZATIONAL MODELS; APPROPRIATIONS

In fiscal year 2023, the amount of $250,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery

Funds to the Agency of Commerce and Community Development for a performance-based contract to provide statewide delivery of business coaching and other forms of training to Black, Indigenous, and Persons of Color (BIPOC) business owners, networking and special convenings, and career fairs, workshops and paid internships, career guidance, and other support for BIPOC workers across the State.

Sec. 5. WORKFORCE EXPANSION AND DEVELOPMENT; SPECIAL OVERSIGHT COMMITTEE; ACTION PLAN

(a) Findings. The General Assembly finds:

(1) Vermont is experiencing an acute labor shortage in 2022.

(2) According to the Employment and Labor Marketing Information Division of the Vermont Department of Labor:

(A) There are approximately 28,000 job openings in Vermont as of December 2021.

(B) 9,945 individuals meet the federal statistical definition of unemployed as of January 2022.

(C) 4,500 individuals are receiving unemployment insurance assistance as of March 2022.

(D) The workforce has shrunk by 26,000 individuals from 2019 to 2022, yet the unemployment rate is just three percent as of January 2022.

(E) The workforce participation rate has fallen from 66 percent to 60.6 percent.

(F) The total volume of hires made each year is approximately 200,000 nonunique individuals.

(3) The Department receives approximately 80 percent of its funding from federal sources, which constrains the Department and its employees from adjusting its work to meet immediate needs.

(4) The federal funding for field staff in the Workforce Development Division has declined significantly over the past 20 years, supporting 75 persons in 2022 as compared to 135 in 2003.

(5) Though Vermont has a small population, the unique characteristics of its region's employers, educational institutions, demographics, and socioeconomic conditions make it best to address efforts to connect individuals with training and job placement on a regional basis.

(6) Because most State agencies and departments touch the workforce system in some way, there is a need for more coordination and alignment

across State government to serve both job seekers and employers.

(7) Vermont needs a statewide workforce development, training, and education system in which all Vermonters who want to work, and all employers who want workers, can connect.

(b) The Special Oversight Committee on Workforce Expansion and Development is created with the following members:

(1) a member appointed by the Governor;

(2) the Chair of the State Workforce Development Board;

(3) the State Director of Workforce Development;

(4) one member of the House Committee on Commerce and Economic Development, appointed by the Speaker of the House; and

(5) one member of the Senate Committee on Economic Development, Housing and General Affairs, appointed by the Senate Committee on Committees.

(c)(1) Members of the Special Oversight Committee may receive compensation pursuant to 32 V.S.A. § 1010 and 2 V.S.A. § 23 for not more than six meetings.

(2) The Agency of Administration shall provide administrative support to the Special Oversight Committee. The Special Oversight Committee may consult with the Office of Legislative Counsel and the Joint Fiscal Office when necessary to perform its work pursuant to this section.

(d) In fiscal year 2023, the amount of $250,000.00 is appropriated from the General Fund to the Secretary of Administration, who shall use the funds pursuant to the direction of the Special Oversight Committee in the performance of its work, including to engage the services of one or more experts in the field of workforce development, organization management, or other relevant fields as necessary to assist the Committee in its work pursuant to this section.

(e) On or before January 15, 2023, the Committee shall deliver to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs an action plan that:

(1) identifies the optimal organizational structure for the Vermont workforce development system, under which a single government entity, office, or executive position is charged with the authority and duty to coordinate workforce development efforts across State government, in close

partnership and coordination with nongovernmental partners, and achieve the goals of the State of Vermont Strategic Plan; and

(2) identifies action steps, timelines, and resource needs to complete the transition to this new organizational structure.

(f) The Special Oversight Committee, in coordination with the Secretary of Administration and any experts retained with funding provided in this section, shall:

(1) review the statutory role of the Commissioner of Labor as the leader of workforce education and training in the State and the authority, responsibilities, and duties conferred on the Commissioner in 10 V.S.A. § 540;

(2) review the composition and size of the State Workforce Development Board created in 10 VSA § 541a and review the effectiveness of the Board in achieving the objectives outlined in that section;

(3) review the requirements of the Workforce Innovation Opportunity Act and Wagner-Peyser Act and determine if the needs of Vermont's employees and employers would be better served by pursuing a waiver for the requirements of those acts; and

(4) update the goals, metrics, and strategies for workforce development in the State of Vermont Strategic Plan 2018-2023 dated January 3, 2018 and propose a road map, staffing plan, and budget for an integrated State workforce plan that spans all workforce service delivery systems and all existing workforce related strategic plans.

Sec. 5a. REGIONAL WORKFORCE EXPANSION SYSTEM

(a) Regional Workforce Expansion System. The amount of $1,500,000.00 is appropriated from the General Fund to the Department of Labor for a two-year pilot program to launch and lead a coordinated regional system, beginning in up to three regions of the State, to work toward accomplishing the following goals:

(1) increase local labor participation rate;

(2) decrease the number of open positions reported by local employers;

(3) increase the wages of workers as they transition to new jobs; and

(4) collect, organize, develop, and share information related to local career pathways with workforce development partners.

(b) Duties. In order to meet the goals specified in subsection (b) of this section, the Department shall:

(1) create new capacity to address and support State activities related to workforce development, expansion, and alignment;

(2) focus on the overarching goal of helping workers find jobs and employers find workers;

(3) support employers in communicating and tailoring their work requirements, conditions, and expectations to better access local workers; and

(4) collaborate with local education and training providers and regional workforce partners to create and regularly distribute data related to local labor force supply and demand.

(c) System infrastructure. The Department shall make investments that improve and expand regional capacity to strengthen networks who assist jobseekers, workers, and employers in connecting.

(1) The Department is authorized to create up to four classified, two-year limited-service positions, with funding allocated to perform the work described in this section, who shall report to the Workforce Development Division and of whom:

(A) up to three shall be Workforce Expansion Specialists assigned, one each, up to three different regions of the State; and

(B) one shall provide oversight and State-level coordination of activities.

(2)(A) The Department shall use funds allocated to develop systems for coordination, information sharing, and enhanced support to regional partners, host regional meetings, develop regional plans, and provide localized resources including labor market information, training and development opportunities, and support services.

(B) The Department shall develop labor market information reports to support discussion and decision making that will address local labor market challenges and opportunities and support a regional approach to solving local or unique labor supply challenges.

(d) Coordination.

(1) The Department shall convene regional meetings of education, training, business, and service provider partners; coordinate local workforce information collection and distribution; and assist in developing localized career resources, such as information for career counseling, local job fairs, and career expos, that will be available to a wide range of stakeholders.

(2) Service provider partners shall include community partners who directly serve mature workers, youth, individuals with disabilities, individuals who have been involved with the correction system, Black, Indigenous, and Persons of Color Vermonters, New Americans, and other historically marginalized populations in efforts to align service delivery, share information, and achieve greater employment outcomes for Vermonters.

(e) Interim report. On or before January 15, 2023, the Department shall provide a narrative update on the progress made in hiring staff, establishing interagency agreements, developing regional information exchange systems, and supporting State-level work to expand the labor force to the House and Senate committees of jurisdiction.

(f) Implementation. The Department of Labor shall begin implementing the Regional Workforce Expansion System on or before July 1, 2022.

Sec. 6. INCARCERATED INDIVIDUALS; WORKFORCE DEVELOPMENT; PILOT PROGRAM

(a) Purpose. The purpose of this section is to facilitate the education and vocational training of incarcerated individuals so that they have a greater likelihood of obtaining gainful employment and positively contributing to society upon reintegration into the community.

(b) Policy; appropriations.

(1)(A) In fiscal year 2023, the amount of $420,000.00 is appropriated from the General Fund to the Department of Corrections, in consultation with the Vermont Department of Labor, to address education and vocational enhancement needs. These funds shall not be allocated from any amounts budgeted for Justice Reinvestment II initiatives.

(B) The Department shall use the funds allocated for the development of education and vocational training for incarcerated individuals residing in a Vermont correctional facility prior to community reintegration. The Department may allocate the funds over three years, consistent with the following:

(i) $270,000.00 for transition development, including equipment and mobile labs in one or more sites;

(ii) $100,000.00 for training partner support; and

(iii) $50,000.00 for curriculum development.

(2) In fiscal year 2023, the amount of $300,000.00 is appropriated from the General Fund to the Department of Corrections, which may be allocated over not more than three years, to establish a community-based pilot reentry

program at the Chittenden Regional Correctional Facility in consultation with the Vermont Department of Labor. The Department of Corrections shall designate a service provider to administer the pilot program's goals to:

(A) provide continuity of services for incarcerated individuals;

(B) expand current employment readiness programs within the facility by building pathways for coordinated transition to employment;

(C) focus on the first six months after individuals are released from the facility;

(D) coordinate with local community resources, parole and probation offices, and other supports to ensure successful transition into the community;

(E) assist individuals in successfully transitioning into new jobs; and

(F) work with employers to support successful hiring and best practices to support incarcerated individuals.

(c) Report. On or before January 15, 2023, the Department of Corrections shall create and submit a report on workforce and education training programs in correctional facilities to the Joint Legislative Justice Oversight Committee; the House Committees on Corrections and Institutions and on Commerce and Economic Development; and the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary. The report shall:

(1) identify program design, logistical needs, and policy changes to current Department of Corrections facility-based training and educational programs necessary to successfully enable incarcerated individuals' reintegration into their communities, including changes to programs that enhance individuals' skill development, knowledge, and other support needed to qualify for and secure a position in a critical occupation in Vermont;

(2) identify disparities of outcomes and recommend solutions for incarcerated Black, Indigenous, and Persons of Color concerning facility-based training, educational programming, and successful community reintegration;

(3) provide an update on the Department of Corrections' use of education and vocational enhancement funding in fiscal year 2023;

(4) provide recommendations on what aspects of the pilot program should be replicated in other correctional facilities in Vermont; and

(5) provide recommended legislation for the continuation of the pilot program or any changes.

Sec. 7. INTENT

It is the intent of the General Assembly to improve the recruitment and retention of correctional officers to ensure adequate staffing and safe working conditions in facilities operated by the Department of Corrections.

Sec. 8. IMPROVEMENT OF CORRECTIONAL OFFICER RECRUITMENT AND RETENTION; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioners of Corrections and of Human Resources, shall submit a written report to the House Committees on Appropriations, on Commerce and Economic Development, on Corrections and Institutions, and on Government Operations and the Senate Committees on Appropriations, on Government Operations, and on Judiciary identifying conditions that pose an obstacle to the successful recruitment and retention of correctional officers and setting forth a plan to improve the recruitment and retention of correctional officers.

(b)(1) The report shall specifically analyze the impact of the following on the recruitment and retention of correctional officers:

(A) wages and benefits;

(B) terms and conditions of employment;

(C) working conditions in Department of Corrections facilities, including health and safety issues and the physical condition of the facilities; and

(D) staffing levels and overtime.

(2) The report shall, for each of the issues examined pursuant to subdivision (1) of this subsection, analyze how the following states compare to Vermont and shall identify any best practices in those states that could improve recruitment and retention of correctional officers in Vermont:

(A) Maine;

(B) New Hampshire;

(C) New York;

(D) Massachusetts;

(E) Rhode Island; and

(F) Connecticut.

(c) The report shall, as part of the plan to improve the recruitment and retention of correctional officers, identify specific administrative and

legislative actions that are necessary to successfully improve the recruitment and retention of correctional officers.

Sec. 9. ASSESSMENT OF RECRUITMENT AND RETENTION INITIATIVES; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioner of Human Resources, shall submit to the House and Senate Committees on Appropriations a report regarding the use of funds appropriated pursuant to 2022 Acts and Resolves, No. 83:

(1) Sec. 14 for employee recruitment and retention at:

(A) the secure residential recovery facility; and

(B) the Vermont Psychiatric Care Hospital;

(2) Sec. 68 for employee retention with respect to:

(A) the Department of Corrections; and

(B) the Vermont Veteran's Home; and

(3) Sec. 72 for workforce recruitment and retention incentives with respect to designated and specialized service agencies, including shared living providers.

(b) The report shall assess how effective the appropriations identified pursuant to subsection (a) of this section were in addressing issues related to employee recruitment and retention; identify any ongoing or remaining employee recruitment and retention challenges that the recipients have; and identify any potential legislative, administrative, or programmatic changes that can address those ongoing or remaining employee retention issues.

(c) The report shall also include a recommendation as to whether and how to appropriate additional funds in the 2023 Budget Adjustment Act to address ongoing recruitment and retention challenges at:

(1) the Vermont Veteran's Home;

(2) the Vermont Psychiatric Care Hospital;

(3) the secure residential recovery facility;

(4) designated and specialized service agencies; and

(5) the Department of Corrections' facilities with respect to individuals employed as a Correctional Officer I or a Correctional Officer II.

Sec. 10. REPEALS

10 V.S.A. §§ 544 and 545 are repealed.

Sec. 11. 10 V.S.A. § 547 is added to read:

§ 547. WORK-BASED LEARNING AND TRAINING PROGRAM

(a) Vermont Work-Based Learning and Training Program. The Department of Labor shall develop the statewide Work-Based Learning and Training Program that serves transitioning secondary and postsecondary students and Vermonters seeking work-based experience as part of a career experience or change and is designed to:

(1) support Vermonters who are graduating from postsecondary education or a secondary CTE program or who are pursuing a career change with a paid on-the-job work experience lasting 12 weeks or fewer;

(2) establish a statewide platform available to all employers to list their internships, returnships, pre-apprenticeships, and registered apprenticeship opportunities and for jobseekers to view and access information about specific opportunities; and

(3) support employers by providing them with assistance in developing and implementing meaningful work-based learning and training opportunities.

(b) Definitions. As used in this section:

(1) "Internship" means a work-based learning experience with an employer where the participant may, but does not necessarily, receive academic credit.

(2) "Returnship" means an on-the-job learning experience for an individual who is returning to the workforce after an extended absence or is seeking a limited-duration on-the-job work experience in a different occupation or occupational setting as part of a career change.

(c) Activities. The Department may use funds appropriated to it for the Program to:

(1) build and administer the Program;

(2) develop an online platform that will connect students and jobseekers with work-based learning and training opportunities within Vermont;

(3) support work-based learning and training opportunities with public and private employers available to prospective workers located in or relocating to Vermont;

(4) promote work-based learning and training as a valuable component of a talent pipeline; and

(5) assist employers in developing meaningful work-based learning and training opportunities.

(d) Data. The Department shall collect the following data:

(1) the total number of participants served;

(2) the number of participants who received wage assistance or other financial assistance as part of this Program and their employment status one year after completion;

(3) the average wage of participants in subdivision (2) of this subsection at the start of the Program and the average wage of participants one year after completion;

(4) the number of work-based learning or training opportunities listed on the platform; and

(5) the number of employers who offered a work-based learning or training opportunity.

(e) State participation. The Department shall engage appropriate State agencies and departments to expand Program opportunities with State government and with entities awarded State contracts.

(f) Reporting. On or before February 15, 2023, the Department shall report Program data to the relevant committees of jurisdiction.

Sec. 12. WORK-BASED LEARNING AND TRAINING PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $1,500,000.00 is appropriated from the General Fund to the Department of Labor to implement the Vermont Work-Based Learning and Training Program created in Sec. 11 of this act. Of this amount, the Department may use not more than $100,000.00 for the cost of administration.

Sec. 13. SECONDARY STUDENT INDUSTRY-RECOGNIZED CREDENTIAL PILOT PROJECT

(a) Pilot Project creation. The Department of Labor, in consultation with the Agency of Education, shall design and implement the Secondary Student Industry-Recognized Credential Pilot Project to provide funding for an eligible secondary student to take an eligible adult career and technical education course.

(b) Eligible courses. A course is eligible for the Pilot Project if it is:

(1) offered at a regional CTE center, as defined in 16 V.S.A. § 1522(4), and qualifies as adult career technical education or postsecondary career technical education, as defined in 16 V.S.A. § 1522(11) and (12);

(2) offered during the summer, evening or weekend while secondary school is in session or during the summer; and

(3) included as an element of the student's personalized learning plan and reasonably related to the student's career goals.

(c) Eligible student. A student is eligible for the Pilot Project if:

(1) the student is a Vermont resident attending a Vermont public school or an independent secondary school that is eligible for public funding;

(2) the student has completed grade 11 and has not received a high school diploma; and

(3) the student's secondary school and the regional CTE center determine that the student:

(A) is prepared to succeed in the course;

(B) meets the prerequisites for the course; and

(C) has exhausted other sources of available funding prior to submitting an application.

(d) Administration.

(1) Not later than 30 days after the effective date of this section, the Department of Labor, in consultation with the Agency of Education, shall develop and make available an application for funding that includes:

(A) student's enrollment status;

(B) course information;

(C) a copy of the student's personalized learning plan;

(D) attestation that the secondary and adult career technical education programs find the program of study appropriate for the student;

(E) description of federal and local funding sources that were explored but insufficient or unavailable for use by the student; and

(F) other information the Department requires to determine eligibility.

(2) A student's secondary school shall timely complete and submit an application to the Department of Labor on behalf of the student.

(3) The Department of Labor shall:

(A) review the application and, if appropriate, meet with the student to determine eligibility for existing federal and State programs, including WIOA Title I Youth (in-school) and the Vermont Youth Employment Program; and

(B) provide a copy of the application to the Agency of Education, which shall determine whether Agency funding is available and notify the Department of its determination within 10 business days.

(4) The Department shall provide funding for the tuition cost for one course to eligible students on a first-come, first-served basis:

(A) from State or federal sources that are available through the Department or Agency; or

(B) if funding is unavailable from those sources, from the amounts available in the Department's fiscal year 2023 budget, not to exceed $100,000.00.

(5) For students who meet annual low-income qualifications under the Workforce Innovation and Opportunity Act, the Department may provide funds to purchase books, supplies, exam fees, and equipment.

(6) A regional CTE center shall not receive more than $20,000.00 through the program in each fiscal year.

(e) Regional CTE center report. The Department of Labor shall require a report from each regional CTE center providing information to support the Department's reporting requirements in subsections (f) and (g) of this section.

(f) Interim Report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs on or before the January 15, 2023 regarding the use of funds, including data relating to student circumstances, levels of participation, and how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program.

(g) Final report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance within 45 days following the end of the fiscal year or exhaustion of funds, whichever comes first, regarding the use of funds, including data relating to the number of participants, student circumstances, levels of participation, what certifications were issued, how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program, and recommendations on how to address gaps in access and funding for secondary students seeking professional certifications not offered through

the secondary education system.

Sec. 14. THE VERMONT TRADES SCHOLARSHIP PROGRAM

(a) The Vermont Trades Scholarship Program is created and shall be administered by the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse initial licensing fees, exam fees, and tuition payments under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a scholarship under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled in an industry-recognized training and certification program that leads to initial employment or career advancement in a building, mechanical, industrial, or medical trade; emergency services, including paramedics; energy, including clean energy, energy efficiency, or weatherization; transportation, including clean transportation; broadband; robotics; or other high-demand sector;

(2) demonstrate financial need;

(3) register with the Vermont Department of Labor for the purpose of receiving relevant job referrals, if unemployed; and

(4) agree to work in their profession in Vermont for a minimum of one year following licensure or certification completion for each year of scholarship awarded.

(c)(1) The Corporation shall give preference to students attending a Vermont-based training program or, if one isn't available for their certification, an offer of employment or promotion from a Vermont employer upon completion.

(2) The Corporation shall give priority to applicants who have not received other assistance.

(d) There shall be no deadline to apply for a scholarship under this section. Scholarships shall be awarded on a rolling basis if funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Vermont Student Assistance Corporation in the following fiscal year to award additional scholarships as set forth in this section.

(e) In fiscal year 2023, the amount of $3,000,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for scholarships for trade students under the Vermont Trades Scholarship Program.

Sec. 15. EMERGENCY MEDICAL SERVICES; OUTREACH

(a) The Department of Health, the Department of Labor, and the Vermont Student Assistance Corporation shall coordinate outreach efforts to ensure that emergency service personnel are aware of, and able to access, the opportunities for professional development available through programs in this act.

(b) On or before January 15, 2023, the Department of Health, in consultation with the Department of Labor, shall submit to the House Committees on Commerce and Economic Development, on Health Care, and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs, on Health and Welfare, and on Appropriations a proposal for a sustainable funding model to provide financial, education, and workforce development support to emergency medical service professionals.

Sec. 16. CTE CONSTRUCTION AND REHABILITATION EXPERIENTIAL LEARNING PROGRAM; REVOLVING LOAN FUND

(a) Purpose. This section authorizes and provides funding for the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund, the purposes of which are to:

(1) expand the experiential and educational opportunities for high school and adult CTE students to work directly on construction projects;

(2) build community partnerships among CTE centers, housing organizations, government, and private businesses;

(3) beautify communities and rehabilitate buildings that are underperforming assets;

(4) expand housing access to Vermonters in communities throughout the State; and

(5) improve property values while teaching high school and adult students trade skills.

(b) Appropriation; creation of fund; administration.

(1) In fiscal year 2023, the amount of $15,000,000.00 is appropriated from the Education Fund to the Vermont Housing and Conservation Board to create and administer the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund pursuant to this section.

(2) The Board may use not more than five percent of the Fund for its costs of administration.

(c) Proposals; applications; funding.

(1) A regional CTE center, working in collaboration with one or more housing and community partners, private businesses, nonprofit organizations, or municipalities, shall identify construction projects that would be relevant and appropriate for CTE students enrolled in construction, electrical, plumbing, design, business management, or other CTE programs, including:

(A) rehabilitation of residential properties that are blighted or not code-compliant;

(B) new residential construction projects or improvements to land in cases of critical community need; and

(C) commercial construction projects that have substantial community benefit.

(2) Prior to or during the application process, a CTE center and its partners shall consult with the Board to identify and consider potential funding partners to leverage amounts available through the Fund.

(3) A CTE center and its partners shall apply to the Board for funding by submitting a project application that includes the information required by the Board and addresses the following:

(A) the educational benefits for students and fit with the CTE curriculum;

(B) the community benefits for the neighborhood, municipality, or region in which the project is located; and

(C) the partners with whom the CTE center is collaborating and the respective responsibility for the aspects of a project, including:

(i) educational instruction and academic credit;

(ii) project management;

(iii) insurance coverage for students and the property;

(iv) compensation and benefits, including compliance with labor laws, standards, and practices; and

(v) property acquisition, ownership, and transfer.

(4) A CTE center may use funding for, and shall specify in its application the allocation of costs associated with:

(A) acquisition, design, permitting, construction, marketing, and other building-related expenses; and

(B) costs for labor, including for student wages and for instructor compensation during the academic year as well as for summer or other work that is not otherwise budgeted during the academic year.

(d) Eligibility; review; approval. The Board may approve an application that includes the information required by subsection (c) of this section and provide funding for a project that meets the following eligibility criteria:

(1) The project involves the rehabilitation of blighted or otherwise noncode compliant property, or new residential construction projects or improvements to land in cases of critical need, and results in a building with not more than four residential dwelling units.

(2) The project includes a weatherization component.

(3) Students working on the project receive academic credit, a competitive wage, or both.

(e) Affordability; flexibility. If appropriate in the circumstances, the Board shall condition funding for a project on the inclusion of one or mechanisms addressing the affordability of the property upon rent or sale.

(f) Funding; proceeds; revolving loans. The Board shall provide funding for projects from the amounts available in the Fund in the form of zero-interest loans, in an amount, for a period, and upon terms specified by the Board, including how CTE center costs, profits, and losses are accounted.

(g) Report. The Board shall address the implementation of this section in its annual report to the General Assembly.

Secs. 17–18. [Deleted.]

Sec. 19. HEALTH CARE WORKFORCE; LEGISLATIVE INTENT

(a) The General Assembly values all health care workers, at every level and in each component of the health care system. The General Assembly also acknowledges the many struggles faced by health care workers and that the pandemic has placed further strain on an already taxed system. Many health care workers have not had their pay adjusted over time to address increases in the cost of living, essentially amounting to pay cuts from year to year. Health care workers have experienced burnout, trauma, and moral injuries due to a history of underfunding and the present stress of the pandemic. In addition, the combination of the pandemic and continued health care workforce shortages has created an unsustainable reliance on traveling nurses that must be addressed.

(b) In order to retain and recruit health care workers in Vermont, it is the intent of the General Assembly to invest in multiple solutions aimed at reinforcing our health care workforce in the present and sustaining our health care workers into the future.

Sec. 20. EMERGENCY GRANTS TO SUPPORT NURSE FACULTY AND STAFF

(a) In fiscal year 2023, the amount of $2,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health and shall carry forward for the purpose of providing emergency interim grants to Vermont's nursing schools over three years to increase the compensation for their nurse faculty and staff, with equal amounts to be distributed in each of fiscal years 2023, 2024, and 2025 to increase the compensation for each full-time-equivalent (FTE) member of the clinical and didactic nurse faculty and staff. The Department shall distribute the funds among the nursing schools in Vermont equitably based on each school's proportion of nursing faculty and staff to the total number of FTE nursing faculty and staff across all nursing schools statewide.

(b) If the nurse faculty or staff, or both, of a nursing school receiving a grant under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the nursing school for those faculty or staff, or both, shall be subject to impact bargaining between the nursing school and the collective bargaining representative of the nurse faculty or staff, or both, to the extent required by the applicable collective bargaining agreement.

Sec. 21. NURSE PRECEPTOR INCENTIVE GRANTS; HOSPITALS; WORKING GROUP; REPORT

(a)(1) In fiscal year 2023, the amount of $400,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to provide incentive grants to nurses employed by critical access hospitals in Vermont for serving as preceptors for nursing students enrolled in Vermont nursing school programs. The Agency shall distribute the funds to critical access hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of $5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds. The Agency shall prioritize funding for hospitals that provide matching funds for additional preceptor compensation or that commit to providing future compensation and support to expanding the number of preceptors.

(2) If nurse preceptors receiving compensation pursuant to a grant awarded to a hospital under this section are subject to a collective bargaining

agreement, the use of the grant funds provided to the hospital for the nurse preceptors shall be subject to impact bargaining between the hospital and the collective bargaining representative of the nurses to the extent required by the collective bargaining agreement.

(b)(1) The Director of Health Care Reform or designee in the Agency of Human Services shall convene a working group of stakeholders representing nursing schools, the Vermont Area Health Education Centers, long-term care facilities, designated and specialized service agencies, federally qualified health centers, home health agencies, primary care practices, hospitals, and other health care facilities to:

(A) identify ways to increase clinical placement opportunities across a variety of health care settings for nursing students enrolled in Vermont nursing school programs**,** including exploring opportunities for participation through remote means;

(B) establish sustainable funding models for compensating nurses serving as preceptors or for supporting the hiring of additional nurses to alleviate the pressures on nurse preceptors, or both; and

(C) develop an action plan for implementing the clinical placement expansion and sustainable funding models identified and established pursuant to subdivisions (A) and (B) of this subdivision (1), including addressing the need for student housing opportunities.

(2) On or before January 15, 2023, the Director of Health Care Reform shall provide the working group's action plan and any recommendations for legislative action to the House Committees on Health Care, on Commerce and Economic Development, and on Appropriations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Appropriations.

Sec. 22. HEALTH CARE EMPLOYER NURSING PIPELINE AND APPRENTICESHIP PROGRAM

(a) In fiscal year 2023, the amount of $2,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services and shall carry forward for the purpose of providing grants to health care employers, including hospitals, long-term care facilities, designated and specialized service agencies, federally qualified health centers, and other health care providers, to establish or expand partnerships with Vermont nursing schools to create nursing pipeline or apprenticeship programs, or both, that will train members of the health care employers' existing staff, including personal care attendants, licensed nursing

assistants, and licensed practical nurses, to become higher-level nursing professionals. Through a combination of scholarship awards, grants awarded to health care employers pursuant to this section, and the health care employer's contributions, the trainees' tuition and fees shall be covered in full, and trainees shall be provided with assistance in meeting their living costs, such as housing and child care, while attending the program.

(b) In awarding grants pursuant to this section, the Agency of Human Services shall give priority to health care employer proposals based on the following criteria:

(1) the extent to which the health care employer proposes to participate financially in the program;

(2) the extent of the health care employer's commitment to sustaining the program financially, including providing financial support for nurse preceptors, to create ongoing opportunities for educational advancement in nursing;

(3) the ability of the health care employer's staff to leverage nursing scholarship opportunities to maximize the reach of the grant funds;

(4) the employer's demonstrated ability to retain nursing students in the Vermont nursing workforce;

(5) the employer's geographic location, in order to ensure access to pipeline and apprenticeship programs for nursing staff across Vermont; and

(6) the employer's commitment to advancing the professional development of individuals from marginalized communities, especially those that have been historically disadvantaged in accessing educational opportunities and career advancement in the health care professions.

(c)(1) The Agency of Human Services shall begin awarding grants under this section expeditiously in order to enable health care employer staff to begin enrolling in nursing school programs that commence in the fall of 2022.

(2) On or before September 15, 2022, the Agency of Human Services shall provide an update to the Health Reform Oversight Committee on the status of program implementation.

Sec. 23. 18 V.S.A. § 34 is added to read:

§ 34. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Forgivable loan" means a loan awarded under this section covering tuition, which may also include room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) "Program" means the Vermont Nursing Forgivable Loan Incentive Program created under this section.

(b) The Vermont Nursing Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a nurse in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at a nursing program at an eligible school;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) agree to work as a nurse in Vermont employed directly by a Vermont health care provider for a minimum of one year following licensure for each year of forgivable loan awarded;

(4) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (g) of this section, if the individual fails to complete the period of service required in this subsection;

(5) have completed the Program's application form, the Free Application for Federal Student Aid (FAFSA), and the Vermont grant application each academic year of enrollment in accordance with a schedule determined by the Corporation; and

(6) have provided such other documentation as the Corporation may require.

(e)(1) First priority for forgivable loan funds shall be given to students pursuing a practical nursing certificate who will be eligible to sit for the NCLEX-PN examination upon completion of the certificate.

(2) Second priority for forgivable loan funds shall be given to students pursuing an associate's degree in nursing who will be eligible to sit for the NCLEX-RN examination upon graduation.

(3) Third priority for forgivable loan funds shall be given to students pursuing a bachelor of science degree in nursing.

(4) Fourth priority shall be given to students pursuing graduate nursing education.

(f) In addition to the priorities established in subsection (e) of this section, students attending an eligible school in Vermont shall receive first priority for forgivable loans.

(g)(1) If an eligible individual fails to serve as a nurse in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free credit agreement or promissory note signed by the individual at the time of entering the Program.

(2) Employment as a traveling nurse shall not be construed to satisfy the service commitment required for a forgivable loan under this section.

(h) There shall be no deadline to apply for a forgivable loan under this section. Forgivable loans shall be awarded on a rolling basis as long as funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Department of Health and the Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

(i) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, including maximum forgivable loan amounts.

Sec. 24. EDUCATIONAL ASSISTANCE FOR NURSING STUDENTS; TRANSITION; REPEAL

(a) The Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act is intended to be the continuation of the program set forth in 2020 Acts and Resolves No. 155, Sec. 5 and the successor to the program originally established in 18 V.S.A. § 31.

(b) 18 V.S.A. § 31 (educational assistance; incentives; nurses) is repealed.

Sec. 25. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM; APPROPRIATION

(a) In fiscal year 2023, the amount of $227,169.00 in Global Commitment funds is appropriated to the Department of Health for forgivable loans for nursing students under the Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act.

(b) In fiscal year 2023, the amount of $100,00.00 is appropriated from the General Fund to the Agency of Human Services, Global Commitment appropriation for the State match for the Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act.

(c) In fiscal year 2023, $127,169.00 in federal funds is appropriated to the Agency of Human Services, Global Commitment appropriation for the Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act.

Sec. 26. 18 V.S.A. § 35 is added to read:

§ 35. VERMONT HEALTH CARE PROFESSIONAL LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) "AHEC" means the Vermont Area Health Education Centers program.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements for loan repayment under this section.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Loan repayment" means the cancellation and repayment of loans under this section.

(5) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by an accredited educational lender for attendance at an eligible school.

(6) "Program" means the Vermont Health Care Professional Loan Repayment Program created under this section.

(b) The Vermont Health Care Professional Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with AHEC. The Program provides loan repayment on behalf of individuals

who live and work in this State as a nurse, physician assistant, medical technician, child psychiatrist, or primary care provider and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by AHEC, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) have graduated from an eligible school where the individual was awarded a degree in nursing, physician assistant studies, medicine, osteopathic medicine, or naturopathic medicine, or a two- or four-year degree that qualifies the individual to be a medical technician;

(2) work in this State as a nurse, physician assistant, medical technician, child psychiatrist, or primary care provider; and

(3) be a resident of Vermont.

(e)(1) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a nurse, physician assistant, medical technician, child psychiatrist, or primary care provider in this State. Employment as a traveling nurse shall not be construed to satisfy the service commitment required for loan repayment under this section.

(2) AHEC shall award loan repayments in amounts that are sufficient to attract high-quality candidates while also making a meaningful increase in Vermont's health care professional workforce.

Sec. 27. VERMONT HEALTH CARE PROFESSIONAL LOAN REPAYMENT PROGRAM; APPROPRIATION

(a) In fiscal year 2023, the amount of $2,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for loan repayment for nurses and physician assistants under the Vermont Health Care Professional Loan Repayment Program established in Sec. 26 of this act.

(b) In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for loan repayment for medical technicians, child psychiatrists, and primary care providers under the Vermont Health Care Professional Loan Repayment Program established in Sec. 26 of this act. If any funds remain in the appropriation pursuant to subsection (a) of this section after the needs of all eligible nurse and physician assistant applicants have

been met, the Department may use those funds in fiscal year 2023 for additional loan repayment for medical technicians, child psychiatrists, and primary care providers under the Program.

Sec. 28. 18 V.S.A. § 36 is added to read:

§ 36. NURSE FACULTY FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Forgivable loan" means a loan awarded under this section covering tuition, which may also cover room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) "Nurse faculty member" or "member of the nurse faculty" means an individual with a master's or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(6) "Program" means the Nurse Faculty Forgivable Loan Program created under this section.

(b) The Nurse Faculty Forgivable Loan Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a member of the nurse faculty at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at an eligible school in a program that leads to a graduate degree in nursing;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) agree to work as a member of the nurse faculty at a nursing school in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded;

(4) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (e) of this section if the individual fails to complete the period of service required in subdivision (3) of this subsection;

(5) have completed the Program's application form and the Free Application for Federal Student Aid (FAFSA), in accordance with a schedule determined by the Corporation; and

(6) have provided such other documentation as the Corporation may require.

(e) If an eligible individual fails to serve as a nurse faculty member at a nursing school in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(f) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section**,** including maximum forgivable loan amounts.

Sec. 29. NURSE FACULTY FORGIVABLE LOAN PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for forgivable loans for nurse faculty members under the Nurse Faculty Forgivable Loan Program established in Sec. 28 of this act.

Sec. 29a. 18 V.S.A. § 37 is added to read:

§ 37. NURSE FACULTY LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) "AHEC" means the Vermont Area Health Education Centers program.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for loan repayment.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Loan repayment" means the cancellation and repayment of loans under this section.

(5) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by an accredited educational lender for attendance at an eligible school.

(6) "Nurse faculty member" or "member of the nurse faculty" means a nurse with a master's or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(7) "Program" means the Nurse Faculty Loan Repayment Program created under this section.

(b) The Nurse Faculty Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with AHEC. The Program provides loan repayment on behalf of individuals who work as nurse faculty members at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by AHEC, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) graduated from an eligible school where the individual was awarded a graduate degree in nursing;

(2) work as a member of the nurse faculty at a nursing school in this State; and

(3) be a resident of Vermont.

(e) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a member of the nurse faculty at a nursing school in this State.

Sec. 29b. NURSE FACULTY LOAN REPAYMENT PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery

Funds to the Department of Health for loan repayment for nurse faculty members under the Nurse Faculty Loan Repayment Program established in Sec. 29a of this act.

Sec. 29c. 18 V.S.A. § 38 is added to read:

§ 38. VERMONT MENTAL HEALTH PROFESSIONAL FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Forgivable loan" means a loan awarded under this section covering tuition, which may also cover room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) "Program" means the Vermont Mental Health Professional Forgivable Loan Incentive Program created under this section.

(b) The Vermont Mental Health Professional Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in a master's program at an eligible school who commit to working as a mental health professional in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at an eligible school in a program, whether through in-person or remote instruction, that leads to a master's degree in a mental health field;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) agree to work as a mental health professional in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded;

(4) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (e) of this section, if the individual fails to complete the period of service required in subdivision (3) of this subsection;

(5) have completed the Program's application form and the Free Application for Federal Student Aid (FAFSA), in accordance with a schedule determined by the Corporation; and

(6) have provided such other documentation as the Corporation may require.

(e)(1) First priority for forgivable loans shall be given to students attending an eligible school in the Vermont State Colleges System.

(2) Second priority for forgivable loans shall be given to students attending another eligible school in Vermont.

(f) If an eligible individual fails to serve as a mental health professional in this State in compliance with the Program for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(g) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, including maximum forgivable loan amounts.

Sec. 29d. VERMONT MENTAL HEALTH PROFESSIONAL FORGIVABLE LOAN INCENTIVE PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $1,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for forgivable loans under the Vermont Mental Health Professional Forgivable Loan Incentive Program established in Sec. 29c of this act.

Sec. 29e. AGENCY OF HUMAN SERVICES; DESIGNATED AND SPECIALIZED SERVICE AGENCIES; WORKFORCE DEVELOPMENT

(a) In fiscal year 2023, the amount of $1,250,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to be distributed to the designated and specialized service agencies equitably based on each agency's proportion of full-time-equivalent (FTE) mental health and substance use disorder treatment staff to the total number of FTE mental health and substance use disorder treatment staff across all designated and specialized service agencies statewide. The designated and specialized service agencies shall use these funds for loan repayment and tuition assistance to promote the recruitment and retention of high-quality mental health and substance use disorder treatment professionals available to Vermont residents in need of their services, as set forth in subsection (b) of this section.

(b)(1) Each designated and specialized service agency shall make the funds received pursuant to subsection (a) of this section available to its current and prospective employees as set forth in subdivisions (A) and (B) of this subdivision (1) on a rolling basis in exchange for a one-year service obligation to provide mental health services or substance use disorder treatment services, or both, at a designated or specialized service agency in this State. The funds may be used for the following purposes:

(A) loan repayment for master's-level clinicians, bachelor's-level direct service staff, and nurses; and

(B) tuition assistance for individuals pursuing degrees to become master's-level clinicians, bachelor's-level direct service staff, and nurses.

(2) Loan repayment and tuition assistance funds shall be available to the current and prospective employees of designated and specialized service agencies in the form of forgivable loans, with the debt forgiven upon the employee's completion of the required service obligation.

(c) On or before March 1, 2023, the Agency of Human Services shall make a presentation available to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare on the use of the funds appropriated in this section.

Sec. 30. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget

based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

* * *

(10) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs; ~~and~~

(11) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

(12) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; and

(13) consider the salaries for the hospital's executive and clinical leadership and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states.

* * *

Sec. 31. GREEN MOUNTAIN CARE BOARD; FISCAL YEAR 2023 HOSPITAL BUDGET REVIEW; NURSING WORKFORCE DEVELOPMENT INITIATIVES

For hospital fiscal year 2023, the Green Mountain Care Board may exclude all or a portion of a hospital's investments in nursing workforce development initiatives from any otherwise applicable financial limitations on the hospital's budget or budget growth. Notwithstanding any provision of GMCB Rule 3.202, the Board may modify its hospital budget guidance for hospital fiscal year 2023 as needed to comply with this section.

Sec. 32. AGENCY OF HUMAN SERVICES; HEALTH CARE WORKFORCE DATA CENTER

(a) In fiscal year 2023, the amount of $750,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Office of Health Care Reform in the Agency of Human Services to enable the Agency to establish and operate the statewide Health Care Workforce Data Center. In order to enhance the State's public health data

systems, respond to the COVID-19 public health emergency, and improve the State's COVID-19 mitigation and prevention efforts, the Center shall collect health care workforce data, shall collaborate with the Director of Health Care Reform to identify and propose solutions to address data gaps, and shall share the data with the Green Mountain Care Board as appropriate to inform the Board's Health Resource Allocation Plan responsibilities pursuant to 18 V.S.A. § 9405.

(b) The Center shall use existing statewide information to the extent practicable to avoid imposing administrative burdens on health care providers and to avoid duplication of efforts underway elsewhere in Vermont. The Center shall expand its data collection practices over two years to include all levels of the health care workforce, beginning with the highest-level licensed health care professionals.

(c) In order to ensure the Center has access to accurate and timely health care workforce data, the Center:

(1) shall have the cooperation of other State agencies and departments in responding to the Center's requests for information;

(2) may enter into data use agreements with institutions of higher education and other public and private entities, to the extent permitted under State and federal law; and

(3) may collect vacancy and turnover information from health care employers.

(d) One permanent classified Health Care Workforce Data Center Manager position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to manage the Health Care Workforce Data Center created pursuant to this section.

(e) The Agency of Human Services may include proposals for additional funding or data access, or both, for the Center as part of the Agency's fiscal year 2024 budget request.

Sec. 33. [Deleted.]

Sec. 34. AGENCY OF HUMAN SERVICES; POSITION; APPROPRIATION

(a) One classified, three-year limited-service Health Care Workforce Coordinator position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to support the health care workforce initiatives set forth in this act and in the Health Care Workforce Development Strategic Plan. The Coordinator shall focus on building educational, clinical, and housing partnerships and support structures to increase and improve health

care workforce training, recruitment, and retention.

(b) In fiscal year 2023, the amount of $170,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services, Office of Health Care Reform for the Health Care Workforce Coordinator position, of which $120,000.00 is for personal services and $50,000.00 is for operating expenses.

Sec. 35. DEPARTMENT OF LABOR; GREEN MOUNTAIN CARE BOARD; SUPPLY AND DEMAND MODELING

On or before January 15, 2023, the Department of Labor, in collaboration with the Green Mountain Care Board, shall explore and recommend to the House Committees on Health Care, on Human Services, and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs a process, methodology, and necessary funding amounts to establish and maintain the capacity to perform health care supply and demand modeling based on information in the Health Care Workforce Data Center, for use by health care employers, health care educators, and policymakers.

Sec. 36. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to access clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.

Sec. 37. 33 V.S.A. § 3543 is amended to read:

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program for the purpose of providing student loan repayment assistance to any individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A)(i) work in a privately operated center-based child care program or in a family child care home that is regulated by the Division for at least an average of 30 hours per week for 48 weeks of the year; or

(ii) if the individual is an employee of a Vermont Head Start program that operates fewer than 48 weeks per year, work a minimum of nine months of the year, inclusive of any employer-approved time off;

(B) receive an annual salary of not more than $50,000.00 through the individual's work in regulated childcare; and

(C) have earned an associates or bachelor's degree with a major or concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

* * *

Sec. 38. [Deleted.]

Sec. 39. CREDENTIAL OF VALUE GOAL; PUBLIC-PRIVATE PARTNERSHIP; APPROPRIATION

(a) Duties. In fiscal year 2023, the amount of $150,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for a performance-based contract to perform the following duties, in coordination and alignment with State partners, in support of the State's goal articulated in 10 V.S.A. § 546 that 70 percent of working-age Vermonters hold a credential of value by 2025 (Goal):

(1) increase public awareness of the value of postsecondary education and training to help persons of any age make informed decisions about the value of education and training that would further their advancement in educational pathways and pursuit of career goals, through targeted outreach as outlined in subsection (b) of this section;

(2) promote a broad understanding of the public good and value in achieving the State's Goal and of actions stakeholders can take to increase attainment;

(3) assist or coordinate with stakeholders, such as educational, business, governmental, nonprofit, and philanthropic organizations, in activities that seek to align the delivery of high-quality education and training opportunities with career advancement and support the policy priorities outlined in 10 V.S.A. § 546;

(4) collect and display publicly available, nonconfidential information about postsecondary credentials available to Vermonters;

(5) facilitate conversations or provide information about the national best practices in aligning, recognizing, measuring, tracking, and promoting postsecondary credentials of value to the Vermont Department of Labor, the Agency of Commerce and Community Development, the State Workforce Development Board, and the Agency of Education when requested;

(6) maintain web-based resources that provide information about opportunities to obtain a postsecondary credential of value, in coordination with State partners;

(7) support the Vermont Department of Labor and Agency of Education transition or integration of Advance Vermont's web-based resources and collected information referenced in subdivisions (4) and (6) of this subsection into a State-supported system in a coordinated way; and

(8) meet on a quarterly basis with the Vermont Department of Labor and Agency of Education about activities described in this subsection.

(b) Outreach. The contractor may use funds awarded by the State to:

(1) create and distribute public-facing communications and resources related to the duties described in this section; and

(2) offer support to career and education counselors, employment and training counselors, jobseekers and their families, and other stakeholders, consistent with best practice and State policy and programs, to help them better understand the postsecondary education and training landscape.

(c) Reports. The contractor shall provide written reports to:

(1) the Vermont Department of Labor and Agency of Education about anticipated work and activities using a simplified reporting template jointly developed by the contractor and the State entities on a quarterly basis; and

(2) on or before December 15, 2022, the House and Senate committees of jurisdiction regarding the use of funds, activities performed, and outcomes achieved pursuant to this section.

Sec. 40. VERMONT SERVE, LEARN, AND EARN PROGRAM; APPROPRIATION

(a) In fiscal year 2023, the amount of $1,800,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation to continue funding through the pilot project the Vermont Serve, Learn, and Earn Program, which supports workforce development goals through creating meaningful paid service and learning opportunities for young adults, through the Serve, Learn, and Earn Partnership made up of the Vermont Youth Conservation Corps, Vermont Audubon, Vermont Works for Women, and Resource VT. The Department shall enter into a grant agreement with the Partnership that specifies the required services and outcomes for the Program.

(b) The Department shall provide the legislative committees of jurisdiction interim Program reports on or before January 15, 2023 and 2024 and a final Program report on or before January 15, 2025.

Sec. 41. ADULT EDUCATION AND LITERACY; FINDINGS

The General Assembly finds:

(1) Adult education and literacy services are a key piece of the workforce development system and serve as the entryway into career readiness and workforce development for tens of thousands of our most vulnerable Vermonters, those with low literacy, under-education, or those simply in need of increased skills so that they can succeed.

(2) 36,000 adults in Vermont do not have a high school credential, and tens of thousands more lack the skills to matriculate into and be successful in college, in career training programs, or both. Adult education and literacy providers are the first stop on the path to the transformative opportunities that Vermont is offering for these individuals.

(3) Adult education and literacy services help people build the assets they need to move out of poverty successfully, as well as the confidence to continue to move toward success throughout their lives. Students are supported to identify concrete goals and then break those goals down into steps. Students set goals in the domains of:

(A) family and life;

(B) academics; and

(C) career and college readiness.

Sec. 42. FINDINGS; FOREST FUTURE STRATEGIC ROADMAP

The General Assembly finds for the purposes of this section and Secs. 43 to 45 of this act:

(1) Private and public forestlands:

(A) constitute unique and irreplaceable resources, benefits, and values of statewide importance;

(B) contribute to the protection and conservation of wildlife habitat, air, water, and soil resources of the State;

(C) mitigate the effects of climate change; and

(D) benefit the general health and welfare of the persons of the State.

(2) The forest products sector, including maple sap collection:

(A) is a major contributor to and is valuable to the State's economy by providing nearly 14,000 jobs for Vermonters, generating $2.1 billion in annual sales, and supporting $30.8 million in additional economic activity from trail uses and seasonal tourism;

(B) is essential to the manufacture of forest products that are used and enjoyed by the persons of the State; and

(C) benefits the general welfare of the persons of the State.

(3) Private and public forestlands are critical for and contribute significantly to the State's outdoor recreation and tourism economies.

(4) Eighty percent of Vermont's forestland is held in private ownership, of which 56 percent of private lands are enrolled in the forestland category of Vermont's Use Value Appraisal Program (UVA). UVA is Vermont's most important conservation program and contains the largest foundation of supply to support a vibrant forest-based rural economy.

(5) Economic realities and demand pressures for urban, commercial, and residential land uses throughout the State continue to challenge forest landowners trying to maintain intact forests. Forest fragmentation can adversely affect the natural environment and viable forest management. Addressing the economic and social needs of the forest products sector is paramount to keeping forests intact, viable, and healthy.

(6) The encouragement, development, improvement, and preservation of forestry operations will result in extant, intact, and functioning forests that will provide a general benefit to the health and welfare of the persons of the State and the State's economy.

(7) To strengthen, promote, and protect the Vermont forest products sector, the State should establish the Vermont Forest Future Strategic Roadmap.

Sec. 43. 10 V.S.A. chapter 82 is added to read:

CHAPTER 82. VERMONT FOREST FUTURE STRATEGIC ROADMAP

§ 2531. VERMONT FOREST FUTURE STRATEGIC ROADMAP

(a) Creation. The Commissioner of Forests, Parks and Recreation shall create the Vermont Forest Future Strategic Roadmap to strengthen, modernize, promote, and protect the forest products sector in Vermont. The Commissioner of Forests, Parks and Recreation may contract with a qualified contractor for the creation of the Vermont Forest Future Strategic Roadmap. During the contract proposal process, the Commissioner of Forests, Parks and Recreation shall seek a proposal to complete the Vermont Forest Future Strategic Roadmap from the Vermont Sustainable Jobs Fund.

(b) Intended outcomes. The intended outcomes of the Vermont Forest Future Strategic Roadmap are to:

(1) increase sustainable economic development and jobs in Vermont's forest economy;

(2) promote ways to expand the workforce and strengthen forest product enterprises in order to strengthen, modernize, promote, and protect the Vermont forest economy into the future;

(3) promote the importance of healthy, resilient, and sustainably managed working forests that provide a diverse array of high-quality products now and in the future; and

(4) identify actionable strategies designed to strengthen, modernize, promote, and protect the forest products sector in Vermont, including opportunities for new product development, opening new markets for Vermont forest products, adopting modern manufacturing processes, and utilizing new ways to market Vermont forest products.

(c) Strategic Roadmap content. In developing the Vermont Forest Future Strategic Roadmap, the Commissioner of Forests, Parks and Recreation or the relevant contractor shall:

(1) review all existing data, plans, and industry-level research completed over the past 10 years, including the Working Lands Enterprise Fund's Forest Sector Systems Analysis, and identify any recommendations in those reports in order to build upon previous efforts;

(2) identify infrastructure investment and funding to support and promote Vermont forest products enterprises;

(3) identify regulatory barriers and propose policy recommendations to support and strengthen the Vermont forest economy;

(4) identify opportunities for all State agencies to engage with and enhance the Vermont forest products sector, including the Department of Buildings and General Services, the Agency of Commerce and Community Development, the Department of Tourism and Marketing, the Agency of Education, the Agency of Transportation, the Department of Public Service, the Agency of Natural Resources, the Department of Financial Regulation, and the Department of Labor;

(5) develop recommendations to support education and training of the current and future workforce of the Vermont forest products sector;

(6) propose alternatives for the modernization of transportation and regulation of Vermont forest products enterprises, including modernization of local and State permits;

(7) identify methods or programs that Vermont forest enterprises can utilize to access business assistance services;

(8) recommend how to maintain access by Vermont forest products enterprises to forestland and how to maintain the stewardship and conservation of Vermont forests as a whole;

(9) propose methods to enhance market development and manufacturing by Vermont forest products enterprises, including value chain coordination and regional partnerships;

(10) recommend consumer education and marketing initiatives; and

(11) recommend how to clarify the roles of various public entities and nongovernmental organizations that provide certain services to the forestry sector and to ensure coordination and alignment of those functions in order to advance and maximize the strength of the forest products industry.

(d) Process for development of Vermont Forest Future Strategic Roadmap.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall develop the Vermont Forest Future Strategic Roadmap and all subsequent revisions through the use of a public stakeholder process that includes and invites participation by interested parties representing all users of Vermont's forests, including representatives of forest products enterprises, State agencies, investors, forestland owners, recreational interests, loggers, foresters, truckers, sawmills, firewood processors, wood products manufacturers, education representatives, and others.

(2) The Commissioner of Forests, Parks and Recreation, in collaboration with forest products sector stakeholders, shall review the Strategic Roadmap periodically and shall update the Strategic Roadmap at least every 10 years.

(e) Advisory panel; administration.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall convene a Vermont Forest Future Strategic Roadmap advisory panel to review and counsel in the development and implementation of the Vermont Forest Future Strategic Roadmap. The advisory panel shall include representatives of forest products enterprises, State agencies, investors, forestland owners, foresters, loggers, truckers, wood products manufacturers, recreational specialists, education representatives, trade organizations, and other partners as deemed appropriate. The Commissioner of Forests, Parks and Recreation shall select representatives to the advisory panel.

(2) The Commissioner of Forests, Parks and Recreation or relevant contractor may seek grants or other means of assistance to support the development and implementation of the Vermont Forest Future Strategic Roadmap.

Sec. 44. IMPLEMENTATION

(a) The Commissioner of Forests, Parks and Recreation or relevant contractor shall submit to the General Assembly:

(1) draft recommendations for the Vermont Forest Future Strategic Roadmap on or before July 1, 2023; and

(2) a final report and recommendations for the Vermont Forest Future Strategic Roadmap on or before January 1, 2024.

(b) Any recommendation submitted under this section shall include recommended appropriations sufficient to implement the recommendation or the Vermont Forest Future Strategic Roadmap as a whole.

Sec. 45. APPROPRIATIONS

In addition to any other funds appropriated to the Department of Forests, Parks and Recreation, in fiscal year 2023 the amount of $250,000.00 is appropriated from the General Fund to the Department to enter a two-year contract in fiscal year 2023 for the purpose of contracting for the development of the Vermont Forest Future Strategic Roadmap required by 10 V.S.A. § 2531.

* * * Purpose * * *

Sec. 45a. PURPOSE

The purpose of Secs. 46–59b of this act is to address the negative economic impacts of COVID-19 on Vermont's economy, employers, workers, and families while simultaneously leveraging opportunities to grow Vermont's economy.

Sec. 46. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

Sec. H.18 ~~CAPITAL INVESTMENT~~ COMMUNITY RECOVERY AND REVITALIZATION GRANT PROGRAM

(a) Creation; purpose; regional outreach.

(1) The Agency of Commerce and Community Development shall use the $10,580,000 appropriated to the Department of Economic Development in Sec. G.300(a)(12) of this act to design and implement ~~a capital investment grant program~~ the Community Recovery and Revitalization Grant Program consistent with this section.

(2) The purpose of the ~~program~~ Program is to make funding available for ~~transformational~~ projects that will ~~provide each region of the State with the opportunity to attract businesses, retain existing businesses, create jobs, and invest in their communities by encouraging capital investments and economic growth~~ make investments to retain and expand existing businesses and nonprofit organizations, attract new businesses and nonprofit organizations, and create new jobs with a preference for projects located in regions and communities with declining or stagnant grand list values.

(3) The Agency shall collaborate with other State agencies, regional development corporations, regional planning commissions, and other community partners to identify potential regional applicants and projects to ensure the distribution of grants throughout the regions of the State.

(b) Eligible applicants.

~~(1) To be eligible for a grant, an applicant shall meet the following criteria:~~

~~(A) The applicant is located within this State.~~

~~(B) The applicant is:~~

~~(i)(I) a for-profit entity with not less than a 10 percent equity interest in the project; or~~

~~(II) a nonprofit entity; and~~

~~(ii) grant funding from the Program represents not more than 50 percent of the total project cost.~~

(1) To be eligible for a grant, the applicant must be located within the State and:

(A)(i) the applicant is a for-profit entity with not less than a 10 percent equity interest in the project, or a nonprofit entity, which has

documented financial impacts from the COVID-19 pandemic; or

(ii) intends to utilize the funds for an enumerated use as defined in the U.S. Treasury Final Rule for Coronavirus State and Fiscal Recovery Funds;

(B)(i) the applicant is a municipality;

(ii) the municipality needs to make infrastructure improvements to incentivize community development; and

(iii) the proposed infrastructure improvements and the projected development or redevelopment are compatible with confirmed municipal and regional development plans and the project has clear local significance for employment.

~~(C)~~(2) The applicant ~~demonstrates~~ must demonstrate:

~~(i)~~(A) community and regional support for the project;

~~(ii)~~(B) that grant funding is needed to complete the project;

~~(iii)~~(C) leveraging of additional sources of funding from local, State, or federal economic development programs; and

~~(iv)~~(D) an ability to manage the project, with requisite experience and a plan for fiscal viability.

~~(2)~~(3) The following are ineligible to apply for a grant:

(A) a State or local government-operated business;

(B) ~~a municipality;~~

~~(C)~~ a business that, together with any affiliated business, owns or operates more than 20 locations, regardless of whether those locations do business under the same name or within the same industry; and

~~(D)~~(C) a ~~publicly-traded~~ publicly traded company.

(c) Grant funds; eligible uses for municipalities. A municipality is only authorized to utilize program funding under this section if:

(1) the project clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures;

(2) the public improvements being requested are integral to the expected private development; and

(3) the project meets one of the following criteria:

(A) the development includes new or rehabilitated affordable housing, as defined in 24 V.S.A. § 4303;

(B) the development will include at least one entirely new business or business operation or expansion of an existing business within the project, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the Department of Labor; or

(C) the development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

(d) Grant Funds; eligible uses; private and nonprofit entities. A project of a business or nonprofit organization is eligible if:

(1) the project had a COVID-19-related impact that delayed the project;

(2) project costs have increased as a result of the COVID-19 pandemic; or

(3) the project involves enumerated uses of funds, as defined by the U.S. Treasury Final Fule, and determined by the Agency of Commerce and Community Development.

~~(c)~~(e) Awards; amount; eligible uses.

(1) An award shall not exceed the lesser of ~~$1,500,000.00~~ $1,000,000.00 or ~~the estimated net State fiscal impact of the project based on Agency modeling~~ 20 percent of the total project cost.

(2) ~~A recipient may use grant funds for the acquisition of property and equipment, construction, renovation, and related capital expenses.~~

~~(3)~~ A recipient may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same costs within the same project.

~~(4)~~(3) The Agency shall release grant funds upon determining that the applicant has met all Program conditions and requirements.

~~(5)~~(4) Nothing in this section is intended to prevent a grant recipient from applying for additional grant funds if future amounts are appropriated for the program.

~~(d) Data model; approval.~~

~~(1) The Agency shall collaborate with the Legislative Economist to design a data model and related methodology to assess the fiscal, economic, and societal impacts of proposals and prioritize them based on the results.~~

~~(2) The Agency shall present the model and related methodology to the Joint Fiscal Committee for its approval not later than September 1, 2021.~~

(f) Approval process.

(1) For an application submitted by a municipality pursuant to this section, the Vermont Economic Progress Council shall review each application to determine that the infrastructure improvements proposed to serve the project and the proposed development in the project would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the grant application funds.

(2) The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development for the project and the amount of additional cost that might be incurred if the project were to proceed without the grant funding;

(B) how the proposed project components and size would differ, if at all, including, if applicable to the project, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303, without grant funding; and

(C) the lack of new construction in the municipality, indicated by a stagnant or declining grand list value as determined by the Department of Taxes, considering both the total full listed value and the equalized education grand list value.

~~(e)~~(g) Application process; decisions; awards.

(1)(A) ~~The Agency shall accept applications on a rolling basis for three-month periods and shall review and consider for approval the group of applications it has received as of the conclusion of each three-month period~~ Under the grant program established in this section, a municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council pursuant to the process set forth in this section to use grant funding for a project.

(B) ~~The Agency shall make application information available to the Legislative Economist and the Executive Economist in a timely manner~~ The Agency shall accept applications from for-profit or nonprofit entities on a rolling basis until Program funds are expended.

(2) ~~Using the data model and methodology approved by the Joint Fiscal Committee, the Agency shall analyze the information provided in an application to estimate the net State fiscal impact of a project, including the following factors:~~

~~(A) increase to grand list value;~~

~~(B) improvements to supply chain;~~

~~(C) jobs impact, including the number and quality of jobs; and~~

~~(D) increase to State GDP.~~ [Repealed.]

(3) The Secretary of Commerce and Community Development shall appoint an interagency team, which may include members from among the Department of Economic Development, the Department of Housing and Community Development, the Agency of Agriculture, Food and Markets, the Department of Public Service, the Agency of Natural Resources, or other State agencies and departments, which team shall review, analyze, and recommend projects for funding ~~based on the estimated net State fiscal impact of a project and on other contributing factors, including~~ consistent with the guidelines the Agency develops in coordination with the Joint Fiscal Office and the following:

(A) ~~transformational nature of the project for the region;~~

~~(B)~~ project readiness, quality, and demonstrated collaboration with stakeholders and other funding sources;

~~(C)~~(B) alignment and consistency with regional plans and priorities; and

~~(D)~~(C) creation and retention of workforce opportunities.

(4) The Secretary of Commerce and Community Development shall consider the recommendations of the interagency team and shall give final approval to projects.

~~(f)~~(h) Grant agreements; post award monitoring.

(1) If selected by the Secretary, the applicant and the Agency shall execute a grant agreement that includes audit provisions and minimum requirements for the maintenance and accessibility of records that ensures that the Agency and the Auditor of Accounts have access and authority to monitor awards.

(2) The Agency shall publish on its website not later than 30 days after approving an award a brief project description the name of the grantee and the amount of a grant.

~~(g)~~(i) Report. On or before ~~December 15, 2021~~ February 15, 2023, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the implementation of the ~~program~~ Program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the ~~program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling~~ Program.

(j) Implementation.

(1) The Agency of Commerce and Community Development shall consult with the Joint Fiscal Office to develop guidelines and approval processes for the Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for grants through the Program.

(2) When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency may designate one or more sectors for priority consideration through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

Sec. 47. VEDA SHORT-TERM FORGIVABLE LOANS

(a) Creation. The Vermont Economic Development Authority shall create a Short-Term Forgivable Loan Program to support Vermont businesses experiencing continued working capital shortfalls as a result of the COVID-19 public health emergency.

(b) Eligible business. An eligible borrower is a for-profit or nonprofit business:

(1) with fewer than 500 employees;

(2) located in Vermont;

(3) that was in operation or had taken substantial steps toward becoming operational as of March 13, 2020; and

(4) that can identify economic harm caused by or exacerbated by the pandemic.

(c) Economic harm.

(1) An applicant shall demonstrate economic harm from lost revenue, increased costs, challenges covering payroll, rent or mortgage interest, or other operating costs that threaten the current capacity of the business to weather financial hardships and result in ongoing financial insecurity due to the COVID-19 public health emergency.

(2) The Authority shall measure economic harm by a material decline in the applicant's annual adjusted net operating income before the COVID-19 public health emergency relative to its annual adjusted net operating income during the COVID-19 public health emergency.

(3) When assessing an applicant's adjusted net operating income, the Authority shall consider previous COVID-19 State and federal subsidies, reasonable owner's compensation, noncash expenses, extraordinary items, and other adjustments deemed appropriate. The Authority shall also consider whether other State or federal assistance is or may become available and appropriate for the business and shall not provide assistance for the same costs that are covered by another program.

(4) To be eligible for a loan, the Authority shall determine that a business has experienced at least a 22.5 percent reduction in its adjusted net operating income in calendar years 2020 and 2021 combined as compared to 2019, or other appropriate basis of comparison where necessary.

(d) Maximum loan. The Authority shall determine the amount of a loan award pursuant to guidelines adopted pursuant to subsection (f) of this section, and shall award a loan to business in an amount that is based on its current, ongoing financial needs, provided that a loan shall not exceed the lesser of:

(1) $350,000.00;

(2) six months' of eligible operating expenses; or

(3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021.

(e) Eligible use of loan; loan forgiveness.

(1) A loan recipient may use loan proceeds to pay for eligible operating expenses but shall not use the proceeds for capital expenditures.

(2) The Authority shall approve loan forgiveness based on documentation evidencing loan proceeds were used to pay for eligible operating expenses.

(f) Guidelines.

(1) The Vermont Economic Development Authority shall consult with the Joint Fiscal Office to develop guidelines and approval processes for the VEDA Short-Term Forgivable Loan Program, which shall address how the Authority will determine that a business has a current, ongoing need for financial support due to the COVID-19 pandemic and on what basis the Authority will adjust the amount of loans after considering the business's ongoing needs.

(2) The Authority shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for loans through the Program.

(g) Priority sectors. When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency of Commerce and Community Development may designate one or more sectors for priority funding through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

(h) Technical assistance. The Authority shall provide information to applicants on how to access technical assistance from the Small Business Development Center through the Community Navigator Pilot Program.

* * * Relocating Employee Incentives * * *

Sec. 47a. 10 V.S.A. § 4 is amended to read:

§ 4. NEW RELOCATING EMPLOYEE INCENTIVES

(a) The Agency of Commerce and Community Development shall design and implement a program to award incentive grants to relocating employees as provided in this section and subject to the policies and procedures the Agency adopts to implement the program.

(b) A relocating employee may be eligible for a grant under the program for qualifying expenses, subject to the following:

(1) A base grant shall not exceed $5,000.00.

(2) The Agency may award an enhanced grant, which shall not exceed $7,500.00, for a relocating employee who becomes a resident in a labor market area in this State in which:

(A) the average annual unemployment rate in the labor market area exceeds the average annual unemployment rate in the State; or

(B) the average annual wage in the State exceeds the annual average wage in the labor market area.

(c) The Agency shall:

(1) adopt procedures for implementing the program, which shall include a simple certification process to certify relocating employees and qualifying expenses;

(2) promote awareness of the program, including through coordination with relevant trade groups and by integration into the Agency's economic

development marketing campaigns;

(3) ~~award grants to relocating employees on a first-come, first-served basis beginning on July 1, 2021, subject to available funding~~ adopt procedures to initially approve an applicant for a grant after verifying a relocating employee's eligibility and to make final payment of a grant after verifying that the relocating employee has completed relocation to this State; and

(4) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the program.

(d) ~~On~~ Annually, on or before January 15~~, 2022~~, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the policies and procedures adopted to implement the program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling.

(e) As used in this section:

(1) "Qualifying expenses" means the actual costs a relocating employee incurs for relocation expenses, which may include moving costs, closing costs for a primary residence, rental security deposit, one month's rent payment, and other relocation expenses established in Agency guidelines.

(2) "Relocating employee" means an individual who meets the following criteria:

(A)(i) On or after July 1, 2021:

(I) the individual becomes a full-time resident of this State;

(II) the individual becomes a full-time employee at a Vermont location of a for-profit or nonprofit business organization domiciled or authorized to do business in this State, or of a State, municipal, or other public sector employer; and

(III) ~~the individual becomes employed in one of the "Occupations with the Most Openings" identified by the Vermont Department of Labor in its "Short Term Employment Projections 2020-2022"; and~~

~~(IV)~~ the employer attests to the Agency that, after reasonable time and effort, the employer was unable to fill the employee's position from among Vermont applicants; or

(ii) on or after February 1, 2022:

(I) the individual becomes a full-time resident of this State; and

(II) the individual is a full-time employee of an out-of-state business and performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(B) The individual receives gross salary or wages that equal or exceed the Vermont livable wage rate calculated pursuant to 2 V.S.A. § 526.

(C) The individual is subject to Vermont income tax.

Sec. 48. WINDHAM COUNTY ECONOMIC DEVELOPMENT

(a) Findings.

(1) In 2014 Acts and Resolves No. 95, Sec. 80 created the Entergy Windham County Economic Development Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, for the deposit and management of funds that were received pursuant to the settlement agreement between the State of Vermont and Entergy Nuclear Vermont Yankee, LLC, dated December 23, 2013.

(2) Pursuant to 2015 Acts and Resolves No. 4, Sec. 69, as further amended by 2016 Acts and Resolves No. 68, Sec. 69, the Secretary of Commerce and Community Development is authorized to make grants, repayable grants, and loans in the Special Fund for the purpose of promoting economic development in Windham County.

(3) From the amounts available in the Special Fund, the Agency of Commerce and Community Development has provided grant funds, and the Vermont Economic Development Authority, working in coordination with the Agency, has provided loans and loan servicing, for economic development projects in Windham County.

(b) Purpose. The purpose of this section is to ensure all program and interest funds received from the revolved loans originating from the Entergy Windham County Economic County Special Fund provide future economic development benefits for Windham County.

(c) Authority; Program Creation. Decisions for the use of any remaining and future funds shall be made through local administration by the Brattleboro Development Credit Corporation.

(d) Agency of Commerce and Community Development; transfer. On or before June 30, 2022 the Agency of Commerce and Community Development shall transfer any amounts remaining in the Entergy Windham County Economic Development Special Fund to the Brattleboro Development Credit Corporation.

(e) Vermont Economic Development Authority; transfer. On or before June 30, 2022, the Vermont Economic Development Authority shall take any steps necessary to transfer to the Brattleboro Development Credit Corporation any loans, loan servicing, future loan payments, and other legal rights, duties, or obligations related to its activities undertaken with funding from the Entergy Windham County Economic Development Special Fund.

(f) Brattleboro Economic Development Corporation; use of funds. The Brattleboro Economic Development Corporation shall use the funds transferred pursuant to this section to provide grants and loans for projects that provide economic development benefits to Windham County.

(g) Entergy Windham County Economic Development Special Fund; termination. The purpose of the Entergy Windham County Economic Development Special Fund has been fulfilled as determined by the General Assembly. Upon the completion of the transfers required in this section, and pursuant to 32 V.S.A. § 587(b) the Entergy Windham County Economic Development Special Fund is terminated.

Sec. 49. VERMONT FILM AND MEDIA INDUSTRY TASK FORCE; STUDY; REPORT

(a) There is created the Vermont Film and Media Industry Task Force composed of the following members:

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Senate Committee on Committees;

(3) the Secretary of Commerce and Community Development or designee; and

(4) a member, appointed by the Vermont Arts Council, who shall serve as chair and shall convene meetings of the Task Force.

(b)(1) The Task Force may consult with the Office of Legislative Counsel and the Joint Fiscal Office if necessary to conduct its work.

(2) Members of the Task Force shall receive per diem compensation and reimbursement for expenses as provided in 32 V.S.A. § 1010 for not more than four meetings.

(c) On or before January 15, 2023, the Task Force shall consult relevant stakeholders in the film and media industry and shall study and submit a report to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs that reviews the history of State efforts to cultivate the film and media industry in Vermont and what financial and other support the State may provide in the future to revitalize the industry following the COVID-19 pandemic and to invigorate the industry in the future, including:

(1) successes and failures of past State involvement;

(2) opportunities to invigorate the industry, attract filmmakers and media entrepreneurs, and promote Vermont as an attractive destination for tourism and for business development;

(3) how Vermont can differentiate and compete with other jurisdictions that also seek to cultivate a more expansive film and media industry;

(4) a survey of which entities, in State government and in the private sector, provide outreach and support to businesses in the industry;

(5) opportunities for employing federal COVID-19 relief funds to revive the industry; and

(6) a cost-benefit analysis of establishing new State financial, administrative, or other supports for the industry.

* * * Department of Labor Access to Tax Information * * *

Sec. 50. 2021 Acts and Resolves No. 3, Sec. 64(c) is amended to read:

(c) Sec. 62 (32 V.S.A. § 3102 (e)(8)) shall take effect on July 1, ~~2022~~ 2024.

* * * COVID-19-Related Paid Leave Grant Program * * *

Sec. 51. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) COVID-19 has caused increased employee absences due to illness, quarantine, and school and daycare closures.

(2) Many employees do not have sufficient paid time off to cover all of their COVID-19-related absences from work.

(3) Some employers have provided their employees with additional paid time off for COVID-19-related purposes.

(4) The surge in COVID-19 cases caused by the Omicron variant of the virus has made it financially difficult or impossible for employers to provide additional paid time off to their employees for COVID-19-related purposes.

(5) Providing grants to employers to reimburse the cost of providing paid time off to employees for COVID-19-related purposes will:

(A) help to mitigate some negative economic impacts of the COVID-19 pandemic on employers;

(B) improve employee retention;

(C) prevent the spread of COVID-19 in the workplace; and

(D) provide crucial income to employees and their families.

(6) The Front-Line Employees Hazard Pay Grant Program established pursuant to 2020 Acts and Resolves No. 136, Sec. 6 and expanded pursuant to 2020 Acts and Resolves No. 168, Sec. 1 successfully directed millions of dollars in hazard pay to front-line workers during the first year of the COVID-19 pandemic. By utilizing grants to employers, who in turn provided the hazard pay to their employees, the Program enabled employers to retain employees and reward them for their hard work during the uncertainty of the early months of the COVID-19 pandemic.

(b) It is the intent of the General Assembly that the COVID-19-Related Paid Leave Grant Program created pursuant to Sec. 54a of this act shall be modeled on the Front-Line Employees Hazard Pay Grant Program and shall assist employers in providing paid leave to their employees for COVID-19-related absences.

Sec. 51a. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

(a) Establishment and appropriation.

(1) There is established in the Department of Financial Regulation the COVID-19-Related Paid Leave Grant Program to administer and award grants to employers to reimburse the cost of providing COVID-19-related paid leave to employees.

(2) The sum of $15,180,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Financial Regulation for fiscal years 2023 and 2024 for the provision of grants to reimburse employers for the cost of providing COVID-19-related paid leave. Not more than seven percent of the amount appropriated pursuant to this subdivision may be used for expenses related to Program administration and outreach.

(b) Definitions. As used in this section:

(1) "Commissioner" means the Commissioner of Financial Regulation.

(2) "COVID-19-related reason" means the employee is:

(A) self-isolating because the employee has been diagnosed with COVID-19 or tested positive for COVID-19;

(B) self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because the employee has been exposed to COVID-19 or the employee is experiencing symptoms of COVID-19;

(C) caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child, because:

(i) the school or place of care where that individual is normally located during the employee's workday is closed due to COVID-19;

(ii) that individual has been requested not to attend the school or the place of care where that individual is normally located during the employee's workday due to COVID-19;

(iii) that individual has been diagnosed with or tested positive for COVID-19; or

(iv) that individual is self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because that individual has been exposed to or is experiencing symptoms of COVID-19;

(D) attending an appointment for the employee or the employee's parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child to receive a vaccine or a vaccine booster for protection against COVID-19; or

(E) experiencing symptoms, or caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child who is experiencing symptoms, related to a vaccine or a vaccine booster for protection against COVID-19.

(3) "Department" means the Department of Financial Regulation.

(4) "Employee" means an individual who, in consideration of direct or indirect gain or profit, is employed by an employer to perform services in Vermont.

(5) "Employer" means any person that has one or more employees performing services for it in Vermont. "Employer" does not include the State or the United States.

(6) "Program" means the COVID-19-Related Paid Leave Grant Program established pursuant to this section.

(7) "Program period" means the period beginning on July 1, 2022 and ending on June 30, 2023.

(8) "Spouse" includes a civil union partner or a domestic partner, as that term is defined pursuant to 17 V.S.A. § 2414.

(c) Grant program.

(1) An employer may apply to the Commissioner for quarterly grants to reimburse the employer for the cost of paid leave provided to its employees for COVID-19-related reasons during the Program period.

(2) An employer's grant amount may include reimbursement for retroactively provided COVID-19-related paid leave to employees who took unpaid leave for a COVID-19-related reason during the Program period because the employee did not have sufficient accrued paid leave available at the time that the employee took the leave.

(3) Employers may submit applications for grants during the period beginning on October 1, 2022 and ending on September 30, 2023 and may submit an application not more than once each calendar quarter during that period. Grant applications shall be submitted for paid leave provided during the preceding calendar quarter.

(4) An employer may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same instance of paid leave provided to its employees for COVID-19-related reasons. As used in this subdivision, an "instance" means a calendar day in which the employee was absent from work for a COVID-19-related reason.

(5) For the sole purpose of administering grants related to paid leave provided to independent direct support providers for COVID-19-related reasons, ARIS Solutions, as the fiscal agent for the employers of the independent direct support providers, shall have the authority to apply for grants in the same manner as any employer.

(6) Grants shall be awarded to eligible employers on a first-come, first-served basis, subject to available funding.

(d) Commissioner's powers and duties.

(1) The Commissioner shall:

(A) adopt procedures for implementing the Program, which shall include a simple grant application process, a process to allow employers to

certify the amount of paid leave provided for COVID-19-related reasons, and a process to allow employers to report on their use of the grant funds awarded pursuant to this section;

(B) establish deadlines for the submission of quarterly grant applications;

(C) promote awareness of the Program to employers;

(D) provide information to employers regarding Program and application requirements;

(E) award grants to employers on a first-come, first-served basis, subject to available funding; and

(F) develop and implement an audit strategy to assess grant utilization, the performance of the Program, and compliance with Program requirements.

(2)(A) The Commissioner may, with the approval of the Secretary of Administration, delegate administration of one or more aspects of the Program to other agencies and departments of the State.

(B) The Commissioner may enter into agreements, memoranda of understanding, or contracts with private entities as necessary to implement or administer the Program and, notwithstanding any provision of law to the contrary, shall not be required to competitively bid any contracts entered into pursuant to this subdivision (2)(B). For the purposes of the Program, the ongoing public health risk posed by COVID-19 shall be deemed to be an emergency situation that justifies the execution of sole source contracts pursuant to Bulletin 3.5, the State's Procurement and Contracting Procedures.

(e) Amount of grants.

(1) Employers may apply for grants to either reimburse the cost of COVID-19-related paid leave provided to employees or to provide funds to be used to pay the cost to retroactively provide paid leave to employees who took unpaid leave for COVID-19-related reasons.

(A) For reimbursement of COVID-19-related paid leave that was already provided, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal to the number of hours of COVID-19-related paid leave provided to each employee multiplied by the greater of either the minimum wage established pursuant to 21 V.S.A. § 384 or the employee's regular hourly wage.

(B) For COVID-19-related paid leave that will be provided retroactively to employees who took unpaid leave for COVID-19-related

reasons, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal to the number of hours of COVID-19-related paid leave to be provided to each employee multiplied by the greater of either the minimum wage established pursuant to 21 V.S.A. § 384 or the employee's regular hourly wage.

(2)(A) An employer may only apply for a grant in relation to COVID-19-related leave that was taken by an employee during the Program period.

(B) The maximum number of hours of COVID-19-related leave for each employee that an employer may seek grant funding for through the Program shall equal the lesser of 40 hours or the employee's average weekly hours worked for the employer during the six months preceding the date on which the employee first took COVID-19-related leave during the Program period.

(C) The maximum amount that an employer shall be eligible to receive for COVID-19-related paid leave for each employee shall be not more than $21.25 per hour of leave, with an aggregate maximum of $850.00 per employee during the Program period.

(f) Grant conditions. As a condition of being eligible to receive a grant through the Program, each employer shall be required to certify:

(1) that the employer is not seeking funds in relation to any amounts of paid leave that were deducted from the employee's accrued paid leave balance at the time the COVID-19-related leave was taken unless those amounts have been restored to the employee's accrued paid leave balance;

(2) grant funds shall only be used in relation to the payment of an employee's wages for the period when the employee was absent from work for a COVID-19-related reason; and

(3) employees receiving paid leave funded by a grant shall not be required to pay an administrative fee or other charge in relation to the employer requesting the grant.

(g) Report and return of unspent funds. Each employer that receives a grant shall, not later than October 31, 2023, report to the Department on a form provided by the Commissioner the amount of grant funds used to provide paid leave to employees and the amount of any remaining grant funds that were not spent. All unspent grant funds shall be returned to the Department pursuant to a procedure adopted by the Commissioner.

(h) Confidentiality. Any personally identifiable information that is collected by the Program, any entity of State government performing a

function of the Program, or any entity that the Commissioner contracts with to perform a function of the Program shall be kept confidential and shall be exempt from inspection and copying under the Public Records Act.

* * * Unemployment Insurance Benefits * * *

Sec. 52. FINDINGS

The General Assembly finds that:

(1) The COVID-19 pandemic caused significant disruption to Vermont's economy and resulted in unprecedented levels of unemployment.

(2) Unemployment insurance benefits provide only partial wage replacement, making it hard for unemployed individuals to afford basic necessities and living expenses.

(3) Significant inflation caused by supply chain, economic, and workforce disruptions related to the COVID-19 pandemic are making it increasingly difficult for unemployed individuals to afford basic necessities and living expenses.

(4) Temporarily increasing the maximum weekly unemployment insurance benefit amount for unemployed individuals will help to mitigate the impact of the COVID-19 pandemic on the unemployed individuals' ability to afford basic necessities and living expenses.

(5) The General Assembly previously enacted a $25.00 supplemental increase to the weekly unemployment insurance benefit amount in 2021 Acts and Resolves No. 51, Sec. 11. However, the terms of that supplemental increase did not conform to federal requirements, and it never took effect. Enacting a $60.00 increase in the maximum weekly unemployment insurance benefit that will later be replaced by a temporary $25.00 increase in the weekly unemployment insurance benefit amount will fulfill the commitment made by the General Assembly in 2021 Acts and Resolves No. 51, Sec. 11.

Sec. 52a. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

(4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect ~~upon the payment of a cumulative total of $100,000,000.00 in supplemental benefits pursuant to 21 V.S.A. § 1338(e)(2)~~ on October 7, 2021 and shall apply prospectively to all benefit payments in the next week and each subsequent week.

Sec. 52b. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $60.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52c. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to ~~the sum of $60.00 plus~~ 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52d. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of ~~$60.00~~ $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52e. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not

exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52f. UNEMPLOYMENT INSURANCE; INFORMATION TECHNOLOGY MODERNIZATION; ANNUAL REPORT; INDEPENDENT VERIFICATION

(a)(1) The Secretary of Digital Services and the Commissioner of Labor shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is ready and able to implement on or before July 1, 2025 the changes to the unemployment insurance weekly benefit amount set forth in Secs. 52d and 52e of this act.

(2) The Secretary of Digital Services and the Commissioner of Labor shall plan and carry out the development and implementation of the modernized information technology system for the unemployment insurance program so that the modernized system is capable of:

(A) implementing the weekly benefit increase set forth in Secs. 52d and 52e of this act;

(B) adapting to the evolving needs of the unemployment insurance program in the future;

(C) incorporating future advances in information technology;

(D) implementing future legislative changes to all aspects of the unemployment insurance program, including:

(i) benefits;

(ii) eligibility;

(iii) taxes;

(iv) fraud prevention, detection, and mitigation;

(v) penalties; and

(vi) recovery of overpayments; and

(E) implementing short-term changes that respond to specific indicators of economic health.

(b) The Secretary of Digital Services and the Commissioner of Labor shall, on or before January 15, 2023 and January 15, 2024, submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Legislative Information Technology Consultant retained by the Joint Fiscal Office detailing the actions taken and progress made in carrying out the requirements of subsection (a) of this section, the anticipated timeline for being able to implement the changes to the unemployment insurance weekly benefit amount set forth in Secs. 52d and 52e of this act, including whether the Commissioner has determined to implement the provisions of Sec. 52d or 52e before July 1, 2025, and potential implementation risks identified during the development process.

(c) The Legislative Information Technology Consultant shall, on or before February 15, 2023 and February 15, 2024, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a review of the report submitted pursuant to subsection (b) of this section. The review shall include an assessment of whether the Agency of Digital Services and the Department of Labor will be able to implement the changes to the unemployment insurance weekly benefit amount set forth in Secs. 52d and 52e of this act by July 1, 2025, or an earlier date determined by the Commissioner, and shall identify any potential risks or concerns related to implementation that are not addressed in the report submitted pursuant to subsection (b) of this section.

Sec. 52g. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 ~~and adding $25.00 to the resulting quotient~~, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to ~~the sum of $25.00 plus~~ 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 53. APPROPRIATIONS

(a) Reversion. In fiscal year 2022, of the amounts appropriated in 2021 Acts and Resolves No. 74, Sec. G. 300(a)(13), from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Economic Recovery Grant Program, $25,500,000.00 shall revert to the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds.

(b) COVID-19 business support. In fiscal year 2022, the amount of $28,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) VEDA Short-Term Forgivable Loan Program. The amount of $19,000,000.00 is appropriated to the Vermont Economic Development Authority for the VEDA Short-Term Forgivable Loan Program.

(2) Creative economy grants. The amount of $9,000,000.00 is appropriated to the Vermont Arts Council to provide grants for monthly operating costs, including rent, mortgage, utilities, and insurance, to creative economy businesses and nonprofits that have sustained substantial losses due to the pandemic.

(c) Community Recovery and Revitalization Grant Program.

(1) Appropriation. In fiscal year 2023, the amount of $10,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Community Recovery and Revitalization Grant Program.

(2) Implementation.

(A) The amounts appropriated and the substantive provisions adopted in 2021 Acts and Resolves No. 74, Sec. H.18 apply to projects for which a final grant application has been submitted before July 1, 2022.

(B) The amounts appropriated in this subsection (c) and the substantive provisions adopted in Sec. 46 of this act apply to projects for which a grant application is filed on or after July 1, 2022.

(d) Recruitment. In fiscal year 2023, the amount of $3,093,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for the relocated and remote worker program.

(e) Everyone Eats. In fiscal year 2023, the amount of $1,300,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to grant to Southeastern Vermont Community Action for the Restaurants and Farmers Feeding the Hungry Program, known

as Everyone Eats, to provide State funds to match Federal Emergency Management Agency (FEMA) funds available for the Program. The Agency and Southeastern Vermont Community Action shall take steps to ensure that program funds and benefits are targeted to food-insecure Vermonters.

Sec. 54. APPROPRIATION; DOWNTOWN AND VILLAGE CENTER TAX CREDIT PROGRAM

There is appropriated the sum of $2,450,000.00 from the General Fund to the Vermont Downtown and Village Center Tax Credit Program to be used in fiscal years 2023 and 2024. Notwithstanding 32 V.S.A. § 5930ee, the funds shall be used to increase the amount of tax credits that may be awarded to qualified projects. Of those tax credits awarded in fiscal years 2023 and 2024, up to $2,000,000.00 may be awarded to qualified projects located in designated neighborhood development areas.

* * * Sports Betting Study Committee * * *

Sec. 55. SPORTS BETTING; FINDINGS

The General Assembly finds that:

(1) An estimated 28 percent of adults in the United States bet on sports and 46 percent of adults say that they have an interest in betting on sports.

(2) Based on current participation rates and expected growth, it is estimated that Vermont could generate from $640,000.00 to $4.8 million in the first year of sports betting revenue taxes and $1.3 million to $10.3 million in the second year, depending on the regulatory model chosen by the General Assembly.

(3) As of March 2022, 31 states and the District of Columbia have some form of active legal sports betting operations while an additional three states have enacted laws or adopted ballot measures to permit legal sports betting.

(4) Legislation has also been introduced in at least 14 of the states without a legal sports betting market, including Vermont, to legalize, regulate, and tax sports betting.

(5) Given the widespread participation in sports betting, the General Assembly finds that careful examination of whether and how best to regulate sports betting in Vermont and protect Vermonters involved in sports betting is necessary.

Sec. 56. SPORTS BETTING; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Sports Betting Study Committee to examine whether and how to regulate sports betting in Vermont.

(b) Membership. The Study Committee shall be composed of the following members:

(1) the Attorney General or designee;

(2) the Commissioner of Liquor and Lottery or designee;

(3) the Commissioner of Taxes or designee;

(4) the Secretary of State or designee;

(5) the Secretary of Commerce and Community Development or designee;

(6) two current members of the Senate, who shall be appointed by the Committee on Committees; and

(7) two current members of the House, who shall be appointed by the Speaker of the House.

(c) Powers and duties. The Study Committee shall examine the sports betting study conducted by the Office of Legislative Counsel and Joint Fiscal Office and shall study various models for legalizing, taxing, and regulating sports betting, including the following issues:

(1) studies carried out by other states concerning the legalization, taxation, and regulation of sports betting;

(2) laws enacted by other states to legalize, tax, and regulate sports betting;

(3) potential models for legalizing and regulating sports betting in Vermont, including any advantages or drawbacks to each model;

(4) potential models for legalizing and regulating online sports betting, including any advantages or drawbacks to each model;

(5) potential tax and fee structures for sports betting activities;

(6) potential restrictions or limitations on the types of sports that may be bet on, including whether and to what extent restrictions should be imposed with respect to the participant age, amateur status, and location of sporting events that may be bet on; and

(7) potential impacts on various socioeconomic and demographic groups and on problem gambling and the resources necessary to address the identified impacts.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before December 15, 2022, the Study Committee shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings, recommendations for legislative action, and a draft of proposed legislation.

(f) Meetings.

(1) The Attorney General or designee shall call the first meeting of the Committee to occur on or before September 1, 2022.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on December 30, 2022.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee serving in their 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 four meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 57. 9 V.S.A. § 2464e is added to read:

§ 2464e. ROBOCALLS; PROHIBITION; PENALTY

(a) Intent. It is the intent of the General Assembly in adopting this section to create State law prohibition on the placement of robocalls to Vermont consumers that is coextensive with the federal limitations created in the Telephone Consumer Protection Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, the regulations adopted under those Acts, and the judicial construction of these laws.

(b) Prohibition. A person shall not initiate an automatically dialed or pre-recorded telephone call to a Vermont consumer in violation of the federal Telephone Consumer Protection Act, 47 U.S.C. § 227, the federal Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6101–6108, and the regulations adopted pursuant to those Acts, as amended.

(c) Civil violation.

(1) A violation of this section constitutes a violation of section 2453 of this title.

(2) Each prohibited telephone call constitutes a separate violation under this subsection.

(3)(A) A person who receives a telephone call in violation of this section may bring an action in Superior Court for damages or a civil penalty, injunctive relief, punitive damages in the case of a willful violation, and reasonable costs and attorney's fees.

(B) The court may issue an award for the greater of a person's damages or a civil penalty of $500.00 for a first violation and $1,000.00 for each subsequent violation.

(d) Criminal penalties.

(1) A person who commits a knowing and willful violation of this section shall be imprisoned for not more than 90 days or fined not more than $1,000.00 per violation, or both.

(2) Each telephone call constitutes a separate violation under this subsection.

(e) The Attorney General shall exercise his or her authority and discretion to work cooperatively with other state and federal government entities to identify callers who initiate robocalls to consumers in violation of this section and to enforce the provisions of this section regardless of the location of the caller.

Sec. 58. ATTORNEY GENERAL; REPORT

On or before January 15, 2023, the Office of the Attorney General shall review and consider the federal law and judicial construction concerning robocalls and their relationship to 9 V.S.A. § 2464e as adopted in Sec. 57 of this act and shall report to the House Committees on Commerce and Economic Development and on Judiciary and to the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary with any findings and recommendations for necessary legislative action, if any.

Sec. 59. EFFECTIVE DATES

(a) This act shall take effect on July 1, 2022, except that:

(1) Sec. 13 (Secondary Student Industry Recognized Credential Pilot Project) shall take effect on passage.

(2) Sec. 30 (18 V.S.A. § 9456) shall take effect on January 1, 2023 and shall apply to hospital fiscal years 2024 and after.

(3) Sec. 48 (Windham County Economic Development) shall take effect on passage.

(4) Sec. 50 (Pandemic Unemployment Assistance Program extension) shall take effect on passage.

(b)(1) Notwithstanding 1 V.S.A. § 214, Sec. 52a (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

(2) Sec. 52b (temporary increase in unemployment insurance maximum weekly benefit) shall take effect on July 1, 2022 and shall apply to benefit weeks beginning after that date.

(3)(A) Sec. 52c (prospective repeal of temporary increase in unemployment insurance maximum weekly benefit) shall take effect upon the payment of a cumulative total of $8,000,000.00 in additional benefits pursuant to 21 V.S.A. § 1338(f)(1) compared to the amount that would have been paid out pursuant to the provisions of 21 V.S.A. § 1338(f)(1) on June 30, 2022 and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52c shall not take effect at all if Sec. 52d takes effect before the conditions of subdivision (A) of this subdivision (b)(3) are satisfied.

(4)(A) Sec. 52d (amendment of temporary increase in unemployment insurance maximum weekly benefit) shall take effect on July 1, 2025 or the date on which the Commissioner of Labor determines that the Department of Labor is able to implement the provisions of that section as set forth in subdivision 52f(b), whichever is earlier, and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52d shall not take effect at all if Sec. 52c takes effect before the conditions of subdivision (A) of this subdivision (b)(4) are satisfied.

(5)(A) Sec. 52e (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, 2025 and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52e shall not take effect at all if either

(i) Sec. 52d takes effect before July 1, 2025; or

(ii) Sec. 52c has not taken effect before July 1, 2025.

(6) Sec. 52g (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a cumulative total of additional benefits 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, and shall apply to benefit weeks beginning after that date.

(7) Sec. 52f (report on implementation of change to unemployment insurance weekly benefit) shall take effect on passage.

(c) Sec. 57 (robocalls) shall take effect on July 1, 2023.

And that after passage the title of the bill be amended to read:

An act relating to economic and workforce development.

MICHAEL D. SIROTKIN
ALISON CLARKSON
RANDOLPH D. BROCK

Committee on the part of the Senate

MICHAEL J. MARCOTTE
CHARLES A. KIMBELL
STEPHANIE Z. JEROME

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 210.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to rental housing health and safety and affordable housing.

Was taken up for immediate consideration.

Senator Sirotkin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 210. An act relating to rental housing health and safety and affordable housing.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its further proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Department of Public Safety; Authority for Rental Housing Health and Safety * * *

Sec. 1. 20 V.S.A. chapter 172 is added to read:

CHAPTER 172. RENTAL HOUSING HEALTH AND SAFETY

§ 2676. DEFINITION

As used in this chapter, "rental housing" means:

(1) a "premises" as defined in 9 V.S.A. § 4451 that is subject to 9 V.S.A. chapter 137 (residential rental agreements); and

(2) a "short-term rental" as defined in 18 V.S.A. § 4301 and subject to 18 V.S.A. chapter 85, subchapter 7.

§ 2677. RENTAL HOUSING; RULES; INSPECTIONS; PENALTY

(a) Rules. The Commissioner of Public Safety may adopt rules to prescribe standards for the health, safety, sanitation, and fitness for habitation of rental housing that the Commissioner determines are necessary to protect the public, property owners, and property against harm.

(b) Inspections.

(1) After adopting rules pursuant to subsection (a) of this section, the Commissioner shall design and implement a complaint-driven system to conduct inspections of rental housing.

(2) When conducting an inspection, the Commissioner shall:

(A) issue a written inspection report on the unit or building that:

(i) contains findings of fact that serve as the basis of one or more violations;

(ii) specifies the requirements and timelines necessary to correct a violation;

(iii) provides notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and

(iv) provides notice in plain language that the landlord or agents of the landlord must have access to the rental unit to make repairs as ordered by the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

(B) provide a copy of the inspection report to the landlord, to the person who requested the inspection, and to any tenants who are affected by a violation:

(i) electronically, if the Department has an electronic mailing address for the person; or

(ii) by first-class mail, if the Department does not have an electronic mailing address for the person;

(C) if an entire building is affected by a violation, provide a notice of inspection directly to the individual tenants, and may also post the notice in a common area, that specifies:

(i) the date of the inspection;

(ii) that violations were found and must be corrected by a certain date;

(iii) how to obtain a copy of the inspection electronically or by first-class mail; and

(iv) if the notice is posted in a common area, that the notice shall not be removed until authorized by the Commissioner; and

(D) make the inspection report available as a public record.

(c) Penalties. If the person responsible for a violation does not comply with the requirements and timelines specified in an inspection report issued pursuant to subsection (b) of this section, the Commissioner may impose an administrative penalty that is reasonably related to the severity of the violation, not to exceed $1,000.00 per violation.

* * * Positions Authorized * * *

Sec. 2. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

(a) The Department of Public Safety is authorized to create five full-time classified Inspector positions in order to conduct rental housing health and safety inspections and enforcement pursuant to 20 V.S.A. chapter 172.

(b) The Department may hire the Inspectors authorized by this section with funds appropriated for that purpose in this act.

* * * Conforming Changes to Current Law Governing the Department of Health, State Board of Health, and Local Health Officials * * *

Sec. 3. 18 V.S.A. chapter 11 is amended to read:

CHAPTER 11. LOCAL HEALTH OFFICIALS

* * *

§ 602a. DUTIES OF LOCAL HEALTH OFFICERS

(a) A local health officer, within his or her jurisdiction, shall:

(1) ~~upon request of a landlord or tenant, or~~ upon receipt of information regarding a condition that may be a public health hazard, conduct an investigation;

(2) enforce the provisions of this title, the rules promulgated, and permits issued thereunder;

(3) prevent, remove, or destroy any public health hazard~~,~~ or mitigate any significant public health risk in accordance with the provisions of this title;

(4) in consultation with the Department, take the steps necessary to enforce all orders issued pursuant to chapter 3 of this title; and

(5) have the authority to assist the Department of Public Safety in inspecting rental housing pursuant to 20 V.S.A. chapter 172, provided that if the local health officer inspects a rental property without an inspector from the Division, the officer shall issue an inspection report in compliance with 20 V.S.A § 2677(b)(2).

(b) Upon discovery of violation or a public health hazard or public health risk that involves a public water system, a food or lodging establishment, or any other matter regulated by Department rule, the local health officer shall immediately notify the Division of Environmental Health. Upon discovery of any other violation, public health hazard, or public health risk, the local health officer shall notify the Division of Environmental Health within 48 hours of discovery of such violation or hazard and of any action taken by the officer.

§ 603. ~~RENTAL HOUSING SAFETY; INSPECTION REPORTS~~

~~(a)(1) When conducting an investigation of rental housing, a local health officer shall issue a written inspection report on the rental property using the protocols for implementing the Rental Housing Health Code of the Department or the municipality, in the case of a municipality that has established a code enforcement office.~~

~~(2) A written inspection report shall:~~

~~(A) contain findings of fact that serve as the basis of one or more violations;~~

~~(B) specify the requirements and timelines necessary to correct a violation;~~

~~(C) provide notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and~~

~~(D) provide notice in plain language that the landlord and agents of the landlord must have access to the rental unit to make repairs as ordered by the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

~~(3) A local health officer shall:~~

~~(A) provide a copy of the inspection report to the landlord and any tenants affected by a violation by delivering the report electronically, in person, by first class mail, or by leaving a copy at each unit affected by the deficiency; and~~

~~(B)(i) if a municipality has established a code enforcement office, provide information on each inspection according to a schedule and in a format adopted by the Department in consultation with municipalities that have established code enforcement offices; or~~

~~(ii) if a municipality has not established a code enforcement office, provide information on each inspection to the Department within seven days of issuing the report using an electronic system designed for that purpose, or within 14 days by mail if the municipality is unable to utilize the electronic system.~~

~~(4) If an entire property is affected by a violation, the local health officer shall post a copy of the inspection report in a common area of the property and include a prominent notice that the report shall not be removed until authorized by the local health officer.~~

~~(5) A municipality shall make an inspection report available as a public record.~~

~~(b)(1) A local health officer may impose a civil penalty of not more than $200.00 per day for each violation that is not corrected by the date provided in the written inspection report, or when a unit is re-rented to a new tenant prior to the correction of a violation.~~

~~(2)(A) If the cumulative amount of penalties imposed pursuant to this subsection is $800.00 or less, the local health officer, Department of Health, or State's Attorney may bring a civil enforcement action in the Judicial Bureau pursuant to 4 V.S.A. chapter 29.~~

~~(B) The waiver penalty for a violation in an action brought pursuant to this subsection is 50 percent of the full penalty amount.~~

~~(3) If the cumulative amount of penalties imposed pursuant to this subsection is more than $800.00, or if injunctive relief is sought, the local~~

~~health officer, Department of Health, or State's Attorney may commence an action in the Civil Division of the Superior Court for the county in which a violation occurred.~~

~~(c) If a local health officer fails to conduct an investigation pursuant to section 602a of this title or fails to issue an inspection report pursuant to this section, a landlord or tenant may request that the Department, at its discretion, conduct an investigation or contact the local board of health to take action.~~

[Repealed.]

* * *

* * * Transition Provisions * * *

Sec. 4. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION PROVISIONS

(a) Notwithstanding any provision of law to the contrary:

(1) Until the Commissioner of Public Safety adopts rules governing rental housing health and safety pursuant to 20 V.S.A. § 2677, the Department of Health, local officials authorized by law, and the Department of Public Safety have concurrent authority to enforce the Vermont Rental Housing Health Code adopted by the Department of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

(2) The Commissioner of Public Safety may immediately adopt a rule incorporating the Rental Housing Health Code without following the procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

(3) Except as provided in subdivision (2) of this subsection, the Commissioner of Public Safety shall comply with the requirements for general rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental housing health and safety.

(b) Upon the adoption of rules governing rental housing health and safety pursuant to the authority in 20 V.S.A. § 2677:

(1) the Department of Public Safety is the State government entity with primary authority to enforce State laws governing rental housing health and safety;

(2) the Department of Public Safety and local officials have concurrent authority to enforce State and local laws governing rental housing health and safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 172, subchapter 2; 24 V.S.A. chapters 83 and 123; and applicable municipal law; and

(3) the Department of Health, the State Board of Health, and local health officials have concurrent authority to enforce State and local laws governing public health hazards and public health risks, as those terms are defined in 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

* * * Vermont Housing Investments * * *

Sec. 5. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM; PURPOSE

(a) Recognizing that Vermont's rental housing stock is some of the oldest in the country and that much of it needs to be updated to meet code requirements and other standards, the Vermont Rental Housing Improvement Program is intended to incentivize private apartment owners to make significant improvements to both housing quality and weatherization by providing grants and forgivable loans that are matched in part by the property owner.

(b) The Program seeks to take the lessons learned from the successful Re-housing Recovery Program established with funds provided by the Federal CARES Act and implement them in a State-funded program.

Sec. 6. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of program.

(1) The Department of Housing and Community Development shall design and implement a Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) New accessory dwelling. The unit will be a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed $50,000.00 per unit. In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and whether the unit is being rehabilitated or newly created.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(e) Program requirements applicable to grants. For a grant awarded under subdivision (b)(1) of this section for a unit that is non-code compliant, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under subdivision (b)(1) of this section for a unit that is non-code compliant, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Requirements for an accessory dwelling unit.

(1) For a grant or forgivable loan awarded under subdivision (b)(2) of this section for a unit that is a new accessory dwelling unit, the total cost of rent for the unit, including utilities not covered by rent payments, shall not

exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) A landlord shall not offer an accessory dwelling unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301.

(h) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 7. REPORT

On or before February 15, 2023, the Department of Housing and Community Development shall report to the General Assembly concerning the design, implementation, and outcomes of the Vermont Rental Housing Improvement Program, including findings and any recommendations related to the amount of grant awards.

Sec. 8. APPROPRIATIONS

(a) Purpose. The purpose of the appropriations in this section are:

(1) to respond to the far-reaching public health and negative economic impacts of the COVID-19 pandemic; and

(2) to ensure that Vermonters and Vermont communities have an adequate supply of safe, affordable housing.

(b) In fiscal year 2022, the amount of $20,400,000.00 is appropriated from the America Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) $400,000.00 to the Department of Public Safety to hire one or more Inspector positions authorized pursuant to this act.

(2) $20,000,000.00 to the Department of Housing and Community Development to implement the Vermont Rental Housing Investment Program created in 10 V.S.A. § 699, provided that the Department shall allocate 20 percent of the funds for new accessory dwellings as follows:

(A) the Department may use not more than 20 percent of the funding available for new accessory dwellings to facilitate a statewide education and

navigation system to assist homeowners with designing, financing, permitting, and constructing new accessory dwellings; and

(B) the Department shall use any remaining funds for new accessory dwellings for financial incentives or other financial supports to homeowners developing accessory dwelling units.

Sec. 9. EFFECTIVE DATES

This section and the following sections shall take effect on passage:

(1) Sec. 1 (DPS authority for rental housing health and safety; rental housing registration).

(2) Sec. 2 (DPS positions).

(3) Sec. 3 (conforming changes to Department of Health statutes).

(4) Sec. 4 (DPS rulemaking authority and transition provisions).

(5) Secs. 5–7 (Vermont Rental Housing Improvement Program).

(6) Sec. 8 (ARPA appropriations).

MICHAEL D. SIROTKIN
ALISON CLARKSON
RANDOLPH D. BROCK

Committee on the part of the Senate

THOMAS S. STEVENS
JOHN R KILLACKY
TOMMY J. WALZ

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 283.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to miscellaneous changes to education laws.

Was taken up for immediate consideration.

Senator Chittenden, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 283. An act relating to making miscellaneous changes in education law.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment and that the House proposal be further amended as follows:

First: In Sec. 8, 2021 Acts and Resolves No. 74; Sec. E.709.1, Environmental Contingency Fund; Polychlorinated Biphenyls (PCBS) testing in schools, in subsection (a), by striking out "July 1, ~~2024~~ 2026" and inserting in lieu thereof July 1, ~~2024~~ 2025

Second: In Sec. 10, 2021 Acts and Resolves No. 72, Sec. 12, radon testing; school facilities, in subsection (a), by striking out "June 30, ~~2023~~ 2026" and inserting in lieu thereof June 30, ~~2024~~ 2025

BRIAN A. CAMPION
THOMAS CHITTENDEN
CHERYL M. HOOKER

Committee on the part of the Senate

KATHRYN L. WEBB
PETER C. CONLON
LAWRENCE P. CUPOLI

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Bills Delivered

On motion of Senator Balint, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 11, S. 210, S.283.

Rules Not Suspended; Bill Not Messaged

Senator Balint, moved the rules be suspended, and the following bill:

H.175. An act relating to the beverage container redemption system.

Be ordered messaged to the House forthwith, which was disagreed to on a roll call, Yeas 20, Nays 9 (the necessary two-thirds vote of the Senate membership *not* having been attained.)

Senator Brock having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Bray, Campion, Chittenden, Clarkson, Cummings, Hardy, Hooker, Lyons, MacDonald, McCormack, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Westman, White.

Those Senators who voted in the negative were: Benning, Brock, Collamore, Ingalls, Mazza, Nitka, Parent, Starr, Terenzini.

The Senator absent and not voting was: Kitchel.

Message from the House No. 79

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

H. 720. An act relating to the system of care for individuals with developmental disabilities.

And has adopted the same on its part.

The House has considered Senate proposals of amendment to the following House bills:

H. 512. An act relating to modernizing land records and notarial acts law.

H. 518. An act relating to municipal energy resilience initiatives.

H. 533. An act relating to converting civil forfeiture of property in drug-related prosecutions into a criminal process.

And has severally concurred therein.

The House has considered Senate proposal of amendment to House bill:

H. 572. An act relating to the retirement allowance for interim educators.

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

Senate Concurrent Resolutions

The following joint concurrent resolutions, having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were severally adopted on the part of the Senate:

By Senators Campion and Sears,

By Reps. Corcoran and others,

S.C.R. 22.

Senate concurrent resolution congratulating Jay and Joan Zwynenburg on the 50th anniversary of Jay's Art Shop & Frame Gallery and for their roles as exemplary downtown Bennington entrepreneurs.

By Senators Brock, Clarkson, Benning, Collamore, Ingalls and Westman,

S.C.R. 23.

Senate concurrent resolution celebrating the State Partnership Program recently established between the Vermont National Guard and Austria.

House Concurrent Resolutions

The following joint concurrent resolutions having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were severally adopted in concurrence:

By Reps. Smith and others,

H.C.R. 170.

House concurrent resolution in memory of former Representative, Commissioner of State Buildings, and Labor Relations Board member John J. Zampieri of Ryegate.

By Reps. Partridge and others,

H.C.R. 171.

House concurrent resolution congratulating Jayne Barber of Bellows Falls on her 2022 induction into the Vermont Sports Hall of Fame.

Adjournment

On motion of Senator Balint, the Senate adjourned until nine o'clock in the morning.

THURSDAY, MAY 12, 2022

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. 80

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered joint resolution originating in the Senate of the following title:

J.R.S. 53. Joint resolution supporting transgender youth and their parents who seek essential medical care for the treatment of gender dysphoria.

And has adopted the same in concurrence.

The House has considered Senate proposal of amendment to the following House bill:

H. 697. An act relating to eligibility of reserve forestland for enrollment in the Use Value Appraisal Program.

And has severally concurred therein.

The House has considered Senate proposal of amendment to House bill:

H. 716. An act relating to making miscellaneous changes in education law.

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

The House has adopted House concurrent resolutions of the following titles:

H.C.R. 170. House concurrent resolution in memory of former Representative, Commissioner of State Buildings, and Labor Relations Board member John J. Zampieri of Ryegate.

H.C.R. 171. House concurrent resolution congratulating Jayne Barber of Bellows Falls on her 2022 induction into the Vermont Sports Hall of Fame.

In the adoption of which the concurrence of the Senate is requested.

The House has considered concurrent resolutions originating in the Senate of the following titles:

S.C.R. 22. Senate concurrent resolution congratulating Jay and Joan Zwynenburg on the 50th anniversary of Jay's Art Shop & Frame Gallery and for their roles as exemplary downtown Bennington entrepreneurs.

S.C.R. 23. Senate concurrent resolution celebrating the State Partnership Program recently established between the Vermont National Guard and Austria.

And has adopted the same in concurrence.

The House has considered the Governor's veto on House bill of the following title:

H. 708. An act relating to the approval of an amendment to the charter of the City of Burlington.

And has sustained the Governor's veto.

The House has considered the Governor's veto on House bill of the following title:

H. 715. An act relating to the Clean Heat Standard.

And has sustained the Governor's veto.

The Governor has informed the House that on May 11, 2022, he approved and signed bills originating in the House of the following titles:

H. 266. An act relating to health insurance coverage for hearing aids.

H. 293. An act relating to creating the State Youth Council.

H. 411. An act relating to the retrieval and use of covered wild animals.

Proposals of Amendment; Proposal of Amendment Substituted; Third Reading Ordered; Rules Suspended; Bill Passed In Concurrence with Proposal of Amendment; Bill Messaged

H. 737.

Senator Cummings, for the Committee on Finance, to which was referred House bill entitled:

An act relating to setting the homestead property tax yields and the nonhomestead property tax rate.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: By striking out Sec. 1, property dollar equivalent yield, in its entirety and inserting in lieu thereof:

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD PROPERTY TAX RATE FOR FISCAL YEAR 2023

For fiscal year 2023 only:

(1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent yield shall be $13,144.00.

(2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield shall be $15,736.00.

(3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law to the contrary, the nonhomestead property tax rate shall be $1.485 per $100.00 of equalized education property value.

Second: By striking out Sec. 2, Education Fund reserve, in its entirety and inserting in lieu thereof:

Sec. 2. EDUCATION FUND RESERVES; FISCAL YEAR 2023; UNIVERSAL SCHOOL MEALS; POLYCHLORINATED BIPHENYLS (PCBS) REMEDIATION

(a) In fiscal year 2023, notwithstanding 16 V.S.A. § 4025(d), the following amounts shall be reserved within the Education Fund:

(1) $29,000,000.00 for purposes of funding universal school breakfast and lunch programs under 16 V.S.A. chapter 27, subchapter 2; and

(2) $45,000,000.00 for purposes of funding polychlorinated biphenyls (PCBs) testing, assessment, and response efforts.

(b) After satisfying the requirements of 16 V.S.A. § 4026 and after other reserve requirements have been met, notwithstanding 16 V.S.A. § 4025(d), the first $10,000,000.00 of remaining unreserved and undesignated monies in the Education Fund at the close of fiscal year 2022 shall be reserved for purposes of funding PCBs testing, assessment, and response efforts.

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Baruth, for the Committee on Appropriations, 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 Finance with the following amendments thereto:

First: By striking out Sec. 2, Education Fund reserves, in its entirety and inserting in lieu thereof the following:

Sec. 2. EDUCATION FUND RESERVES; POLYCHLORINATED BIPHENYLS (PCBS) REMEDIATION

(a) At the close of fiscal year 2022, notwithstanding 16 V.S.A. § 4025(d), $45,000,000.00 shall be reserved within the Education Fund for fiscal year 2023 for purposes of funding polychlorinated biphenyls (PCBs) testing, assessment, and response efforts.

(b) After satisfying the requirements of 16 V.S.A. § 4026 and after other reserve requirements have been met, notwithstanding 16 V.S.A. § 4025(d), the first $10,000,000.00 of remaining unreserved and undesignated monies in the Education Fund at the close of fiscal year 2022 shall be reserved for fiscal year 2023 for purposes of funding PCBs testing, assessment, and response efforts.

Second: By striking out Sec. 3, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

And that the bill ought to pass in concurrence with such proposals of amendment.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and pending the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee Finance?, Senator Cummings moved to substitute the proposal of amendment of the Committee on Finance as follows:

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD PROPERTY TAX RATE FOR FISCAL YEAR 2023

For fiscal year 2023 only:

(1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent yield shall be $13,314.00.

(2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield shall be $15,948.00.

(3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law to the contrary, the nonhomestead property tax rate shall be $1.466 per $100.00 of equalized education property value.

Sec. 2. EDUCATION FUND RESERVES; POLYCHLORINATED BIPHENYLS (PCBs) IN SCHOOLS

(a) At the close of fiscal year 2022, notwithstanding 16 V.S.A. § 4025(d), $22,000,000.00 shall be reserved within the Education Fund for purposes of funding the investigation, testing, assessment, remediation, and removal of polychlorinated biphenyls (PCBs) in schools.

(b) After satisfying the requirements of 16 V.S.A. § 4026 and after other reserve requirements have been met, notwithstanding 16 V.S.A. § 4025(d), of the remaining unreserved and undesignated monies in the Education Fund at the close of fiscal year 2022:

(1) the first $10,000,000.00 shall remain unreserved and undesignated; and

(2) after accounting for the sum in subdivision (1) of this subsection, $10,000,000.00 shall be reserved for purposes of funding the investigation, testing, assessment, remediation, and removal of PCBs in schools.

(c) No monies reserved under this section shall be expended for the remediation or removal of PCBs in schools except as authorized pursuant to Sec. 3 of this act. This subsection shall not affect the disbursement of monies reserved under this section for investigation, testing, and assessment of PCBs in schools.

(d) The State may recover from a manufacturer of PCBs monies expended from the reserves created under this section for the investigation, testing, assessment, remediation, and removal of PCBs detected in a school above the relevant action level.

Sec. 3. DISBURSEMENT PLAN; POLYCHLORINATED BIPHENYLS (PCBs); REMEDIATION; SIGNIFICANT HEALTH THREAT

(a) On or before January 15, 2023, the Agencies of Education and of Natural Resources and the Department of Health shall submit a written plan to the General Assembly setting out a process for the disbursement of monies reserved in Sec. 2 of this act. No monies shall be expended from the reserves for purposes of remediation, removal, or other required responses to the presence of PCBs in schools until the General Assembly has adopted legislation implementing or approving the plan. Monies may be expended from the reserves created in Sec. 2 of this act on the investigation, testing, and assessment of PCBs in schools, as necessary.

(b) Notwithstanding subsection (a) of this section, in the event of a significant health threat based on the concentration and location of PCBs in schools from July 1, 2022 through January 15, 2023, the Emergency Board is

authorized to transfer monies in an amount not to exceed $2,500,000.00 from the adjusted education payment of Sec. B.505 of the fiscal year 2023 act relating to making appropriations for the support of government to the Agency of Education. A transfer under this subsection shall only be made upon request of the Agencies of Education and of Natural Resources and the Department of Health for purposes of remediation, removal, or other required responses to the presence of PCBs in schools. Any amounts transferred under this subsection shall be addressed in the fiscal year 2023 budget adjustment act using the reserves created in Sec 2 of this act.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

Which was agreed to.

Thereupon, pending the question, Shall the Senate propose to the House to amend the recommendation of proposal of amendment of the Committee on Finance as recommended by the Committee on Appropriations?, Senator Baruth requested and was granted leave to withdraw the Appropriations proposal of amendment.

Thereupon, the proposal of amendment recommended by the Committee on Finance, as substituted, was agreed to and third reading of the bill was ordered.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was placed on all remaining stages of its passage in concurrence with proposal of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Rules Suspended; House Proposals of Amendment to Senate Proposal of Amendment Concurred In; Rules Suspended; Bill Messaged

H. 716.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to making miscellaneous changes in education law.

Was taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with the following amendments thereto:

First: By striking out Sec. 3, 16 V.S.A. § 492, and its reader assistance heading in their entireties and inserting in lieu thereof a reader assistance heading and a new Sec. 3 to read:

* * * Special Education Rule Change; Delay * * *

Sec. 3. STATE BOARD OF EDUCATION 2360 RULE SERIES; PARTIAL DELAY

It is the intent of the General Assembly to allow educators and staff time to adequately prepare for the delivery of special education services as required under the State Board of Education special education rules series 2360, which takes effect on July 1, 2022. Therefore, notwithstanding any provision of law to the contrary under 16 V.S.A. § 164 and 3 V.S.A. § 845(d), the State Board of Education shall suspend the implementation of rules 2362 and 2362.2.5 until July 1, 2023. The remaining rules under the 2360 rule series shall take effect on July 1, 2022.

Second: By striking out Sec. 4, educator workforce development; appropriation; report, and its reader assistance heading in their entireties and inserting in lieu thereof the following:

Sec. 4. [Deleted.]

Thereupon, the question, Shall the Senate concur in the House proposals of amendment to the Senate proposal of amendment?, were severally decided in the affirmative.

Thereupon, on motion of Senator Balint, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator White, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

The nomination of

Dragon, Jamie of Stowe - Member Fish and Wildlife Board - September 20, 2021 to February 28, 2027.

The nomination of

Donohu, Michael of Shelburne - Member Vermont Economic Progress Council - April 26, 2021 to March 31, 2025.

The nomination of

Bourgeois, Anita of Middlesex - Member Vermont Educational and Health Buildings Financing Agency - March 28, 2022 to January 31, 2027.

Were collectively confirmed by the Senate.

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

Hanford, Joshua C. of Randolph Center - Commissioner, Department of Housing and Community Development - March 1, 2021 to February 28, 2023.

Was confirmed by the Senate on a roll call, Yeas 30, 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: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

The nomination of

Kurrle, Lindsay H. of Middlesex - Secretary, Agency of Commerce and Community Development - March 1, 2021 to February 28, 2023.

Was confirmed by the Senate on a roll call, Yeas 30, 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: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

The nomination of

Pelham, Heather of Randolph - Commissioner, Department of Tourism and Marketing - March 1, 2021 to February 28, 2023.

Was confirmed by the Senate on a roll call, Yeas 30, 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: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

The nomination of

Goldstein, Joan of Royalton - Commissioner, Department of Economic Development - March 1, 2021 to February 28, 2023.

Was confirmed by the Senate on a roll call, Yeas 30, 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: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

Rules Suspended; House Proposals of Amendment to Senate Proposal of Amendment Concurred In; Bill Messaged

H. 572.

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House proposals of amendment to Senate proposal of amendment to House bill entitled:

An act relating to the retirement allowance for interim educators.

Were taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with the following amendments thereto:

First: In Sec. 1, FY 2023; restoration of service; Vermont State Teachers' Retirement System, by striking out subdivision (a)(3) in its entirety and inserting a new subdivision (a)(3) to read as follows:

(3) the employer of the beneficiary remits payment to the Vermont Teachers' Retirement Fund, established in 16 V.S.A. § 1944, in an amount equal to the contribution rate established for members of the beneficiary's group for any period that service is resumed.

Second: By adding a new Sec. 2 to read as follows:

Sec. 2. 16 V.S.A. § 1949 is amended to read:

§ 1949. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

(a) ~~For all Group A members, as of June 30 in each year, beginning June 30, 1972, the Board shall determine any increase or decrease, to the nearest one-tenth of one percent, in the ratio of the average of the Consumer Price Index for the month ending on that date to the average of the Index for the month ending on June 30, 1971, or the month ending on June 30 of the most recent year thereafter. In the event of an increase, and provided that the net increase following the application of any offset as provided in this subsection equals or exceeds one percent, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31 shall be increased by an equal percentage. Such increase shall begin on the January 1 immediately following that December 31. An equivalent percentage increase shall also be made in the retirement allowance payable to a beneficiary in receipt of an allowance under an optional election, provided the member on whose account the allowance is payable and such other person shall have received a total of at least 12 monthly payments by such December 31. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:~~

~~(1) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and~~

~~(2) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.~~ Postretirement adjustments to retirement allowance. On January 1 of each year, the retirement allowance of

each beneficiary of the System who is in receipt of a retirement allowance for at least a one-year period as of December 31 in the previous year, and who meets the eligibility criteria set forth in this section, shall be adjusted by the amount described in subsection (d) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary's retirement allowance.

(b) ~~For Group C members, as of June 30 in each year, commencing June 30, 1981, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent of the Consumer Price Index for the preceding fiscal year. In the event of an increase, and provided that there exists a net increase following the application of any offset as provided in this subsection, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31 shall be increased by an amount equal to one-half of the net percentage increase. The increase shall commence on the January 1 immediately following that December 31. The increase shall apply to Group C members having attained 57 years of age or completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following attainment of age 62, and shall apply to Group C members not having attained 57 years of age or having completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following the member's attainment of 65 years of age, provided the member has received benefits for at least 12 months as of December 31 of the year preceding any January adjustment. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:~~

~~(1) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index, up to the full amount of such increase; and~~

~~(2) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.~~ Calculation of net percentage increase. Each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of the Consumer Price Index for the month ending on June 30 of the previous year.

(1) Consumer Price Index; maximum and minimum amounts. Any increase or decrease in the Consumer Price Index shall be subject to

adjustment so as to remain within the following maximum and minimum amounts:

(A) For Group A members and Group C members who are eligible for normal retirement or unreduced early retirement, or who are vested deferred, on or before June 30, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent.

(B) For Group C members who are eligible for retirement and leave active service on or after July 1, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be four percent.

(2) Consumer Price Index; decreases. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, there shall be no adjustment to the retirement allowance of a beneficiary for the subsequent year beginning on January 1; provided, however, that:

(A) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index up to the full amount of such increase; and

(B) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

(3) Consumer Price Index; increases. Subject to the maximum and minimum amounts set forth in subdivision (1) of this subsection, in the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members' postretirement adjustment as set forth in subsection (d) of this section.

(c) ~~For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease less than one percent shall be assigned a value of one percent.~~ Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment allowance, the beneficiary must meet the following eligibility requirements:

(1) for any Group A or Group C member eligible for retirement, or who is vested deferred, on or before June 30, 2022, the member must be in receipt

of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment; and

(2) for any Group C member who is eligible for retirement and leaves active service on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(d) Amount of postretirement adjustment. The postretirement adjustment for each member who meets the eligibility criteria set forth in subsection (c) shall be as follows:

(1) the full amount of the net percentage increase calculated pursuant to subsection (b) of this section for all Group A members; and

(2) one-half of the net percentage increase for all Group C members.

(e) As used in this section, "Consumer Price Index" shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as "CPI-U," in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

and by renumbering the remaining section to be numerically correct.

Thereupon, the question, Shall the Senate concur in the House proposals of amendment to the Senate proposal of amendment?, were severally decided in the affirmative.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Recess

On motion of Senator Balint the Senate recessed until 11:30 A.M..

Called to Order

The Senate was called to order by the President.

Message from the House No. 81

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to the following House bills:

H. 446. An act relating to miscellaneous natural resources and development subjects.

H. 709. An act relating to miscellaneous agricultural subjects.

H. 730. An act relating to alcoholic beverages and the Department of Liquor and Lottery.

And has severally concurred therein.

The House has considered Senate proposal of amendment to House bill:

H. 626. An act relating to the sale, use, or application of neonicotinoid pesticides.

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged

H. 510.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to a Vermont Child Tax Credit and the Vermont Social Security income exclusion.

Was taken up for immediate consideration.

Senator Cummings, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 510. An act relating to a Vermont Child Tax Credit and the Vermont Social Security income exclusion.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposals of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Child Tax Credit * * *

Sec. 1. 32 V.S.A. § 5830f is added to read:

§ 5830f. VERMONT CHILD TAX CREDIT

(a) A resident individual or part-year resident individual who is entitled to a child tax credit under the laws of the United States 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), 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.

(b) Notwithstanding subsection (a) of this section, the amount of the credit per child under this section shall be reduced, but not below zero, by $20.00 for each $1,000.00, or fraction thereof, by which the individual's adjusted gross income exceeds $125,000.00, irrespective of the individual's filing status. For purposes of this subsection, spouses filing jointly shall be considered an individual.

(c) Notwithstanding any provision of law to the contrary, the refundable credit and its payment authorized under this section shall be treated in the same manner as the federal Earned Income Tax Credit and shall not be considered as assets, income, or resources to the same extent the credit and its payment would be disregarded pursuant to 26 U.S.C. § 6409 and the general welfare doctrine for purposes of determining eligibility for benefits or assistance, or the amount or extent of those benefits or assistance, under any State or local program, including programs established under 33 V.S.A. § 3512 and chapters 11, 17, 19, 21, 25, and 26. This subsection shall only apply to the extent that it does not conflict with federal law relating to the benefit or assistance program and that any required federal approval or waiver is first obtained for that program.

* * * Child and Dependent Care Tax Credit * * *

Sec. 2. 32 V.S.A. § 5822(d) is amended to read:

(d)(1) A taxpayer shall be entitled to a credit against the tax imposed under this section of 24 percent of each of the credits allowed against the taxpayer's federal income tax for the taxable year as follows: the credit for people who are elderly or permanently totally disabled~~,~~ and the investment tax credit attributable to the Vermont-property portion of the investment~~, and child care and dependent care credits~~.

* * *

Sec. 3. 32 V.S.A. § 5828c is amended to read:

§ 5828c. ~~LOW-INCOME~~ CHILD AND DEPENDENT CARE CREDIT

A resident of this State ~~with federal adjusted gross income less than $30,000.00 (or $40,000.00 for married, filing jointly)~~ shall be eligible for a refundable credit against the tax imposed under section 5822 of this title. The credit shall be equal to ~~50~~ 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 ~~in a registered home or licensed facility certified by the Agency of Human Services as meeting national accreditation or national credential standards endorsed by the Agency. A credit under this section shall be in lieu of any child and dependent care credit available under subsection 5822(d) of this title~~.

* * * Earned Income Tax Credit * * *

Sec. 4. 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 shall be entitled to a credit against the tax imposed for each year by section 5822 of this title. The credit shall be ~~36~~ 38 percent of the earned income tax credit granted to the individual under the laws of the United States, 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.

* * * Student Loan Interest Deduction * * *

Sec. 5. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

~~The following definitions shall apply throughout~~ As used in this chapter unless the context requires otherwise:

* * *

(21) "Taxable income" means, in the case of an individual, federal adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

* * *

(B) decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

* * *

(iv) the portion of federally taxable benefits received under the federal Social Security Act that is required to be excluded under section 5830e of this chapter; ~~and~~

* * *

(vi) the amount of interest paid by a qualified resident taxpayer during the taxable year on a qualified education loan for the costs of attendance at an eligible educational institution; and

* * *

(29) As used in subdivision (21)(B)(vi) of this section:

(A) "Qualified education loan" and "eligible educational institution" shall have the same meanings as under 26 U.S.C. § 221(d).

(B) "Qualified resident taxpayer" means an individual qualifying for residency as defined under subdivision (11) of this section and whose adjusted gross income is equal to or less than:

(i) $120,000.00 if the individual's filing status is single, head of household, or married filing separately; or

(ii) $200,000.00 if the individual's filing status is married filing jointly.

* * * Retirement Income Exclusions * * *

Sec. 6. 32 V.S.A. § 5811(21)(B)(iv) is amended to read:

(iv) the portion of certain retirement income and federally taxable benefits received under the federal Social Security Act that is required to be excluded under section 5830e of this chapter; ~~and~~

Sec. 7. 32 V.S.A. § 5830e is amended to read:

§ 5830e. RETIREMENT INCOME; SOCIAL SECURITY INCOME

(a) Social Security income. The portion of federally taxable Social Security benefits excluded from taxable income under subdivision 5811(21)(B)(iv) of this chapter shall be as follows:

(1) For taxpayers whose filing status is single, married filing separately, head of household, or ~~qualifying widow or widower~~ surviving spouse:

(A) If the federal adjusted gross income of the taxpayer is less than or equal to ~~$45,000.00~~ $50,000.00, all federally taxable benefits received under the federal Social Security Act shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than ~~$45,000.00~~ $50,000.00 but less than ~~$55,000.00~~ $60,000.00, the

percentage of federally taxable benefits received under the Social Security Act to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over ~~$45,000.00~~ $50,000.00, determined by:

(i) subtracting the federal adjusted gross income of the taxpayer from ~~$55,000.00~~ $60,000.00;

(ii) dividing the value under subdivision (i) of this subdivision (B) by $10,000.00; and

(iii) multiplying the value under subdivision (ii) of this subdivision (B) by the federally taxable benefits received under the Social Security Act.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than ~~$55,000.00~~ $60,000.00, no amount of the federally taxable benefits received under the Social Security Act shall be excluded under this section.

(2) For taxpayers whose filing status is married filing jointly:

(A) If the federal adjusted gross income of the taxpayer is less than or equal to ~~$60,000.00~~ $65,000.00, all federally taxable benefits received under the Social Security Act shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than ~~$60,000.00~~ $65,000.00 but less than ~~$70,000.00~~ $75,000.00, the percentage of federally taxable benefits received under the Social Security Act to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over ~~$60,000.00~~ $65,000.00, determined by:

(i) subtracting the federal adjusted gross income of the taxpayer from ~~$70,000.00~~ $75,000.00;

(ii) dividing the value under subdivision (i) of this subdivision (B) by $10,000.00; and

(iii) multiplying the value under subdivision (ii) of this subdivision (B) by the federally taxable benefits received under the Social Security Act.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than ~~$70,000.00~~ $75,000.00, no amount of the federally taxable benefits received under the Social Security Act shall be excluded under this section.

(b) Civil Service Retirement System income. The portion of income received from the Civil Service Retirement System excluded from taxable

income under subdivision 5811(21)(B)(iv) of this title shall be subject to the limitations under subsection (e) of this section and shall be determined as follows:

(1) For taxpayers whose filing status is single, married filing separately, head of household, or surviving spouse:

(A) If the federal adjusted gross income of the taxpayer is less than or equal to $50,000.00, the first $10,000.00 of income received from the Civil Service Retirement System shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than $50,000.00 but less than $60,000.00, the percentage of the first $10,000.00 of income received from the Civil Service Retirement System to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over $50,000.00, determined by:

(i) subtracting the federal adjusted gross income of the taxpayer from $60,000.00;

(ii) dividing the value under subdivision (i) of this subdivision (B) by $10,000.00; and

(iii) multiplying the value under subdivision (ii) of this subdivision (B) by the income received from the Civil Service Retirement System.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than $60,000.00, no amount of the income received from the Civil Service Retirement System shall be excluded under this section.

(2) For taxpayers whose filing status is married filing jointly:

(A) If the federal adjusted gross income of the taxpayer is less than or equal to $65,000.00, the first $10,000.00 of income received from the Civil Service Retirement System shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than $65,000.00 but less than $75,000.00, the percentage of the first $10,000.00 of income received from the Civil Service Retirement System to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over $65,000.00, determined by:

(i) subtracting the federal adjusted gross income of the taxpayer from $75,000.00;

(ii) dividing the value under subdivision (i) of this subdivision (B) by $10,000.00; and

(iii) multiplying the value under subdivision (ii) of this subdivision (B) by the income received from the Civil Service Retirement System.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than $75,000.00, no amount of the income received from the Civil Service Retirement System shall be excluded under this section.

(c) Other contributory retirement systems; earnings not covered by Social Security. Other retirement income, except U.S. military retirement income pursuant to subsection (d) of this section, received by a taxpayer of this State shall be excluded pursuant to subsection (b) of this section as though the income were received from the Civil Service Retirement System and shall be subject to the limitations under subsection (e) of this section, provided that:

(1) the income is received from a contributory annuity, pension, endowment, or retirement system of:

(A) the U.S. government or a political subdivision or instrumentality of the U.S. government;

(B) this State or a political subdivision or instrumentality of this State; or

(C) another state or a political subdivision or instrumentality of another state; and

(2) the contributory system from which the income is received was based on earnings that were not covered by the Social Security Act.

(d) U.S. military retirement income. U.S. military retirement income received by a taxpayer of this State shall be excluded pursuant to subsection (b) of this section as though the income were received from the Civil Service Retirement System and shall be subject to the limitations under subsection (e) of this section.

(e) Requirement to elect one exclusion. A taxpayer of this State who is eligible during the taxable year for the Social Security income exclusion under subsection (a) of this section and any of the exclusions under subsections (b)–(d) of this section shall elect either one of the exclusions for which the taxpayer is eligible under subsections (b)–(d) of this section or the Social Security income exclusion under subsection (a) of this section, but not both, for the taxable year. A taxpayer of this State who is eligible during the taxable year for more than one of the exclusions under subsections (b)–(d) of this section shall elect only one of the exclusions for which the taxpayer is eligible for the taxable year.

* * * Statutory Purposes for Tax Expenditures * * *

Sec. 8. 32 V.S.A. § 5813 is amended to read:

§ 5813. STATUTORY PURPOSES

* * *

(c) ~~The statutory purpose of the Vermont credit for child and dependent care in subsection 5822(d) of this title is to provide financial assistance to employees who must incur dependent care expenses to stay in the workforce in the absence of prekindergarten programming.~~ [Repealed.]

* * *

(r) The statutory purpose of the Vermont ~~low-income~~ child and dependent care tax credit in section 5828c of this title is to provide cash relief to ~~lower-income~~ employees who incur dependent care expenses ~~in certified centers~~ to enable them to remain in the workforce.

* * *

(w) The statutory purpose of the partial exemption of federally taxable benefits under the Social Security Act and certain retirement income in section 5830e of this title is to lessen the tax burden on Vermonters with low to moderate income who derive part of their income from Social Security benefits and certain retirement income.

* * *

(y) The statutory purpose of the Vermont child tax credit in section 5830f of this title is to provide financial support to families with young children.

(z) The statutory purpose of the exclusion from income of student loan interest paid in subdivision 5811(21)(B)(vi) of this title is to lessen the financial impact of higher education debt on Vermonters.

* * * Affordable Housing Tax Credit; Manufactured Homes * * *

Sec. 9. 32 V.S.A. § 5930u(g) is amended to read:

(g)(1) In any fiscal year, the allocating agency may award up to:

(A) $400,000.00 in total first-year credit allocations to all applicants for rental housing projects, for an aggregate limit of $2,000,000.00 over any given five-year period that credits are available under this subdivision (A)~~;~~.

(B) ~~$425,000.00~~ $675,000.00 in total first-year credit allocations for loans or grants for owner-occupied unit financing or down payment loans as provided in subdivision (b)(2) of this section consistent with the allocation plan, including for new construction and manufactured housing, for an

aggregate limit of ~~$2,125,000.00~~ $3,375,000.00 over any given five-year period that credits are available under this subdivision (B). Of the total first-year credit allocations made under this subdivision (B), $250,000.00 shall be used each fiscal year for manufactured home purchase and replacement.

(2) If the full amount of first-year credits authorized by an award are not allocated to a taxpayer, the Agency may reclaim the amount not allocated and re-award such allocations to other applicants, and such re-awards shall not be subject to the limits set forth in subdivision (1) of this subsection.

* * * Appropriations * * *

Sec. 10. APPROPRIATION; AID FOR THE AGED, BLIND, AND DISABLED

(a) In fiscal year 2023, in addition to other funds provided to the Department for Children and Families, a total of $750,000.00 in Global Commitment funds is appropriated to increase the payments to eligible individuals in the Aid for the Aged, Blind, and Disabled program. It is the intent of the General Assembly that this increase should be incorporated into the annual budget funding for the Aid for the Aged, Blind, and Disabled program in fiscal year 2024 and after.

(b) In fiscal year 2023, to fund the Global Commitment investment authorized under subsection (a) of this section, there is appropriated to the Secretary's Office of the Agency of Human Services:

(1) the sum of $330,000.00 from the General Fund; and

(2) the sum of $420,000.00 from federal funds.

(c) To the extent permitted under federal law, any increase in payments provided under subsection (a) of this section is intended to be retained by recipients in residential care settings by increasing the individuals' personal needs allowance.

Sec. 11. FY 2023 APPROPRIATION; CHILD CARE WORKER RETENTION GRANT PROGRAM

In fiscal year 2023, the sum of $1,000,000.00 is appropriated from the General Fund to the Department for Children and Families for the early childhood staff and home-based provider retention grant program established in 2021 Acts and Resolves No. 74, Sec. G.300(a)(30), as added by 2022 Acts and Resolves No. 83, Sec. 68 and as may be further amended by the fiscal year 2023 budget act.

* * * Fees * * *

Sec. 12. 9 V.S.A. § 5302(f) is amended to read:

(f) Investment companies subject to 15 U.S.C. § 80a-1 et seq. shall pay to the Commissioner an initial notice filing fee of $2,000.00 and an annual renewal fee of ~~$1,500.00~~ $1,650.00 for each portfolio or class of investment company securities for which a notice filing is submitted.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Secs. 1–8 (income tax credits, deduction and exclusions) shall take effect retroactively on January 1, 2022 and shall apply to taxable years beginning on and after January 1, 2022.

(c) Secs. 9–12 (affordable housing tax credit, appropriations, and fees) shall take effect on July 1, 2022.

And that after passage the title of the bill be amended to read:

An act relating to tax reductions and other aid for Vermonters.

ANN E. CUMMINGS
CHRISTOPHER A. PEARSON
RICHARD A. WESTMAN

Committee on the part of the Senate

JANET ANCEL
EMILIE K. KORNHEISER
SCOTT L. BECK

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Consideration Postponed by Adjourmnment

S. 234.

House proposal of amendment to Senate bill entitled:

An act relating to changes to Act 250.

Was taken up.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Municipal Zoning * * *

Sec. 1. 24 V.S.A. § 2793e is amended to read:

§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF NEIGHBORHOOD DEVELOPMENT AREAS

(a) Purpose. This section is intended to encourage a municipality to plan for new and infill housing in the area including and immediately encircling its designated downtown, village center, new town center, or within its designated growth center in order to provide needed housing and to further support the commercial establishments in the designated center. To support this goal, this section sets out a two-component process.

* * *

(b) Definitions.

(1) "Neighborhood planning area" means an automatically delineated area including and encircling a downtown, village center, or new town center designated under this chapter or within a growth center designated under this chapter. A neighborhood planning area is used for the purpose of identifying locations suitable for new and infill housing that will support a development pattern that is compact, oriented to pedestrians, and consistent with smart growth principles. To ensure a compact settlement pattern, the outer boundary of a neighborhood planning area shall be located entirely within the boundaries of the applicant municipality, unless a joint application is submitted by more than one municipality, and shall be determined:

* * *

(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:

* * *

(5) The proposed neighborhood development area consists of those portions of the neighborhood planning area that are appropriate for new and infill housing, excluding identified flood hazard and fluvial erosion areas, except those areas containing preexisting development in areas suitable for infill development as defined in § 29-201 of the Vermont Flood Hazard Area and River Corridor Rule. In determining what areas are most suitable for new and infill housing, the municipality shall balance local goals for future land

use, the availability of land for housing within the neighborhood planning area, and the smart growth principles. Based on those considerations, the municipality shall select an area for neighborhood development area designation that:

(A) Avoids or ~~that~~ minimizes to the extent feasible the inclusion of "important natural resources" as defined in subdivision 2791(14) of this title. If an ~~"~~important natural resource~~"~~ is included within a proposed neighborhood development area, the applicant shall identify the resource, explain why the resource was included, describe any anticipated disturbance to such resource, and describe why the disturbance cannot be avoided or minimized. If the neighborhood development area includes flood hazard areas or river corridors, the local bylaws shall contain provisions consistent with the Agency of Natural Resources' rules required under 10 V.S.A. § 754(a) to ensure that new infill development within a neighborhood development area occurs outside the floodway and will not cause or contribute to fluvial erosion hazards within the river corridor. If the neighborhood development area includes flood hazard areas or river corridors, local bylaws shall also contain provisions to protect river corridors outside the neighborhood development area consistent with the Agency of Natural Resources' rules required under 10 V.S.A. § 754(a).

* * *

(6) ~~The neighborhood development area is served by:~~

~~(A) municipal sewer infrastructure; or~~

~~(B) a community or alternative wastewater system approved by the Agency of Natural Resources.~~ [Repealed.]

(7) The municipal bylaws allow minimum net residential densities within the neighborhood development area greater than or equal to four ~~single-family detached~~ dwelling units per acre for all identified residential uses or residential building types, exclusive of accessory dwelling units, or ~~no~~ not fewer than the average existing density of the surrounding neighborhood, whichever is greater. The methodology for calculating density shall be established in the guidelines developed by the Department pursuant to subsection 2792(d) of this title.

* * *

Sec. 2. 24 V.S.A. § 2793b is amended to read:

§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT DISTRICTS

* * *

(b) Within 45 days of receipt of a completed application, the State Board shall designate a new town center development district if the State Board finds, with respect to that district, the municipality has:

* * *

(2) Provided a community investment agreement that has been executed by authorized representatives of the municipal government, businesses and property owners within the district, and community groups with an articulated purpose of supporting downtown interests, and contains the following:

* * *

(B) Regulations enabling ~~high~~ densities that are ~~greater~~ not less than four dwelling units, including all identified residential uses or residential building types, per acre and not less than those allowed in any ~~other~~ part of the municipality not within an area designated under this chapter.

* * *

Sec. 3. 24 V.S.A. § 4449 is amended to read:

§ 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND MUNICIPAL LAND USE PERMIT

(a) Within any municipality in which any bylaws have been adopted:

* * *

(4) No municipal land use permit issued by an appropriate municipal panel or administrative officer, as applicable, for a site plan or conditional use shall be considered abandoned or expired unless more than two years has passed since the permit approval was issued.

* * * Municipal Bylaw Grants * * *

Sec. 4. 24 V.S.A. § 4306 is amended to read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

(a)(1) The Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of 17 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

* * *

(c) Funds allocated to municipalities shall be used for the purposes of:

* * *

(4) reasonable and necessary costs of administering the Fund by the Department of Housing and Community Development, not to exceed six percent of the municipality allocation.

(d) New funds allocated to municipalities under this section may take the form of municipal bylaw modernization grants in accordance with section 4307 of this title.

Sec. 5. 24 V.S.A. § 4307 is added to read:

§ 4307. MUNICIPAL BYLAW MODERNIZATION GRANTS

(a) There are created Municipal Bylaw Modernization Grants to assist municipalities in updating their land use and development bylaws. Bylaws updated under this section shall increase housing choice, affordability, and opportunity in areas planned for smart growth. The Grants shall be funded by monies allocated from the municipality allocation of the Municipal and Regional Planning Funds established in subdivision 4306(a)(3)(C) of this title and any other monies appropriated for this purpose.

(b) Disbursement to municipalities shall be administered by the Department of Housing and Community Development through a competitive process providing the opportunity for all regions and any eligible municipality to compete regardless of size.

(c) Funds may be disbursed by the Department in installments to ensure the municipal bylaw updates meet the goals of this section.

(d) Funding may be used for the cost of regional planning commission staff or consultant time and any other purpose approved by the Department.

(e) A municipality grantee shall use the funds to prepare amendments to bylaws to increase housing choice, affordability, and opportunity and that

support a neighborhood development pattern that is pedestrian oriented in areas planned for smart growth consistent with the smart growth principles established in section 2791 of this title and that prioritize projects in designated areas in accordance with chapter 76A of this title.

(f) To receive the grant, the municipality shall:

(1) identify municipal water and wastewater disposal infrastructure, municipal water and sewer service areas, and the constraints on that infrastructure based on the best available data;

(2) increase allowed housing types and uses, which may include duplexes to the same extent as single-family homes;

(3) include parking waiver provisions in areas planned for smart growth consistent with smart growth principles as defined in section 2791 of this title and appropriate situations;

(4) review and modify street standards that implement the complete streets principles as described in 19 V.S.A. § 309d and that are oriented to pedestrians;

(5) reduce nonconformities by making the allowed standards principally conform to the existing settlement within any area designated under chapter 76A of this title and increase allowed lot/building/dwelling unit density by adopting dimensional, use, parking, and other standards that allow compact neighborhood form and support walkable lot and dwelling unit density, which may be achieved with a standard allowing at least four units per acre or allowing the receipt of a State or municipal water and wastewater permit to determine allowable density or by other means established in guidelines issued by the Department;

(6) restrict development of and minimize impact to important natural resources, including new development in flood hazard areas, undeveloped floodplains, and river corridor areas, unless lawfully allowed for infill development in §29-201 of the Vermont Flood Hazard Area and River Corridor Rule;

(7) update the municipal plan's housing element as provided in subdivision 4382(a)(10) of this title related to addressing lower- and moderate-income housing needs, implement that element of the plan including through the bylaw amendments, and demonstrate how those bylaws support the implementation of the housing element; and

(8) comply with State and Federal Fair Housing Act, including the fair housing provisions of Vermont's Planning and Development Act.

(g) On or before September 1, 2022, the Department shall adopt guidelines to assist municipalities applying for grants under this section.

Sec. 6. MUNICIPAL BYLAW MODERNIZATION GRANT FUNDING

Of the funds appropriated in fiscal year 2023 to the municipality allocation of the Municipal and Regional Planning Fund, up to $650,000.00 shall be used for Municipal Bylaw Modernization Grants as established in 24 V.S.A. § 4307.

* * * Accessory Dwelling Units * * *

Sec. 7. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading which may vary by district and by uses within each district. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer "transit pass" and rideshare programs, public transit routes, and public parking spaces in the vicinity of the development. However, a municipality shall not require an accessory dwelling unit to have more than one parking space per bedroom.

* * *

* * * Act 250 * * *

Sec. 8. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(3)(A) "Development" means each of the following:

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) [Repealed.]

(bb) [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000.

(dd) 50 or more, in a municipality with a population of ~~3,000 or more but~~ less than 6,000.

(ee) ~~25 or more, in a municipality with a population of less than 3,000.~~ [Repealed.]

(ff) Notwithstanding subdivisions (cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision (ff) if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

* * *

(D) The word "development" does not include:

* * *

(6) ~~"Floodway" means the channel of a watercourse that is expected to flood on an average of at least once every 100 years and the adjacent land areas that are required to carry and discharge the flood of the watercourse, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects~~ "Flood hazard area" has the same meaning as under section 752 of this title.

(7) ~~"Floodway fringe" means an area that is outside a floodway and is flooded with an average frequency of once or more in each 100 years, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects~~ "River corridor" has the same meaning as under section 752 of this title.

* * *

(27) "Mixed income housing" means a housing project in which the following apply:

(A) Owner-occupied housing. At ~~the option of the applicant, owner-occupied housing may be characterized by either of the following:~~

~~(i) at least 15 percent of the housing units have a purchase price that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or~~

~~(ii) at~~ least 20 percent of the housing units ~~have a purchase price that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency~~ meet the requirements of affordable owner-occupied housing under subdivision (29)(A) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.

(B) Rental housing. ~~At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of~~ For not less than 15 years following the date that rental housing is initially placed in service, at least 20 percent of the housing units meet the requirements of affordable rental housing under subdivision (29)(B) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.

* * *

(35) "Priority housing project" means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of~~:~~

~~(A)~~ mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated ~~village center that is also a designated~~ neighborhood development area under 24 V.S.A. chapter 76A~~; or~~

~~(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A~~.

* * *

Sec. 9. 10 V.S.A. § 6081(p) is amended to read:

(p)~~(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district~~

~~designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after May 28, 2002, remain below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.~~

~~(2)~~ No permit or permit amendment is required for a priority housing project in a designated center ~~other than a downtown development district~~ if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title ~~and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title~~.

Sec. 10. 10 V.S.A. § 6084(f) is amended to read:

(f) ~~This subsection concerns an application for a new permit amendment to change the conditions of an existing permit or existing permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.~~

~~(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the existing permit or existing permit amendment, which contains the condition or conditions proposed to be changed, or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party obtained party status.~~

~~(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions in the existing permit or permit amendment proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings to be made under subsection 6086(a) and are authorized under subsection 6086(c) of this title.~~ [Repealed.]

* * * Criterion 1(D) * * *

Sec. 11. 10 V.S.A. § 6086 is amended to read:

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

(a) Before granting a permit, the District Commission shall find that the subdivision or development:

* * *

(D) ~~Floodways~~ Flood hazard areas; river corridors. A permit will be granted whenever it is demonstrated by the applicant that, in addition to all other applicable criteria~~:~~,

~~(i)~~ the development or subdivision of lands within a ~~floodway~~ flood hazard area or river corridor will not restrict or divert the flow of ~~flood waters~~ floodwaters, cause or contribute to fluvial erosion, and endanger the health, safety, and welfare of the public or of riparian owners during flooding~~; and~~

~~(ii) the development or subdivision of lands within a floodway fringe will not significantly increase the peak discharge of the river or stream within or downstream from the area of development and endanger the health, safety, or welfare of the public or riparian owners during flooding~~.

* * *

* * * Municipal Response to Act 250 Requests * * *

Sec. 12. 10 V.S.A. 6086(g) is added to read:

(g) If a municipality fails to respond to a request by the applicant within 90 days as to the impacts related to subdivision (a)(6) or (7) of this section, the application will be presumed not to have an unreasonable burden on educational, municipal, or governmental services.

* * * Forest Blocks * * *

Sec. 13. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(43) "Connecting habitat" means land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of wildlife and plants and the functioning of ecological processes. A connecting habitat may include features including recreational trails and improvements constructed for farming, logging, or forestry purposes.

(44) "Forest block" means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include features including recreational trails, wetlands, or other natural features that do not themselves possess tree cover and improvements constructed for farming, logging, or forestry purposes.

(45) "Habitat" means the physical and biological environment in which a particular species of plant or wildlife lives.

Sec. 14. 10 V.S.A. § 6086(a)(8) is amended to read:

(8) Ecosystem protection; scenic beauty; historic sites.

(A) Aesthetics. Will not have an undue adverse effect on the scenic or natural beauty of the area, aesthetics, or historic sites ~~or rare and irreplaceable natural areas~~.

~~(A)~~(B) Necessary wildlife habitat and endangered species. A permit will not be granted if it is demonstrated by any party opposing the applicant that a development or subdivision will destroy or significantly imperil necessary wildlife habitat or any endangered species~~;~~ and:

(i) the economic, social, cultural, recreational, or other benefit to the public from the development or subdivision will not outweigh the economic, environmental, or recreational loss to the public from the destruction or imperilment of the habitat or species; ~~or~~

(ii) all feasible and reasonable means of preventing or lessening the destruction, diminution, or imperilment of the habitat or species have not been or will not continue to be applied; or

(iii) a reasonably acceptable alternative site is owned or controlled by the applicant ~~which~~ that would allow the development or subdivision to fulfill its intended purpose.

(C) Forest blocks and connecting habitat. Will not result in an undue adverse impact on forest blocks, connecting habitat, or rare and irreplaceable natural areas. If a project as proposed would result in an undue adverse impact, a permit may only be granted if effects are avoided or minimized and mitigated in accordance with rules adopted by the Board.

Sec. 15. CRITERION 8(C) RULEMAKING

(a) The Natural Resources Board (Board), in collaboration with the Agency of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6086(a)(8)(C). Rules adopted by the Board shall include:

(1) How forest blocks and connecting habitat are further defined, including their size, location, and function, which may include:

(A) information that will be available to the public to determine where forest blocks and connecting habitat are located; or

(B) advisory mapping resources, how they will be made available, how they will be used, and how they will be updated.

(2) Standards establishing how impacts can be avoided or minimized, including how fragmentation of forest blocks or connecting habitat is avoided or minimized, which may include steps to promote proactive site design of buildings, roadways and driveways, utility location, and location relative to existing features such as roads, tree lines, and fence lines.

(3)(A) As used in this section "fragmentation" generally means dividing land that has naturally occurring vegetation and ecological processes into smaller and smaller areas as a result of land uses that remove vegetation and create physical barriers that limit species' movement and interrupt ecological processes between previously connected natural vegetation. However, the rules shall further define "fragmentation" for purposes of avoiding, minimizing, and mitigating undue adverse impacts on forest blocks and connecting habitat. "Fragmentation" does not include the division or conversion of a forest block or connecting habitat by an unpaved recreational trail or by improvements constructed for farming, logging, or forestry purposes below the elevation of 2,500 feet.

(B) As used in this subsection, "recreational trail" has the same meaning as "trails" in 10 V.S.A. § 442.

(4) Criteria to identify the circumstances when a forest block or connecting habitat is eligible for mitigation.

(5) Standards for how impacts to a forest block or connecting habitat may be mitigated. Standards may include:

(A) appropriate ratios for compensation;

(B) appropriate forms of compensation such as conservation easements, fee interests in land, and other forms of compensation; and

(C) appropriate uses of on-site and off-site mitigation.

(b) The Board shall convene a working group of stakeholders to provide input to the rule prior to prefiling with the Interagency Committee on Administrative Rules. The Board shall convene the working group on or before June 1, 2023.

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before June 15, 2024.

Sec. 16. 10 V.S.A. § 127 is amended to read:

§ 127. RESOURCE MAPPING

(a) ~~On or before January 15, 2013, the~~ The Secretary of Natural Resources shall complete and maintain resource mapping based on the Geographic Information System (GIS) or other technology. The mapping shall identify natural resources throughout the State, including forest blocks and connecting habitat, that may be relevant to the consideration of energy projects and projects subject to chapter 151 of this title. The Center for Geographic Information shall be available to provide assistance to the Secretary in carrying out the ~~GIS-based~~ resource mapping.

(b) The Secretary ~~of Natural Resources~~ shall consider the ~~GIS-based~~ resource maps developed under subsection (a) of this section when providing evidence and recommendations to the Public Utility Commission under 30 V.S.A. § 248(b)(5) and when commenting on or providing recommendations under chapter 151 of this title to District Commissions on other projects.

(c) The Secretary shall establish and maintain written procedures that include a process and science-based criteria for updating resource maps developed under subsection (a) of this section. Before establishing or revising these procedures, the Secretary shall provide opportunities for affected parties and the public to submit relevant information and recommendations.

* * * Wood Products Manufacturers * * *

Sec. 17. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

* * *

(47) "Wood products manufacturer" means a manufacturer that aggregates wood products from forestry operations and adds value through processing or marketing in the wood products supply chain or directly to consumers through retail sales. "Wood products manufacturer" includes sawmills; veneer mills; pulp mills; pellet mills; producers of firewood, woodchips, mulch, and fuel wood; and log and pulp concentration yards. "Wood products manufacturer" does not include facilities that purchase, market, and resell finished goods, such as wood furniture, wood pellets, and milled lumber, without first receiving wood products from forestry operations.

(48) "Wood product" means logs, pulpwood, veneer wood, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, maple sap, and bark.

Sec. 18. 10 V.S.A. § 6086(c) is amended to read:

(c)(1) Permit conditions. A permit may contain such requirements and conditions as are allowable proper exercise of the police power and ~~which~~ that are appropriate within the respect to subdivisions (a)(1) through (10) of this section, including those set forth in 24 V.S.A. §§ 4414(4), 4424(a)(2), 4414(1)(D)(i), 4463(b), and 4464, the dedication of lands for public use, and the filing of bonds to ensure compliance. The requirements and conditions incorporated from Title 24 may be applied whether or not a local plan has been adopted. General requirements and conditions may be established by rule of the Natural Resources Board.

(2) Permit conditions on a wood products manufacturer.

(A) When issuing a permit with conditions on wood products manufacturing and delivery, the District Commission shall account for the seasonal, weather-dependent, land-dependent, and varied conditions unique to the industry.

(B) A permit condition that sets hours of operation for a wood products manufacturer shall only be imposed to mitigate an impact under subdivision (a)(1), (5), or (8) of this section. If an adverse impact under would result, a permit with conditions shall allow the manufacturer to operate while allowing for flexible timing of deliveries of wood products from forestry operations to the manufacturer outside permitted hours of operation, including nights, weekends, and holidays, for the number of days demonstrated by the manufacturer as necessary to enable deliveries, not to exceed 90 days per year.

(C) Permit with conditions on the delivery of wood heat fuels. A permit with conditions issued to a wood products manufacturer that produces wood chips, pellets, cord wood, or other fuel wood used for heat shall allow for flexible delivery of that fuel wood from the manufacturer to the end user outside permitted hours of operation, including nights, weekends, and holidays, from October 1 through April 30 of each year. Permits with conditions shall mitigate the undue adverse impacts while enabling deliveries by the manufacturer.

(D) Permit amendments. A wood products manufacturer holding a permit may request an amendment to existing permit conditions related to hours of operation and seasonal restrictions to be consistent with subdivisions (2) and (3) of this subsection. Requests for condition amendments under this subsection shall not be subject to Act 250 Rule 34(E).

Sec. 19. 10 V.S.A. § 6093 is amended to read:

§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for the conversion of primary agricultural soils necessary to satisfy subdivision 6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

* * *

(5) Wood products manufacturers. Notwithstanding any provision of this chapter to the contrary, a conversion of primary agricultural soils by a wood products manufacturer shall be allowed to pay a mitigation fee computed according to the provisions of subdivision (1) of this subsection, except that it shall be entitled to a ratio of 1:1 protected acres to acres of affected primary agricultural soil.

* * * One-acre towns * * *

Sec. 20. INTENT; AMENDMENT OF 10 V.S.A. § 6001(3)(A)(ii)

The General Assembly's intent in the amendments to 10 V.S.A. §6001(3)(A)(ii) set forth in Sec. 21 of this act is to clarify the text to reflect the way jurisdiction over commercial and industrial development in towns without permanent zoning and subdivision bylaws has been determined since the passage of Act 250 in 1970. The General Assembly does not intend any provision of this act to be interpreted as a substantive change to determining jurisdiction under 10 V.S.A. § 6001(3)(A)(ii).

Sec. 21. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

* * *

(3)(A) "Development" means each of the following:

(i) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than 10 acres of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has adopted permanent zoning and subdivision bylaws.

(ii) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes ~~on more than one acre of land within~~ in a municipality that has not adopted permanent zoning and subdivision bylaws.

* * *

* * * Reports * * *

Sec. 22. REPORT; ACT 250 JURISDICTION OVER AGRICULTURAL BUSINESSES

On or before January 15, 2023, the Natural Resources Board shall submit to the General Assembly a report with recommendations on how Act 250 jurisdiction should be applied to agricultural businesses, including those located on properties already operating as farms. The Board shall consult with the Agency of Agriculture, Food and Markets, the Vermont Planners Association, the regional planning commissions, and other interested stakeholders. The report shall include recommendations as to how to clarify what is and what is not an accessory on-farm business. The report shall address the current land use planning requirements for farms and farms with accessory on-farm businesses and whether different types of businesses associated with farms and farming require different levels of review. The report may consider whether or not the location of such businesses is relevant and may consider the designation or adoption of agricultural business innovation zones with different levels of review.

Sec. 23. DESIGNATED AREA REPORT; APPROPRIATION

(a) The sum of $150,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2023 for the purpose of hiring a consultant to evaluate the State designation programs established in 24 V.S.A. chapter 76A pursuant to subsection (b) of this section.

(b)(1) The Department of Housing and Community Development shall hire an independent consultant to:

(A) review and assess the State designation programs and incentives established in 24 V.S.A. chapter 76A that recognize and invest in the vitality of Vermont's compact settlement areas; and

(B) conduct statewide stakeholder outreach to support the evaluation of and future improvements to the programs, including participation by State, regional, municipal, and advocacy and non-governmental organizations.

(2) The consultant shall make recommendations on how to:

(A) objectively define and map existing compact settlements as a basis for broader recognition;

(B) improve the consistency between and among regional plans and future land use maps;

(C) modernize these programs, including consideration of program reform or consolidation;

(D) make the designation programs and associated benefits more accessible to municipalities;

(E) apply regulatory and non-regulatory benefits;

(F) strengthen designation and incentives as a platform for place-based economic development, climate-action, complete streets, and equity and efficiency of public investment and service delivery;

(G) implement the smart growth principles established by 24 V.S.A. § 2791; and

(H) achieve the goals established in 24 V.S.A. § 4302.

(3) On or before July 15, 2023, the consultant shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

Sec. 24. REPORT; NATURAL RESOURCES BOARD

(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.

(b) The report shall include:

(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas, the maintenance of intact rural working lands, and the protection of natural resources of statewide significance, including biodiversity. Location-based jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider whether to develop thresholds and tiers of jurisdiction as recommended in the Commission on Act 250: the Next 50 Years Report.

(2) How to use the Capability and Development Plan to meet the statewide planning goals.

(3) An assessment of the current level of staffing of the Board and District Commissions, including whether there should be a district coordinator located in every district.

(4) Whether the permit fees are sufficient to cover the costs of the program and, if not, a recommendation for a source of revenue to supplement the fees.

(5) Whether the permit fees are effective in providing appropriate incentives.

(6) Whether the Board should be able to assess their costs on applicants.

* * * Natural Resources Board * * *

Sec. 25. PURPOSE

The purpose of this act is to strengthen the administration of the Act 250 program by changing the structure, function, and name of the Natural Resources Board. This act requires that appeals of Act 250 permit decisions be heard by a five-member board called the Environmental Review Board. The Environmental Division of the Superior Court would continue to hear the other types of cases within its jurisdiction. The Environmental Review Board would keep the current duties of the Natural Resources Board in addition to hearing appeals. This change would allow the Act 250 program to return to how it was originally envisioned when enacted by being a citizen-friendly process. The Board would provide oversight, management, and training to the Act 250 program staff and District Commissions and develop Act 250 program policy through permit decisions and rulemaking.

Sec. 26. 10 V.S.A. § 6021 is amended to read:

§ 6021. BOARD; VACANCY~~,~~; REMOVAL

(a) ~~A Natural Resources~~ Board established. The Environmental Review Board is created to administer the Act 250 program and hear appeals.

(1) The Board shall consist of five members appointed by the Governor~~,~~ after review and approval by the Environmental Review Board Nominating Committee in accordance with subdivision (2) of this section and confirmed with the advice and consent of the Senate, so that one appointment expires in each year. The Chair shall be a full-time position, and the other four members shall be half-time positions. In making these appointments, the Governor and the Senate shall give consideration to candidates who have experience, expertise, or skills relating to ~~the environment or land use~~ one or more of the following areas: environmental science, natural resources law and policy, land use planning, community planning, or environmental justice.

(A) The Governor shall appoint a chair of the Board, a position that shall be a full-time position. The Governor shall ensure Board membership shall reflect, to the extent possible, the racial, ethnic, gender, and geographic diversity of the State. The Board shall not contain two members who reside in the same county.

(B) Following initial appointments, the members~~, except for the Chair,~~ shall be appointed for terms of ~~four~~ five years. All terms shall begin on July 1 and expire on June 30. A member may continue serving until a successor is appointed. The initial appointments shall be for staggered terms.

(2) ~~The Governor shall appoint up to five persons, with preference given to former Environmental Board, Natural Resources Board, or District Commission members, with the advice and consent of the Senate, to serve as alternates for Board members.~~

(A) ~~Alternates shall be appointed for terms of four years, with initial appointments being staggered~~ The Environmental Review Board Nominating Committee shall advertise the position when a vacancy will occur on the Environmental Review Board.

(B) ~~The Chair of the Board may assign alternates to sit on specific matters before the Board in situations where fewer than five members are available to serve~~ The Nominating Committee shall review the applicants to determine which are well-qualified for appointment to the Board and shall recommend those candidates to the Governor. The names of candidates shall be confidential.

(C) The Governor shall appoint, with the advice and consent of the Senate, a chair and four members of the Board from the list of well-qualified candidates sent to the Governor by the Committee.

(b) ~~Any vacancy occurring in the membership of the Board shall be filled by the Governor for the unexpired portion of the term~~ Terms; vacancy; succession. The term of each appointment subsequent to the initial appointments described in subsection (a) of this section shall be five years. Any appointment to fill a vacancy shall be for the unexpired portion of the term vacated. A member may seek reappointment by informing the Governor. If the Governor decides not to reappoint the member, the Nominating Committee shall advertise the vacancy.

(c) Removal. Notwithstanding the provisions of 3 V.S.A. § 2004, members shall only be removable for cause ~~only, except the Chair, who shall serve at the pleasure of the Governor~~ by the remaining members of the Board in accordance with the Vermont Administrative Procedures Act. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and process for removal.

(d) Disqualified members. The Chair of the Board, upon request of the Chair of a District Commission, may appoint and assign former Commission members to sit on specific Commission cases when some or all of the regular

members and alternates of the District Commission are disqualified or otherwise unable to serve.

(e) Retirement from office. When a Board member who hears all or a substantial part of a case retires from office before the case is completed, the member may remain a member of the Board, at the member's discretion, for the purpose of concluding and deciding that case and signing the findings and judgments involved. A retiring Chair shall also remain a member for the purpose of certifying questions of law if a party appeals to the Supreme Court. For the service, the member shall receive a reasonable compensation to be fixed by the remaining members of the Board and necessary expenses while on official business.

Sec. 27. 10 V.S.A. § 6032 is added to read:

§ 6032. ENVIRONMENTAL REVIEW BOARD NOMINATING COMMITTEE

(a) Creation. The Environmental Review Board Nominating Committee is created for the purpose of assessing the qualifications of applicants for appointment to the Environmental Review Board in accordance with section 6021 of this title.

(b) Members. The Committee shall consist of seven members who shall be appointed as follows:

(1) The Governor shall appoint three members from the Executive Branch, with at least one being an employee of the Department of Human Resources.

(2) The Speaker of the House of Representatives shall appoint two members from the House of Representatives.

(3) The Senate Committee on Committees shall appoint two members from the Senate.

(c) Terms. The members of the Committee shall serve for terms of two years. Members shall serve until their successors are appointed. Members shall serve not more than three consecutive terms in any capacity. A legislative member who is appointed as a member of the Committee shall retain the position for the term appointed to the Committee even if the member is subsequently not reelected to the General Assembly during the member's term on the Committee.

(d) Chair. The members shall elect their own chair.

(e) Quorum. A quorum of the Committee shall consist of four members.

(f) Staff and services. The Committee is authorized to use the staff and services of appropriate State agencies and departments as necessary to conduct investigations of applicants.

(g) Confidentiality. Except as provided in subsection (h) of this section, proceedings of the Committee, including the names of candidates considered by the Committee and information about any candidate submitted to the Governor, shall be confidential. The provisions of 1 V.S.A. § 317(e) (expiration of Public Records Act exemptions) shall not apply to the exemptions or confidentiality provisions in this subsection.

(h) Public information. The following shall be public:

(1) operating procedures of the Committee;

(2) standard application forms and any other forms used by the Committee, provided they do not contain personal information about a candidate or confidential proceedings;

(3) all proceedings of the Committee prior to the receipt of the first candidate's completed application; and

(4) at the time the Committee sends the names of the candidates to the Governor, the total number of applicants for the vacancies and the total number of candidates sent to the Governor.

(i) Reimbursement. Legislative members of the Committee shall be entitled to per diem compensation and reimbursement for expenses in accordance with 2 V.S.A. § 23. Compensation and reimbursement shall be paid from the legislative appropriation.

(j) Duties.

(1) When a vacancy occurs, the Committee shall review applicants to determine which are well-qualified for the Board and submit those names to the Governor. The Committee shall submit to the Governor a summary of the qualifications and experience of each candidate whose name is submitted to the Governor, together with any further information relevant to the matter.

(2) An applicant for the position of member of the Environmental Review Board shall not be required to be an attorney. If the candidate is admitted to practice law in Vermont or practices a profession requiring licensure, certification, or other professional regulation by the State, the Committee shall submit the candidate's name to the Court Administrator or the applicable State professional regulatory entity, and that entity shall disclose to the Committee any professional disciplinary action taken or pending concerning the candidate.

(3) Candidates shall be sought who have experience, expertise, or skills relating to one or more of the following areas: environmental science, natural resources law and policy, land use planning, community planning, or environmental justice.

(4) The Committee shall ensure a candidate possesses the following attributes:

(A) Integrity. A candidate shall possess a record and reputation for excellent character and integrity.

(B) Impartiality. A candidate shall exhibit an ability to make judicial determinations in a manner free of bias.

(C) Work ethic. A candidate shall demonstrate diligence.

(D) Availability. A candidate shall have adequate time to dedicate to the position.

Sec. 28. 10 V.S.A. § 6025 is amended to read:

§ 6025. RULES

(a) The Board may adopt rules of procedure for itself and the District Commissions. The Board shall adopt rules of procedure that govern appeals and other contested cases before it that are consistent with this chapter.

* * *

Sec. 29. 10 V.S.A. § 6027 is amended to read:

§ 6027. POWERS

(a) The Board and District Commissions ~~each~~ shall have supervisory authority in environmental matters respecting projects within their jurisdiction and shall apply their independent judgment in determining facts and interpreting law. Each shall have the power, with respect to any matter within its jurisdiction, to:

(1) administer oaths, take depositions, subpoena and compel the attendance of witnesses, and require the production of evidence;

(2) allow parties to enter upon lands of other parties for the purposes of inspecting and investigating conditions related to the matter before the Board or Commission;

(3) enter upon lands for the purpose of conducting inspections, investigations, examinations, tests, and site evaluations as it deems necessary to verify information presented in any matter within its jurisdiction; and

(4) apply for and receive grants from the federal government and from other sources.

(b) The powers granted under this chapter are additional to any other powers ~~which~~ that may be granted by other legislation.

(c) The ~~Natural Resources~~ Board may designate or establish ~~such~~ regional offices as it deems necessary to implement the provisions of this chapter and the rules adopted ~~hereunder~~. The ~~Natural Resources~~ Board may designate or require a regional planning commission to receive applications, provide administrative assistance, perform investigations, and make recommendations.

(d) At the request of a District Commission, if the Board Chair determines that the workload in the requesting district is likely to result in unreasonable delays or that the requesting District Commission is disqualified to hear a case, the Chair may authorize the District Commission of another district to sit in the requesting district to consider one or more applications.

(e) The ~~Natural Resources~~ Board may by rule allow joint hearings to be conducted with specified State agencies or specified municipalities.

(f) The Board shall publish its decisions online. The Board may publish online or contract to publish annotations and indices of its decisions, the decisions of the Environmental Division of the Superior Court and the Supreme Court, and the text of those decisions. The published product shall be available at a reasonable rate to the general public and at a reduced rate to libraries and governmental bodies within the State.

(g) The ~~Natural Resources~~ Board shall manage the process by which land use permits are issued under section 6086 of this title, may initiate enforcement on related matters under the provisions of chapters 201 and 211 of this title, and may ~~petition the Environmental Division~~ initiate and hear petitions for revocation of land use permits issued under this chapter. Grounds for revocation are:

(1) noncompliance with this chapter, rules adopted under this chapter, or an order that is issued that relates to this chapter;

(2) noncompliance with any permit or permit condition;

(3) failure to disclose all relevant and material facts in the application or during the permitting process;

(4) misrepresentation of any relevant and material fact at any time;

(5) failure to pay a penalty or other sums owed pursuant to, or other failure to comply with, court order, stipulation agreement, schedule of

compliance, or other order issued under Vermont statutes and related to the permit; or

(6) failure to provide certification of construction costs, as required under subsection 6083a(a) of this title, or failure to pay supplemental fees as required under that section.

(h) The ~~Natural Resources~~ Board may hear appeals of fee refund requests under section 6083a of this title. The Board shall hear appeals of decisions made by District Commissions and district coordinators.

(i) The Chair, subject to the direction of the Board, shall have general charge of the offices and employees of the Board and the offices and employees of the District Commissions.

(j) ~~The Natural Resources Board may participate as a party in all matters before the Environmental Division that relate to land use permits issued under this chapter.~~ [Repealed.]

* * *

Sec. 30. 10 V.S.A. § 6022 is amended to read:

§ 6022. PERSONNEL

(a) Regular personnel. The Board may appoint legal counsel, scientists, engineers, experts, investigators, temporary employees, and administrative personnel as it finds necessary in carrying out its duties~~, unless the Governor shall otherwise provide~~ in providing personnel to assist the District Commissions and in investigating matters within its jurisdiction.

(b) Executive Director. The Board shall appoint an Executive Director. The Director shall be a full-time State employee, shall be exempt from the State classified system, and shall serve at the pleasure of the Board. The Director shall be responsible for:

(1) supervising and administering the operation and implementation of this chapter and the rules adopted by the Board as directed by the Board;

(2) assisting the Board in its duties and administering the requirements of this chapter;

(3) employing such staff as may be required to carry out the functions of the Board; and

(4) preparing an annual budget for submission to the Board.

Sec. 31. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF REVIEW

(a) ~~On or before the date of~~ Upon the filing of an application with the District Commission, the ~~applicant~~ District Commission shall send, by electronic means, notice ~~and a copy~~ of the ~~initial~~ application to the owner of the land if the applicant is not the owner; the municipality in which the land is located; the municipal and regional planning commissions for the municipality in which the land is located; the Vermont Agency of Natural Resources; and any adjacent Vermont municipality and municipal and regional planning commission if the land is located on a municipal or regional boundary. The ~~applicant shall furnish to the~~ District Commission ~~the names of those furnished notice by affidavit, and~~ shall ~~post~~ send by electronic means a copy of the notice ~~in~~ to the town clerk's office of the town or towns in which the project lies. The town clerk shall post the notice in the town office. The applicant shall also provide a list of adjoining landowners to the District Commission. Upon request and for good cause, the District Commission may authorize the applicant to provide a partial list of adjoining landowners in accordance with Board rules.

* * *

(e) Any notice for a major or minor application~~,~~ as required by this section~~,~~ shall also be published by the District Commission in a local newspaper generally circulating in the area where the development or subdivision is located and on the Board's website not more than ten days after receipt of a complete application.

* * *

Sec. 32. 10 V.S.A. § 6086(f) is amended to read:

(f) Prior to any appeal of a permit issued by a District Commission, any aggrieved party may file a request for a stay of construction with the District Commission together with a declaration of intent to appeal the permit. The stay request shall be automatically granted for seven days upon receipt and notice to all parties and pending a ruling on the merits of the stay request pursuant to Board rules. The automatic stay shall not extend beyond the 30-day appeal period unless a valid appeal has been filed with the ~~Environmental Division~~ Board. The automatic stay may be granted only once under this subsection during the 30-day appeal period. Following appeal of the District Commission decision, any stay request must be filed with the ~~Environmental Division pursuant to the provisions of chapter 220 of this title~~ Board. A District Commission shall not stay construction authorized by a permit processed under the Board's minor application procedures.

Sec. 33. 10 V.S.A. § 6089 is amended to read:

§ 6089. APPEALS

~~Appeals of any act or decision of a District Commission under this chapter or a district coordinator under subsection 6007(c) of this title shall be made to the Environmental Division in accordance with chapter 220 of this title. For the purpose of this section, a decision of the Chair of a District Commission under section 6001c of this title on whether action has been taken to circumvent the requirements of this chapter shall be considered an act or decision of the District Commission.~~

(a)(1) An appeal of any act or decision of a District Commission shall be to the Board and shall be accompanied by a fee prescribed by section 6083a of this title.

(2) Participation before District Commission. A person shall not appeal an act or decision that was made by a District Commission unless the person was granted party status by the District Commission pursuant to subdivision 6085(c)(1)(E) of this title, participated in the proceedings before the District Commission, and retained party status at the end of the District Commission proceedings. In addition, the person may only appeal those issues under the criteria with respect to which the person was granted party status. However, notwithstanding these limitations, a person may appeal an act or decision of the District Commission if the Board determines that:

(A) there was a procedural defect that prevented the person from obtaining party status or participating in the proceeding;

(B) the decision being appealed is the grant or denial of party status; or

(C) some other condition exists that would result in manifest injustice if the person's right to appeal was disallowed.

(3) An appellant to the Board, under this section, shall file with the notice of appeal a statement of the issues to be addressed in the appeal, a summary of the evidence that will be presented, and a preliminary list of witnesses who will testify on behalf of the appellant.

(4) The Board shall hold a de novo hearing on all findings requested by any party that files an appeal or cross appeal, according to the rules of the Board. The hearing shall be held in the municipality where the project subject to the appeal is located, if possible, or as close as possible.

(5) Notice of appeal shall be filed with the Board within 30 days following the act or decision by the District Commission. The Board shall notify the parties who had party status before the District Commission of the

filing of any appeal.

(6) Prehearing discovery.

(A) A party may obtain discovery of expert witnesses who may provide testimony relevant to the appeal. Expert witness prefiled testimony shall be in accordance with the Vermont Rules of Evidence. The use of discovery for experts shall comply with the requirements in the Vermont Rules of Civil Procedure 26–37.

(B) Interrogatories served on nonexpert witnesses shall be limited to discovery of the identity of witnesses and a summary of each witness' testimony, except by order of the Board for cause shown. Interrogatories served on expert witnesses shall be in accordance with the Vermont Rules of Civil Procedure.

(C) Parties may submit requests to produce and requests to enter upon land pursuant to the Vermont Rule of Civil Procedure 34.

(D) Parties may not take depositions of witnesses, except by order of the Board for cause shown.

(E) The Board may require a party to supplement, as necessary, any prehearing testimony that is provided.

(b) Prior decisions of the former Environmental Board, Water Resources Board, Waste Facilities Panel, and Environmental Division of the Superior Court shall be given the same weight and consideration as prior decisions of the Environmental Review Board.

(c) An appeal from a decision of the Board under subsection (a) of this section shall be to the Supreme Court by a party as set forth in subsection 6085(c) of this title.

(d) No objection that has not been raised before the Board may be considered by the Supreme Court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

(e) An appeal of a decision by the Board shall be allowed pursuant to 3 V.S.A. § 815, including the unreasonableness or insufficiency of the conditions attached to a permit. An appeal from the District Commission shall be allowed for any reason, except no appeal shall be allowed when an application has been granted and no hearing was requested.

(f) Precedent from the former Environmental Board and of the Environmental Review Board that interpret Act 250 shall be provided the same deference by the Supreme Court as precedents accorded to other Executive

Branch agencies charged with administering their enabling act. On appeal to the Supreme Court from the Environmental Review Board, decisions of the Environmental Review Board interpreting this act also shall be accorded that deference.

(g) Upon appeal to the Supreme Court, the Board's findings of fact shall be accepted unless clearly erroneous.

(h) Completion of case. A case shall be deemed completed when the Board enters a final decision even though that decision is appealed to the Supreme Court and remanded by that Court.

(i) Court of record; jurisdiction. The Board shall have the powers of a court of record in the determination and adjudication of all matters within its jurisdiction. It may initiate proceedings on any matter within its jurisdiction. It may render judgments and enforce the same by any suitable process issuable by courts in this State. An order issued by the Board on any matter within its jurisdiction shall have the effect of a judicial order. The Board's jurisdiction shall include:

(1) the issuance of declaratory rulings on the applicability of this chapter and rules or orders issued under this chapter, pursuant to 3 V.S.A. § 808; and

(2) the issuance of decisions on appeals pursuant to sections 6007 and 6089 of this title.

Sec. 34. 10 V.S.A. § 6007 is amended to read:

§ 6007. ACT 250 DISCLOSURE STATEMENT; JURISDICTIONAL DETERMINATION

* * *

(c) With respect to the partition or division of land, or with respect to an activity that might or might not constitute development, any person may submit to the district coordinator an "Act 250 Disclosure Statement" and other information required by the rules of the Board and may request a jurisdictional opinion from the district coordinator concerning the applicability of this chapter. If a requestor wishes a final determination to be rendered on the question, the district coordinator, at the expense of the requestor and in accordance with rules of the Board, shall publish notice of the issuance of the opinion in a local newspaper generally circulating in the area where the land that is the subject of the opinion is located and shall serve the opinion on all persons listed in subdivisions 6085(c)(1)(A) through (D) of this title. In addition, the requestor who is seeking a final determination shall consult with the district coordinator and obtain approval of a subdivision 6085(c)(1)(E) list

of persons who shall be notified by the district coordinator because they are adjoining property owners or other persons who would be likely to be able to demonstrate a particularized interest protected by this chapter that may be affected by an act or decision by a District Commission.

(d) A person who seeks review of a jurisdictional opinion issued by a district coordinator may bring to the Board an appeal of issues addressed in the opinion.

(1) The appellant shall provide notice of the filing of an appeal to each person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this title and to each person on an approved subdivision 6085(c)(1)(E) list.

(2) Failure to appeal within 30 days following the issuance of the jurisdictional opinion shall render the decision of the district coordinator under subsection (c) of this section the final determination regarding jurisdiction unless the underlying jurisdictional opinion was not properly served on persons listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved under subsection (c) of this section.

Sec. 35. 10 V.S.A. § 6083a is amended to read:

§ 6083a. ACT 250 FEES

* * *

(i) All persons filing an appeal, cross appeal, or petition from a District Commission decision or jurisdictional determination shall pay a fee of $295.00, plus publication costs.

* * * Appeals * * *

Sec. 36. 10 V.S.A. chapter 220 is amended to read:

CHAPTER 220. CONSOLIDATED ENVIRONMENTAL APPEALS

§ 8501. PURPOSE

It is the purpose of this chapter to:

(1) consolidate existing appeal routes for municipal zoning and subdivision decisions and acts or decisions of the Secretary of Natural Resources~~, district environmental coordinators, and District Commissions,~~ excluding enforcement actions brought pursuant to chapters 201 and 211 of this title and the adoption of rules under 3 V.S.A. chapter 25;

(2) standardize the appeal periods, the parties who may appeal these acts or decisions, and the ability to stay any act or decision upon appeal, taking into

account the nature of the different programs affected;

(3) ~~encourage people to get involved in the Act 250 permitting process at the initial stages of review by a District Commission by requiring participation as a prerequisite for an appeal of a District Commission decision to the Environmental Division;~~

~~(4)~~ ~~assure~~ ensure that clear appeal routes exist for acts and decisions of the Secretary of Natural Resources; and

~~(5)~~(4) consolidate appeals of decisions related to renewable energy generation plants and telecommunications facilities with review under, respectively, 30 V.S.A. §§ 248 and 248a, with appeals and consolidation of proceedings pertaining to telecommunications facilities occurring only while 30 V.S.A. § 248a remains in effect.

§ 8502. DEFINITIONS

As used in this chapter:

(1) ~~"District Commission" means a District Environmental Commission established under chapter 151 of this title.~~ [Repealed.]

(2) ~~"District coordinator" means a district environmental coordinator attached to a District Commission established under chapter 151 of this title.~~ [Repealed.]

(3) "Environmental Court" or "Environmental Division" means the Environmental Division of the Superior Court established by 4 V.S.A. § 30.

(4) "~~Natural Resources~~ Environmental Review Board" or "Board" means the Board established under chapter 151 of this title.

(5) "Party by right" means the following:

(A) the applicant;

(B) the landowner, if the applicant is not the landowner;

(C) the municipality in which the project site is located and the municipal and regional planning commissions for that municipality;

(D) if the project site is located on a boundary, any Vermont municipality adjacent to that border and the municipal and regional planning commissions for that municipality;

(E) the solid waste management district in which the land is located, if the development or subdivision constitutes a facility pursuant to subdivision 6602(10) of this title;

(F) any State agency affected by the proposed project.

(6) "Person" means any individual; partnership; company; corporation; association; joint venture; trust; municipality; the State of Vermont or any agency, department, or subdivision of the State; any federal agency; or any other legal or commercial entity.

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title~~,~~ attributable to an act or decision by ~~a district coordinator, District Commission,~~ the Secretary~~,~~ or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

(8) "Secretary" means the Secretary of Natural Resources or the Secretary's duly authorized representative. As used in this chapter, "Secretary" shall also mean the Commissioner of Environmental Conservation, the Commissioner of Forests, Parks and Recreation, and the Commissioner of Fish and Wildlife, with respect to those statutes that refer to the authority of that commissioner or department.

§ 8503. APPLICABILITY

(a) This chapter shall govern all appeals of an act or decision of the Secretary, excluding enforcement actions under chapters 201 and 211 of this title and rulemaking, under the following authorities and under the rules adopted under those authorities:

* * *

(b) ~~This chapter shall govern:~~

~~(1) all appeals from an act or decision of a District Commission under chapter 151 of this title, excluding appeals of application fee refund requests;~~

~~(2) appeals from an act or decision of a district coordinator under subsection 6007(c) of this title;~~

~~(3) appeals from findings of fact and conclusions of law issued by the Natural Resources Board in its review of a designated growth center for conformance with the criteria of subsection 6086(a) of this title, pursuant to authority granted at 24 V.S.A. § 2793c(f).~~ [Repealed.]

(c) This chapter shall govern all appeals arising under 24 V.S.A. chapter 117, the planning and zoning chapter.

(d) This chapter shall govern all appeals from an act or decision of the Environmental Division under this chapter.

(e) This chapter shall not govern appeals from rulemaking decisions by the ~~Natural Resources~~ Environmental Review Board under chapter 151 of this title

or enforcement actions under chapters 201 and 211 of this title.

(f) This chapter shall govern all appeals of acts or decisions of the legislative body of a municipality arising under 24 V.S.A. chapter 61, subchapter 10, relating to the municipal certificate of approved location for salvage yards.

(g) This chapter shall govern all appeals of an act or decision of the Secretary of Natural Resources that a solid waste implementation plan for a municipality proposed under 24 V.S.A. § 2202a conforms with the State Solid Waste Implementation Plan adopted pursuant to section 6604 of this title.

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

(a) ~~Act 250 and~~ Agency appeals. Within 30 days of the date ~~of~~ following the act or decision, any person aggrieved by an act or decision of the Secretary~~, a District Commission, or a district coordinator~~ under the provisions of law listed in section 8503 of this title, or any party by right, may appeal to the Environmental Division, except for an act or decision of the Secretary under subdivision 6086b(3)(E) of this title or governed by section 8506 of this title.

* * *

(c) Notice of the filing of an appeal.

(1) ~~Upon filing an appeal from an act or decision of the District Commission, the appellant shall notify all parties who had party status as of the end of the District Commission proceeding, all friends of the Commission, and the Natural Resources Board that an appeal is being filed. In addition, the appellant shall publish notice not more than 10 days after providing notice as required under this subsection, at the appellant's expense, in a newspaper of general circulation in the area of the project that is the subject of the decision.~~ [Repealed.]

* * *

(d) Requirement to participate before ~~the District Commission or~~ the Secretary.

(1) ~~Participation before District Commission. An aggrieved person shall not appeal an act or decision that was made by a District Commission unless the person was granted party status by the District Commission pursuant to subdivision 6085(c)(1)(E) of this title, participated in the proceedings before the District Commission, and retained party status at the end of the District Commission proceedings. In addition, the person may only appeal those issues under the criteria with respect to which the person was granted party status. However, notwithstanding these limitations, an aggrieved person may appeal~~

~~an act or decision of the District Commission if the Environmental judge determines that:~~

~~(A) there was a procedural defect that prevented the person from obtaining party status or participating in the proceeding;~~

~~(B) the decision being appealed is the grant or denial of party status; or~~

~~(C) some other condition exists that would result in manifest injustice if the person's right to appeal was disallowed.~~ [Repealed.]

(2) Participation before the Secretary.

* * *

(e) ~~Act 250 jurisdictional determinations by a district coordinator.~~

~~(1) The appellant shall provide notice of the filing of an appeal to each person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this title, to each person on an approved subdivision 6085(c)(1)(E) list, and to the Natural Resources Board.~~

~~(2) Failure to appeal within the time required under subsection (a) of this section shall render the decision of the district coordinator under subsection 6007(c) of this title the final determination regarding jurisdiction under chapter 151 of this title unless the underlying jurisdictional opinion was not properly served on persons listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved under subsection 6007(c) of this title.~~ [Repealed.]

* * *

(g) Consolidated appeals. The Environmental Division may consolidate or coordinate different appeals where those appeals all relate to the same project.

* * *

(i) ~~Deference to Agency technical determinations. In the adjudication of appeals relating to land use permits under chapter 151 of this title, technical determinations of the Secretary shall be accorded the same deference as they are accorded by a District Commission under subsection 6086(d) of this title.~~ [Repealed.]

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section~~:~~,

~~(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;~~

~~(2)~~ a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal~~;~~

~~(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days of the date of that decision~~.

(l) Representation. The Secretary may represent the Agency of Natural Resources in all appeals under this section. ~~The Chair of the Natural Resources Board may represent the Board in any appeal under this section, unless the Board directs otherwise.~~ If more than one State agency~~, other than the Board,~~ either appeals or seeks to intervene in an appeal under this section, only the Attorney General may represent the interests of those agencies of the State in the appeal.

(m) Precedent. Prior decisions of the Environmental Board, Water Resources Board, and Waste Facilities Panel shall be given the same weight and consideration as prior decisions of the Environmental Division.

(n) Intervention. Any person may intervene in a pending appeal if that person:

(1) appeared as a party in the action appealed from and retained party status;

(2) is a party by right;

(3) ~~is the Natural Resources Board;~~ [Repealed.]

(4) is a person aggrieved, as defined in this chapter;

(5) qualifies as an "interested person," as established in 24 V.S.A. § 4465, with respect to appeals under 24 V.S.A. chapter 117; or

(6) meets the standard for intervention established in the Vermont Rules of Civil Procedure.

(o) With respect to review of an act or decision of the Secretary pursuant to 3 V.S.A. § 2809, the Division may reverse the act or decision or amend an allocation of costs to an applicant only if the Division determines that the act, decision, or allocation was arbitrary, capricious, or an abuse of discretion. In the absence of such a determination, the Division shall require the applicant to pay the Secretary all costs assessed pursuant to 3 V.S.A. § 2809.

(p) Administrative record. The Secretary shall certify the administrative record as defined in chapter 170 of this title and shall transfer a certified copy of that record to the Environmental Division when~~:~~

~~(1)~~ there is an appeal of an act or decision of the Secretary that is based on that record~~; or~~

~~(2) there is an appeal of a decision of a District Commission, and the applicant used a decision of the Secretary based on that record to create a presumption under a criterion of subsection 6086(a) of this title that is at issue in the appeal~~.

§ 8505. APPEALS TO THE SUPREME COURT

(a) Any person aggrieved by a decision of the Environmental Division pursuant to this subchapter, any party by right, or any person aggrieved by a decision of the Environmental Review Board may appeal to the Supreme Court within 30 days ~~of~~ following the date of the entry of the order or judgment appealed from, provided that:

(1) the person was a party to the proceeding before the Environmental Division; ~~or~~

(2) the decision being appealed is the denial of party status; or

(3) the Supreme Court determines that:

(A) there was a procedural defect that prevented the person from participating in the proceeding; or

(B) some other condition exists that would result in manifest injustice if the person's right to appeal were disallowed.

* * *

* * * Environmental Division * * *

Sec. 37. 4 V.S.A. § 34 is amended to read:

§ 34. JURISDICTION; ENVIRONMENTAL DIVISION

The Environmental Division shall have:

(1) jurisdiction of matters arising under 10 V.S.A. chapters 201 and 220; and

(2) jurisdiction of matters arising under 24 V.S.A. chapter 61, subchapter 12 and 24 V.S.A. chapter 117~~; and~~

~~(3) original jurisdiction to revoke permits under 10 V.S.A. chapter 151.~~

* * * Appropriation; Transition; Revision Authority * * *

Sec. 38. ENVIRONMENTAL REVIEW BOARD POSITIONS; APPROPRIATION

(a) The following new positions are created at the Environmental Review Board for the purposes of carrying out this act:

(1) one Staff Attorney 1; and

(2) four half-time Environmental Review Board members.

(b) The sum of $384,000.00 is appropriated to the Environmental Review Board from the General Fund in fiscal year 2023 for the positions established in subsection (a) of this section and for additional operating costs required to implement the appeals process established in this act.

Sec. 39. NATURAL RESOURCES BOARD TRANSITION

(a) The Governor shall appoint the members of Environmental Review Board on or before July 1, 2023, and the terms of any Natural Resources Board member not appointed consistent with the requirements of 10 V.S.A. § 6021(a)(1)(A) or (B) shall expire on that day.

(b) As of July 1, 2023, all appropriations and employee positions of the Natural Resources Board are transferred to the Environmental Review Board.

(c) The Environmental Review Board shall adopt rules of procedure for its hearing process pursuant to 10 V.S.A. § 6025(a) on or before July 1, 2024.

Sec. 40. ENVIRONMENTAL DIVISION; CONTINUED JURISDICTION

Notwithstanding the repeal of its jurisdictional authority to hear appeals relative to land use permits under Sec. 36 of this act, the Environmental Division of the Superior Court shall continue to have jurisdiction to complete its consideration of any appeal that is pending before it as of July 1, 2024 if the act or appeal has been filed. The Environmental Review Board shall have authority to be a party in any appeals pending under this section until July 1, 2024.

Sec. 41. REVISION AUTHORITY

In preparing the Vermont Statutes Annotated for publication in 2022, the Office of Legislative Counsel shall replace all references to the "Natural Resources Board" with the "Environmental Review Board" in Title 3, Title 10, Title 24, Title 29, Title 30, and Title 32.

* * * Effective Dates * * *

Sec. 42. EFFECTIVE DATES

This act shall take effect on passage except that Sec. 14 (10 V.S.A. § 6086(a)(8)) shall take effect on September 1, 2024 and Secs. 36 and 37 (10 V.S.A. chapter 220; 4 V.S.A. § 34) shall take effect on July 1, 2024.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senator Chittenden moved that the Senate concur in the House proposal of amendment with amendments as follows:

First: By striking out Secs. 13-16, forest blocks, and their reading assistance heading in their entireties

Second: By striking out Secs. 25–41, Natural Resources Board, and their reader assistance headings in their entireties and by renumbering the remaining sections to be numerically correct

Third: By striking out the newly renumbered Sec. 21, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 21. EFFECTIVE DATE

This act shall take effect on passage.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment with further proposals of amendment?, Senator Chittenden requested and was granted leave to withdraw the proposal of amendment.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senator Sears moved that the Senate concur in the House proposal of amendment with an amendment as follows:

In Sec. 25 by striking out the following: "This change would allow the Act 250 program to return to how it was originally envisioned when enacted by being a citizen-friendly process."

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment with further proposal of amendment, as proposed by Senator Sears?, Senator Balint moved that the Senate adjourn until one o'clock and thirty minutes in the afternoon.

Called to Order

The Senate was called to order by the President.

House Proposal of Amendment Concurred In with Amendment; Point of Order; Rules Suspended; Bill Messaged

S. 226.

House proposal of amendment to Senate bill entitled:

An act relating to expanding access to safe and affordable housing.

Was taken up.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * First-Generation Homebuyers * * *

Sec. 1. 32 V.S.A. 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

* * *

(b) Eligible tax credit allocations.

* * *

(3) Down Payment Assistance Program.

(A) The Vermont Housing Finance Agency shall have the authority to allocate affordable housing tax credits to finance down payment assistance loans that meet the following requirements:

(i) the loan is made in connection with a mortgage through an Agency program;

(ii) the borrower is a first-time home buyer of an owner-occupied primary residence; and

(iii) the borrower uses the loan for the borrower's down payment or closing costs, or both.

(B) The Agency shall require the borrower to repay the loan upon the transfer or refinance of the residence.

(C) The Agency shall use the proceeds of loans made under the Program for future down payment assistance.

(D) The Agency may reserve funding and adopt guidelines to provide grants to first-time homebuyers who are also first-generation homebuyers.

* * *

Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION; APPROPRIATION

(a) Guidelines. The Vermont Housing Finance Agency shall adopt guidelines and procedures for the provision of grants to first-generation homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the criteria of the Down Payment Assistance Program implemented pursuant to 32 V.S.A. § 5930u(b)(3) and with this section.

(b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a "first-generation homebuyer" means an applicant who self-attests that the applicant is an individual:

(1)(A) whose parents or legal guardians do not have any present residential ownership interest in any State; and

(B) whose spouse, or domestic partner, and each member of whose household has not, during the three-year period ending upon acquisition of the eligible home to be acquired, had any present ownership interest in a principal residence in any State; or

(2) is an individual who has at any time been placed in foster care.

(c) Outreach. Recognizing that Black, Indigenous, and Persons of Color have historically not had access to capital for homeownership purchases and have been systemically discriminated against in the housing market, the Agency shall work with Vermont chapters of the NAACP, AALV, and USCRI; the Executive Director of Racial Equity; the Vermont Commission on Native American Affairs; and local racial justice organizations to develop a plan of active outreach and implementation to ensure that down payment assistance opportunities are effectively communicated, and that funds are equitably available, to communities of Vermonters who have historically suffered housing discrimination.

(d) Of the amounts appropriated to the Department of Housing and Community Development in 2021 Acts and Resolves No. 74, the Department shall transfer $1,000,000.00 to the Vermont Housing Finance Agency to provide grants pursuant to 32 V.S.A. § 5930u(b)(3)(D) and for the costs of administration and outreach pursuant to this section.

* * * Manufactured Home Relocation Incentives * * *

Sec. 3. MANUFACTURED HOME IMPROVEMENT AND REPLACEMENT PROGRAM

Of the amounts available from federal COVID-19 relief funds, the following amounts are appropriated to the Department of Housing and Community Development for the purposes specified:

(1) $2,500,000.00 for manufactured home community small-scale capital grants, through which the Department may award not more than $20,000.00 for owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, which may include projects such as disposal of abandoned homes, lot grading/preparation, site electrical box issues/upgrades, E911 safety issues, legal fees, transporting homes out of flood zones, individual septic system, and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) $750,000.00 for manufactured home repair grants, through which the Department may award funding for minor rehab or accessibility projects, coordinated as possible with existing programs, for between 250 and 400 existing homes where the home is otherwise in good condition or in situations where the owner is unable to replace the home and the repair will keep them housed.

(3) $750,000.00 for new manufactured home foundation grants, through which the Department may award not more than $15,000.00 per grant for a homeowner to pay for a foundation or HUD-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within manufactured home communities.

* * * New Approaches to Creating Housing * * *

Sec. 4. COMMUNITY PARTNERSHIP FOR NEIGHBORHOOD DEVELOPMENT

(a) The Department of Housing and Community Development shall lead a Community Partnership for Neighborhood Development Program, which shall be a collaborative among municipalities, nonprofit and for-profit developers, State agencies, employers, and other relevant stakeholders to develop a pilot neighborhood and demonstrate how new partnership models for targeted and coordinated investments can support the development of ~~at least 300~~ homes in inclusive, smart growth neighborhoods.

(b) The Program shall be steered by a Housing Equity Council with representatives from the Vermont Department of Housing Community Development, the Vermont Housing Finance Agency, the Agency of Natural Resources, the Agency of Transportation, the Department of Public Service, the Vermont Bond Bank, the Vermont Economic Development Authority, the Vermont Housing and Conservation Board, the Vermont Association of

Planning and Development Agencies, the Vermont League of Cities and Towns, and the Vermont Regional Development Corporations.

(c) The Council shall consider and recommend to the Department of Housing and Community Development ~~at least three~~ a pilot neighborhood development project ~~in three separate regional planning commission regions~~ using a competitive process to select ~~municipalities~~ a municipality able to demonstrate need, collaboration, preliminary planning, bylaw modernization, and budgetary commitments to support smart growth and housing development in a location within or up to one quarter of a mile from a neighborhood planning area, as defined in 24 V.S.A. § 2791, or a location that otherwise represent a logical extension of an existing compact settlement pattern that is consistent with smart-growth principles.

(d) Through the Program, the Department and the Council shall coordinate with the pilot municipality through 2026 on the strategic use of public resources to create a development-ready framework for new and infill neighborhood development and construction-ready building lots through the integrated coordination of the following:

(1) State, regional, and municipal planning;

(2) State and municipal regulation;

(3) land acquisition and land banking;

(4) physical improvement planning, design, and scoping;

(5) capital investment in infrastructure;

(6) financing and funding, including funding from the American Rescue Plan Act and Infrastructure Investment and Jobs Act;

(7) lot and building development by private and nonprofit developers; and

(8) the sale or leasing of homes.

(e) The Department and the Council shall seek to achieve the following goals through the Program:

(1) The development of a neighborhood that:

(A) is compact and human-scaled, with a density of at least eight dwelling units per acre, including modestly sized dwellings on small lots;

(B) is characteristic of Vermont's smart growth principles, as provided in 24 V.S.A. § 2791;

(C) is located in proximity to existing residential, employment, and civic uses;

(D) provides for a mix of housing types, styles, tenure, and sizes to accommodate diverse households of varying composition, age, and income, including not less than 25 percent of the units with perpetual affordability and 35 percent of the homes affordable at 80 percent of the area median income;

(E) provides for a mix of transportation modes with interconnected streets and sidewalks; and

(F) is designed in a manner that enhances historic resources, climate readiness, energy efficiency, environmental quality, resident health, and overall livability.

(2) A successful model for the acquisition or banking of developable- or development-ready land for new neighborhood development or infill development within an existing, developed neighborhood.

(3) A successful model for the integration of planning and implementation for water, sewer, and other public utilities and services with land use planning and transportation investments in new or upgraded streets.

(f) $1,000,000.00 is appropriated from the American Recue Plan Act (ARPA) recovery funds to the Department of Housing and Community Development for predevelopment grants that implement this section, which may fund municipal planning, site control, land acquisition, design, scoping, and surveying for the development of a pilot neighborhood.

(g) Of the amounts appropriated in this section, the Department may reserve not more than $100,000.00 for related administrative expenses through fiscal year 2026.

(h) The Agency of Natural Resources and the Agency of Transportation shall report back to the General Assembly on or before December 15, 2024 on financial contributions the agencies can make to the Program's pilot neighborhood.

(i) The Department of Housing and Community Development shall report back to the General Assembly on the results of the Program on or before December 15, 2026.

* * * Downtown and Village Center Tax Credit Program * * *

Sec. 5. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

(1) "Qualified applicant" means an owner or lessee of a qualified building involving a qualified project~~,~~ but does not include a State or federal agency or a political subdivision of either; or an instrumentality of the United States.

(2) "Qualified building" means a building built at least 30 years before the date of application, located within a designated downtown ~~or~~, village center, or neighborhood development area, which, upon completion of the project supported by the tax credit, will be an income-producing building not used solely as a single-family residence. Churches and other buildings owned by religious organization may be qualified buildings, but in no event shall tax credits be used for religious worship.

(3) "Qualified code improvement project" means a project:

(A) to install or improve platform lifts suitable for transporting personal mobility devices, limited use or limited application elevators, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the Department of Public Safety;

(B) to abate lead paint conditions or other substances hazardous to human health or safety in a qualified building; or

(C) to redevelop a contaminated property in a designated downtown ~~or~~, village center, or neighborhood development area under a plan approved by the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

(4) "Qualified expenditures" means construction-related expenses of the taxpayer directly related to the project for which the tax credit is sought but excluding any expenses related to a private residence.

(5) "Qualified façade improvement project" means the rehabilitation of the façade of a qualified building that contributes to the integrity of the designated downtown ~~or~~, designated village center, or neighborhood development area. Façade improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places must be consistent with Secretary of the Interior Standards, as determined by the Vermont Division for Historic Preservation.

(6) "Qualified Flood Mitigation Project" means any combination of structural and nonstructural changes to a building located within the flood hazard area as mapped by the Federal Emergency Management Agency that reduces or eliminates flood damage to the building or its contents. The project

shall comply with the municipality's adopted flood hazard bylaw, if applicable, and a certificate of completion shall be submitted by a registered engineer, architect, qualified contractor, or qualified local official to the State Board. Improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places shall be consistent with Secretary of the Interior's Standards for Rehabilitation, as determined by the Vermont Division for Historic Preservation.

(7) "Qualified historic rehabilitation project" means an historic rehabilitation project that has received federal certification for the rehabilitation project.

~~(7)~~(8) "Qualified project" means a qualified code improvement, qualified façade improvement, or qualified historic rehabilitation project as defined by this subchapter.

~~(8)~~(9) "State Board" means the Vermont Downtown Development Board established pursuant to 24 V.S.A. chapter 76A.

Sec. 6. 32 V.S.A. § 5930bb is amended to read:

§ 5930bb. ELIGIBILITY AND ADMINISTRATION

* * *

(e) Availability of Neighborhood Development Area tax credits. Beginning on July 1, 2025, under this subchapter no new tax credit may be allocated by the State Board to a qualified building located in a neighborhood development area unless specific funds have been appropriated for that purpose.

Sec. 7. 24 V.S.A. § 2793a is amended to read:

§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

* * *

(c) A village center designated by the State Board pursuant to subsection (a) of this section is eligible for the following development incentives and benefits:

* * *

(4) ~~The following State tax credits for projects located in a designated village center:~~

~~(A) A State historic rehabilitation tax credit of ten percent under 32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation tax credit.~~

~~(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930cc(b).~~

~~(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930cc(c)~~ The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.

* * *

Sec. 8. 24 V.S.A. § 2793e is amended to read:

§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF NEIGHBORHOOD DEVELOPMENT AREAS

* * *

(f) Neighborhood development area incentives for developers. Once a municipality has a designated neighborhood development area or has a Vermont neighborhood designation pursuant to section 2793d of this title, any proposed development within that area shall be eligible for each of the benefits listed in this subsection. These benefits shall accrue upon approval by the district coordinator, who shall review the density requirements set forth in subdivision (c)(7) of this section to determine benefit eligibility and issue a jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density requirements are met. These benefits are:

(1) ~~The~~ the application fee limit for wastewater applications stated in 3 V.S.A. § 2822(j)(4)(D)~~.~~;

(2) ~~The~~ the application fee reduction for residential development stated in 10 V.S.A. § 6083a(d)~~.~~;

(3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A. § 10002(p); and

(4) eligibility for the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.

* * *

Sec. 9. 24 V.S.A. § 2794 is amended to read:

§ 2794. INCENTIVES FOR PROGRAM DESIGNEES

(a) Upon designation by the Vermont Downtown Development Board under section 2793 of this title, a downtown development district and projects in a downtown development district shall be eligible for the following:

(1) Priority consideration by any agency of the State administering any State or federal assistance program providing funding or other aid to a municipal downtown area with consideration given to such factors as the costs

and benefits provided and the immediacy of those benefits, provided the project is eligible for the assistance program.

(2) ~~The following State tax credits:~~

~~(A) A State historic rehabilitation tax credit of 10 percent under 32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation tax credit.~~

~~(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930cc(b).~~

~~(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930cc(c)~~ The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.

* * *

Sec. 10. 32 V.S.A. § 5930cc is amended to read:

§ 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX CREDITS

* * *

(d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood mitigation project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of $75,000.00.

* * * Missing Middle Housing * * *

Sec. 11. MISSING MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT PILOT PROGRAM

(a) The following amounts are appropriated from the America Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Housing and Community Development to grant to the Vermont Housing Finance Agency to establish the Missing Middle-Income Homeownership Development Pilot Program:

(1) $5,000,000.00 in fiscal year 2022; and

(2) $10,000,000.00 in fiscal year 2023.

(b) As used in this section:

(1) "Affordable owner-occupied housing" means owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.

(2) "Income-eligible homebuyer" means a Vermont household with annual income that does not exceed 120 percent of area median income.

(c) The Agency shall use the funds appropriated in this section to provide subsidies for new construction or acquisition and substantial rehabilitation of affordable owner-occupied housing for purchase by income-eligible homebuyers.

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, which the Agency may allocate consistent with the following:

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the market value of the home as completed.

(2) Affordability subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy for the benefit of the homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, or uses another legal mechanism, to ensure that, to the extent the home value has risen, the amount of the subsidy remains with the home to offset the cost to future homebuyers; or

(B) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

(3) The Agency shall allocate not less than 33 percent of the funds available through the Program to projects that include a housing subsidy covenant consistent with subdivision (2)(B) of this subsection.

(e) The Agency shall adopt a Program plan that establishes application and selection criteria, including:

(1) project location;

(2) geographic distribution;

(3) leveraging of other programs;

(4) housing market needs;

(5) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;

(6) construction standards, including considerations for size;

(7) priority for plans with deeper affordability and longer duration of affordability requirements;

(8) sponsor characteristics;

(9) energy efficiency of the development; and

(10) historic nature of the project.

(f) The Agency may assign its rights under any investment or subsidy made under this section to the Vermont Housing and Conservation Board or any State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3), provided such assignee acknowledges and agrees to comply with the provisions of this section.

(g) The Agency shall ensure that initial investments made under this Program are obligated by December 31, 2024 and expended by December 31, 2026.

(h) The Department shall report to the House Committee on Housing, General, and Military Affairs and Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15, through 2027.

* * * Residential Construction Contractors * * *

Sec. 12. FINDINGS

The General Assembly finds that:

(1) There is currently no master list of residential construction contractors operating in the State.

(2) There is no standard process for determining or adjudicating construction contract fraud complaints either on the part of contractors or consumers.

(3) Public authorities have no mechanism to contact all contractors when necessary to provide updates to public health requirements, safe working protocols, codes and standards, available trainings and certifications, or building incentives or construction subsidies.

(4) Wide dissemination of information on codes, standards, and trainings is vital to improving construction techniques throughout the State's construction industry. Since building thermal conditioning represents over one-quarter of the State's greenhouse gas emissions, improving energy

performance is a key strategy for meeting the requirements of the Global Warming Solutions Act, 2020 Acts and Resolves No. 153.

(5) While registration is not licensure and confers no assurance of competence, consumers have no way of knowing whether a contractor is operating legally or has been subject to civil claims or disciplinary actions.

(6) A noncommercial, standardized public listing will provide contractors an opportunity to include in their record optional third-party, State-sanctioned certifications.

Sec. 13. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

* * *

(51) Residential Contractors.

Sec. 14. 26 V.S.A. chapter 106 is added to read:

CHAPTER 106. RESIDENTIAL CONTRACTORS

Subchapter 1. General Provisions

§ 5501. REGISTRATION REQUIRED

(a) A person shall register with the Office of Professional Regulation prior to contracting with a homeowner to perform residential construction in exchange for consideration of more than $10,000.00, including labor and materials.

(b) Unless otherwise exempt under section 5502 of this title, as used in this chapter, "residential construction" means to build, demolish, or alter a residential dwelling unit, or a building or premises with four or fewer residential dwelling units, in this State, and includes interior and exterior construction, renovation, and repair; painting; paving; roofing; weatherization; installation or repair of heating, plumbing, solar, electrical, water, or wastewater systems; and other activities the Office specifies by rule consistent with this chapter.

§ 5502. EXEMPTIONS

This chapter does not apply to:

(1) an employee acting within the scope of his or her employment for a business organization registered under this chapter;

(2)(A) a professional engineer, licensed architect, or a tradesperson licensed, registered, or certified by the Department of Public Safety acting within the scope of his or her license, registration, or certification; or

(B) a business that performs residential construction if the work is performed primarily by or under the direct supervision of one or more employees who are individually exempt from registration under subdivision (2)(A) of this section;

(3) delivery or installation of consumer appliances, audio-visual equipment, telephone equipment, or computer network equipment;

(4) landscaping;

(5) work on a structure that is not attached to a residential building; or

(6) work that would otherwise require registration that a person performs in response to an emergency, provided the person applies for registration within a reasonable time after performing the work.

§ 5503. MANDATORY REGISTRATION AND VOLUNTARY CERTIFICATION DISTINGUISHED

(a)(1) The system of mandatory registration established by this chapter is intended to protect against fraud, deception, breach of contract, and violations of law, but is not intended to establish standards for professional qualifications or workmanship that is otherwise lawful.

(2) The provisions of 3 V.S.A. § 129a, with respect to a registration, shall be construed in a manner consistent with the limitations of this subsection.

(b) The system of voluntary certification established in this chapter is intended to provide consumers and contractors with a publicly available, noncommercial venue for contractors to list optional approved certifications. The Director of Professional Regulation, in consultation with public safety officials and recognized associations or boards of builders, remodelers, architects, and engineers, may:

(1) adopt rules providing for the issuance of voluntary certifications, as defined in subdivision 3101a(1) of this title, that signify demonstrated

competence in particular subfields and specialties related to residential construction;

(2) establish minimum qualifications, and standards for performance and conduct, necessary for certification; and

(3) discipline a certificant for violating adopted standards or other law, with or without affecting the underlying registration.

Subchapter 2. Administration

§ 5505. DUTIES OF THE DIRECTOR

(a) The Director of Professional Regulation shall:

(1) provide information to the public concerning registration, certification, appeal procedures, and complaint procedures;

(2) administer fees established under this chapter;

(3) receive applications for registration or certification, issue registrations and certifications to applicants qualified under this chapter, deny or renew registrations or certifications, and issue, revoke, suspend, condition, and reinstate registrations and certifications as ordered by an administrative law officer;

(4) prepare and maintain a registry of registrants and certificants; and

(5) use the registry to timely communicate with registrants and certificants concerning issues of health and safety, building codes, environmental and energy issues, and State and federal incentive programs.

(b) The Director, after consultation with an advisor appointed pursuant to section 5506 of this title, may adopt rules to implement this chapter.

§ 5506. ADVISORS

(a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A. § 129b to serve as advisors in matters relating to residential contractors and construction.

(b) To be eligible to serve, an advisor shall:

(1) register under this chapter;

(2) have at least three years' experience in residential construction immediately preceding appointment; and

(3) remain active in the profession during his or her service.

(c) The Director of Professional Regulation shall seek the advice of the advisors in implementing this chapter.

§ 5507. FEES

A person regulated under this chapter shall pay the following fees at initial application and biennial renewal:

(1) Registration, individual: $75.00.

(2) Registration, business organization: $250.00.

(3) State certifications: $75.00 for a first certification and $25.00 for each additional certification.

Subchapter 3. Registrations

§ 5508. ELIGIBILITY

To be eligible for registration, the Director of Professional Regulation shall find that the applicant is in compliance with the provisions of this chapter and applicable State law and has satisfied any judgment order related to the provision of professional services to a homeowner.

§ 5509. REQUIREMENTS OF REGISTRANTS

(a) Insurance. A person registered under this chapter shall maintain minimum liability insurance coverage in the amount of $1,000,000.00 per occurrence and $2,000,000.00 aggregate, evidence of which may be required as a precondition to issuance or renewal of a registration.

(b) Writing.

(1) A person registered under this chapter shall execute a written contract prior to receiving a deposit or commencing residential construction work if the estimated value of the labor and materials exceeds $10,000.00.

(2) A contract shall specify:

(A) Price. One of the following provisions for the price of the contract:

(i) a maximum price for all work and materials;

(ii) a statement that billing and payment will be made on a time and materials basis, not to exceed a maximum price; or

(iii) a statement that billing and payment will be made on a time and materials basis and that there is no maximum price.

(B) Work dates. Estimated start and completion dates.

(C) Scope of work. A description of the services to be performed and a description of the materials to be used.

(D) Change order provision. A description of how and when amendments to the contract may be approved and documented, as agreed by the parties.

(3) The parties shall document an amendment to the contract in a signed writing.

(c) Down payment.

(1) If a contract specifies a maximum price for all work and materials or a statement that billing and payment will be made on a time and materials basis, not to exceed a maximum price, the contract may require a down payment of up to one-half of the cost of labor to the consumer, or one-half of the price of materials, whichever is greater.

(2) If a contract specifies that billing and payment will be made on a time and materials basis and that there is no maximum price, the contract may require a down payment as negotiated by the parties.

§ 5510. PROHIBITIONS AND REMEDIES

(a) A person who does not register as required pursuant to this chapter may be subject to an injunction or a civil penalty, or both, for unauthorized practice as provided in 3 V.S.A. § 127(b).

(b) The Office of Professional Regulation may discipline a registrant or certificant for unprofessional conduct as provided in 3 V.S.A. § 129a, except that 3 V.S.A. § 129a(b) does not apply to a registrant.

(c) The following conduct by a registrant, certificant, applicant, or person who later becomes an applicant constitutes unprofessional conduct:

(1) failure to enter into a written contract when required by this chapter;

(2) failure to maintain liability or workers' compensation insurance as required by law;

(3) committing a deceptive act in commerce in violation of 9 V.S.A. § 2453;

(4) falsely claiming certification under this chapter, provided that this subdivision does not prevent accurate and nonmisleading advertising or statements related to credentials that are not offered by this State; and

(5) selling or fraudulently obtaining or furnishing a certificate of registration, certification, license, or any other related document or record, or

assisting another person in doing so, including by reincorporating or altering a trade name for the purpose or with the effect of evading or masking revocation, suspension, or discipline against a registration issued under this chapter.

Sec. 15. IMPLEMENTATION

(a) Notwithstanding any contrary provision of 26 V.S.A. chapter 106:

(1) The initial biennial registration term for residential contractors pursuant to 26 V.S.A. chapter 106 shall begin on April 1, 2023.

(2) The Secretary of State may begin receiving applications for the initial registration term on December 1, 2022.

(3)(A) The registration fee for individuals who submit complete registration requests between December 1, 2022 and March 31, 2023 is $25.00 and between April 1, 2023 and March 31, 2024, the fee is $50.00.

(B) The registration fee for business organizations that submit complete registration requests between December 1, 2022 and March 31, 2023 is $175.00 and between April 1, 2023 and March 31, 2024, the fee is $200.00.

(4) Prior to April 1, 2024, the Office of Professional Regulation shall not take any enforcement action for unauthorized practice under 26 V.S.A. § 5510(a) against a residential contractor who fails to register as required by this act.

(b) On or before July 1, 2023, the Director of Professional Regulation shall establish an initial set of voluntary certifications, to include at minimum OSHA standards on construction projects and components of energy-efficient "green" building for insulators, carpenters, and heating and ventilation installers.

Sec. 16. CREATION OF POSITIONS WITHIN THE OFFICE OF PROFESSIONAL REGULATION; LICENSING

(a) There are created within the Secretary of State's Office of Professional Regulation one new position in licensing and one new position in enforcement.

(b) In fiscal year 2023, the amount of $200,000.00 in Office of Professional Regulation special funds is appropriated to the Secretary of State to fund the positions created in subsection (a) of this section.

Sec. 17. ATTORNEY GENERAL; CONSUMER ASSISTANCE PROGRAM; POSITION; APPROPRIATION

(a) The Office of the Attorney General is authorized to create one classified, two-year full-time limited-service position within the Consumer Assistance Program, whose duties shall include:

(1) assisting with consumer complaints concerning residential construction projects with a value of less than $10,000.00;

(2) providing education, outreach, and mediation to contractors and consumers; and

(3) coordinating and facilitating information sharing concerning complaints with the Office of Professional Regulation.

(b) In fiscal year 2023, the amount of $200,000.00 is appropriated from the General Fund to the Office of the Attorney General to create the position and perform the duties provided in this section.

Sec. 18. SECRETARY OF STATE; STATUS REPORT

On or before January 15, 2024, the Office of Professional Regulation shall report to the House Committees on General, Housing, and Military Affairs and on Government Operations and to the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations concerning the implementation of 26 V.S.A. chapter 106, including:

(1) the number of registrations and certifications;

(2) the resources necessary to implement the chapter;

(3) the number and nature of any complaints or enforcement actions;

(4) the potential design and implementation of a one-stop portal for contractors and consumers; and

(5) any other issues the Office deems appropriate.

Sec. 19. 9 V.S.A. § 4500 is amended to read:

§ 4500. LEGISLATIVE INTENT

(a) The provisions of this chapter establishing legal standards, duties, and requirements with respect to persons with disabilities in places of public accommodation as defined in this chapter, except those provisions relating to remedies, are intended to implement and to be construed so as to be consistent with the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and regulations promulgated under that ~~act~~ Act, and are not intended to impose additional or higher standards, duties, or requirements than that ~~act~~ Act.

(b) Subsections 4502(b) and (c) of this title shall not be construed to create or impose on governmental entities additional or higher standards, duties, or requirements than that imposed by Title II of the Americans with Disabilities Act.

(c) The provisions of this chapter shall be construed liberally to accomplish its remedial purposes and any exceptions and exemptions to the provisions of this chapter shall be construed narrowly in order to maximize the deterrence of discriminatory behavior.

Sec. 20. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

* * *

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection ~~therewith~~ with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(d)(1) As used in this section, "harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with the person's terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

(2) Notwithstanding any judicial precedent to the contrary, harassing conduct need not be severe or pervasive to be unlawful pursuant to the provisions of this section. In determining whether conduct constitutes unlawful harassment:

(A) The determination shall be made on the basis of the record as a whole, according to the totality of the circumstances, and a single incident may constitute unlawful harassment.

(B) Incidents that may be harassment shall be considered in the aggregate with varying types of conduct and conduct based on multiple characteristics viewed in totality, rather than in isolation.

(C) Conduct may constitute unlawful harassment, regardless of whether:

(i) the complaining person is the person being harassed;

(ii) the complaining person acquiesced or otherwise submitted to or participated in the conduct;

(iii) the conduct is also experienced by others outside the protected class involved in the conduct;

(iv) the complaining person was able to enjoy the benefit of applicable terms, conditions, privileges, or protections in the sale or rental of the dwelling or other real estate, or to obtain services or facilities in connection with the dwelling or other real estate, despite the conduct;

(v) the conduct resulted in a physical or psychological injury; or

(vi) the conduct occurred outside the dwelling or other real estate.

(3) behavior that a reasonable person with the same protected characteristic would consider to be a petty slight or trivial inconvenience shall not constitute unlawful harassment or discrimination pursuant to this section.

Sec. 21. PROHIBITION OF TAX SALE WHILE VHAP APPLICATION PENDING

(a) Not less than 60 days prior to serving a notice of sale on a delinquent taxpayer pursuant to 32 V.S.A. § 5252(a)(3), a town or municipality shall mail to the delinquent taxpayer's last known address a notice in the following, or substantially similar, form:

"If this property is your primary residence, you may be able to get help with delinquent property tax and utility payments through the Vermont Homeowner Assistance Program (VHAP). VHAP can help you avoid tax sale and transfer of your property by paying delinquent property taxes, water and sewer charges, interest, and penalties.

You can apply for VHAP online at vermonthap.vhfa.org. For advice about the program and help completing the application, call Vermont Legal Aid at 1-800-889-2047.

If you apply for VHAP, you must notify your town in writing, and your property will not be sold or transferred while your application is pending."

(b) A notice of sale to a delinquent taxpayer pursuant to 32 V.S.A. § 5252(a)(3) shall include the notice in subsection (a) of this section.

(c) If a town or municipality has sold a delinquent taxpayer's property pursuant to 32 V.S.A. § 5254 prior to the effective date of this section, but the deed conveying title to the purchaser has not yet been executed pursuant to 32 V.S.A. § 5261, not later than 30 days from the effective date of this section, the town or municipality shall mail to the delinquent taxpayer's last known address the notice in subsection (a) of this section.

(d)(1) A homeowner who has applied for VHAP may request a stay of the tax sale process or extension of the redemption period while the VHAP application is pending by attesting to the municipality that the homeowner has made a good faith application for VHAP funds in connection with the homeowner's primary residence.

(2) Upon notification that a VHAP application is pending, a municipality shall not conduct a tax sale of the property until one of the following occurs:

(A) the applicant is deemed ineligible for VHAP;

(B) the VHAP application is closed due to inaction by the applicant; or

(C) payment is issued to the municipality on a qualifying application.

(3) If a payment is issued that satisfies the delinquency, the sale shall not proceed.

(e)(1) If a tax sale occurred prior to the delinquent taxpayer's application for VHAP, the redemption period established in 32 V.S.A. § 5260 shall be extended by operation of law until one of the following occurs:

(A) the applicant is deemed ineligible for VHAP;

(B) the VHAP application is closed due to inaction by the applicant; or

(C) payment is issued to the municipality on a qualifying application.

(2) If payment is issued for the redemption amount, the deed shall not be made to the purchaser, but the sums shall be paid to the purchaser pursuant to 32 V.S.A. § 5260.

(f)(1) This section is repealed on September 30, 2025.

(2) The notice obligations in subsections (a)–(c) of this section shall cease when the Vermont Housing Finance Agency stops accepting VHAP applications because funding is exhausted.

Sec. 22. INTENT

It is the intent of the Vermont General Assembly to acknowledge structural racism and address prevalent wealth disparities by creating new opportunities to improve access to woodlands, farmland, and land and home ownership for Vermonters from historically marginalized or disadvantaged communities who continue to face barriers to land and home ownership.

Sec. 22a. VERMONT LAND ACCESS AND OPPORTUNITY BOARD; APPROPRIATION; SUPPORT

(a) As used in this section:

(1) "Board" means the Vermont Land Access and Opportunity Board.

(2) "VHCB" means the Vermont Housing and Conservation Board.

(b) The sum of $200,000.00 is appropriated from the General Fund to VHCB in fiscal year 2023 to administer and support the Vermont Land Access and Opportunity Board.

(c) In fiscal year 2023, and to the extent that funding is appropriated in fiscal years 2024 and 2025, VHCB shall provide general, accounting, and administrative support to the Board, including support related to the administration of Board meetings, compliance with requirements for records retention and of the Open Meeting Law, processing of per diem compensation and reimbursement of expenses for Board members, contracting, and bookkeeping and financial compliance.

Sec. 22b. 10 V.S.A. chapter 15, subchapter 5 is added to read:

Subchapter 5: Land Access and Opportunity Board

§ 325t. DEFINITIONS

As used in this subchapter:

(1) "Board" means the Vermont Land Access and Opportunity Board.

(2) "Historically marginalized or disadvantaged community" means a community that has historically suffered from discrimination and has not had equal access to public or private economic benefits due to the race, ethnicity, gender, geography, language preference, immigrant or citizen status, sexual orientation, gender identity, socioeconomic status, or disability status of its members.

(3) "LGBTQ" means an individual who identifies as lesbian, gay, bisexual, transgender, queer, or questioning.

(4) "VHCB" means the Vermont Housing and Conservation Board.

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

(a) Creation. There is created the Vermont Land Access and Opportunity Board to promote improvements in access to woodlands, farmland, and land and home ownership for Vermonters from historically marginalized or disadvantaged communities who continue to face barriers to land and home ownership. The Board shall be attached to the Vermont Housing and Conservation Board for administrative purposes.

(b) Organization of Board. The Board shall be composed of:

(1) the Executive Director of Racial Equity or designee;

(2) one member of Indigenous heritage, appointed by the Vermont Commission on Native American Affairs;

(3) one member, appointed by the Vermont NAACP;

(4) one member, appointed by the Vermont Racial Justice Alliance;

(5) one member, appointed by Liberation Ecosystem;

(6) one member, appointed by the Vermont Every Town project;

(7) one member, appointed by the National Association of Social Workers, Vermont Chapter, who shall be a social worker with expertise in antiracism;

(8) one member, appointed by the Pride Center of Vermont, who shall be LGBTQ;

(9) one member, appointed by the U.S. Committee for Refugees and Immigrants Vermont, who shall be a member of a refugee or immigrant community or shall have experience representing refugee or immigrant communities, or both;

(10) one member, appointed by the Vermont Developmental Disabilities Council; and

(11) one member, appointed by Vermont Psychiatric Survivors.

(c) Member terms; priority.

(1) A member of the Board shall serve a term of three years and until their successor has been appointed.

(2) In the event of a vacancy occurring during a member's term, the vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment.

(3)(A) When selecting members of the Board, appointing authorities shall give priority to, and shall seek to appoint, Vermonters who satisfy one or more of the following:

(i) are a member of a historically marginalized or disadvantaged community;

(ii) represent the interests of Vermonters from historically marginalized or disadvantaged communities; or

(iii) have expertise regarding access to housing, land, agriculture, or credit.

(4) A member may serve not more than two full terms. A member who is appointed to fill a vacancy occurring during a term may serve two full terms in addition to the unexpired portion of the term during which the member is first appointed.

(d) Compensation. Board members shall be entitled to per diem compensation and reimbursement of expenses pursuant 32 V.S.A. § 1010 for meetings as deemed appropriate by the Board within the appropriation provided. These payments shall be made from monies appropriated to VHCB for the support and administration of the Board.

(e) Meetings. The Executive Director of Racial Equity or designee shall call the first meeting of the Board to occur on or before September 1, 2022.

(f) Powers and duties of the Board. The Board may do the following:

(1) Advise VHCB, the Vermont Housing Finance Agency, the Vermont Economic Development Authority, the Vermont Agricultural Credit Corporation, and other affordable housing and land access stakeholders regarding policy development and programs to promote racial, social, economic, and climate justice for Vermonters from historically marginalized or disadvantaged communities.

(2) Retain wealth, financial, and real estate advisors who are Vermonters from historically marginalized or disadvantaged communities and use the services of those advisors to provide education and guidance for Vermonters from historically marginalized or disadvantaged communities.

(3) Retain Vermonters from historically marginalized or disadvantaged communities with expertise in agriculture, agronomics, and natural resource and land management to provide regenerative natural resource services to Vermonters from historically marginalized or disadvantaged communities.

(4) Work with VHCB; the Agency of Agriculture, Food and Markets; the Departments of Financial Regulation and of Housing and Community Development; the Vermont Sustainable Jobs Fund; the Vermont Housing Finance Agency; the Vermont State Housing Authority; the Vermont Economic Development Agency; and other State entities to:

(A) develop metrics relevant to historically marginalized or disadvantaged communities to understand disparities and track progress in addressing disparities and improving opportunities; and

(B) develop strategies and plans to more effectively reach out and provide access to resources that can overcome structural barriers to housing and land ownership, including an examination of:

(i) debt-to-income ratios;

(ii) impacts from redlining;

(iii) the impact of algorithmic systems of decision making, including the impact of credit scores and criminal background checks;

(iv) the impact of shared equity programs and homeownership programs on wealth disparity; and

(v) other practices that increase discrimination, disparities, and inequities in land access, property ownership, and wealth acquisition.

(5) Work with the Department of Taxes to recommend options and opportunities to provide advantageous tax treatment to properties owned by Vermonters who come from historically marginalized or disadvantaged communities.

(6)(A) Review, monitor, and recommend options and opportunities to redress State policies, procedures, practices, laws, and rules related to racial and social equity in property ownership for the benefit of Vermonters from historically marginalized or disadvantaged communities.

(B) Collaborate with VHCB and other affordable housing stakeholders to recommend programs and related rules to provide loans,

grants, and financial assistance to individuals from historically marginalized or disadvantaged communities.

(7) Develop one or more programs with associated rules and procedures to distribute grants, to the extent funds are appropriated for the purpose, for:

(A) community-based groups and programs that will improve land and housing access, safety, and health for historically marginalized or disadvantaged communities; and

(B) individual and collective property and home ownership or housing improvements to support safe and sustainable residences for historically marginalized or disadvantaged communities.

(8) Identify, examine, and make recommendations to redress the limitations and problems associated with existing laws, rules, programs, and services related to property ownership for Vermonters from historically marginalized or disadvantaged communities.

§ 325v. ACCEPTANCE OF GRANTS AND CONTRIBUTIONS

The Board may accept from any governmental department or agency, public or private body, or any other source, grants or contributions to be used in carrying out the provisions of this subchapter.

Sec. 22c. INITIAL REPORT; VERMONT LAND ACCESS AND OPPORTUNITY BOARD

On or before January 15, 2023, in consultation with the Vermont Housing and Conservation Board and any contractors hired for this purpose, the Vermont Land Access and Opportunity Board shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with initial recommendations related to the goals set forth in 10 V.S.A. § 325u. The report and recommendations shall primarily address legal, constitutional, and governance questions relevant to the functions of the Board, including grant making and how to fund, organize, and structure the Board as a permanent instrumentality of the State of Vermont.

Sec. 23. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 11 (Missing Middle Pilot Program) and Sec. 21 (tax sales) shall take effect on passage.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senators Sirotkin and Bray moved that the Senate

concur in the House proposal of amendment with further proposal of amendment as follows:

By striking out Sec. 23, effective dates, in its entirety and inserting in lieu thereof the following:

* * * Municipal Zoning * * *

Sec. 23. 24 V.S.A. § 2793e is amended to read:

§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF NEIGHBORHOOD DEVELOPMENT AREAS

(a) Purpose. This section is intended to encourage a municipality to plan for new and infill housing in the area including and immediately encircling its designated downtown, village center, new town center, or within its designated growth center in order to provide needed housing and to further support the commercial establishments in the designated center. To support this goal, this section sets out a two-component process.

* * *

(b) Definitions.

(1) "Neighborhood planning area" means an automatically delineated area including and encircling a downtown, village center, or new town center designated under this chapter or within a growth center designated under this chapter. A neighborhood planning area is used for the purpose of identifying locations suitable for new and infill housing that will support a development pattern that is compact, oriented to pedestrians, and consistent with smart growth principles. To ensure a compact settlement pattern, the outer boundary of a neighborhood planning area shall be located entirely within the boundaries of the applicant municipality, unless a joint application is submitted by more than one municipality, and shall be determined:

* * *

(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:

* * *

(5) The proposed neighborhood development area consists of those portions of the neighborhood planning area that are appropriate for new and infill housing, excluding identified flood hazard and fluvial erosion areas, except those areas containing preexisting development in areas suitable for infill development as defined in § 29-201 of the Vermont Flood Hazard Area and River Corridor Rule. In determining what areas are most suitable for new

and infill housing, the municipality shall balance local goals for future land use, the availability of land for housing within the neighborhood planning area, and the smart growth principles. Based on those considerations, the municipality shall select an area for neighborhood development area designation that:

(A) Avoids or ~~that~~ minimizes to the extent feasible the inclusion of "important natural resources" as defined in subdivision 2791(14) of this title. If an ~~"~~important natural resource~~"~~ is included within a proposed neighborhood development area, the applicant shall identify the resource, explain why the resource was included, describe any anticipated disturbance to such resource, and describe why the disturbance cannot be avoided or minimized. If the neighborhood development area includes flood hazard areas or river corridors, the local bylaws shall contain provisions consistent with the Agency of Natural Resources' rules required under 10 V.S.A. § 754(a) to ensure that new infill development within a neighborhood development area occurs outside the floodway and will not cause or contribute to fluvial erosion hazards within the river corridor. If the neighborhood development area includes flood hazard areas or river corridors, local bylaws shall also contain provisions to protect river corridors outside the neighborhood development area consistent with the Agency of Natural Resources' rules required under 10 V.S.A. § 754(a).

* * *

(6) ~~The neighborhood development area is served by:~~

~~(A) municipal sewer infrastructure; or~~

~~(B) a community or alternative wastewater system approved by the Agency of Natural Resources.~~ [Repealed.]

(7) The municipal bylaws allow minimum net residential densities within the neighborhood development area greater than or equal to four ~~single-family detached~~ dwelling units per acre for all identified residential uses or residential building types, exclusive of accessory dwelling units, or ~~no~~ not fewer than the average existing density of the surrounding neighborhood, whichever is greater. The methodology for calculating density shall be established in the guidelines developed by the Department pursuant to subsection 2792(d) of this title.

* * *

Sec. 24. 24 V.S.A. § 2793b is amended to read:

§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT DISTRICTS

* * *

(b) Within 45 days of receipt of a completed application, the State Board shall designate a new town center development district if the State Board finds, with respect to that district, the municipality has:

* * *

(2) Provided a community investment agreement that has been executed by authorized representatives of the municipal government, businesses and property owners within the district, and community groups with an articulated purpose of supporting downtown interests, and contains the following:

* * *

(B) Regulations enabling ~~high~~ densities that are ~~greater~~ not less than four dwelling units, including all identified residential uses or residential building types, per acre and not less than those allowed in any ~~other~~ part of the municipality not within an area designated under this chapter.

* * *

Sec. 25. 24 V.S.A. § 4449 is amended to read:

§ 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND MUNICIPAL LAND USE PERMIT

(a) Within any municipality in which any bylaws have been adopted:

* * *

(4) No municipal land use permit issued by an appropriate municipal panel or administrative officer, as applicable, for a site plan or conditional use shall be considered abandoned or expired unless more than two years have passed since the permit approval was issued.

* * * Municipal Bylaw Grants * * *

Sec. 26. 24 V.S.A. § 4306 is amended to read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

(a)(1) The Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of 17 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

* * *

(c) Funds allocated to municipalities shall be used for the purposes of:

* * *

(4) reasonable and necessary costs of administering the Fund by the Department of Housing and Community Development, not to exceed six percent of the municipality allocation.

(d) New funds allocated to municipalities under this section may take the form of Municipal Bylaw Modernization Grants in accordance with section 4307 of this title.

Sec. 27. 24 V.S.A. § 4307 is added to read:

§ 4307. MUNICIPAL BYLAW MODERNIZATION GRANTS

(a) There are created Municipal Bylaw Modernization Grants to assist municipalities in updating their land use and development bylaws. Bylaws updated under this section shall increase housing choice, affordability, and opportunity in areas planned for smart growth. The Grants shall be funded by monies allocated from the municipality allocation of the Municipal and Regional Planning Funds established in subdivision 4306(a)(3)(C) of this title and any other monies appropriated for this purpose.

(b) Disbursement to municipalities shall be administered by the Department of Housing and Community Development through a competitive process providing the opportunity for all regions and any eligible municipality to compete regardless of size.

(c) Funds may be disbursed by the Department in installments to ensure the municipal bylaw updates meet the goals of this section.

(d) Funding may be used for the cost of regional planning commission staff or consultant time and any other purpose approved by the Department.

(e) A municipality grantee shall use the funds to prepare amendments to bylaws to increase housing choice, affordability, and opportunity and that support a neighborhood development pattern that is pedestrian oriented in areas planned for smart growth consistent with the smart growth principles established in section 2791 of this title and that prioritize projects in designated areas in accordance with chapter 76A of this title.

(f) To receive the grant, the municipality shall:

(1) identify municipal water and wastewater disposal infrastructure, municipal water and sewer service areas, and the constraints on that infrastructure based on the best available data;

(2) increase allowed housing types and uses, which may include duplexes, to the same extent as single-family homes;

(3) include parking waiver provisions in areas planned for smart growth consistent with smart growth principles as defined in section 2791 of this title and appropriate situations;

(4) review and modify street standards that implement the complete streets principles as described in 19 V.S.A. § 309d and that are oriented to pedestrians;

(5) reduce nonconformities by making the allowed standards principally conform to the existing settlement within any area designated under chapter 76A of this title and increase allowed lot, building, and dwelling unit density by adopting dimensional, use, parking, and other standards that allow compact neighborhood form and support walkable lot and dwelling unit density, which may be achieved with a standard allowing at least four units per acre or allowing the receipt of a State or municipal water and wastewater permit to determine allowable density or by other means established in guidelines issued by the Department;

(6) restrict development of and minimize impact to important natural resources, including new development in flood hazard areas, undeveloped floodplains, and river corridor areas, unless lawfully allowed for infill development in §29-201 of the Vermont Flood Hazard Area and River Corridor Rule;

(7) update the municipal plan's housing element as provided in subdivision 4382(a)(10) of this title related to addressing lower- and moderate-income housing needs, implement that element of the plan including through the bylaw amendments, and demonstrate how those bylaws support the implementation of the housing element; and

(8) comply with State and Federal Fair Housing Act, including the fair housing provisions of Vermont's Planning and Development Act.

(g) On or before September 1, 2022, the Department shall adopt guidelines to assist municipalities applying for grants under this section.

Sec. 28. APPROPRIATION

To the extent that increased funding is provided in fiscal year 2023 to the Municipal and Regional Planning Fund, $650,000.00 shall be used for Municipal Bylaw Modernization Grants established in 24 V.S.A. § 4307.

* * * Accessory Dwelling Units * * *

Sec. 29. 24 V.S.A. § 4414 amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading, which may vary by district and by uses within each district. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer "transit pass" and rideshare programs, public transit routes, and public parking spaces in the vicinity of the development. However, a municipality shall not require an accessory dwelling unit to have more than one parking space per bedroom.

* * *

* * * Act 250 * * *

Sec. 30. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(3)(A) "Development" means each of the following:

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a

tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) [Repealed.]

(bb) [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000.

(dd) 50 or more, in a municipality with a population of ~~3,000 or more but~~ less than 6,000.

(ee) ~~25 or more, in a municipality with a population of less than 3,000.~~ [Repealed.]

(ff) Notwithstanding subdivisions (cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision (ff) if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

* * *

(6) ~~"Floodway" means the channel of a watercourse that is expected to flood on an average of at least once every 100 years and the adjacent land areas that are required to carry and discharge the flood of the watercourse, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects~~ "Flood hazard area" has the same meaning as under section 752 of this title.

(7) ~~"Floodway fringe" means an area that is outside a floodway and is flooded with an average frequency of once or more in each 100 years, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects~~ "River corridor" has the same meaning as under section 752 of this title.

* * *

(27) "Mixed income housing" means a housing project in which the following apply:

(A) Owner-occupied housing. At ~~the option of the applicant, owner-occupied housing may be characterized by either of the following:~~

~~(i) at least 15 percent of the housing units have a purchase price that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or~~

~~(ii) at~~ least 20 percent of the housing units ~~have a purchase price that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency~~ meet the requirements of affordable owner-occupied housing under subdivision (29)(A) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.

(B) Rental housing. ~~At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of~~ For not less than 15 years following the date that rental housing is initially placed in service, at least 20 percent of the housing units meet the requirements of affordable rental housing under subdivision (29)(B) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.

* * *

(35) "Priority housing project" means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of~~:~~

~~(A)~~ mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated ~~village center that is also a designated~~ neighborhood development area under 24 V.S.A. chapter 76A~~; or~~

~~(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A~~.

* * *

Sec. 31. 10 V.S.A. § 6081(p) is amended to read:

(p)~~(1) No permit or permit amendment is required for any change to a~~

~~project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after May 28, 2002, remain below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.~~

~~(2)~~ No permit or permit amendment is required for a priority housing project in a designated center ~~other than a downtown development district~~ if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title ~~and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title~~.

Sec. 32. 10 V.S.A. § 6084(f) is amended to read:

(f) ~~This subsection concerns an application for a new permit amendment to change the conditions of an existing permit or existing permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.~~

~~(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the existing permit or existing permit amendment, which contains the condition or conditions proposed to be changed, or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party obtained party status.~~

~~(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions in the existing permit or permit amendment proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings to be made under subsection 6086(a) and are authorized under subsection 6086(c) of this title.~~ [Repealed.]

* * * Criterion 1(D) * * *

Sec. 33. 10 V.S.A. § 6086 is amended to read:

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

(a) Before granting a permit, the District Commission shall find that the subdivision or development:

* * *

(D) ~~Floodways~~ Flood hazard areas; river corridors. A permit will be granted whenever it is demonstrated by the applicant that, in addition to all other applicable criteria~~:~~,

~~(i)~~ the development or subdivision of lands within a ~~floodway~~ flood hazard area or river corridor will not restrict or divert the flow of ~~flood waters,~~ floodwaters; cause or contribute to fluvial erosion; and endanger the health, safety, and welfare of the public or of riparian owners during flooding~~; and~~

~~(ii) the development or subdivision of lands within a floodway fringe will not significantly increase the peak discharge of the river or stream within or downstream from the area of development and endanger the health, safety, or welfare of the public or riparian owners during flooding~~.

* * *

* * * Municipal Response to Act 250 Requests * * *

Sec. 34. 10 V.S.A. 6086(g) is added to read:

(g) If a municipality fails to respond to a request by the applicant within 90 days as to the impacts related to subdivision (a)(6) or (7) of this section, the application will be presumed not to have an unreasonable burden on educational, municipal, or governmental services.

* * * Wood Products Manufacturers * * *

Sec. 35. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

* * *

(43) "Wood product" means logs, pulpwood, veneer wood, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, maple sap, and bark.

(44) "Wood products manufacturer" means a manufacturer that aggregates wood products from forestry operations and adds value through processing or marketing in the wood products supply chain or directly to consumers through retail sales. "Wood products manufacturer" includes sawmills; veneer mills; pulp mills; pellet mills; producers of firewood, woodchips, mulch, and fuel wood; and log and pulp concentration yards. "Wood products manufacturer" does not include facilities that purchase, market, and resell finished goods, such as wood furniture, wood pellets, and

milled lumber, without first receiving wood products from forestry operations.

Sec. 36. 10 V.S.A. § 6086(c) is amended to read:

(c)(1) Permit conditions. A permit may contain such requirements and conditions as are allowable proper exercise of the police power and ~~which~~ that are appropriate within the respect to subdivisions (a)(1) through (10) of this section, including those set forth in 24 V.S.A. §§ 4414(4), 4424(a)(2), 4414(1)(D)(i), 4463(b), and 4464, the dedication of lands for public use, and the filing of bonds to ensure compliance. The requirements and conditions incorporated from Title 24 may be applied whether or not a local plan has been adopted. General requirements and conditions may be established by rule of the Natural Resources Board.

(2) Permit conditions on a wood products manufacturer.

(A) When issuing a permit with conditions on wood products manufacturing and delivery, the District Commission shall account for the seasonal, weather-dependent, land-dependent, and varied conditions unique to the industry.

(B) A permit condition that sets hours of operation for a wood products manufacturer shall only be imposed to mitigate an impact under subdivision (a)(1), (5), or (8) of this section. If an adverse impact would result, a permit with conditions shall allow the manufacturer to operate while allowing for flexible timing of deliveries of wood products from forestry operations to the manufacturer outside permitted hours of operation, including nights, weekends, and holidays, for the number of days demonstrated by the manufacturer as necessary to enable deliveries, not to exceed 90 days per year.

(C) Permit with conditions on the delivery of wood heat fuels. A permit with conditions issued to a wood products manufacturer that produces wood chips, pellets, cord wood, or other fuel wood used for heat shall allow for flexible delivery of that fuel wood from the manufacturer to the end user outside permitted hours of operation, including nights, weekends, and holidays, from October 1 through April 30 of each year. Permits with conditions shall mitigate the undue adverse impacts while enabling deliveries by the manufacturer.

(D) Permit amendments. A wood products manufacturer holding a permit may request an amendment to existing permit conditions related to hours of operation and seasonal restrictions to be consistent with subdivisions (B) and (C) of this subsection (c). Requests for condition amendments under this subsection shall not be subject to Act 250 Rule 34(E).

* * * One-acre towns * * *

Sec. 37. INTENT; AMENDMENT OF 10 V.S.A. § 6001(3)(A)(ii)

The General Assembly's intent in the amendments to 10 V.S.A. § 6001(3)(A)(ii) set forth in Sec. 38 of this act is to clarify the text to reflect the way jurisdiction over commercial and industrial development in towns without permanent zoning and subdivision bylaws has been determined since the passage of Act 250 in 1970. The General Assembly does not intend any provision of this act to be interpreted as a substantive change to determining jurisdiction under 10 V.S.A. § 6001(3)(A)(ii).

Sec. 38. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

* * *

(3)(A) "Development" means each of the following:

(i) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than 10 acres of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has adopted permanent zoning and subdivision bylaws.

(ii) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes ~~on more than one acre of land within~~ in a municipality that has not adopted permanent zoning and subdivision bylaws.

* * *

* * * Reports * * *

Sec. 39. REPORT; ACT 250 JURISDICTION OVER AGRICULTURAL BUSINESSES

On or before January 15, 2023, the Natural Resources Board shall submit to the General Assembly a report with recommendations on how Act 250 jurisdiction should be applied to agricultural businesses, including those located on properties already operating as farms. The Board shall consult with the Agency of Agriculture, Food and Markets, the Vermont Planners Association, the regional planning commissions, and other interested stakeholders. The report shall include recommendations as to how to clarify what is and what is not an accessory on-farm business. The report shall address the current land use planning requirements for farms and farms with

accessory on-farm businesses and whether different types of businesses associated with farms and farming require different levels of review. The report may consider whether or not the location of such businesses is relevant and may consider the designation or adoption of agricultural business innovation zones with different levels of review.

Sec. 40. DESIGNATED AREA REPORT; APPROPRIATION

(a) The sum of $150,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2023 for the purpose of hiring a consultant to evaluate the State designation programs established in 24 V.S.A. chapter 76A pursuant to subsection (b) of this section.

(b)(1) The Department of Housing and Community Development shall hire an independent consultant to:

(A) review and assess the State designation programs and incentives established in 24 V.S.A. chapter 76A that recognize and invest in the vitality of Vermont's compact settlement areas; and

(B) conduct statewide stakeholder outreach to support the evaluation of and future improvements to the programs, including participation by State, regional, municipal, and advocacy and nongovernmental organizations.

(2) The consultant shall make recommendations on how to:

(A) objectively define and map existing compact settlements as a basis for broader recognition;

(B) improve the consistency between and among regional plans and future land use maps;

(C) modernize these programs, including consideration of program reform or consolidation;

(D) make the designation programs and associated benefits more accessible to municipalities;

(E) apply regulatory and nonregulatory benefits;

(F) strengthen designation and incentives as a platform for place-based economic development, climate action, complete streets, and equity and efficiency of public investment and service delivery;

(G) implement the smart growth principles established by 24 V.S.A. § 2791; and

(H) achieve the goals established in 24 V.S.A. § 4302.

(3) On or before July 15, 2023, the consultant shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

Sec. 41. REPORT; NATURAL RESOURCES BOARD

(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.

(b) The report shall include:

(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas, the maintenance of intact rural working lands, and the protection of natural resources of statewide significance, including biodiversity. Location-based jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider whether to develop thresholds and tiers of jurisdiction as recommended in the Commission on Act 250: the Next 50 Years Report.

(2) How to use the Capability and Development Plan to meet the statewide planning goals.

(3) An assessment of the current level of staffing of the Board and District Commissions, including whether there should be a district coordinator located in every district.

(4) Whether the permit fees are sufficient to cover the costs of the program and, if not, a recommendation for a source of revenue to supplement the fees.

(5) Whether the permit fees are effective in providing appropriate incentives.

(6) Whether the Board should be able to assess its costs on applicants.

* * * Effective Dates * * *

Sec. 42. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 11 (Missing Middle Pilot Program) and Sec. 21 (tax sales) shall take effect on passage.

Thereupon, the question, Shall the Senate concur in the House of amendment with further proposal of amendment by Senators Sirotkin and Bray? Senator McCormack raised a *point of order* under Sec. 402 of Mason's Manual of Legislative Procedure on the grounds that the proposal of amendment offered by Senators Sirotkin and Bray in Sec. 35 and 36 were *not germane* to the bill and therefore could not be considered by the Senate.

In order for an amendment to be considered, it must be germane. Mason's Manual of Legislative Procedure, Sec. 402.

The President explained that in considering whether a proposed amendment is germane the following factors are considered:

1. Is the proposed amendment relevant, appropriate, and in a natural or logical sequence to the subject matter of the original proposal?

2. Does the proposed amendment introduce an independent question?

3. Does the proposed amendment unreasonably or unduly expand the subject matter of the bill?

4. Does the proposed amendment deal with a different topic or subject?

5. Does the proposed amendment change the purpose, scope or object of the original bill?

And indeed, in deciding a question of germaneness, the threshold determination must be that of the subject matter of the bill or amendment under consideration and its scope.

Thereupon, after weighing the above factors the President *sustained* the point of order and ruled that the proposal of amendment in Secs. 35 and 36 offered by Senators Sirotkin and Bray was *not germane* to the bill.

The President thereupon declared that the proposal of amendment offered by Senators Sirotkin and Bray in Secs. 35 and 36 could *not* be considered by the Senate and Secs. 35 and 36 of the proposal of amendment were ordered stricken.

Thereupon, Senator Starr moved that the rules be suspended in order to permit consideration of Secs. 35 and 36 of the proposal of amendment on their merits, despite being not germane pursuant to Sec. 402 of Manson's Manual of Legislative procedure.

Which was agreed to.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment with further proposal of amendment?, Senator McCormack moved to amend the proposal of amendment of Senators Sirotkin and Bray by striking out Sec. 42, effective dates, in its entirety and inserting in lieu thereof the following:

* * * Forest Blocks * * *

Sec. 42. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(43) "Connecting habitat" means land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of wildlife and plants and the functioning of ecological processes. A connecting habitat may include features including recreational trails and improvements constructed for farming, logging, or forestry purposes.

(44) "Forest block" means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include features including recreational trails, wetlands, or other natural features that do not themselves possess tree cover and improvements constructed for farming, logging, or forestry purposes.

(45) "Habitat" means the physical and biological environment in which a particular species of plant or wildlife lives.

Sec. 43. 10 V.S.A. § 6086(a)(8) is amended to read:

(8) Ecosystem protection; scenic beauty; historic sites.

(A) Aesthetics. Will not have an undue adverse effect on the scenic or natural beauty of the area, aesthetics, or historic sites ~~or rare and irreplaceable natural areas~~.

~~(A)~~(B) Necessary wildlife habitat and endangered species. A permit will not be granted if it is demonstrated by any party opposing the applicant that a development or subdivision will destroy or significantly imperil necessary wildlife habitat or any endangered species~~;~~ and:

(i) the economic, social, cultural, recreational, or other benefit to the public from the development or subdivision will not outweigh the economic, environmental, or recreational loss to the public from the destruction or imperilment of the habitat or species; ~~or~~

(ii) all feasible and reasonable means of preventing or lessening the destruction, diminution, or imperilment of the habitat or species have not been or will not continue to be applied; or

(iii) a reasonably acceptable alternative site is owned or controlled by the applicant ~~which~~ that would allow the development or subdivision to fulfill its intended purpose.

(C) Forest blocks and connecting habitat. Will not result in an undue adverse impact on forest blocks, connecting habitat, or rare and irreplaceable natural areas. If a project as proposed would result in an undue adverse impact, a permit may only be granted if effects are avoided or minimized and

mitigated in accordance with rules adopted by the Board.

Sec. 44. CRITERION 8(C) RULEMAKING

(a) The Natural Resources Board (Board), in collaboration with the Agency of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6086(a)(8)(C). Rules adopted by the Board shall include:

(1) How forest blocks and connecting habitat are further defined, including their size, location, and function, which may include:

(A) information that will be available to the public to determine where forest blocks and connecting habitat are located; or

(B) advisory mapping resources, how they will be made available, how they will be used, and how they will be updated.

(2) Standards establishing how impacts can be avoided or minimized, including how fragmentation of forest blocks or connecting habitat is avoided or minimized, which may include steps to promote proactive site design of buildings, roadways and driveways, utility location, and location relative to existing features such as roads, tree lines, and fence lines.

(3)(A) As used in this section "fragmentation" generally means dividing land that has naturally occurring vegetation and ecological processes into smaller and smaller areas as a result of land uses that remove vegetation and create physical barriers that limit species' movement and interrupt ecological processes between previously connected natural vegetation. However, the rules shall further define "fragmentation" for purposes of avoiding, minimizing, and mitigating undue adverse impacts on forest blocks and connecting habitat. "Fragmentation" does not include the division or conversion of a forest block or connecting habitat by an unpaved recreational trail or by improvements constructed for farming, logging, or forestry purposes below the elevation of 2,500 feet.

(B) As used in this subsection, "recreational trail" has the same meaning as "trails" in 10 V.S.A. § 442.

(4) Criteria to identify the circumstances when a forest block or connecting habitat is eligible for mitigation.

(5) Standards for how impacts to a forest block or connecting habitat may be mitigated. Standards may include:

(A) appropriate ratios for compensation;

(B) appropriate forms of compensation such as conservation easements, fee interests in land, and other forms of compensation; and

(C) appropriate uses of on-site and off-site mitigation.

(b) The Board shall convene a working group of stakeholders to provide input to the rule prior to prefiling with the Interagency Committee on Administrative Rules. The Board shall convene the working group on or before June 1, 2023.

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before June 15, 2024.

Sec. 45. 10 V.S.A. § 127 is amended to read:

§ 127. RESOURCE MAPPING

(a) ~~On or before January 15, 2013, the~~ The Secretary of Natural Resources shall complete and maintain resource mapping based on the Geographic Information System (GIS) or other technology. The mapping shall identify natural resources throughout the State, including forest blocks and connecting habitat, that may be relevant to the consideration of energy projects and projects subject to chapter 151 of this title. The Center for Geographic Information shall be available to provide assistance to the Secretary in carrying out the ~~GIS-based~~ resource mapping.

(b) The Secretary ~~of Natural Resources~~ shall consider the ~~GIS-based~~ resource maps developed under subsection (a) of this section when providing evidence and recommendations to the Public Utility Commission under 30 V.S.A. § 248(b)(5) and when commenting on or providing recommendations under chapter 151 of this title to District Commissions on other projects.

(c) The Secretary shall establish and maintain written procedures that include a process and science-based criteria for updating resource maps developed under subsection (a) of this section. Before establishing or revising these procedures, the Secretary shall provide opportunities for affected parties and the public to submit relevant information and recommendations.

* * * Effective Dates * * *

Sec. 46. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 11 (Missing Middle Pilot Program) and Sec. 21 (tax sales) shall take effect on passage and Sec. Sec. 43 (10 V.S.A. § 6086(a)(8)) shall take effect on September 1, 2024.

Thereupon, pending the question, Shall the Senate further proposal of amendment by Senators Sirotkin and Bray be amended as moved by Senator

McCormack? Senator Brock raised a *point of order* under Sec. 402 of Mason's Manual of Legislative Procedure on the grounds that the proposal of amendment offered by Senator McCormack was *not germane* to the bill and therefore could not be considered by the Senate.

Thereupon, the President *sustained* the point of order and ruled that the proposal of amendment offered by Senator McCormack was *not germane* to the bill as it did not satisfy the criteria of Mason's Rule 402 regarding germaneness the subject matter of the original proposal.

The President thereupon declared that the proposal of amendment offered by Senator McCormack could *not* be considered by the Senate and the proposal of amendment was ordered stricken.

Thereupon, Senator McCormack moved that the rules be suspended in order to permit consideration of the proposal of amendment on its merits, despite being not germane pursuant to Sec. 402 of Manson's Manual of Legislative procedure.

Which was disagreed to.

Thereupon, the pending question, Shall the Senate concur in the House proposal of amendment with further proposal of amendment?, was decided in the affirmative on a roll call, Yeas 30, Nays 0.

Senator Sirotkin having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Rules Suspended; House Proposal of Amendment Concurred in With an Amendment; Bill Messaged

S. 250.

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to law enforcement data collection and interrogation.

Was taken up for immediate consideration.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 20 V.S.A. § 2366 is amended to read:

§ 2366. LAW ENFORCEMENT AGENCIES; FAIR AND IMPARTIAL POLICING POLICY; ~~RACE~~ DATA COLLECTION

* * *

(e)(1) On or before September 1, ~~2014~~ 2022, every State, county, and municipal law enforcement agency shall collect all data concerning law enforcement encounters, including roadside stop data consisting of the following:

(A) the age, gender, and race of the ~~driver~~ individual;

(B) the grounds for the stop;

(C) the grounds for the search and the type of search conducted, if any;

(D) the evidence located, if any;

(E) the outcome of the stop, including whether physical force was employed or threatened during the stop, and if so, the type of force employed and whether the force resulted in bodily injury or death, and whether:

(i) a written warning was issued;

(ii) a citation for a civil violation was issued;

(iii) a citation or arrest for a misdemeanor or a felony occurred; or

(iv) no subsequent action was taken.

(2) Law enforcement agencies shall work with the Executive Director of Racial Equity, the Criminal Justice Council, and a vendor chosen by the Council with the goals of collecting uniform data, adopting uniform storage methods and periods, and ensuring that data can be analyzed. Roadside stop data, as well as reports and analysis of roadside stop data, shall be public.

(3) On or before ~~September~~ July 1, ~~2016~~ 2023 and annually thereafter, law enforcement agencies shall provide all data collected by the agency, including the data collected under this subsection, to the Executive Director of Racial Equity and the vendor chosen by the Criminal Justice Council under subdivision (2) of this subsection or, in the event the vendor is unable to

continue receiving data under this section, to the Council. Law enforcement agencies shall provide the data collected under this subsection in an electronic format specified by the receiving entity.

(4) The data provided pursuant to subdivision (3) of this subsection shall be posted electronically in a manner that is analyzable and accessible to the public on the receiving agency's website and clear and understandable. ~~The receiving agency shall also report the data annually to the General Assembly.~~

(5) Annually, on or before July 1, all law enforcement agencies shall report the data collected pursuant to subdivision (3) of this subsection to the House and Senate Committees on Government Operations and on Judiciary. The report shall detail how the data is collected, how the data is accessible, how the data is used by the law enforcement agency, a review of the data to determine if additional data criteria is needed, and any recommendations to improve data collection and use.

(6) As used in this subsection, "physical force" shall refer to the force employed by a law enforcement officer to compel a person's compliance with the officer's instructions that constitutes a greater amount of force than handcuffing a compliant person.

* * *

Sec. 2. GIGLIO DATABASE; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Giglio Database Study Committee to study the appropriate structure and process to administer a database designed to catalogue potential impeachment information concerning law enforcement agency witnesses or affiants to enable a prosecutor to disclose such information consistently and appropriately under the obligations of *Giglio v. United States*, 405 U.S. 150 (1972), and its progeny.

(b) Membership. The Giglio Database Study Committee shall be composed of the following members:

(1) two current members of the House of Representatives, not from the same political party, who shall be appointed by the Speaker of the House;

(2) two current members of the Senate, not from the same political party, who shall be appointed by the President Pro Tempore;

(3) the Commissioner of the Department of Public Safety or designee;

(4) the Executive Director of the Vermont Criminal Justice Council or designee;

(5) the President of the Vermont Sheriffs' Association or designee;

(6) the President of the Vermont Association of Chiefs of Police or designee;

(7) the Executive Director of the Vermont Office of Racial Equity;

(8) the Attorney General or designee;

(9) the Executive Director of the Department of State's Attorneys and Sheriffs or designee; and

(10) the Defender General or designee.

(c) Powers and duties. The Giglio Database Study Committee shall study the appropriate structure and process to administer a law enforcement officer information database designed to facilitate the disclosure of potential impeachment information by prosecutors pursuant to legal obligations. The Committee shall study the following:

(1) the appropriate department or agency to manage and administer the database;

(2) the type and scope of information maintained in the database;

(3) any gatekeeping functions used to review information before it is entered into the database;

(4) any due process procedures to dispute information entered into the database;

(5) how to securely maintain the database;

(6) the appropriate access to the database;

(7) the confidentiality of the information maintained in, or accessed from, the database; and

(8) the resources necessary to effectively administer and maintain the database.

(d) Report. On or before December 1, 2022, the Giglio Database Study Committee shall submit a written report with legislative recommendations to the House and Senate Committees on Government Operations.

(e) Assistance. The Giglio Database Study Committee shall have the administrative, technical, and legal assistance of the Vermont Criminal Justice Council and any other stakeholders interested in assisting with the report.

(f) Meetings.

(1) The Executive Director of the Office of Racial Equity or designee shall call the first meeting of the Committee to occur on or before July 15, 2022.

(2) The Executive Director of the Office of Racial Equity shall select a chair from among its members at the first meeting.

(3) The Committee shall meet six times.

(4) A majority of the membership shall constitute a quorum.

(5) The Giglio Database Study Committee shall cease to exist on December 15, 2022.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Giglio Database Study Committee shall be entitled to per diem compensation pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 3. 13 V.S.A. § 5585 is amended to read as follows:

§ 5585. ELECTRONIC RECORDING OF A CUSTODIAL INTERROGATION

(a) As used in this section:

(1) "Custodial interrogation" means any interrogation:

(A) involving questioning by a law enforcement officer that is reasonably likely to elicit an incriminating response from the subject; and

(B) in which a reasonable person in the subject's position would consider ~~himself or herself~~ the person to be in custody, starting from the moment a person should have been advised of ~~his or her~~ the person's Miranda rights and ending when the questioning has concluded.

* * *

(3) "Place of detention" means a building or a police station that is a place of operation for the State police, a municipal police department, county sheriff department, or other law enforcement agency that is owned or operated by a law enforcement agency at which persons are or may be questioned in connection with criminal offenses or detained temporarily in connection with criminal charges pending a potential arrest or citation.

(4) "Statement" means an oral, written, sign language, or nonverbal communication.

(b)(1) A custodial interrogation that occurs in a place of detention concerning the investigation of a felony or misdemeanor violation ~~of chapter~~

~~53 (homicide) or 72 (sexual assault)~~ of this title shall be electronically recorded in its entirety. Unless impracticable, a custodial interrogation occurring outside a place of detention concerning the investigation of a felony or misdemeanor violation of this title shall be electronically recorded in its entirety.

(2) In consideration of best practices, law enforcement shall strive to record simultaneously both the interrogator and the person being interrogated.

(c)(1) The following are exceptions to the recording requirement in subsection (b) of this section:

(A) exigent circumstances;

(B) a person's refusal to be electronically recorded;

(C) interrogations conducted by other jurisdictions;

(D) a reasonable belief that the person being interrogated did not commit a felony or misdemeanor violation ~~of chapter 53 (homicide) or 72 (sexual assault)~~ of this title and, therefore, an electronic recording of the interrogation was not required;

(E) the safety of a person or protection of ~~his or her~~ the person's identity; and

(F) equipment malfunction.

* * *

Sec. 4. STUDY ON DECEPTIVE AND COERCIVE METHODS OF LAW ENFORCEMENT INTERROGATION; REPORT

(a) The Joint Legislative Justice Oversight Committee shall study the use of deceptive and coercive interrogation tactics employed by law enforcement in the State of Vermont. In particular, the study shall consider:

(1) when providing false facts about evidence to a suspect during an interview conducted after the commission of a crime results in an involuntary confession or admission to the crime;

(2) when confessions or admissions to crimes procured by providing a defendant with false facts should be inadmissible;

(3) the appropriate age and circumstances to prohibit coercive techniques in cases involving juveniles;

(4) the use of the interrogation and interviewing techniques, including the Reid Technique of Investigative Interviews and Advanced Interrogation Techniques, by law enforcement; and

(5) legislation, initiatives, or programs for the General Assembly and law enforcement to consider to improve current practices.

(b) The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Counsel. The Committee may have the assistance of the Vermont Criminal Justice Council in drafting the report, along with any other stakeholders interested in assisting. On or before December 1, 2022, the Committee shall submit a report in the form of proposed legislation.

Sec. 5. 20 V.S.A. § 2222 is amended to read:

§ 2222. FEDERAL LAW ENFORCEMENT OFFICERS; POWER OF ARREST FOR VERMONT CRIMES

(a) For purposes of this section, "a certified federal law enforcement officer" means a federal law enforcement officer who:

(1) is employed as a law enforcement officer of the federal government as:

(A) a special agent, border patrol agent, or immigration inspector of the Immigration and Naturalization Service, U.S. Department of Justice; ~~or~~

(B) an officer or inspector of the U.S. Customs Service of the Department of the Treasury; ~~and~~ or

(C) a special agent, inspector, or member of the police service of the U.S. Department of Veterans Affairs;

(2) has satisfactorily completed a course of study in Vermont laws and criminal procedures approved by the Vermont Criminal Justice Council, at the expense of the officer's agency;

(3) has been certified by the Commissioner of Public Safety pursuant to subsection (b) of this section; and

(4) has taken an oath administered by the Commissioner of Public Safety or by the Commissioner's designee to uphold the Constitution of the State of Vermont.

* * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment? Senator Ram Hinsdale moved that the Senate concur in the House proposal of amendment with further proposals of amendment, as follows:

First: By striking out Sec. 1, 20 V.S.A. § 2366, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 20 V.S.A. § 2366 is amended to read:

§ 2366. LAW ENFORCEMENT AGENCIES; FAIR AND IMPARTIAL POLICING POLICY; RACE DATA COLLECTION

* * *

(4) The data provided pursuant to subdivision (3) of this subsection shall be posted electronically in a manner that is analyzable and accessible to the public on the receiving agency's website and clear and understandable. The receiving agency shall also report the data annually ~~to the General Assembly~~, on or before December 1, to the House and Senate Committees on Government Operations and on Judiciary and the Executive Director of Racial Equity. The report shall detail how the data is collected, how the data is accessible, how the data is used by the law enforcement agency, a review of the data to determine if additional data criteria is needed, and any recommendations to improve data collection and use.

* * *

Second: By adding a Sec. 1a to read as follows:

Sec. 1a. DEPARTMENT OF PUBLIC SAFETY; LAW ENFORCEMENT DATA COLLECTION; REPORT

(a) On or before November 1, 2023, the Department of Public Safety shall submit a report concerning the ability of law enforcement agencies to collect data during law enforcement encounters. The report shall specify:

(1) the data currently collected, including law enforcement's capabilities and methods of collection;

(2) any suggested data collection criteria;

(3) any impediments to collecting data;

(4) proposed remedies to resolve any impediments; and

(5) a recommended definition of "law enforcement encounter."

(b) The report shall be submitted to the House and Senate Committees on Government Operations and on Judiciary and the Executive Director of Racial Equity.

(c) It is the intent of the General Assembly that the report's definition of "law enforcement encounter" and data criteria suggestions should be

considered for codification into law by the General Assembly during the 2024 legislative session.

Third: In Sec. 4, study on deceptive and coercive methods of law enforcement interrogation; report, in subsection (b), in the third sentence, following "legislation" by inserting , if any

Thereupon, the question, Shall the Senate concur in the House proposal of amendment with further proposals of amendment?, was decided in the affirmative.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Consideration Resumed; House Proposal of Amendment Concurred In

S. 234.

Consideration was resumed on Senate bill entitled:

An act relating to changes to Act 250.

Thereupon, the pending question, Shall the Senate concur in the House proposal of amendment with further proposal of amendment as offered by Senator Sears?, Senator Sears requested and was granted leave to withdraw the further proposal of amendment.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative on a division of the Senate, Yeas 17, Nays 13.

Rules Suspended; House Proposal of Amendment to Senate Proposal of Amendment Concurred In; Bill Messaged

H. 626.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to the sale, use, or application of neonicotinoid pesticides.

Was taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with the following amendment thereto:

By adding a Sec. 5a to read as follows:

Sec. 5a. AGENCY OF AGRICULTURE, FOOD AND MARKETS; RESIDUALS MANAGEMENT POSITIONS

Two new permanent classified positions at the Agency of Agriculture, Food and Markets are authorized in fiscal year 2023 for the purpose of staffing the Agency's Residuals Management Program, supporting the Agricultural Innovation Board, and enforcing and reviewing the use of treated article pesticides in the State. In fiscal year 2023, $181,190.00 is appropriated to the Agency of Agriculture, Food and Markets for the purpose of hiring the two new positions in the Agency's Residuals Management Program. The two positions shall be funded from the revenue raised from the registration of soil amendments under 6 V.S.A. chapter 28 and the registration of dosage form animal health products and feed supplements under 6 V.S.A. chapter 26.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

Thereupon, on motion of Senator Balint, the rules were suspended and the bill was ordered messaged to the House forthwith.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator White, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

The nomination of

Chase, Heather of Chester - Member Vermont Economic Progress Council - May 24, 2021 to March 31, 2025.

The nomination of

Flanagan, Ed of Montpelier - Member Liquor and Lottery, Board of - July 19, 2021 to January 31, 2024.

The nomination of

Guy, Sam of Morrisville - Member Liquor and Lottery, Board of - July 19, 2021 to January 31, 2024.

The nomination of

Trombly, Christopher of South Burlington - Member Vermont State Housing Authority - July 19, 2021 to February 29, 2024.

The nomination of

Jones, Aaron of Rutland - Member Vermont State Housing Authority - July 19, 2021 to February 28, 2026.

The nomination of

Keane, Michael of North Bennington - Member Vermont Economic Progress Council - April 1, 2021 to March 31, 2025.

The nomination of

McQuesten, Gary of Plainfield - Chair Vermont Occupational Safety and Health Review Board - March 3, 2022 to February 28, 2025.

Were collectively confirmed by the Senate.

Appointment of Senate Members to Joint Fiscal Committee

Pursuant to the provisions of 2 V.S.A. § 501, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Joint Fiscal Committee for terms of two years ending February 1, 2023:

Senator Cummings, *ex officio*
Senator Sears
Senator Kitchel, *ex officio*
[Senator Balint]
Senator Westman
Senator Baruth

Appointment of Senate Member to the Building Bright Futures Council

Pursuant to the provisions of 33 V.S.A. § 4602, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Building Bright Futures Council during this biennium:

Senator Hardy

Message from the House No. 82

A message was received from the House of Representatives by Ms. Melissa Kucserik, its First Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to House bill:

H. 738. An act relating to technical and administrative changes to Vermont's tax laws.

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

Message from the House No. 83

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

H. 510. An act relating to a Vermont Child Tax Credit and the Vermont Social Security income exclusion.

And has adopted the same on its part.

The House has considered Senate proposal of amendment to the following House bill:

H. 737. An act relating to setting the homestead property tax yields and the nonhomestead property tax rate.

And has severally concurred therein.

Recess

On motion of Senator Balint the Senate recessed until 4:45 p.m..

Called to Order

The Senate was called to order by the President.

Rules Suspended; House Proposals of Amendment to Senate Proposal of Amendment Concurred In

H. 738.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and House proposals of amendment to Senate proposal of amendment to House bill entitled:

An act relating to technical and administrative changes to Vermont's tax laws.

Were taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with the following amendments thereto:

First: By striking out Secs. 6 and 7, 32 V.S.A. §§ 5824 and 7402(8), and their reader assistance heading in their entireties and inserting in lieu thereof the following:

Sec. 6. [Deleted.]

Sec. 7. [Deleted.]

Second: By adding a new section to be Sec. 19a to read as follows:

Sec. 19a. REPORT; GRANT-FUNDED BROADBAND NETWORK ASSETS

On or before January 15, 2023, the Vermont Community Broadband Board shall submit a written report to the Senate Committees on Finance, on Appropriations, and on Economic Development, Housing and General Affairs and the House Committees on Commerce and Economic Development, on Ways and Means, on Energy and Technology, and on Appropriations that analyzes 30 V.S.A. § 8086(c)(3), particularly with regard to the removal of the requirement that ownership of grant-funded network assets be transferred to the State if a grantee materially fails to comply with the terms and conditions of a grant. The Board shall review all financing contracts or agreements entered into by a communications union district on or after May 11, 2022 and make a determination as to whether publicly funded network assets are at risk of privatization due to financial insolvency or default under the terms and conditions of such contracts or agreements and whether additional statutory requirements should be enacted to protect the State's broadband investments.

Third: In Sec. 20, 30 V.S.A. § 8086(h), by striking out subdivision (h)(1) in its entirety and inserting in lieu thereof a new subdivision (h)(1) to read as follows:

(h)(1) The Board shall require a communications union district that borrows funds for the purpose of financing a broadband project to immediately provide written notice to the Board in the event the communications union district becomes aware that it is at risk of financial insolvency or of defaulting on the payment of principal or interest on a loan when due. The Board, in turn, shall promptly provide written notice to the Governor, the Treasurer, and the Joint Fiscal Committee of such risk of insolvency or default and shall include in its notification a description of any potential ramifications of the insolvency or default under the terms and conditions of the applicable loan.

Fourth: In Sec. 28, effective dates, in subsection (j), by striking out "19 and 20" and inserting lieu thereof "19–20"

Fifth: In Sec. 28, effective dates, by striking out subsection (c) in its entirety and by relettering the remaining subsections to be alphabetically correct.

Thereupon, the question, Shall the Senate concur in the House proposals of amendment to the Senate proposal of amendment?, were severally decided in the affirmative.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 740.

Senator Kitchel, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 740. An act relating to making appropriations for the support of government.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

This bill may be referred to as the BIG BILL – Fiscal Year 2023 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2023. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those that can be supported by funds appropriated in this act or other acts passed prior to June 30, 2022. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2023 to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serves as the primary source and reference for appropriations for fiscal year 2023.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the Commissioner of Finance and Management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2023.

Sec. A.103 DEFINITIONS

(a) As used in this act:

(1) "Encumbrances" means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The Commissioner of Finance and Management shall make final decisions on the appropriateness of encumbrances.

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the State for services or supplies and means cash or other direct assistance, including pension contributions.

(3) "Operating expenses" means property management; repair and maintenance; rental expenses; insurance; postage; travel; energy and utilities; office and other supplies; equipment, including motor vehicles, highway materials, and construction; expenditures for the purchase of land and construction of new buildings and permanent improvements; and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, contracted third-party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the State appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2023, the Governor, with the approval of the General Assembly or the Joint Fiscal Committee if the General Assembly is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the General Assembly or the Joint Fiscal Committee if the General Assembly is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2023, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2022 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for not more than 45 days prior to Legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2023 except for new positions authorized by the 2022 session. Limited-service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

B.100–B.199 and E.100–E.199	General Government
B.200–B.299 and E.200–E.299	Protection to Persons and Property
B.300–B.399 and E.300–E.399	Human Services
B.400–B.499 and E.400–E.499	Labor
B.500–B.599 and E.500–E.599	General Education
B.600–B.699 and E.600–E.699	Higher Education
B.700–B.799 and E.700–E.799	Natural Resources
B.800–B.899 and E.800–E.899	Commerce and Community Development
B.900–B.999 and E.900–E.999	Transportation
B.1000–B.1099 and E.1000–E.1099	Debt Service
B.1100–B.1199 and E.1100–E.1199	One-time and other appropriation actions

(b) The C sections contain amendments to the current fiscal year, the D sections contain fund transfers and reserve allocations for the upcoming budget year, the F sections contain Pay Act appropriations, and the G sections contain provisions relating to the American Rescue Plan Act of 2021, Pub. L. No 117-2 (ARPA) – Coronavirus State Fiscal Recovery Fund expenditures and other related funding.

Sec. B.100 Secretary of administration - secretary's office

Personal services	1,652,252
Operating expenses	111,750
Grants	25,000
Total	1,789,002
Source of funds	
General fund	1,092,614
Special funds	25,000
Internal service funds	440,610
Interdepartmental transfers	230,778
Total	1,789,002

Sec. B.101 Secretary of administration - finance

Personal services	1,256,805
Operating expenses	113,453
Total	1,370,258
Source of funds	
Interdepartmental transfers	1,370,258
Total	1,370,258

Sec. B.102 Secretary of administration - workers' compensation insurance

Personal services	831,338
Operating expenses	115,218
Total	946,556
Source of funds	
Internal service funds	946,556
Total	946,556

Sec. B.103 Secretary of administration - general liability insurance

Personal services	507,371
Operating expenses	38,155
Total	545,526
Source of funds	
Internal service funds	545,526
Total	545,526

Sec. B.104 Secretary of administration - all other insurance

Personal services	192,702
Operating expenses	17,643
Total	210,345
Source of funds	
Internal service funds	210,345
Total	210,345

Sec. B.105 Agency of digital services - communications and information technology

Personal services	99,364,395
Operating expenses	34,833,539
Total	134,197,934
Source of funds	
General fund	179,572
Special funds	17,159,341
Internal service funds	116,859,021
Total	134,197,934

Sec. B.106 Finance and management - budget and management

Personal services	1,560,869
Operating expenses	328,431
Total	1,889,300
Source of funds	
General fund	1,287,210

Internal service funds	602,090
Total	1,889,300

Sec. B.107 Finance and management - financial operations

Personal services	2,258,652
Operating expenses	729,477
Total	2,988,129
Source of funds	
Internal service funds	2,988,129
Total	2,988,129

Sec. B.108 Human resources - operations

Personal services	9,623,786
Operating expenses	1,337,649
Total	10,961,435
Source of funds	
General fund	1,645,579
Special funds	263,589
Internal service funds	8,582,668
Interdepartmental transfers	469,599
Total	10,961,435

Sec. B.108.1 Human resources - VTHR operations

Personal services	1,795,870
Operating expenses	712,551
Total	2,508,421
Source of funds	
Internal service funds	2,508,421
Total	2,508,421

Sec. B.109 Human resources - employee benefits & wellness

Personal services	1,109,145
Operating expenses	601,415
Total	1,710,560
Source of funds	
Internal service funds	1,710,560
Total	1,710,560

Sec. B.110 Libraries

Personal services	2,362,959
Operating expenses	892,587
Grants	201,900
Total	3,457,446

Source of funds	
General fund	2,004,119
Special funds	35,276
Federal funds	1,308,858
Interdepartmental transfers	109,193
Total	3,457,446

Sec. B.111 Tax - administration/collection

Personal services	17,831,398
Operating expenses	5,790,925
Total	23,622,323
Source of funds	
General fund	21,409,826
Special funds	2,178,388
Interdepartmental transfers	34,109
Total	23,622,323

Sec. B.112 Buildings and general services - administration

Personal services	1,080,924
Operating expenses	153,965
Total	1,234,889
Source of funds	
Interdepartmental transfers	1,234,889
Total	1,234,889

Sec. B.113 Buildings and general services - engineering

Personal services	96,274
Operating expenses	1,535,829
Total	1,632,103
Source of funds	
General fund	1,132,103
Interdepartmental transfers	500,000
Total	1,632,103

Sec. B.113.1 Buildings and General Services Engineering - Capital Projects

Personal services	2,756,153
Total	2,756,153
Source of funds	
General fund	2,756,153
Total	2,756,153

Sec. B.114 Buildings and general services - information centers

Personal services	3,320,126
Operating expenses	1,821,549
Total	5,141,675
Source of funds	
General fund	649,572
Transportation fund	4,059,343
Special funds	432,760
Total	5,141,675

Sec. B.115 Buildings and general services - purchasing

Personal services	1,134,262
Operating expenses	222,957
Total	1,357,219
Source of funds	
General fund	1,357,219
Total	1,357,219

Sec. B.116 Buildings and general services - postal services

Personal services	757,054
Operating expenses	249,683
Total	1,006,737
Source of funds	
General fund	84,986
Internal service funds	921,751
Total	1,006,737

Sec. B.117 Buildings and general services - copy center

Personal services	853,534
Operating expenses	171,957
Total	1,025,491
Source of funds	
Internal service funds	1,025,491
Total	1,025,491

Sec. B.118 Buildings and general services - fleet management services

Personal services	777,083
Operating expenses	250,909
Total	1,027,992
Source of funds	
Internal service funds	1,027,992
Total	1,027,992

Sec. B.119 Buildings and general services - federal surplus property

Operating expenses	6,979
Total	6,979
Source of funds	
Enterprise funds	6,979
Total	6,979

Sec. B.120 Buildings and general services - state surplus property

Personal services	343,550
Operating expenses	125,259
Total	468,809
Source of funds	
Internal service funds	468,809
Total	468,809

Sec. B.121 Buildings and general services - property management

Personal services	1,467,576
Operating expenses	508,707
Total	1,976,283
Source of funds	
Internal service funds	1,976,283
Total	1,976,283

Sec. B.122 Buildings and general services - fee for space

Personal services	18,711,733
Operating expenses	14,636,007
Total	33,347,740
Source of funds	
Internal service funds	33,347,740
Total	33,347,740

Sec. B.124 Executive office - governor's office

Personal services	1,487,507
Operating expenses	459,623
Total	1,947,130
Source of funds	
General fund	1,716,379
Interdepartmental transfers	230,751
Total	1,947,130

Sec. B.125 Legislative counsel

Personal services	3,554,623
Operating expenses	255,108
Total	3,809,731
Source of funds	
General fund	3,809,731
Total	3,809,731

Sec. B.126 Legislature

Personal services	5,411,855
Operating expenses	4,510,892
Total	9,922,747
Source of funds	
General fund	9,922,747
Total	9,922,747

Sec. B.126.1 Legislative information technology

Personal services	1,191,177
Operating expenses	564,119
Total	1,755,296
Source of funds	
General fund	1,755,296
Total	1,755,296

Sec. B.127 Joint fiscal committee

Personal services	2,595,286
Operating expenses	170,638
Total	2,765,924
Source of funds	
General fund	2,765,924
Total	2,765,924

Sec. B.128 Sergeant at arms

Personal services	1,194,932
Operating expenses	109,829
Total	1,304,761
Source of funds	
General fund	1,304,761
Total	1,304,761

Sec. B.129 Lieutenant governor

Personal services	206,253

Operating expenses	42,999
Total	249,252
Source of funds	
General fund	249,252
Total	249,252

Sec. B.130 Auditor of accounts

Personal services	3,985,879
Operating expenses	179,191
Total	4,165,070
Source of funds	
General fund	357,074
Special funds	53,145
Internal service funds	3,754,851
Total	4,165,070

Sec. B.131 State treasurer

Personal services	4,615,443
Operating expenses	214,594
Total	4,830,037
Source of funds	
General fund	1,809,658
Special funds	2,803,034
Interdepartmental transfers	217,345
Total	4,830,037

Sec. B.132 State treasurer - unclaimed property

Personal services	829,638
Operating expenses	326,937
Total	1,156,575
Source of funds	
Private purpose trust funds	1,156,575
Total	1,156,575

Sec. B.133 Vermont state retirement system

Personal services	180,911
Operating expenses	1,399,555
Total	1,580,466
Source of funds	
Pension trust funds	1,580,466
Total	1,580,466

Sec. B.134 Municipal employees' retirement system

Personal services	198,399
Operating expenses	890,207
Total	1,088,606
Source of funds	
Pension trust funds	1,088,606
Total	1,088,606

Sec. B.134.1 Vermont Pension Investment Commission

Personal services	1,909,994
Operating expenses	226,691
Total	2,136,685
Source of funds	
Special funds	2,136,685
Total	2,136,685

Sec. B.135 State labor relations board

Personal services	236,763
Operating expenses	58,324
Total	295,087
Source of funds	
General fund	285,511
Special funds	6,788
Interdepartmental transfers	2,788
Total	295,087

Sec. B.136 VOSHA review board

Personal services	81,139
Operating expenses	14,783
Total	95,922
Source of funds	
General fund	47,961
Interdepartmental transfers	47,961
Total	95,922

Sec. B.136.1 Ethics Commission

Personal services	89,979
Operating expenses	26,596
Total	116,575
Source of funds	
Internal service funds	116,575
Total	116,575

Sec. B.137 Homeowner rebate

Grants	16,500,000
Total	16,500,000
Source of funds	
General fund	16,500,000
Total	16,500,000

Sec. B.138 Renter rebate

Grants	9,500,000
Total	9,500,000
Source of funds	
General fund	9,500,000
Total	9,500,000

Sec. B.139 Tax department - reappraisal and listing payments

Grants	3,388,000
Total	3,388,000
Source of funds	
General fund	3,388,000
Total	3,388,000

Sec. B.140 Municipal current use

Grants	17,800,000
Total	17,800,000
Source of funds	
General fund	17,800,000
Total	17,800,000

Sec. B.142 Payments in lieu of taxes

Grants	10,575,000
Total	10,575,000
Source of funds	
Special funds	10,575,000
Total	10,575,000

Sec. B.143 Payments in lieu of taxes - Montpelier

Grants	184,000
Total	184,000
Source of funds	
Special funds	184,000
Total	184,000

Sec. B.144 Payments in lieu of taxes - correctional facilities	
Grants	40,000
Total	40,000
Source of funds	
Special funds	40,000
Total	40,000
Sec. B.145 Total general government	
Source of funds	
General fund	104,811,247
Transportation fund	4,059,343
Special funds	35,893,006
Federal funds	1,308,858
Internal service funds	178,033,418
Interdepartmental transfers	4,447,671
Enterprise funds	6,979
Pension trust funds	2,669,072
Private purpose trust funds	1,156,575
Total	332,386,169
Sec. B.200 Attorney general	
Personal services	12,222,872
Operating expenses	1,615,595
Grants	20,000
Total	13,858,467
Source of funds	
General fund	6,533,053
Special funds	2,030,838
Tobacco fund	348,000
Federal funds	1,490,970
Interdepartmental transfers	3,455,606
Total	13,858,467
Sec. B.201 Vermont court diversion	
Personal services	1,250
Grants	3,006,479
Total	3,007,729
Source of funds	
General fund	2,749,732
Special funds	257,997
Total	3,007,729

Sec. B.202 Defender general - public defense

Personal services	13,536,180
Operating expenses	1,168,458
Total	14,704,638
Source of funds	
General fund	14,114,985
Special funds	589,653
Total	14,704,638

Sec. B.203 Defender general - assigned counsel

Personal services	6,337,191
Operating expenses	49,500
Total	6,386,691
Source of funds	
General fund	6,386,691
Total	6,386,691

Sec. B.204 Judiciary

Personal services	47,987,874
Operating expenses	11,198,662
Grants	121,030
Total	59,307,566
Source of funds	
General fund	52,997,805
Special funds	3,260,434
Federal funds	953,928
Interdepartmental transfers	2,095,399
Total	59,307,566

Sec. B.205 State's attorneys

Personal services	12,905,446
Operating expenses	1,980,473
Total	14,885,919
Source of funds	
General fund	14,358,352
Special funds	101,442
Federal funds	224,319
Interdepartmental transfers	201,806
Total	14,885,919

Sec. B.206 Special investigative unit

Personal services	86,487
Grants	2,077,230
Total	2,163,717
Source of funds	
General fund	2,163,717
Total	2,163,717

Sec. B.206.1 Crime Victims Advocates

Personal services	2,562,572
Total	2,562,572
Source of funds	
General fund	2,562,572
Total	2,562,572

Sec. B.207 Sheriffs

Personal services	4,440,864
Operating expenses	415,366
Total	4,856,230
Source of funds	
General fund	4,856,230
Total	4,856,230

Sec. B.208 Public safety - administration

Personal services	4,517,183
Operating expenses	5,076,934
Total	9,594,117
Source of funds	
General fund	5,743,935
Special funds	4,105
Federal funds	536,792
Interdepartmental transfers	3,309,285
Total	9,594,117

Sec. B.209 Public safety - state police

Personal services	62,598,426
Operating expenses	12,660,950
Grants	1,467,153
Total	76,726,529
Source of funds	
General fund	46,676,421
Transportation fund	20,250,000

Special funds	3,116,711
Federal funds	4,820,645
Interdepartmental transfers	1,862,752
Total	76,726,529

Sec. B.210 Public safety - criminal justice services

Personal services	5,055,792
Operating expenses	1,448,367
Total	6,504,159
Source of funds	
General fund	1,423,477
Special funds	4,646,634
Federal funds	434,048
Total	6,504,159

Sec. B.211 Public safety - emergency management

Personal services	3,778,940
Operating expenses	1,213,431
Grants	35,889,332
Total	40,881,703
Source of funds	
General fund	627,088
Special funds	710,000
Federal funds	39,537,389
Interdepartmental transfers	7,226
Total	40,881,703

Sec. B.212 Public safety - fire safety

Personal services	7,549,948
Operating expenses	2,677,499
Grants	107,000
Total	10,334,447
Source of funds	
General fund	740,787
Special funds	8,998,928
Federal funds	549,732
Interdepartmental transfers	45,000
Total	10,334,447

Sec. B.213 Public safety - Forensic Laboratory

Personal services	3,219,911
Operating expenses	938,253

Total	4,158,164
Source of funds	
General fund	3,407,657
Special funds	62,782
Federal funds	320,000
Interdepartmental transfers	367,725
Total	4,158,164

Sec. B.215 Military - administration

Personal services	887,895
Operating expenses	656,621
Grants	1,319,834
Total	2,864,350
Source of funds	
General fund	2,864,350
Total	2,864,350

Sec. B.216 Military - air service contract

Personal services	7,981,247
Operating expenses	1,200,811
Total	9,182,058
Source of funds	
General fund	636,623
Federal funds	8,545,435
Total	9,182,058

Sec. B.217 Military - army service contract

Personal services	40,946,121
Operating expenses	7,301,437
Total	48,247,558
Source of funds	
Federal funds	48,247,558
Total	48,247,558

Sec. B.218 Military - building maintenance

Personal services	779,881
Operating expenses	869,698
Total	1,649,579
Source of funds	
General fund	1,587,079
Special funds	62,500
Total	1,649,579

Sec. B.219 Military - veterans' affairs

Personal services	1,023,293
Operating expenses	154,362
Grants	41,300
Total	1,218,955
Source of funds	
General fund	956,280
Special funds	162,675
Federal funds	100,000
Total	1,218,955

Sec. B.220 Center for crime victim services

Personal services	1,644,629
Operating expenses	386,431
Grants	7,819,312
Total	9,850,372
Source of funds	
General fund	1,382,712
Special funds	3,461,971
Federal funds	5,005,689
Total	9,850,372

Sec. B.221 Criminal justice council

Personal services	1,980,066
Operating expenses	1,480,716
Total	3,460,782
Source of funds	
General fund	3,130,282
Interdepartmental transfers	330,500
Total	3,460,782

Sec. B.222 Agriculture, food and markets - administration

Personal services	1,979,598
Operating expenses	537,899
Grants	227,972
Total	2,745,469
Source of funds	
General fund	1,234,172
Special funds	988,397
Federal funds	522,900
Total	2,745,469

Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	4,459,775
Operating expenses	844,913
Grants	2,780,000
Total	8,084,688
Source of funds	
General fund	2,945,168
Special funds	3,765,425
Federal funds	1,362,095
Interdepartmental transfers	12,000
Total	8,084,688

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	5,521,540
Operating expenses	586,011
Grants	5,042,425
Total	11,149,976
Source of funds	
General fund	3,034,777
Special funds	545,738
Federal funds	7,569,461
Total	11,149,976

Sec. B.225 Agriculture, food and markets - agricultural resource management and environmental stewardship

Personal services	2,830,318
Operating expenses	950,906
Grants	545,334
Total	4,326,558
Source of funds	
General fund	1,191,645
Special funds	2,325,153
Federal funds	472,695
Interdepartmental transfers	337,065
Total	4,326,558

Sec. B.225.1 Agriculture, food and markets - Vermont Agriculture and Environmental Lab

Personal services	1,622,126
Operating expenses	1,237,280
Total	2,859,406

Source of funds	
General fund	1,051,709
Special funds	1,732,793
Interdepartmental transfers	74,904
Total	2,859,406

Sec. B.225.2 Agriculture, Food and Markets - Clean Water

Personal services	3,351,394
Operating expenses	518,202
Grants	5,253,111
Total	9,122,707
Source of funds	
General fund	1,100,802
Special funds	7,266,122
Federal funds	441,907
Interdepartmental transfers	313,876
Total	9,122,707

Sec. B.226 Financial regulation - administration

Personal services	2,395,168
Operating expenses	159,635
Total	2,554,803
Source of funds	
Special funds	2,554,803
Total	2,554,803

Sec. B.227 Financial regulation - banking

Personal services	2,099,711
Operating expenses	481,536
Total	2,581,247
Source of funds	
Special funds	2,581,247
Total	2,581,247

Sec. B.228 Financial regulation - insurance

Personal services	4,586,782
Operating expenses	678,282
Total	5,265,064
Source of funds	
Special funds	5,265,064
Total	5,265,064

Sec. B.229 Financial regulation - captive insurance

Personal services	4,748,621
Operating expenses	693,529
Total	5,442,150
Source of funds	
Special funds	5,442,150
Total	5,442,150

Sec. B.230 Financial regulation - securities

Personal services	1,177,808
Operating expenses	274,059
Total	1,451,867
Source of funds	
Special funds	1,451,867
Total	1,451,867

Sec. B.232 Secretary of state

Personal services	13,335,882
Operating expenses	4,364,977
Total	17,700,859
Source of funds	
Special funds	13,042,272
Federal funds	4,658,587
Total	17,700,859

Sec. B.233 Public service - regulation and energy

Personal services	10,741,089
Operating expenses	1,153,898
Grants	1,346,948
Total	13,241,935
Source of funds	
Special funds	11,632,917
Federal funds	1,056,721
ARRA funds	510,535
Enterprise funds	41,762
Total	13,241,935

Sec. B.234 Public utility commission

Personal services	3,597,784
Operating expenses	501,906
Total	4,099,690
Source of funds	

Special funds	4,099,690
Total	4,099,690

Sec. B.235 Enhanced 9-1-1 Board

Personal services	4,144,834
Operating expenses	443,064
Total	4,587,898
Source of funds	
General fund	0
Special funds	4,587,898
Total	4,587,898

Sec. B.236 Human rights commission

Personal services	691,710
Operating expenses	88,837
Total	780,547
Source of funds	
General fund	700,290
Federal funds	80,257
Total	780,547

Sec. B.236.1 Liquor & Lottery Comm. Office

Personal services	452,118
Operating expenses	20,306
Total	472,424
Source of funds	
Enterprise funds	472,424
Total	472,424

Sec. B.236.2 Lottery Operations

Personal services	2,325,309
Operating expenses	1,625,023
Grants	250,000
Total	4,200,332
Source of funds	
Enterprise funds	4,200,332
Total	4,200,332

Sec. B.237 Liquor control - administration

Personal services	3,894,882
Operating expenses	1,386,666
Total	5,281,548

Source of funds	
Tobacco fund	213,843
Enterprise funds	5,067,705
Total	5,281,548

Sec. B.238 Liquor control - enforcement and licensing

Personal services	2,031,174
Operating expenses	415,495
Total	2,446,669
Source of funds	
Federal funds	184,484
Enterprise funds	2,262,185
Total	2,446,669

Sec. B.239 Liquor control - warehousing and distribution

Personal services	1,076,103
Operating expenses	498,696
Total	1,574,799
Source of funds	
Enterprise funds	1,574,799
Total	1,574,799

Sec. B.240 Cannabis Control Board

Personal services	3,211,914
Operating expenses	278,608
Total	3,490,522
Source of funds	
Special funds	3,490,522
Total	3,490,522

Sec. B.241 Total protection to persons and property

Source of funds	
General fund	187,158,391
Transportation fund	20,250,000
Special funds	98,238,728
Tobacco fund	561,843
Federal funds	127,115,612
ARRA funds	510,535
Interdepartmental transfers	12,413,144
Enterprise funds	13,619,207
Total	459,867,460

Sec. B.300 Human services - agency of human services - secretary's office

Personal services	12,307,314
Operating expenses	5,340,825
Grants	2,895,202
Total	20,543,341
Source of funds	
General fund	9,056,662
Special funds	135,517
Federal funds	10,569,851
Interdepartmental transfers	781,311
Total	20,543,341

Sec. B.301 Secretary's office - global commitment

Grants	1,835,603,282
Total	1,835,603,282
Source of funds	
General fund	608,430,925
Special funds	33,384,536
Tobacco fund	21,049,373
State health care resources fund	17,078,501
Federal funds	1,151,625,777
Interdepartmental transfers	4,034,170
Total	1,835,603,282

Sec. B.303 Developmental disabilities council

Personal services	424,008
Operating expenses	95,289
Grants	191,595
Total	710,892
Source of funds	
Special funds	12,000
Federal funds	698,892
Total	710,892

Sec. B.304 Human services board

Personal services	766,312
Operating expenses	89,396
Total	855,708
Source of funds	
General fund	490,779

Federal funds	364,929
Total	855,708

Sec. B.305 AHS - administrative fund

Personal services	330,000
Operating expenses	13,170,000
Total	13,500,000
Source of funds	
Interdepartmental transfers	13,500,000
Total	13,500,000

Sec. B.306 Department of Vermont health access - administration

Personal services	133,258,216
Operating expenses	27,050,784
Grants	2,912,301
Total	163,221,301
Source of funds	
General fund	34,666,169
Special funds	4,738,197
Federal funds	114,997,590
Global Commitment fund	3,986,316
Interdepartmental transfers	4,833,029
Total	163,221,301

Sec. B.307 Department of Vermont health access - Medicaid program - global commitment

Personal services	547,983
Grants	837,108,046
Total	837,656,029
Source of funds	
Global Commitment fund	837,656,029
Total	837,656,029

Sec. B.309 Department of Vermont health access - Medicaid program - state only

Grants	54,104,191
Total	54,104,191
Source of funds	
General fund	44,533,864
Global Commitment fund	9,570,327
Total	54,104,191

Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched

Grants	35,125,592
Total	35,125,592
Source of funds	
General fund	12,736,699
Federal funds	22,388,893
Total	35,125,592

Sec. B.311 Health - administration and support

Personal services	7,880,051
Operating expenses	7,161,896
Grants	15,416,408
Total	30,458,355
Source of funds	
General fund	3,120,538
Special funds	2,123,150
Federal funds	19,371,027
Global Commitment fund	5,779,334
Interdepartmental transfers	64,306
Total	30,458,355

Sec. B.312 Health - public health

Personal services	58,557,637
Operating expenses	10,504,324
Grants	45,237,061
Total	114,299,022
Source of funds	
General fund	12,217,471
Special funds	22,422,908
Tobacco fund	1,088,918
Federal funds	61,398,428
Global Commitment fund	16,159,672
Interdepartmental transfers	986,625
Permanent trust funds	25,000
Total	114,299,022

Sec. B.313 Health - alcohol and drug abuse programs

Personal services	5,533,379
Operating expenses	511,500
Grants	55,582,806

Total	61,627,685
Source of funds	
General fund	4,706,142
Special funds	1,392,101
Tobacco fund	949,917
Federal funds	21,131,903
Global Commitment fund	33,447,622
Total	61,627,685

Sec. B.314 Mental health - mental health

Personal services	37,550,464
Operating expenses	5,023,808
Grants	251,958,650
Total	294,532,922
Source of funds	
General fund	12,966,387
Special funds	1,690,187
Federal funds	10,279,911
Global Commitment fund	269,471,344
Interdepartmental transfers	125,093
Total	294,532,922

Sec. B.316 Department for children and families - administration & support services

Personal services	41,932,610
Operating expenses	17,284,575
Grants	3,819,106
Total	63,036,291
Source of funds	
General fund	36,020,845
Special funds	2,789,842
Federal funds	22,463,191
Global Commitment fund	1,409,481
Interdepartmental transfers	352,932
Total	63,036,291

Sec. B.317 Department for children and families - family services

Personal services	41,455,253
Operating expenses	5,392,584
Grants	88,864,318
Total	135,712,155
Source of funds	

General fund	56,028,109
Special funds	729,587
Federal funds	32,206,285
Global Commitment fund	46,710,437
Interdepartmental transfers	37,737
Total	135,712,155

Sec. B.318 Department for children and families - child development

Personal services	5,486,947
Operating expenses	860,622
Grants	106,205,300
Total	112,552,869
Source of funds	
General fund	33,130,398
Special funds	16,820,011
Federal funds	50,457,478
Global Commitment fund	12,144,941
Interdepartmental transfers	41
Total	112,552,869

Sec. B.319 Department for children and families - office of child support

Personal services	11,906,476
Operating expenses	3,745,167
Total	15,651,643
Source of funds	
General fund	4,718,623
Special funds	455,719
Federal funds	10,089,701
Interdepartmental transfers	387,600
Total	15,651,643

Sec. B.320 Department for children and families - aid to aged, blind and disabled

Personal services	2,252,206
Grants	10,431,118
Total	12,683,324
Source of funds	
General fund	7,533,333
Global Commitment fund	5,149,991
Total	12,683,324

Sec. B.321 Department for children and families - general assistance

Personal services	15,000
Grants	2,823,574
Total	2,838,574
Source of funds	
General fund	2,541,239
Federal funds	11,320
Global Commitment fund	286,015
Total	2,838,574

Sec. B.322 Department for children and families - 3SquaresVT

Grants	44,377,812
Total	44,377,812
Source of funds	
Federal funds	44,377,812
Total	44,377,812

Sec. B.323 Department for children and families - reach up

Operating expenses	30,633
Grants	27,235,606
Total	27,266,239
Source of funds	
General fund	15,097,457
Special funds	5,955,834
Federal funds	3,531,330
Global Commitment fund	2,681,618
Total	27,266,239

Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP

Grants	16,019,953
Total	16,019,953
Source of funds	
Special funds	1,480,395
Federal funds	14,539,558
Total	16,019,953

Sec. B.325 Department for children and families - office of economic opportunity

Personal services	707,738
Operating expenses	80,979
Grants	19,896,892

Total	20,685,609
Source of funds	
General fund	14,328,930
Special funds	58,135
Federal funds	4,942,559
Global Commitment fund	1,355,985
Total	20,685,609

Sec. B.326 Department for children and families - OEO - weatherization assistance

Personal services	376,286
Operating expenses	47,090
Grants	12,038,018
Total	12,461,394
Source of funds	
Special funds	7,643,920
Federal funds	4,817,474
Total	12,461,394

Sec. B.327 Department for Children and Families - Secure Residential Treatment

Personal services	258,100
Operating expenses	441,999
Grants	3,476,862
Total	4,176,961
Source of funds	
General fund	4,146,961
Global Commitment fund	30,000
Total	4,176,961

Sec. B.328 Department for children and families - disability determination services

Personal services	7,271,721
Operating expenses	472,446
Total	7,744,167
Source of funds	
General fund	115,885
Federal funds	7,628,282
Total	7,744,167

Sec. B.329 Disabilities, aging, and independent living - administration & support

Personal services	37,398,355
Operating expenses	6,178,888
Total	43,577,243
Source of funds	
General fund	19,725,270
Special funds	1,390,457
Federal funds	21,360,232
Global Commitment fund	35,000
Interdepartmental transfers	1,066,284
Total	43,577,243

Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants

Grants	19,709,925
Total	19,709,925
Source of funds	
General fund	7,754,865
Federal funds	7,148,466
Global Commitment fund	4,806,594
Total	19,709,925

Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired

Grants	1,761,457
Total	1,761,457
Source of funds	
General fund	489,154
Special funds	223,450
Federal funds	743,853
Global Commitment fund	305,000
Total	1,761,457

Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation

Grants	7,024,368
Total	7,024,368
Source of funds	
General fund	1,371,845
Federal funds	4,402,523

Interdepartmental transfers	1,250,000
Total	7,024,368

Sec. B.333 Disabilities, aging, and independent living - developmental services

Grants	282,169,830
Total	282,169,830
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857
Global Commitment fund	281,589,385
Interdepartmental transfers	50,000
Total	282,169,830

Sec. B.334 Disabilities, aging, and independent living - Brain injury home and community based waiver

Grants	6,163,669
Total	6,163,669
Source of funds	
Global Commitment fund	6,163,669
Total	6,163,669

Sec. B.334.1 Disabilities, aging and independent living - Long Term Care

Grants	247,242,665
Total	247,242,665
Source of funds	
General fund	498,579
Federal funds	2,083,333
Global Commitment fund	244,660,753
Total	247,242,665

Sec. B.335 Corrections - administration

Personal services	3,370,381
Operating expenses	238,644
Total	3,609,025
Source of funds	
General fund	3,609,025
Total	3,609,025

Sec. B.336 Corrections - parole board

Personal services	385,959
Operating expenses	59,216

Total	445,175
Source of funds	
General fund	445,175
Total	445,175

Sec. B.337 Corrections - correctional education

Personal services	3,504,641
Operating expenses	244,932
Total	3,749,573
Source of funds	
General fund	3,600,789
Education fund	0
Interdepartmental transfers	148,784
Total	3,749,573

Sec. B.338 Corrections - correctional services

Personal services	124,883,844
Operating expenses	24,337,405
Grants	0
Total	149,221,249
Source of funds	
General fund	144,682,340
Special funds	935,963
Federal funds	460,376
Global Commitment fund	2,746,255
Interdepartmental transfers	396,315
Total	149,221,249

Sec. B.338.1 Corrections – Justice Reinvestment II

Grants	9,868,567
Total	9,868,567
Source of funds	
General fund	7,290,879
Federal funds	13,147
Global Commitment fund	2,564,541
Total	9,868,567

Sec. B.339 Corrections - Correctional services-out of state beds

Personal services	4,130,378
Total	4,130,378
Source of funds	
General fund	4,130,378
Total	4,130,378

Sec. B.340 Corrections - correctional facilities - recreation

Personal services	549,029
Operating expenses	455,845
Total	1,004,874
Source of funds	
Special funds	1,004,874
Total	1,004,874

Sec. B.341 Corrections - Vermont offender work program

Personal services	1,173,281
Operating expenses	525,784
Total	1,699,065
Source of funds	
Internal service funds	1,699,065
Total	1,699,065

Sec. B.342 Vermont veterans' home - care and support services

Personal services	18,693,897
Operating expenses	4,698,211
Total	23,392,108
Source of funds	
General fund	4,068,733
Special funds	11,892,624
Federal funds	7,430,751
Total	23,392,108

Sec. B.343 Commission on women

Personal services	364,225
Operating expenses	70,416
Total	434,641
Source of funds	
General fund	430,793
Special funds	3,848
Total	434,641

Sec. B.344 Retired senior volunteer program

Grants	150,961
Total	150,961
Source of funds	
General fund	150,961
Total	150,961

Sec. B.345 Green Mountain Care Board

Personal services	7,816,704
Operating expenses	395,026
Total	8,211,730
Source of funds	
General fund	3,261,362
Special funds	4,950,368
Total	8,211,730

Sec. B.346 Total human services

Source of funds	
General fund	1,118,252,689
Special funds	122,249,086
Tobacco fund	23,088,208
State health care resources fund	17,078,501
Education fund	0
Federal funds	1,651,894,729
Global Commitment fund	1,788,710,309
Internal service funds	1,699,065
Interdepartmental transfers	28,014,227
Permanent trust funds	25,000
Total	4,751,011,814

Sec. B.400 Labor - programs

Personal services	40,893,754
Operating expenses	5,784,394
Grants	15,432,900
Total	62,111,048
Source of funds	
General fund	10,449,258
Special funds	10,772,259
Federal funds	40,639,531
Interdepartmental transfers	250,000
Total	62,111,048

Sec. B.401 Total labor

Source of funds	
General fund	10,449,258
Special funds	10,772,259
Federal funds	40,639,531
Interdepartmental transfers	250,000
Total	62,111,048

Sec. B.500 Education - finance and administration

Personal services	16,916,498
Operating expenses	4,121,123
Grants	14,770,700
Total	35,808,321
Source of funds	
General fund	6,044,058
Special funds	16,441,181
Education fund	3,444,471
Federal funds	9,253,287
Global Commitment fund	260,000
Interdepartmental transfers	365,324
Total	35,808,321

Sec. B.501 Education - education services

Personal services	28,826,010
Operating expenses	1,073,385
Grants	481,143,571
Total	511,042,966
Source of funds	
General fund	4,880,340
Special funds	3,009,310
Tobacco fund	750,388
Federal funds	502,402,928
Total	511,042,966

Sec. B.502 Education - special education: formula grants

Grants	208,073,400
Total	208,073,400
Source of funds	
Education fund	208,073,400
Total	208,073,400

Sec. B.503 Education - state-placed students

Grants	17,500,000
Total	17,500,000
Source of funds	
Education fund	17,500,000
Total	17,500,000

Sec. B.504 Education - adult education and literacy

Grants	4,412,900
Total	4,412,900
Source of funds	
General fund	3,496,850
Federal funds	916,050
Total	4,412,900

Sec. B.504.1 Education - Flexible Pathways

Grants	9,143,000
Total	9,143,000
Source of funds	
General fund	921,500
Education fund	8,221,500
Total	9,143,000

Sec. B.505 Education - adjusted education payment

Grants	1,561,661,000
Total	1,561,661,000
Source of funds	
Education fund	1,561,661,000
Total	1,561,661,000

Sec. B.506 Education - transportation

Grants	21,786,000
Total	21,786,000
Source of funds	
Education fund	21,786,000
Total	21,786,000

Sec. B.507 Education - small school grants

Grants	8,200,000
Total	8,200,000
Source of funds	
Education fund	8,200,000
Total	8,200,000

Sec. B.510 Education - essential early education grant

Grants	7,511,638
Total	7,511,638
Source of funds	

Education fund	7,511,638
Total	7,511,638

Sec. B.511 Education - technical education

Grants	16,253,900
Total	16,253,900
Source of funds	
Education fund	16,253,900
Total	16,253,900

Sec. B.511.1 State Board of Education

Personal services	38,905
Operating expenses	31,803
Total	70,708
Source of funds	
General fund	70,708
Total	70,708

Sec. B.514 State teachers' retirement system

Grants	187,273,782
Total	187,273,782
Source of funds	
General fund	154,345,678
Education fund	32,928,104
Total	187,273,782

Sec. B.514.1 State teachers' retirement system administration

Personal services	236,503
Operating expenses	1,609,560
Total	1,846,063
Source of funds	
Pension trust funds	1,846,063
Total	1,846,063

Sec. B.515 Retired teachers' health care and medical benefits

Grants	50,206,128
Total	50,206,128
Source of funds	
General fund	35,106,128
Education fund	15,100,000
Total	50,206,128

Sec. B.516 Total general education

Source of funds	
General fund	204,865,262
Special funds	19,450,491
Tobacco fund	750,388
Education fund	1,900,680,013
Federal funds	512,572,265
Global Commitment fund	260,000
Interdepartmental transfers	365,324
Pension trust funds	1,846,063
Total	2,640,789,806

Sec. B.600 University of Vermont

Grants	52,509,093
Total	52,509,093
Source of funds	
General fund	52,509,093
Total	52,509,093

Sec. B.602 Vermont state colleges

Grants	30,500,464
Total	30,500,464
Source of funds	
General fund	30,500,464
Total	30,500,464

Sec. B.602.2 Vermont state colleges - Transformation funding

Grants	15,000,000
Total	15,000,000
Source of funds	
General fund	15,000,000
Total	15,000,000

Sec. B.603 Vermont state colleges - allied health

Grants	1,157,775
Total	1,157,775
Source of funds	
General fund	748,314
Global Commitment fund	409,461
Total	1,157,775

Sec. B.605 Vermont student assistance corporation

Grants	20,978,588
Total	20,978,588
Source of funds	
General fund	20,978,588
Total	20,978,588

Sec. B.605.1 VSAC - Flexible Pathways Stipend

Grants	82,450
Total	82,450
Source of funds	
General fund	41,225
Education fund	41,225
Total	82,450

Sec. B.606 New England higher education compact

Grants	84,000
Total	84,000
Source of funds	
General fund	84,000
Total	84,000

Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	1
Total	1
Source of funds	
General fund	1
Total	1

Sec. B.608 Total higher education

Source of funds	
General fund	119,861,685
Education fund	41,225
Global Commitment fund	409,461
Total	120,312,371

Sec. B.700 Natural resources - agency of natural resources - administration

Personal services	4,896,594
Operating expenses	1,329,284
Total	6,225,878
Source of funds	

General fund	4,188,563
Special funds	680,985
Interdepartmental transfers	1,356,330
Total	6,225,878

Sec. B.701 Natural resources - state land local property tax assessment

Operating expenses	2,661,618
Total	2,661,618
Source of funds	
General fund	2,240,118
Interdepartmental transfers	421,500
Total	2,661,618

Sec. B.702 Fish and wildlife - support and field services

Personal services	20,034,378
Operating expenses	8,439,670
Grants	923,524
Total	29,397,572
Source of funds	
General fund	6,883,540
Special funds	701,314
Fish and wildlife fund	10,600,911
Federal funds	9,667,795
Interdepartmental transfers	1,544,012
Total	29,397,572

Sec. B.703 Forests, parks and recreation - administration

Personal services	923,670
Operating expenses	1,544,702
Total	2,468,372
Source of funds	
General fund	2,468,372
Total	2,468,372

Sec. B.704 Forests, parks and recreation - forestry

Personal services	6,710,849
Operating expenses	872,648
Grants	1,160,000
Total	8,743,497
Source of funds	
General fund	5,624,772
Special funds	511,000
Federal funds	2,280,669

Interdepartmental transfers	327,056
Total	8,743,497

Sec. B.705 Forests, parks and recreation - state parks

Personal services	10,725,136
Operating expenses	3,273,814
Grants	120,000
Total	14,118,950
Source of funds	
General fund	641,157
Special funds	13,477,793
Total	14,118,950

Sec. B.706 Forests, parks and recreation - lands administration and recreation

Personal services	2,284,177
Operating expenses	1,408,591
Grants	2,827,589
Total	6,520,357
Source of funds	
General fund	1,025,494
Special funds	2,190,151
Federal funds	3,082,575
Interdepartmental transfers	222,137
Total	6,520,357

Sec. B.708 Forests, parks and recreation - forest and parks access roads

Personal services	130,000
Operating expenses	99,925
Total	229,925
Source of funds	
General fund	229,925
Total	229,925

Sec. B.709 Environmental conservation - management and support services

Personal services	7,618,171
Operating expenses	4,543,203
Grants	158,279
Total	12,319,653
Source of funds	
General fund	2,248,161
Special funds	597,172
Federal funds	1,444,364

Interdepartmental transfers	8,029,956
Total	12,319,653

Sec. B.710 Environmental conservation - air and waste management

Personal services	16,109,934
Operating expenses	10,203,296
Grants	7,163,707
Total	33,476,937
Source of funds	
General fund	301,826
Special funds	28,941,896
Federal funds	4,047,690
Interdepartmental transfers	185,525
Total	33,476,937

Sec. B.711 Environmental conservation - office of water programs

Personal services	28,912,366
Operating expenses	7,706,054
Grants	34,868,553
Total	71,486,973
Source of funds	
General fund	8,429,243
Special funds	26,283,274
Federal funds	36,032,470
Interdepartmental transfers	741,986
Total	71,486,973

Sec. B.713 Natural resources board

Personal services	2,929,837
Operating expenses	352,482
Total	3,282,319
Source of funds	
General fund	673,554
Special funds	2,608,765
Total	3,282,319

Sec. B.714 Total natural resources

Source of funds	
General fund	34,954,725
Special funds	75,992,350
Fish and wildlife fund	10,600,911
Federal funds	56,555,563

Interdepartmental transfers	12,828,502
Total	190,932,051

Sec. B.800 Commerce and community development - agency of commerce and community development - administration

Personal services	2,392,723
Operating expenses	939,863
Grants	539,820
Total	3,872,406
Source of funds	
General fund	3,406,417
Federal funds	351,000
Interdepartmental transfers	114,989
Total	3,872,406

Sec. B.801 Economic development

Personal services	4,678,628
Operating expenses	1,055,724
Grants	8,638,149
Total	14,372,501
Source of funds	
General fund	5,065,846
Special funds	2,905,350
Federal funds	3,932,132
Interdepartmental transfers	2,469,173
Total	14,372,501

Sec. B.802 Housing and community development

Personal services	5,321,306
Operating expenses	673,807
Grants	76,513,512
Total	82,508,625
Source of funds	
General fund	4,065,708
Special funds	7,204,966
Federal funds	68,364,457
Interdepartmental transfers	2,873,494
Total	82,508,625

Sec. B.806 Tourism and marketing

Personal services	2,097,922
Operating expenses	11,900,488

Grants	50,000
Total	14,048,410
Source of funds	
General fund	3,490,357
Federal funds	10,483,053
Interdepartmental transfers	75,000
Total	14,048,410

Sec. B.808 Vermont council on the arts

Grants	859,445
Total	859,445
Source of funds	
General fund	859,445
Total	859,445

Sec. B.809 Vermont symphony orchestra

Grants	141,087
Total	141,087
Source of funds	
General fund	141,087
Total	141,087

Sec. B.810 Vermont historical society

Grants	1,015,470
Total	1,015,470
Source of funds	
General fund	1,015,470
Total	1,015,470

Sec. B.811 Vermont housing and conservation board

Grants	99,461,424
Total	99,461,424
Source of funds	
Special funds	22,473,849
Federal funds	76,987,575
Total	99,461,424

Sec. B.812 Vermont humanities council

Grants	234,829
Total	234,829
Source of funds	
General fund	234,829
Total	234,829

Sec. B.813 Total commerce and community development

Source of funds	
General fund	18,279,159
Special funds	32,584,165
Federal funds	160,118,217
Interdepartmental transfers	5,532,656
Total	216,514,197

Sec. B.900 Transportation - finance and administration

Personal services	14,996,787
Operating expenses	4,843,354
Grants	50,000
Total	19,890,141
Source of funds	
Transportation fund	18,569,701
Federal funds	1,320,440
Total	19,890,141

Sec. B.901 Transportation - aviation

Personal services	3,930,770
Operating expenses	5,346,224
Grants	222,000
Total	9,498,994
Source of funds	
Transportation fund	5,693,133
Federal funds	3,805,861
Total	9,498,994

Sec. B.902 Transportation - buildings

Operating expenses	2,050,000
Total	2,050,000
Source of funds	
Transportation fund	850,000
TIB fund	1,200,000
Total	2,050,000

Sec. B.903 Transportation - program development

Personal services	67,084,877
Operating expenses	317,718,748
Grants	28,106,566
Total	412,910,191

Source of funds	
Transportation fund	63,006,826
TIB fund	16,199,908
Federal funds	330,355,267
Interdepartmental transfers	75,000
Local match	3,273,190
Total	412,910,191

Sec. B.904 Transportation - rest areas construction

Personal services	150,000
Operating expenses	268,416
Total	418,416
Source of funds	
Transportation fund	41,842
Federal funds	376,574
Total	418,416

Sec. B.905 Transportation - maintenance state system

Personal services	44,709,478
Operating expenses	59,736,553
Total	104,446,031
Source of funds	
Transportation fund	103,700,216
Federal funds	645,815
Interdepartmental transfers	100,000
Total	104,446,031

Sec. B.906 Transportation - policy and planning

Personal services	4,767,663
Operating expenses	1,035,700
Grants	10,784,247
Total	16,587,610
Source of funds	
Transportation fund	3,217,573
Federal funds	13,314,762
Interdepartmental transfers	55,275
Total	16,587,610

Sec. B.907 Transportation - rail

Personal services	4,662,380
Operating expenses	30,650,803
Grants	50,000
Total	35,363,183

Source of funds	
Transportation fund	14,201,368
Federal funds	18,015,401
Interdepartmental transfers	2,985,206
Local match	161,208
Total	35,363,183

Sec. B.908 Transportation - public transit

Personal services	5,369,937
Operating expenses	103,704
Grants	39,065,637
Total	44,539,278
Source of funds	
Transportation fund	4,108,577
Federal funds	40,390,701
Interdepartmental transfers	40,000
Total	44,539,278

Sec. B.909 Transportation - central garage

Personal services	4,847,286
Operating expenses	17,906,809
Total	22,754,095
Source of funds	
Internal service funds	22,754,095
Total	22,754,095

Sec. B.910 Department of motor vehicles

Personal services	27,635,785
Operating expenses	12,106,049
Total	39,741,834
Source of funds	
Transportation fund	37,942,872
Federal funds	1,657,266
Interdepartmental transfers	141,696
Total	39,741,834

Sec. B.911 Transportation - town highway structures

Grants	7,200,000
Total	7,200,000
Source of funds	
Transportation fund	7,200,000
Total	7,200,000

Sec. B.912 Transportation - town highway local technical assistance program

Personal services	371,731
Operating expenses	42,750
Total	414,481
Source of funds	
Transportation fund	114,481
Federal funds	300,000
Total	414,481

Sec. B.913 Transportation - town highway class 2 roadway

Grants	8,600,000
Total	8,600,000
Source of funds	
Transportation fund	8,600,000
Total	8,600,000

Sec. B.914 Transportation - town highway bridges

Personal services	15,948,483
Operating expenses	14,365,704
Total	30,314,187
Source of funds	
Transportation fund	1,230,817
TIB fund	2,402,455
Federal funds	25,529,514
Local match	1,151,401
Total	30,314,187

Sec. B.915 Transportation - town highway aid program

Grants	27,837,624
Total	27,837,624
Source of funds	
Transportation fund	27,837,624
Total	27,837,624

Sec. B.916 Transportation - town highway class 1 supplemental grants

Grants	128,750
Total	128,750
Source of funds	
Transportation fund	128,750
Total	128,750

Sec. B.917 Transportation - town highway: state aid for nonfederal disasters

Grants	1,150,000
Total	1,150,000
Source of funds	
Transportation fund	1,150,000
Total	1,150,000

Sec. B.918 Transportation - town highway: state aid for federal disasters

Grants	180,000
Total	180,000
Source of funds	
Transportation fund	20,000
Federal funds	160,000
Total	180,000

Sec. B.919 Transportation - municipal mitigation assistance program

Operating expenses	265,000
Grants	6,185,498
Total	6,450,498
Source of funds	
Transportation fund	705,000
Special funds	4,317,498
Federal funds	1,428,000
Total	6,450,498

Sec. B.920 Transportation - public assistance grant program

Operating expenses	200,000
Grants	1,050,000
Total	1,250,000
Source of funds	
Special funds	50,000
Federal funds	1,000,000
Interdepartmental transfers	200,000
Total	1,250,000

Sec. B.921 Transportation board

Personal services	169,595
Operating expenses	21,367
Total	190,962
Source of funds	

Transportation fund	190,962
Total	190,962

Sec. B.922 Total transportation

Source of funds	
Transportation fund	298,509,742
TIB fund	19,802,363
Special funds	4,367,498
Federal funds	438,299,601
Internal service funds	22,754,095
Interdepartmental transfers	3,597,177
Local match	4,585,799
Total	791,916,275

Sec. B.1000 Debt service

Operating expenses	76,877,244
Total	76,877,244
Source of funds	
General fund	76,375,109
Transportation fund	502,135
TIB debt service fund	0
Total	76,877,244

Sec. B.1001 Total debt service

Source of funds	
General fund	76,375,109
Transportation fund	502,135
TIB debt service fund	0
Total	76,877,244

Sec. B.1100 FISCAL YEAR 2023 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) In fiscal year 2023, funds are appropriated from the General Fund for new and ongoing initiatives as follows:

(1) $220,000 to the Agency of Administration for the Inclusion, Diversity, Equity, Action, Leadership (IDEAL) VT initiative to support municipalities in promoting these values within their communities.

(2) $37,000 to the Ethics Commission to support the cost of one half-time position.

(3) $205,000 to the Sergeant at Arms to support the costs associated with transitioning positions in the Capitol Police Department.

(4) $120,000 to the Judiciary for Sustaining Language Access Program improvements.

(5) $1,283,400 to the Office of the Defender General to support costs associated with the reopening of the courts.

(6) $700,000 to the Secretary of State as follows:

(A) $450,000 for election support.

(B) $250,000 to support operational expenditures not covered by revenue resulting from telehealth.

(7) $2,408,000 to the Agency of Agriculture, Food and Markets, as follows:

(A) $1,000,000 for the development of an agricultural Payment for Ecosystems Services Program to support the work of the Payment for Ecosystem Services and Soil Health Working Group (PES WG) – as authorized by 2019 Acts and Resolves No. 83, amended by 2020 Acts and Resolves No. 129 and 2021 Acts and Resolves No. 47 – to enable Payment for Ecosystem Services Program development to retain facilitation services, contract identified research needs, fund pilot program development, and deliver payments to farmers for quantified ecosystem services.

(B) $200,000 to grant as a single-source contract to an eligible entity to administer these funds to assist individuals with low-income to access local, fresh, or whole food at farmers' markets and through Community Supported Agriculture (CSA) shares. This one-time appropriation will respond to the record demand in these fresh food access programs due to increased food insecurity experienced by Vermonters during the pandemic. The Agency shall allow a primary care health provider to apply on behalf of up to 20 patients for whom CSA shares have been recommended for improved health.

(C) $420,000 for the purchase of laboratory equipment to test for per- and Polyfluoroalkyl Substances (PFAS) in drinking water to support public health testing requirements of the Agencies of Natural Resources, Transportation and Agriculture, Food and Markets.

(D) $90,000 for grants to State fairs and field days organizations.

(E) $300,000 of which $200,000 is to establish a grant program for organic milk farmers that are transitioning to a new buyer to assist with the costs of modifications needed to accommodate the new buyer and $100,000 to the Produce Safety Improvement grant program.

(F) $150,000 to contract with an eligible consultant for the development of a State Food Security Action Plan that will include a strategy to improve the resilience of the statewide food system in order to better meet the food needs of citizens of Vermont during times of disruption to the national food distribution chain caused by emergencies such as the COVID-19 pandemic.

(G) $248,000 for a grant to the Conservation Districts for equipment and capital improvements.

(8) $1,512,636 to the Center for Crime Victims Services as follows:

(A) $660,000 to replace shortfall in special fund revenue relating to fines and fees from the courts and traffic tickets.

(B) $519,600 to replace declining federal Victims of Crime Act (VOCA) funds.

(C) $308,036 for a grant to the Vermont Network Against Domestic and Sexual Violence.

(D) $25,000 to support Kurn Hattin Survivors.

(9) $150,000 to the Criminal Justice Council for the following:

(A) $100,000 for an incident simulator to enable de-escalation training.

(B) $50,000 for the development of a new entrance exam.

(10) $8,000,000 to the Department of Public Safety- Emergency Management to provide state match for FEMA funds to purchase properties identified for high flood risk.

(11) $1,180,000 to the Department for Children and Families for the following:

(A) $50,000 for a grant to the Vermont Donor Milk Center for statewide activities.

(B) $750,000 to the Parent Child Centers for upgrades to facilities, systems, or new equipment.

(C) $180,000 to be granted to the Vermont Food Bank for statewide provision of diapers to families in need.

(D) $200,000 to be granted to the five youth service provider organizations (Youth Services Inc., St. Johnsbury Area Youth Services Bureau, Washington County Youth Services Bureau, Windsor County Youth Services, and Spectrum Youth and Family Services) that currently have contracts with the Department of Health and the Department for Children and Families. Each

organization shall receive a grant of $20,000 and the remaining funds shall be granted to each organization in an equitable manner after consultation with the organizations and consideration of the scope of services by each organization.

(12) $3,645,250 for Substance Use Disorder Prevention Investments within the Agency of Human Services as follows:

(A) $3,000,000 to the Department of Health, Office of Alcohol and Drug Abuse Programs for a grant to the substance Misuse Prevention Coalitions. The Office of Alcohol and Drug Abuse Programs (ADAP) shall require that, as part of the grant agreement with the Substance Misuse Prevention Coalitions, information on the use of the funds, including the specific activities supported by the funds; a description of the number of people served; and information on the outcomes achieved by this investment be provided to ADAP in an agreed upon time frame. The ADAP shall report to the House and Senate Committees on Appropriations, the House Committee on Human Services, and the Senate Committee on Health and Welfare on or before January 10, 2023.

(i) It is the intent of the General Assembly that funding for the Substance Misuse Prevention Coalitions be funded with one-time general funds until funds from the cannabis excise tax revenues pursuant to 32 V.S.A. § 7909 become available.

(B) $100,000 to the Department of Health, Office of Alcohol and Drug Abuse Programs for a grant to the Jenna's House program. The grant is in addition to $400,000 of base funding provided in Sec. B. 313 of this act.

(C) $50,000 to the Department of Health – Public Health, for a grant to the University of Vermont's Comprehensive Care Clinic for HIV/AIDS for increased mental health counseling.

(D) $345,250 to the Department of Disabilities, Aging, and Independent Living – Vocational Rehabilitation to fund two-year Employment Assistance Center pilot programs to serve Recovery Center clients.

(i) $270,250 shall be to establish a two-year pilot program in collaboration with the Burlington Recovery Center. Funds may be granted to the Vermont Association of Business Industry and Rehabilitation to fund a dedicated employment consultant position for this pilot program. The Division of Vocational Rehabilitation is authorized to establish two limited service positions for this pilot program: one employment counselor and one employment assistance staff position, which is anticipated to be half time.

(ii) $75,000.00 to establish a second pilot program at one of the other recovery centers in the State. The division of Vocational Rehabilitation

is authorized to establish one limited-service employment counselor position for this pilot.

(iii) On or before January 10, 2024, the Division of Vocational Rehabilitation, in collaboration with the Vermont Association of Business Industry and Rehabilitation, shall submit a report to the House Committees on Commerce and Economic Development, on Appropriations, and on Human Services and to the Senate Committees on Economic Development, Housing and General Affairs, on Appropriations, and on Health and Welfare summarizing the effectiveness of the pilot programs, including:

(I) educational attainment and achievement of program recipients;

(II) acquisition of a credential of value pursuant to 10V.S.A. § 546;

(III) number of job placements; and

(IV) job retention rates.

(E) $150,000 to the Department of Health's Division of Alcohol and Drug Abuse Programs to award a grant to a Burlington/Chittenden county-based organization providing substance use treatment counseling or substance use recovery support, or both, for individuals within and transitioning out of the criminal justice system. The Division shall award grants based on an applicant's ability to accomplish the following:

(i) provide justice-involved individuals with direct substance use support services while incarcerated, such as through alcohol and drug abuse counselors licensed pursuant to 26 V.S.A. chapter 62 or certified recovery coaches, or both;

(ii) support justice-involved individuals in their transition out of incarceration, such as through warm handoffs to existing statewide resources for substance use treatment or recovery; or

(iii) provide long-term support for justice-involved individuals, such as by coordinating peer support services or ongoing counseling post incarceration.

(13) $1,215,860 to the Agency of Education as follows:

(A) $500,000 for Child Nutrition Grants to school districts to purchase local foods.

(B) $15,860 to the Vermont Ethnic and Social Equity Standards Advisory Working Group to cover per diem and reimbursement of expenses.

(C) $700,000 to Adult Education and Literacy to provide grants to the Adult Learning Centers.

(14) $67,000 to the Attorney General for the Court Diversion program to replace special fund shortfall.

(15) $325,000 to the Agency of Natural Resources for the following:

(A) $75,000 to the Central Office for contractual support to complete work associated with implementing the Global Warming Solutions Act of 2020.

(B) $250,000 to the Department of Environmental Conservation to complete statewide wetland mapping updates and to update the Vermont Significant Wetland Inventory maps.

(16) $130,000 to the Agency of Commerce and Community Development for a grant to the Vermont Adaptive Ski and Sports program.

(17) $500,000 to the Agency of Human Services, Central Office for the Vermont Refugee Resettlement program to provide aid to refugees.

(18) $1,500,000 to the Department of Disabilities, Aging, and Independent Living (DAIL) to be used for grants to adult day service providers to support operating costs and program infrastructure. The funds shall be allocated on a equitable basis per a methodolgy developed by DAIL. On or before the first day of each quarter of fiscal year 2023 (July 1, 2022, October 1, 2022, January 1, 2023, and April 1, 2023), the Vermont Association of Adult Day Services shall provide a spreadsheet to the Department detailing quarterly expenditures versus the annual budget. DAIL shall work with community partners to seek organizations interested in opening an adult day center in the underserved regions where adult day centers closed during the COVID-19 pandemic. Up to $50,000 of these funds may be used to support the start-up costs of a new adult day center. Any amount of this appropriation remaining at the end of fiscal year 2023 shall be carried forward and shall be used to support operating costs, and program infrastructure.

(19) $250,000 to the Agency of Commerce and Community Development for a grant to the Vermont League of Cities and Towns to provide technical assistance to towns related to seeking or expending federal funds.

(20) $267,364 to the Department of Taxes for appraisal and litigation costs associated with the Sheldon Springs Hydroelectric Dam.

(21) $600,000 to the Department of Public Service for Public Access, Education, and Government Media to fund the 24 media centers.

(22) $450,000 to the Vermont Historical Society for HVAC systems.

(23) $50,000 to the Department of Buildings and General Services to be granted to the Mount Ascutney Regional Commission to hire a consultant to facilitate community discussions on the use of the former Southeast State Correctional Facility property in Windsor to enable work, education, and health monitoring; to create base maps; and to conduct a legal analysis.

(b) $11,000,000 is appropriated from the General Fund to the Department of Public Safety for regional dispatch funding. The funds are subject to the following conditions:

(1) $4,500,000 shall be held in reserve until the report required by Sec. E.209.1 of this act is submitted and further approval to expend the funds is granted by the General Assembly.

(2) $6,500,000 to provide grants to regional dispatch facilities upon approval of the Joint Fiscal Committee susbsequent to review of a Regional Dispatch Facility grant plan submited by the Commissioner of Public Safety. The plan shall include the extent to which federal funding sources may be available for regional dispatch.

(c) $10,000,000 is appropriated from the General Fund to the Agency of Administration for State Employees fiscal year 2023 transitional employer contribution to be disributed as needed to departments and agencies if approved by the Commissioner of Finance and Management to fund the fiscal year 2023 payroll assessment necessary to meet the State employees' pension and other post-employment benefits resulting from any changes to these programs enacted in the 2022 legislative session. The Commissioner shall report to the Joint Fiscal Committee at its November 2022 meeting on the status of this appropriation.

* * * Fiscal Year 2022 Adjustments, Appropriations, and Amendments * * *

Sec. C.100 2021 Acts and Resolves No. 74, Sec. D.101(b)(2) is amended to read:

(b)(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund. The Commissioner of Finance and Management shall report to the Joint Fiscal Committee at is July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.

* * *

62100	Unclaimed Property Fund	~~$3,027,750.00~~	$4,106,300.00

Sec. C.101 2021 Acts and Resolves No. 74, Sec. E.602.2 is amended to read:

Sec. E.602.2 VERMONT STATE COLLEGES

(a) The Vermont State College (VSC) system shall transform itself into a fully integrated system that achieves financial stability in a responsible and sustainable way in order to meet each of these strategic priorities:

(1) Affordability. Ensure that student costs and debt obligations are not barriers to student access.

(2) Accessibility. Ensure that each VSC student, regardless of where the student's home campus is located, has increased access to academic opportunities, majors and courses across the statewide system.

(3) Equitability. Determine the extent to which gaps in educational access and success are being reduced for students from economically deprived backgrounds, first-generation students, students of color, and other marginalized groups.

~~(3)~~(4) Relevance.

(A) Ensure that each VSC student is prepared for a lifelong career and personal success in the globally competitive 21st century.

(B) Ensure that VSC offers educational programs that are:

(i) aligned with State workforce needs;

(ii) offered in a fiscally responsible manner; and

(iii) delivered in a manner that is relevant to current student and employer needs.

(b) VSC shall meet the following requirements during the transformation of its system required under subsection (a) of this section and shall accommodate the oversight of the General Assembly in so doing.

(1) VSC shall reduce its structural deficit by $5,000,000.00 per year ~~for five years~~ through a combination of annual operating expense reductions and increased enrollment revenues, for a total of $25,000,000.00 by the end of fiscal year 2026. These reductions shall be structural in nature and shall not be met by use of one-time funds. The VSC Board of Trustees, through the Chancellor or designee, shall report the results of these structural reductions to the House and Senate Committees on Education and on Appropriations annually during the Chancellor's budget presentation.

(2) The VSC Board of Trustees shall develop and implement a 10-year strategic plan for managing its physical assets that is fiscally sustainable,

maintains reasonable net asset value, and meets the needs of Vermont learners. ~~On or before March 1, 2022, the Chancellor shall present this Board approved plan~~ Updates to the plan and an annual report on its implementation shall be presented to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

(3) VSC shall maintain its present campus locations as educational and student-support centers, recognizing that overall campus size, governance and operational structures as well as program and service offerings may change as circumstances require.

(4) Beginning in fiscal year 2022 and through 2031, the VSC Board of Trustees, acting through the Chancellor or designee, shall brief, as part of the Chancellor's annual budget proposal, the House and Senate Committees on Education and Committees on Appropriations:

(A) enrollment levels in courses offered by VSC, reported on the basis of courses with fewer than five students, courses with five to nine students, courses with 10 to 14 students, and courses with 15 or more students, along with relevant information about these enrollment data;

(B) in order to demonstrate accessibility, the percentage of courses and programs offered by VSC on a statewide basis and on the formats in which they are offered;

(C) an assessment of affordability and accessibility within VSC and recommendations on how to improve them;

(D) retention statistics with corresponding trend lines and benchmarks;

(E) enrollment statistics with methods of comparison using readily available metrics that pertain to the student enrollment efforts authorized by the current fiscal year ~~2022~~ Vermont budget bill with the net student revenue generated and discount rate applied in order to enroll the students, aggregated by cohort; and

* * *

Sec. C.102 2022 Acts and Resolves No. 83, Sec. 53 is amended to read

Sec. 53. FISCAL YEAR 2022 UNALLOCATED RESERVE

(a) After satisfying the requirements of 32 V.S.A. § 308, and after other reserve requirements have been met, but prior to satisfying the requirements of 32 V.S.A. § 308c, the first $86,000,000 of remaining unreserved and undesignated funds at the close of fiscal year 2022 shall remain in the General

Fund and be carried forward to fiscal year 2023. These funds may be used to provide state match to the federal Infrastructure Investment and Jobs Act.

(b) After meeting the requirements of subsection (a) of this section, but prior to satisfying the requirements of 32 V.S.A. § 308c, the remaining unreserved and undesignated funds at the close of fiscal year 2022 shall be allocated to the extent available as follows:

(1) $850,000 shall be transferred to the to the Cannabis Regulation Fund (21998).

(2) $1,700,000 to the State Liability Self-Insurance Fund (56200).

(3) ~~$1,877,092~~ $1,900,000 to the Correctional Industries Internal Services Fund (59100).

(4) ~~$9,961,531~~ $10,000,000 to the Agency of Human Services-Central Office-Global Commitment to offset one-time pressure related to the suspension of Medicaid eligibility redeterminations for fiscal year 2023. This appropriation is made to the extent the Global Commitment fiscal need is identified after analysis of the impact of continued enhanced pandemic related Federal Medical Assistance Percentage (FMAP) in tandem with the updated analysis on the fiscal impact related to caseload redetermination and cost per member per month. The Agency of Human Services, in consultation with the Joint Fiscal Office and the Department of Finance and Management shall provide this analysis as part of the Medicaid end-of-year report provided the Emergency Board in July 2022.

(5) $25,000,000 is ~~reserved and~~ carried forward into fiscal year 2023 to improve the debt position of the State~~. This may include the redemption of general obligation bonds, reducing the amount of new debt to be issued or to address negative internal fund balances. To the extent funds are available they shall be applied~~ and shall be allocated as follows:

(A) $5,000,000 shall be transferred to the Property Management Fund (58700) established by 29 V.S.A. § 160.

(B) $20,000,000 shall be appropriated to the State Treasurer's Office and used for redeeming State of Vermont general obligation bonds prior to maturity. Notwithstanding 32 V.S.A. § 1001b(e), begining in fiscal year 2024, to the extent bonds are redeemed, an amount equal to the reduction in payments for debt service required resulting from any redemption shall be transferred and reserved in the Capital Expenditure Cash Fund, as established in 32 V.S.A. § 1001b created in Sec. E.106.1 of this act.

~~(6) $25,114,179 is appropriated to the extent available and, in fiscal year 2022, the Commissioner of Finance and Management is authorized to replace American Rescue Plan Act – Coronavirus State Fiscal Recovery Funds appropriated in 2021 Acts and Resolves No. 74, Sec. G.300, as amended by Sec. 68 of this act, with General Fund dollars in the following amounts:~~

~~(A) $6,000,000 to replace the fund source in the appropriation in Sec. G.300(a)(23) (Vermont Foodbank)~~

~~(B) $1,001,913 to replace the fund source in the appropriation in Sec. G.300(a)(26) (adult day services);~~

~~(C) $4,934,590 to replace the fund source in the appropriation in Sec. G.300(a)(27) (Department of Corrections);~~

~~(D) $12,803,996 to replace the fund source in the appropriation in Sec. G.300(a)(28) (Department of Labor); and~~

~~(E) $373,680 to replace the fund source in the appropriation in Sec. G.300(a)(29) (Vermont Veterans' Home).~~

(6) $6,000,000 to the Department for Children and Families to be granted to childcare providers to address emergent and exigent circumstances following the COVID-19 pandemic for workforce retention bonuses to retain early childhood staff and home-based providers. It is the intent of the General Assembly that the eligible employers awarded funds pursuant to this section shall use the funds to make retention payments to their employees. The employers shall be afforded flexibility in determining how best to provide the financial retention assistance to their employees and how best to encourage employment beyond the terms of this program.

(i) The Department is authorized to establish parameters related to minimum hours worked for an employee or home-based provider to be eligible for a bonus under this subdivision (30), and to design a program that does not allow for duplication of bonuses to staff who work for more than one provider. Staff under a teacher contract shall not be eligible for this program.

(ii) Notwithstanding any provision of Vermont law to the contrary and to the extent permitted under federal law, the amount of a recruitment or retention payment received by an employee under this section shall be disregarded for purposes of determining the employee's or employee's household's income eligibility for any benefit program.

(7) $9,600,000 is appropriated to the Judiciary, of which $3,880,000 is for the reopening of the courts and $5,720,000 is to replace HVAC in county court houses.

(8) $10,000,000 to Vermont Housing Conservation Board for housing development.

(9) $2,000,000 is transferred to the Workers' Compensation Fund (56100)

(10) $15,000,000 reserved for the Department for Children Families emergency or transitional housing needs in the event federal emergency rental assistance funds are insufficient to meet needs in fiscal year 2023.

(11) $50,250,000 is transferred to the Technology Modernization Special Fund created in Sec. E.105.1 of this act.

(12) $25,000,000 shall be transferred to the Capital Expenditure Cash Fund, as established in 32 V.S.A. § 1001b created in Sec. E.106.1 of this act.

(c) After meeting the requirements of subsections (a) and (b) of this section, but prior to satisfying the requirements of 32 V.S.A. § 308c, the remaining unreserved and undesignated funds at the close of fiscal year 2022 shall remain in the General Fund and be carried forward to fiscal year 2023.

Sec. C.102.1 [Deleted.]

Sec. C.103 2021 Acts and Resolves No. 74, Sec G.300(a) as amended by 2022 Acts and Resolves No. 83, Sec. 68 is further amended to read:

(a) ~~$187,114,176~~ $181,114,176 in fiscal year 2022 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds as follows:

* * *

(7) $2,000,000 in fiscal year 2022 to the University of Vermont.

(A) $1,000,000 for matching funds for research grant opportunities related to COVID-19.

(B) $1,000,000 to provide up to two free classes in calendar year 2022 for any Vermont resident who is seeking to transition to a new career or to enhance the resident's job skills.

(8) $19,700,000 in fiscal year 2022 to the Vermont State Colleges for the following programs; funds shall be carried forward until expended:

(A) $2,000,000 to provide funding for up to six credits or two courses in the 2022–2023 academic year, including wraparound services for Vermonters whose employment was impacted by the COVID-19 public health emergency since March 13, 2020. The wraparound services may also be provided to students who enroll in six credit hours or two courses in the

summer or fall of 2021 and spring of 2022 pursuant to 2021 Acts and Resolves No. 9, Sec. 18.

(B) $3,000,000 to provide degree completion scholarships for up to 30 credits towards a credential of value for adult learners who have earned at least 40 credits towards an undergraduate degree and have a gap in attendance of at least two years.

(C) $14,700,000 to provide free last dollar tuition for one year of undergraduate studies for critical occupation careers, including bookkeeping certificate, IT service desk specialist certificate, certified production technician, graphic design certificate, software and web development program, electrical and plumbing apprenticeships, dental hygiene, certificate in accounting, small business management, radiologic science, and respiratory therapy. $540,000 of these funds shall be allocated for paramedic/EMS programs and any unexpended amount of this allocation shall be available for the broader purpose in this subdivision (C). Funds may be used for practical nursing, ~~childcare~~ child care, nursing, ~~and~~ mental health counseling, and psychology and social work programs only after available federal and State financial aid is applied to ensure no cost to the student. Of this amount, $7,350,000 shall be carried forward for the 2022–2023 school year. If demand from undergraduates is met, then funds may be used to pay for tuition for the following graduate programs:

(i) ~~Master~~ Master's in Education (all programs);

(ii) ~~Master~~ Master's in Educational Leadership;

(iii) ~~Master~~ Master's of Arts and ~~Certificate of~~ Advanced Graduate Studies in ~~School~~ Psychology;

(iv) ~~Masters~~ Master's in Counseling; ~~and~~

(v) ~~Masters~~ Master's in Clinical Mental Health Counseling; and

(vi) Master's in Clinical Social Work.

* * *

~~(30) $6,000,000 to the Department for Children and Families to be granted to childcare providers to address emergent and exigent circumstances following the COVID-19 pandemic for workforce retention bonuses to retain early childhood staff and home-based providers. It is the intent of the General Assembly that the eligible employers awarded funds pursuant to this section shall use the funds to make retention payments to their employees. The employers shall be afforded flexibility in determining how best to provide the financial retention assistance to their employees and how best to encourage employment beyond the terms of this program.~~

~~(A) The Department is authorized to establish parameters related to minimum hours worked for an employee or home-based provider to be eligible for a bonus under this subdivision (30), and to design a program that does not allow for duplication of bonuses to staff who work for more than one provider. Staff under a teacher contract shall not be eligible for this program.~~

~~(B) Notwithstanding any provision of Vermont law to the contrary and to the extent permitted under federal law, the amount of a recruitment or retention payment received by an employee under this section shall be disregarded for purposes of determining the employee's or employee's household's income eligibility for any benefit program.~~

* * *

Sec. C.104 FISCAL YEAR 2022 AND FISCAL YEAR 2023; OUT-OF-STATE BEDS SAVINGS; APPROPRIATION

(a) In fiscal year 2022, $360,140 of the amount appropriated in 2021 Acts and Resolves No. 74, Sec. B.339 (correctional services for out-of-state beds) shall be allocated as follows:

(1) $300,000 to the Department of Corrections to expand and eliminate participant fees for community-based domestic violence intervention programming and to create domestic violence intervention programming and curricula for lesbian, gay, bisexual, transgender, queer, or questioning (LGBTQ) individuals; and

(2) $60,140 for Offender Management System/data system improvements.

(b) In fiscal year 2022, $417,030 of the amount appropriated in 2021 Acts and Resolves No. 74, Sec. B.338 (correctional services) shall be used for community justice centers.

Sec. C.105 2022 Acts and Resolves No. 83, Sec. 72a is amended to read:

Sec. 72a. MEDICAID HOME- AND COMMUNITY-BASED SERVICES (HCBS) PLAN

(a) Pursuant to Sec. 9817 of the American Rescue Plan Act (ARPA), in ~~October 2021~~ February 2022, the State submitted a home- and community-based services (HCBS) spending plan to the Centers for Medicare and Medicaid Services. This plan currently totals ~~$146,600,000~~ $149,550,122, consisting of the following major components:

(1) ~~$77,800,000~~ $77,839,612 allocated to improve services;

(2) ~~$25,000,000~~ $20,258,042 allocated to promote a high-performing and stable HCBS workforce; and

(3) ~~$43,800,000~~ $51,452,468 allocated to improve HCBS care through data systems, value-based payment models, and oversight.

* * *

(e) In fiscal year 2023, a total of $71,239,891 is appropriated from the Global Commitment Fund to AHS to meet the objectives of the HCBS plan. This appropriation consists of $17,136,654 as appropriated in 2021 Acts and Resolves No. 74 for a three percent rate increase to HCBS providers, including the assistive community care rates and children integrated services rates, and the following appropriations in distinct one-time departmental IDs:

(1) $23,510,987 is appropriated to the Agency of Human Services – Secretary's Office.

(2) $10,500,000 is appropriated to the Department of Disabilities, Aging, and Independent Living.

(3) $1,500,000 is appropriated to the Department of Mental Health.

(4) $17,000,000 is appropriated to the Department of Vermont Health Access.

(5) $1,500,000 is appropriated to the Department of Health.

(6) $92,250 is appropriated to the Department for Children and Families.

(f) The Global Commitment Fund appropriated in subsection (e) of this section may be obligated in fiscal year 2023 for the purposes of bringing HCBS plan spending authority forward into fiscal year 2024. The funds appropriated in subsections (b), (c), and (e) of this section may be transferred on a net-neutral basis in fiscal year 2023 in the same manner as the Global Commitment appropriations in Sec. E.301 of this act. The Agency shall report to the Joint Fiscal Committee in September 2023 on transfers of appropriations made and final amounts expended by each department in fiscal year 2023 and any obligated funds carried forward to be expended in fiscal year 2024.

Sec. C.106 CANNABIS CONTROL BOARD; PHASE I SYSTEM

(a) In fiscal year 2022, the amount of $760,000 is transferred from the General Fund to the Cannabis Regulation Fund (21998) to support phase one of the online registration, licensing, and business application portal.

Sec. C.107 REPEAL

2022 Acts and Resolves No. 83, Sec. 66 (Educational Assistance; Medical Student Incentive Scholarship Program; Appropriation) is repealed.

Sec. C.107.1 TRANSITION OF FUNDING TO NURSE INCENTIVE SCHOLARSHIP PROGRAM TO NURSE FORGIVABLE LOAN PROGRAM

(a) At the close of fiscal year 2022, to the extent that funds are unexpended in the appropriation made in 2021 Acts and Resolves No. 74 Sec, C 100(a)(1) and allocated for the Nurse–Scholarship Program defined in 2020 Acts and Resolves No. 155 and 2021 Acts and Resolves No. 74 Sec. E.311.3, these funds shall be available in Fiscal Year 2023 to fund the Vermont Nursing Foregivable Loan Incentive Program in the Vermont Department of Health administered in collaboration with VSAC as established in 18 V.S.A. § 34.

(b) These funds shall be matched within the Global Commitment Program to the extent allowed by federal requirements.

(c) Any adjustments needed to the Department of Health Global Commitment Fund appropriation for transfer to VSAC for the Vermont Nursing Foregivable Loan Incentive Program shall be included in the fiscal year 2023 budget adjustment proposal.

Sec. C.107.2 FISCAL YEAR 2022 INCENTIVE SCHOLARSHIP FUNDING REVERSION AND HEALTH CARE WORKFORCE RESERVE CARE

(a) At the close of fiscal year 2022, to the extent that funds are unexpended in the appropriation made in 2021 Acts and Resolves No. 74 Sec, C 100(a)(1) and allocated for the University of Vermont College of Medicine, Medical Student Incentive Scholarship defined in 2020 Acts and Resolves No. 155 and 2021 Acts and Resolves No. 74 Secs. E.311.1 and E.311.3, these funds shall be reverted as follows:

(1) 2020 Acts and Resolves No.155, Sec. 4a	$267,704
(2) 2021 Acts and Resolves No. 74 Sec, C 100 (a)(1)	$438,579

(b) At the close of fiscal year 2022, $700,000 is reserved in the General Fund for health care and social service workforce needs. The Agency of Administration in consultation with the Agency of Human Services shall provide recommendations to the General Assembly for the of these one-time funds in the fiscal year 2024 budget proposal.

Sec. C.108 DEPARTMENT OF LABOR; TRADE APPRENTICESHIP EXPENSE REIMBURSEMENT; PROGRAM EXPANSION

(a) Up to $1,000,000 of the funds appropriated in 2021 Acts and Resolves No. 74, Sec. G.300(a)(6) may be carried forward by the Vermont Department of Labor and used to reimburse Vermont employers for costs incurred for work tools and personal protective equipment for new apprentices and for expansion of registered apprenticeship programs and participants. Employers may be reimbursed up to $300 for tools per apprentice.

Sec. C.109 [Deleted.]

Sec. C.110 ONE-TIME TOBACCO FUND APPROPRIATION; SUBSTANCE MISUSE AND PREVENTION COALITIONS

(a) In fiscal year 2022, funds are appropriated from the Tobacco Fund to the Department of Health, Office of Alcohol and Drug Abuse Programs (ADAP) and shall be carried forward in fiscal year 2023 as follows:

(1) $1,000,000 for substance use disorder (SUD) and tobacco prevention and cessation activities. Substance Misuse and Prevention Coalitions and tobacco cessation programs that target youth vaping may apply for funding. The Commissioner of ADAP shall determine levels of funding to award to applicants.

(A) The Office of ADAP shall require that, as part of the grant agreement with the Substance Misuse Prevention Coalitions, information on the use of the funds including the specific activities supported by the funds, a description of the number of people served, and information on the outcomes achieved by this investment be provided to ADAP in an agreed-upon time frame. The ADAP shall report on these metrics to the House and Senate Committees on Appropriations, the House Committee on Human Services, and the Senate Committee on Health and Welfare on or before January 10, 2023.

(2) $350,000 for statewide AIDS Service Organizations for HIV/AIDS prevention and syringe exchange programs. Of this amount, $150,000 shall be granted to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs, and $200,000 shall be granted to the Howard Center's Safe Recovery program. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers.

Sec. C.111 2021 Acts and Resolves No. 74, Sec. E.335 as amended by 2022 Acts and Resolves No. 83, Sec. 62, is further amended by adding a subsection (c) to read:

(c) Any funds expended on community-based service programs pursuant to subsection (b) of this section shall be included in the subsequent year Department of Corrections budget for the same purpose at the same amount.

Sec. C.112 2021 Acts and Resolves No. 74, Sec. B.1106(a)(1)(C) is amended to read:

(C) $14,400,000 for distribution to departments to fund the annual increase in the Vermont State Employee Retirement Systems (VSERS) Actuarially Determined Employer Contribution (ADEC). Amounts not distributed shall be transferred to the Vermont State Retirement Fund (60100) in the fiscal year 2022 as needed to meet the fiscal year 2022 ADEC requirement.

Sec. C.113 2021 Acts and Resolves No.74, Sec. D.101(b)(3) is amended to read:

(3) Notwithstanding 2016 Acts and Resolves No. 172, Sec. E.228, ~~$46,078,618~~ $47,736,618 of the unencumbered balances in the Insurance Regulatory and Supervision Fund (21075), the Captive Insurance Regulatory and Supervision Fund (21085), and the Securities Regulatory and Supervision Fund (21080) shall be transferred to the General Fund.

Sec. C.114 2021 Acts and Resolves No.74, Sec. B.1106, as amended by 2022 Acts and Resolves No.83, Sec. 46 is further amended read with the insertion of a subsection B.1106(a)(34) as follows:

(34) $1,658,000 to the Military Department to provide state match for the federal Facilities Sustainment, Restoration, and Modernization (SRM) funds eligible for receipt in fiscal year 2022.

* * * Fiscal Year 2023 Fund Transfers and Reserve Allocations * * *

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of $428,933 is appropriated from the Current Use Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above $428,933 from the property transfer tax that are deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of $21,128,985 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above $21,128,985 from the property transfer tax and surcharge established by 32 V.S.A. § 9602a that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(A) The dedication of $2,500,000 in revenue from the property transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the affordable housing bond, 10 V.S.A. § 314, is to be offset by the reduction of $1,500,000 in the appropriation to the Vermont Housing and Conservation Board and $1,000,000 from the surcharge established by 32 V.S.A. § 9602a. The fiscal year 2023 appropriation of $21,128,985 to VHCB reflects the $1,500,000 reduction. The affordable housing bond and related property transfer tax and surcharge provisions are repealed after the life of the bond on July 1, 2039. Once the bond is retired, the $1,500,000 reduction in the appropriation to VHCB is intended to be restored.

(3) The sum of $5,882,597 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above $5,882,597 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The $5,882,597 shall be allocated as follows:

(A) $4,574,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) $872,120 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b); and

(C) $436,060 to the Agency of Digital Services for the Vermont Center for Geographic Information.

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) From the General Fund to the All Other Insurance Fund (56300): $1,000,000.

(2) From the General Fund to the Enhanced 911 Special Fund (21711): $1,300,000.

(3) From the General Fund to the Cannabis Regulation Fund (21998): $2,540,000.

(4) From the General Fund to the Technology Modernization Special Fund created in Sec. E.105.1 of this act: $16,760,000.

(5) From the Clean Water Fund (21932) established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund (21933) created under 6 V.S.A. § 4803: $5,816,111.

(6) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Lake in Crisis Response Program Special Fund (21938) created under 10 V.S.A. § 1315: $50,000.

(7) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund (21575) established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: $523,966.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2023:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

22005	AHS Central Office earned federal receipts	$4,641,960
50300	Liquor Control Fund	$20,400,000
	Caledonia Fair	$5,000
	North Country Hospital Loan	$24,047
	Springfield Hospital promissory note repayment	$121,416

(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund. The Commissioner of Finance and Management shall report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.

21638	AG-Fees & reimbursement – Court order	$2,000,000
21928	Secretary of State Services Funds	$1,200,000
62100	Unclaimed Property Fund	$1,773,425

(3) Notwithstanding 2016 Acts and Resolves No. 172, Sec. E. 228, $45,664,476 of the unencumbered balances in the Insurance Regulatory and Supervision Fund (21075), the Captive Insurance Regulatory and Supervision

Fund (21085), and the Securities Regulatory and Supervision Fund (21080) shall be transferred to the General Fund.

(4) Notwithstanding any provision of law to the contrary, in fiscal year 2023, the following amounts shall revert to the General Fund from the accounts indicated:

1210002000	Legislature	$205,000
1100030000	Executive Branch Pay Act	$4,450,000

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2023 the following estimated General Fund reserves shall be made:

(1) Pursuant to 32 V.S.A. § 308, an estimated amount of $15,935,255 shall be reserved in the General Fund Budget Stabilization Reserve.

Sec. D.102 27/53 RESERVE

(a) $3,020,000 from the General Fund shall be reserved in the 27/53 reserve in fiscal year 2022. This action is the fiscal year 2023 contribution to the reserve for the 53rd week of Medicaid as required by 32 V.S.A. § 308e and the 27th payroll reserve as required by 32 V.S.A. § 308e.

Sec. D.103 [Deleted.]

* * * General Government * * *

Sec. E.100 EXECUTIVE BRANCH POSITIONS

(a) The establishment of the following new positions is authorized in fiscal year 2023:

(1) Permanent classified positions:

(A) Agency of Agriculture, Food and Markets - Vermont Agriculture and Environmental Lab: one new VAEL Scientist IV; Chemistry.

(B) Department of Buildings and General Services – Fee for Space:

(i) one BGS Utility Mechanic;

(ii) three BGS Institutional Custodians; and

(iii) one BGS Maintenance Mechanic II.

(C) Department of Disabilities, Aging, and Independent Living's Administration and Support division:

(i) one Survey and Certification Non-clinical Manager;

(ii) three Nurse Surveyors;

(iii) one Administrative Assistant; and

(iv) one Office of Public Guardian Community Financial Specialist.

(D) Department of Mental Health:

(i) one Suicide Prevention Director;

(ii) one Quality Control Specialist III;

(iii) one Staffing Office Manager;

(iv) five Mental Health Scheduling Coordinators;

(v) one DMH Psychologist;

(vi) one DMH Activity Therapist;

(vii) one Psychiatric Social Worker II;

(viii) two Food Service Workers;

(ix) two Cook Cs; and

(x) one Supervising Chef.

(E) Agency of Education:

(i) one School Facility Coordinator; and

(ii) one Communication Coordinator.

(F) Cannabis Control Board:

(i) two enforcement officers; and

(ii) one data analyst.

(G) State Treasurer: one Retirement Program Technician.

(H) Agency of Natural Resources Central Office:

(i) one Environmental Analyst VII; and

(ii) two Environmental Analyst V.

(2) Permanent Exempt Positions:

(A) Vermont Pension Investment Commission: one Principal Assistant.

(b) The conversion of the following limited-service positions to classified permanent status is authorized in fiscal year 2023 as follows:

(1) Department of Vermont Health Access:

(A) DVHA, Business Office Unit – one Financial Manager III;

(B) DVHA, Business Office Unit – one Grants Management Specialist;

(C) DVHA, Contracts & Grants Unit – two Contracts & Grants Administrators;

(D) DVHA, Contracts & Grants Unit – one Financial Manager I;

(E) DVHA, HAEEU – one Assister Program Manager;

(F) DVHA, HAEEU – seven Benefits Program Mentors;

(G) DVHA, HAEEU – two Business Analysts;

(H) DVHA, HAEEU – one Communications & Outreach Coordinator;

(I) DVHA, HAEEU – one Health Care Training/Community Manager;

(J) DVHA, HAEEU – seven Health Program Administrators;

(K) DVHA, HAEEU – three Healthcare Assistant Admin Is;

(L) DVHA, HAEEU – five Healthcare Assistant Admin IIs;

(M) DVHA, HAEEU – one VHC Business Process Coordinator;

(N) DVHA, HAEEU – one VHC Education & Outreach Coordinator;

(O) DVHA, HAEEU – five VHC Support Services Specialists;

(P) DVHA, HAEEU – 16 VT Healthcare Service Specialist Is;

(Q) DVHA, HAEEU – 25 VT Healthcare Service Specialist IIs;

(R) DVHA, HAEEU – five VT Healthcare Service Specialist IIIs;

(S) DVHA, Health Care Appeals Unit – five Fair Hearing Specialists;

(T) DVHA, Health Care Appeals Unit – one Program Technician I;

(U) DVHA, Legal Unit – one Staff Attorney II; and

(V) DVHA, Long Term Care Unit – three Long Term Care Specialist Is.

(2) Department of Forests, Parks and Recreation – Forestry: one Forester III.

(3) State Treasurer: one Financial Manager.

(c) The establishment of the following new classified limited-service positions are authorized in fiscal year 2023 as follows:

(1) Department of Labor: three positions to assist with the UI Modernization project.

(2) Agency of Education:

(A) one Grants Manager; and

(B) three Monitoring Coordinators.

(3) Department of Environmental Conservation:

(A) one Environmental Analyst V.

(4) Department of Motor Vehicles – to support DMV Core Modernization Phase II:

(A) one Purchasing/Inventory & Facilities Specialist III,

(B) two Direct Client Service Specialist I,

(C) one Financial Specialist III, and

(D) one Direct Customer Service Specialist I.

(d) The establishment of the following new classified limited-service positions are authorized in fiscal year July 1, 2022 through December 31, 2024 as follows:

(1) Department of State's Attorneys and Sheriffs:

(A) ten Deputy State's Attorneys; and

(B) two Administrative Assistants.

(e) The transfer of the following exempt position is authorized in fiscal year 2023 as follows:

(1) From the Agency of Administration to the Office of the Attorney General:

(A) one Staff Attorney III.

(f) The establishment of two additional classified permanent Tax Examiner positions is authorized in the Department of Taxes beginning in fiscal year 2023.

(1) Department of Taxes:

(A) two Tax Examiners.

Sec. E.100.1 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74; 2016 Acts and Resolves No. 172, Sec. E.100.2; 2017 Acts and Resolves No. 85, Sec. E.100.1; 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. E.100.1; 2020 Acts and Resolves No. 120,

Sec. A.7; 2020 Act and Resolves No. 154, Sec. E.100.2; and by 2021 Acts and Resolves No. 74, Sec. E.100.1, is further amended to read:

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the Agency of Natural Resources, the Department of Buildings and General Services, the Department of Labor, the Department of Corrections, ~~and~~ the Department of Public Safety, the Department of State's Attorneys and Sheriffs, and the Vermont Veterans' Home shall not be subject to the cap on positions for the duration of the Pilot.

(A) The Department of Corrections is authorized to add only Correctional Officer I and II positions.

(B) The Department of State's Attorneys and Sheriffs is authorized to add only State's Attorney positions.

(C) The Vermont Veterans' Home is authorized to add direct care positions, including part-time positions. Prior to authorizing positions under subdivision (d)(2) of this section, the Secretary of Administration shall be provided the financial analysis from the Vermont Veterans' Home reviewed by the Commissioner of Finance and Management which demonstrates reduction in the cost of overtime expenses or other expenses equal to or greater than the projected cost of the positions for the current and successive fiscal year of operations.

* * *

(7) This Pilot shall sunset on ~~July 1, 2023~~ July 1, 2025, unless extended or modified by the General Assembly.

(8) ~~On or before January 15, 2019~~ Annually on or before January 15, the Commissioner of Human Resources, in coordination with the Vermont State Employees' Association (VSEA), shall provide a report on the total number of positions created under the authority of this section to the House and Senate Committees on Appropriations. The report shall include a recommendation on whether this program should be expanded and continue and, if so, should it be extended but remain in session law or be made permanent by codification in statute.

Sec. E.100.2 CHIEF PREVENTION OFFICER

(a) The Office of the Chief Prevention Officer shall coordinate all budget and policy initiatives across the full spectrum of the prevention continuum.

Sec. E.100.3 PENSION OVERSIGHT

(a) The Secretary of Administration, in consultation with the State Treasurer, shall study and recommend criteria for a longevity incentive for Group F members of the Vermont State Employees' Retirement System that reduces future employer pension costs. As part of the study, the Secretary shall identify the following:

(1) a baseline of recent member retirement behavior relative to assumptions during the five most recently completed fiscal years;

(2) a method for targeting incentives to encourage more employees to retire at later ages than currently assumed;

(3) the amount and structure of proposed incentives; and

(4) whether additional funds are required to support the proposed incentive program.

(b) On or before December 15, 2022, the Secretary shall submit a report on the study described in subsection (a) of this section to the Joint Public Pension Oversight Committee, and the House and Senate Committees on Appropriations and on Government Operations.

Sec. E.105 3 V.S.A. § 3303 is amended to read:

§ 3303. REPORTING, RECORDS, AND REVIEW REQUIREMENTS

(a) Annual report and budget. The Secretary shall submit to the General Assembly, concurrent with the Governor's annual budget request required under 32 V.S.A. § 306, an annual report for information technology and cybersecurity. The report shall reflect the priorities of the Agency and shall include:

(1) performance metrics and trends, including baseline and annual measurements, for each division of the Agency;

(2) a financial report of revenues and expenditures to date for the current fiscal year;

(3) costs avoided or saved as a result of technology optimization for the previous fiscal year;

(4) an outline summary of information, including scope, schedule, budget, and status for information technology projects with total costs of $500,000.00 or greater;

(5) an annual update to the strategic plan prepared pursuant to subsection (c) of this section;

(6) a summary of independent reviews as required by subsection (d) of this section; ~~and~~

(7) the Agency budget submission; and

(8) a report on the expenditures of the Technology Modernization Special Fund, a list of projects receiving funding from the Fund in the prior fiscal year, and a list of prioritized recommendations for projects to be funded from the Fund in the next fiscal year.

* * *

Sec. E.105.1 3 V.S.A. § 3305 is added to read:

§ 3305. TECHNOLOGY MODERNIZATION SPECIAL FUND

(a) Creation. There is created the Technology Modernization Special Fund, to be administered by the Agency of Digital Services. Monies in the Fund shall be used to purchase, implement, and upgrade technology platforms, systems, and cybersecurity services used by State agencies and departments to carry out their statutory functions.

(b) Funds. The Fund shall consist of:

(1) any amounts transferred or appropriated to it by the General Assembly; and

(2) any interest earned by the Fund.

(c) Fund balance. Any balance remaining at the end of the fiscal year shall remain in the Fund.

(d) Receipts. The Commissioner of Finance and Management may anticipate receipts to this Fund and issue warrants based thereon.

(e) Priorities. The General Assembly shall prioritize projects to receive monies from the Fund based on recommendations from the Chief Information Officer submitted pursuant to subsection 3303(a) of this title. Expenditures shall only be made from the fund through appropriation and project authorization by the General Assembly. Plans for use shall be submitted as part of the budget adjustment or budget process.

Sec. E.105.2 FISCAL YEAR 2023; TECHNOLOGY MODERNIZATION SPECIAL FUND; AUTHORIZATIONS

(a) In fiscal 2023, the following expenditures are authorized from the Technology Modernization Special Fund to the projects described in this section:

(1) the sum of $11,800,000 for Enterprise Resource Planning (ERP) system upgrade of core statewide financial accounting system and integration with the Vermont Department of Labor and the Agency of Transportation financial systems;

(2) the sum of $1,800,000 for continued implementation of the Workplace Information Management System for property management at the Department of Buildings and General Services;

(3) the sum of $960,000 for the Fire Safety System Modernization to replace the current technology with a modern platform to improve records management and public interaction functionalities related to permitting and licensing; and

(4) the sum of $2,200,000 for a case management system at the Office of the Attorney General.

(b) The expenditures authorized in subdivision (a)(1) of this section shall only be released following approval by the Joint Information Technology Oversight Committee upon a review of the following documentation as provided by the Agency of Digital Services, the Agency of Administration, and the Joint Fiscal Office's IT consultant:

(1) adequacy of departmental readiness;

(2) the responsiveness of requests for proposals; and

(3) results of the independent review.

(c) In fiscal year 2023, if funds are available per section C.102(b) of this act, the following expenditures are authorized from the Technology Modernization Special Fund to the projects described in this section:

(1) The sum of $20,250,000 for the Department of Motor Vehicles (DMV) Core System Modernization Phase II.

(2) The sum of up to $30,000,000 for the Department of Labor Unemployment Insurance Modernization project. These funds shall be released as follows:

(A) the sum of $3,000,000 on July 1, 2022;

(B) the sum of $10,000,000 on July 1, 2023 upon approval by the Joint Information Technology Oversight Committee of the actions outlined in a Project Schedule; and

(C) Remaining funds shall be released upon request as needed by the Agency of Digital Services and approval of the Joint Information Technology Oversight Committee in accordance with actions outlined in a Project Schedule.

(3) For the amounts released in subdivisions (2)(B)–(C) of this subsection, the Joint Information Technology Oversight Committee shall consider the Project Schedule developed between the Department of Labor and the Agency of Digital Services, as approved by the Agency of Administration. The Joint Information Technology Oversight Committee shall also consider any actions proposed by the U.S. Department of Labor that may impact current or future plans developed by the State's Department of Labor.

Sec. E.106 EXECUTIVE BRANCH FEES AND FUND DEFICITS; PROPOSED INCREASES AND FOREGONE REVENUE; REPORT

(a) According to the report submitted by the Commissioner of Finance and Management pursuant to 2021 Acts and Resolves No. 74, Sec. E.106, $22,000,000 in revenue was foregone in one fiscal year due to lack of inflationary increases in certain fees, including Agency of Transportation fees.

(b) On or before November 15, 2022, the Commissioner of Finance and Management shall submit an inventory of all existing fees within State government to the Joint Fiscal Committee in Excel format. This inventory shall include all fees collected by the Executive Branch, the Attorney General, and the State Treasurer, as well as fees collected by the Judicial Branch. For fees within the Judicial Branch, the Commissioner shall have the assistance of the State Court Administrator. The fee inventory shall contain the following information for each fee in existence on the preceding July 1:

(1) the statutory authorization and termination date if any;

(2) its current rate or amount and the date this was last set or adjusted by the General Assembly or by the Joint Fiscal Committee;

(3) the fund into which its revenues are deposited;

(4) the revenues derived from it in each of the two previous fiscal years and an estimate of what will be collected in the current fiscal year; and

(5) in the case of licensing and registration fees, whether the fee is collected annually, biennially, or on some other set time frame.

(c) On or before November 15, 2022, the Secretary of State shall submit an inventory of its existing fees to the Joint Fiscal Committee in Excel format. The fee inventory shall contain the following information for each fee in existence on the preceding July 1:

(1) the statutory authorization and termination date if any;

(2) its current rate or amount and the date this was last set or adjusted by the General Assembly or by the Joint Fiscal Committee;

(3) the fund into which its revenues are deposited;

(4) the revenues derived from it in each of the two previous fiscal years and an estimate of what will be collected in the current fiscal year; and

(5) in the case of licensing and registration fees, whether the fee is collected annually, biennially, or on some other set time frame.

(d) On or before November 15, 2022, the Commissioner of Finance and Management shall provide a list of all funds to the Joint Fiscal Committee for which one or both of the following conditions are true:

(A) the fund was in a deficit at the end of the most recent fiscal year or is expected to be in a deficit at the end of the current fiscal year; or

(B) general funds were needed in any of the last three years to address a fund deficit or to support the related operating costs of programs supported by the fund.

(e) On or before January 15, 2023, the Commissioner of Finance and Management shall submit a report to the General Assembly that provides a list of programs by department where the fees do not fully cover the cost of providing the service or regulatory function.

Sec. E.106.1 32 V.S.A. § 1001b is added to read:

§ 1001b. CAPITAL EXPENDITURE CASH FUND

(a) Creation. There is hereby created the Capital Expenditure Cash Fund to be administered by the Commissioner of Finance and Management, in consultation with the State Treasurer, for the purpose of using general funds to defray the costs of future capital expenditures that would otherwise be paid for using the State's general obligation bonding authority and debt service obligations.

(b) Fund. The Fund may consist of:

(1) any appropriations or transfers made by the General Assembly; and

(2) any interest earned by the Fund.

(c) Use of funds. Expenditure shall only be made from the fund by appropriations by the General Assembly. Plans for use shall be submitted as part of the operating budget adjustment or operating budget process. Monies in the Fund shall only be used for:

(1) costs associated with a proposed capital project that occur prior to the construction phase of that project, including feasibility, planning, design, and engineering and architectural costs;

(2) projects with an anticipated lifespan of less than 20 years;

(3) costs associated with the early redemption of general obligation bonds; and

(4) other eligible capital projects receiving an appropriation from the General Assembly.

(d) Fund balance. All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund.

(e) Early redemption transfer. If any expenditures are made from the Fund or the General Assembly appropriates general funds to pay for the early redemption of general obligation bonds pursuant to subdivision (c)(3) of this section, then an amount equal to the reduction in debt service required in any fiscal year resulting from that redemption shall be transferred to the Fund.

Sec. E.106.2 CAPITAL EXPENDITURE CASH FUND; ANALYSIS

(a) The Commissioner of Finance and Management, in consultation with the Joint Fiscal Office and the State Treasurer, shall analyze and make recommendations on:

(1) a dedicated revenue source or State fiscal capacity to fund the Capital Expenditure Cash und; and

(2) for any revenue source or State fiscal capacity identified in subdivision (1) of this subsection, an analysis of the benefits and costs of dedicating this revenue source to the Capital Expenditure Cash Fund in comparison to other identified unfunded State fiscal pressures.

(3) Amendments to 32 V.S.A. § 1001b(c) on the use of the Capital Expenditure Cash Fund, including;

(A) if uses of the Fund should be prioritized in statute;

(B) how to prioritize the use of the Fund to emphasize strong financial management in Vermont State government;

(C) if an allowed use should include internal State debts or deficits; and

(D) if an allowed use should include State assistance for projects to mitigate emergent health and safety needs.

(b) On or before January15, 2023, the Commissioner of Finance and Management shall submit any recommendations to the House Committees on Appropriations and on Corrections and Institutions and the Senate Committees on Appropriations and on Institutions.

Sec. E.107 CORONAVIRUS RELIEF FUND APPROPRIATIONS; REVERSION AND REALLOCATION; REPORTS

(a) From July 1, 2022 through September 30, 2022, the Commissioner of Finance and Management is authorized to revert all unobligated Coronavirus Relief Fund (CRF) appropriations and allocate the monies for expenditure pursuant to 32 V.S.A. § 511 to any agency or department for CRF-eligible costs incurred from March 1, 2020 through December 31, 2021.

(b) The Commissioner of Finance and Management shall report at the September meeting of the Joint Fiscal Committee on final CRF activity and if any monies will be returned to the federal government.

Sec. E.126 TRANSFER OF FUNDS WITHIN LEGISLATIVE BRANCH

(a) Notwithstanding 32 V.S.A. § 706, in fiscal year 2023, appropriations within the Legislative Branch may be transferred between respective offices to ensure a balanced close-out in the fiscal year.

Sec. E.126.1 RESTORATIVE JUSTICE; STUDY

(a) The Joint Legislative Justice Oversight Committee shall study Vermont's restorative justice programming and services, including the administration and funding of pretrial services, court diversion programs, balanced and restorative justice initiatives, and community justice center services with the purpose to develop recommendations for a comprehensive and efficient statutory framework for programming and services that further restorative justice principles. In conducting its study, the Committee shall:

(1) consider strategies for ensuring geographic consistency and equity for restorative justice programming and services, including equal access for all Vermonters and adequate resources for all providers; and

(2) recommend any changes to streamline restorative justice programming and services that coordinate the roles, responsibilities, and funding of the Department of Corrections, the Office of the Attorney General, the Department of Children and Families, and any other entity that administers restorative justice programming and services in the State.

(b) On or before December 15, 2022, the Committee shall submit any proposed legislation resulting from its study to the House Committees on Corrections and Institutions, on Judiciary, and on Appropriations, and the Senate Committees on Institutions, on Judiciary, and on Appropriations.

Sec. E.128 SERGEANT AT ARMS

(a) The Capitol Police may submit a request for equipment purchases or leases for up to $15,000 to the Joint Legislative Management Committee for review and approval. Upon approval, equipment purchases or leases shall be funded by General Fund carryforward within the legislative budget.

Sec. E.128.1 FARMERS' NIGHT CONCERT SERIES APPROPRIATION

(a) The Office of the Sergeant at Arms is authorized to use not more than $10,000 from resources available within the General Assembly's budget to provide honoraria to speakers and performing groups who are invited to participate in the 2023 Farmers' Night Concert Series and who are not otherwise sponsored or compensated for their participation.

Sec. E.131 STATE TREASURER – VOLUNTEER INCOME TAX ASSISTANCE (VITA) PROGRAM

(a) Included in the appropriation in Sec. B.131 of this act is $400,000 to contract with the Champlain Valley Office of Economic Opportunity (CVOEO) on behalf of the Vermont Community Action Partnership to manage and administer the Volunteer Income Tax Assistance (VITA) program.

Sec. E.134 VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM; FISCAL YEARS 2023–2026; RATES

(a) Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period from July 1, 2022 through June 30, 2023, contributions shall be made by:

(1) Group A members at the rate of 3.5 percent of earnable compensation;

(2) Group B members at the rate of 5.875 percent of earnable compensation;

(3) Group C members at the rate of 11 percent of earnable compensation; and

(4) Group D members at the rate of 12.35 percent of earnable compensation.

(b) Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period from July 1, 2023 through June 30, 2024, contributions shall be made by:

(1) Group A members at the rate of 3.75 percent of earnable compensation;

(2) Group B members at the rate of 6.125 percent of earnable compensation;

(3) Group C members at the rate of 11.25 percent of earnable compensation; and

(4) Group D members at the rate of 12.6 percent of earnable compensation.

(c) Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period from July 1, 2024 through June 30, 2025, contributions shall be made by:

(1) Group A members at the rate of 4 percent of earnable compensation;

(2) Group B members at the rate of 6.375 percent of earnable compensation;

(3) Group C members at the rate of 11.5 percent of earnable compensation; and

(4) Group D members at the rate of 12.85 percent of earnable compensation.

(d) Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period from July 1, 2025 through June 30, 2026, contributions shall be made by:

(1) Group A members at the rate of 4.25 percent of earnable compensation;

(2) Group B members at the rate of 6.625 percent of earnable compensation;

(3) Group C members at the rate of 11.75 percent of earnable compensation; and

(4) Group D members at the rate of 13.1 percent of earnable compensation.

Sec. E.134.1 3 V.S.A. § 522 is amended to read:

§ 522. VERMONT PENSION INVESTMENT COMMISSION

* * *

(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.

Sec. E.134.2 3 V.S.A. § 524 is added to read:

§ 524. VERMONT PENSION INVESTMENT COMMISSION SPECIAL FUND

(a) Creation. There is hereby created the Vermont Pension Investment Commission Special Fund, administered by the Vermont Pension Investment Commission, for the purpose of receiving funds transferred to the Commission pursuant to subsection 523(i) of this title. Monies in the Fund shall be used to pay expenses associated with carrying out the Commission's duties.

(b) Funds. The Fund shall consist of:

(1) any amounts collected and transferred by 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;

(2) any amounts transferred or appropriated to it by the General Assembly; and

(3) any interest earned by the Fund.

Sec. E.134.3 VERMONT PENSION INVESTMENT COMMISSION; SOURCE OF FUNDS

(a) The funds appropriated in Sec. B.134.1 of this act are costs to the State's pension funds and have been considered in each pension systems' actuarial valuations but have not been included in the funds appropriated in Secs. B.133, B.134, and B.514.1 of this act.

(b) The funds appropriated from the pension systems for administrative costs in Secs. B.133, B.134, and B.514.1 of this act are intended to provide spending authority needed to transfer funds from the State's pension systems to the Treasurers Retirement Admin Costs fund (21520) to cover the portion of the Treasurer's budget attributable to the State's pension systems.

Sec. E.134.4 MEMBERSHIP TRANSFER OF CERTAIN SHERIFF DEPARTMENT EMPLOYEES; COSTS; MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM; STATE TREASURER; REPORT

(a) The State Treasurer, in consultation with the Joint Pension Oversight Committee shall, with assistance of actuarial analysis, determine the costs associated with transferring the membership of:

(1) certified law enforcement officials employed by county sheriff departments from Group F in the Vermont State Employees' Retirement System to a Group D membership in the Vermont Municipal Employees' Retirement System; and

(2) support staff employed by county sheriff departments from Group F in the Vermont State Employees' Retirement System to Group A, B, or C in the Vermont Municipal Employees' Retirement System.

(b) On or before October 1, 2022, the State Treasurer shall submit a report to the House Committees on Appropriations and on Government Operations and the Senate Committees on Appropriations and on Government Operations that includes the results of the study described in subsection (a) of this section. The report shall include an inventory of all employees, as of a specified date, for each county sheriff department with the current enrollment status of each employee in a State or municipal pension system by group; or if the employee is not enrolled in a State or municipal pension system; or is enrolled in another retirement system.

Sec. E.136.1 2017 Acts and Resolves No. 79, Sec. 13, as amended by 2020 Acts and Resolves No. 120, Sec. A.8, and 2021 Acts and Resolves No. 44, Sec. 2, is further amended to read:

Sec. 13. STATE ETHICS COMMISSION FUNDING SOURCE SURCHARGE; REPEAL

(a) Surcharge.

(1) Notwithstanding the provisions of 3 V.S.A. § 2283(c) setting forth the purpose and rate of charges collected in the Human Resource Services Internal Service Fund, in fiscal year 2018 and thereafter, a surcharge of up to 2.3 percent, but no greater than the cost of the activities of the State Ethics Commission set forth in Sec. 7 of this act, on the per-position portion of the charges authorized in 3 V.S.A. § 2283(c)(2) shall be assessed to all Executive Branch agencies, departments, and offices and shall be paid by all assessed entities solely with State funds.

(2) The amount collected shall be accounted for within the Human Resource Services Internal Service Fund and used solely for the purposes of funding the activities of the State Ethics Commission set forth in Sec. 7 of this act.

(b) Repeal. This section shall be repealed on ~~July 1, 2022~~ July 1, 2025.

Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

(a) Of the funds appropriated in Sec. B.139 of this act, $9,000 shall be transferred to the Attorney General and $70,000 shall be transferred to the Department of Taxes, Division of Property Valuation and Review and reserved and used with any remaining funds from the amount previously transferred for final payment of expenses incurred by the Department or towns in defense of grand list appeals regarding the reappraisals of the hydroelectric plants and expenses incurred to undertake complex commercial and utility property appraisals conducted by the Department to aid town valuations.

Sec. E.142 PAYMENTS IN LIEU OF TAXES

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

(b) Notwithstanding subsection (a) of this section, the payments under this section shall be adjusted so that the total payments made under Secs. E.142, E.143, and E.144 do not exceed 100 percent of the assessed value of State buildings defined by 32 V.S.A. § 3701(2).

Sec. E.143 PAYMENTS IN LIEU OF TAXES – MONTPELIER

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.144 PAYMENTS IN LIEU OF TAXES – CORRECTIONAL FACILITIES

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

* * * Protection to Persons and Property * * *

Sec. E.200 ATTORNEY GENERAL

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), $1,545,393 is appropriated in Sec. B.200 of this act.

Sec. E.203 [Deleted.]

Sec. E.205 24 V.S.A. § 290 is amended to read:

§ 290. COUNTY SHERIFF'S DEPARTMENT

* * *

(b) Full-time State deputy sheriffs whose primary responsibility is transportation of prisoners and persons with a mental condition or psychiatric disability shall be paid by the State of Vermont. ~~The appointment of such deputies and their salary shall be approved by the Governor or his or her designee. The Executive Committee of the Vermont Sheriffs Association and the Executive Director of the Department of State's Attorneys and Sheriffs shall jointly have authority for the assignment of position locations in the counties of State-paid deputy sheriffs and shall review the county location assignments periodically for efficient use of resources.~~ The positions and their funding shall be assigned to the Department of State's Attorneys and Sheriffs. The Executive Director shall have the authority to determine job duties for the position, assignment of positions to county, regular and temporary work locations, assistance to other State agencies and departments, timesheet systems, daily work logs, and to have final approval of personnel matters including, but not limited to, approval for hiring, paygrade assignment, hiring rate, discipline, and termination. The Sheriffs shall have an Executive Committee of not more than five current Sheriffs, elected for a two-year term by a vote of the Sheriffs held not later than January 15, for a term starting February 1. The Executive Committee shall have a Chair, Vice-Chair, Secretary-Treasurer, and two members at large. The Executive Committee shall meet at least quarterly to provide input to the Department of State's Attorneys and Sheriffs regarding budget, legislation, personnel and policies, and the assignment of positions, when vacancies arise, for efficient use of resources.

* * *

Sec. E.205.1 32 V.S.A. § 1591(2) is amended to read:

(2) For the transportation and care of prisoners, juveniles, and patients with a mental condition or psychiatric disability:

(A) For necessary assistance in arresting or transporting prisoners, juveniles, or persons with mental illness, the ~~sum of $18.00 per hour~~ State's Attorneys and Sheriffs Executive Director shall annually set the per hour

chargeable rate for each deputy sheriff or assistant so required ~~if the~~ to assist in the transport. The Executive Director shall consult with the Sheriffs Association before setting the per hour chargeable rate. The sheriff ~~or constable makes oath that the deputy sheriff, assistant, or assistants were required, giving the name of the assistant or assistants if there were more than one; provided, however, a full-time law enforcement officer~~ shall provide the documentation required by the Department. The deputy sheriff or assistant shall not receive compensation under this subsection if otherwise compensated from any other funding source for the same hours during which such transportation is performed. ~~In addition to the rate established the sheriffs' department shall be reimbursed for the costs of the employers' contribution to Social Security and workers' compensation insurance attributable to services provided under this section. Reimbursement shall be calculated on an hourly basis; the sheriff's department shall also be reimbursed for the costs of employer contributions for unemployment compensation, when a claim is filed and the percentage owed from the sheriff's department to the State can be accounted for under this section.~~

* * *

Sec. E.208 PUBLIC SAFETY – ADMINISTRATION

(a) The Commissioner of Public Safety is authorized to enter into a performance-based contract with the Essex County Sheriff's Department to provide law enforcement service activities agreed upon by both the Commissioner of Public Safety and the Sheriff.

Sec. E.209 PUBLIC SAFETY – STATE POLICE

(a) Of the General Fund appropriation in Sec. B.209, $35,000 shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of the General Fund appropriation in Sec. B.209, $405,000 is allocated for grants in support of the Drug Task Force. Of this amount, $190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force or carried forward.

Sec. E.209.1 PUBLIC SAFETY – VERMONT STATE POLICE; DISPATCH WORKING GROUP; TRANSITION PROPOSAL; REPORT

(a) Creation. The Commissioner of the Department of Public Safety shall convene a working group on the new regional dispatch model. The working group shall provide a written report to the Governor and the General Assembly on or before December 1, 2022. The report shall include recommendations on:

(1) The long-term funding model for regional dispatch that fairly assesses costs statewide, does not unduly affect property taxes, and clearly identifies the potential impact on property taxes;

(2) The estimated timeline and transition funding needed as new regional dispatch centers come online and local dispatch services are transitioned away from State-operated facilities.

(3) Identify the reduction in workload that will result at the two Vermont State Policy dispatch centers from a fully operational regional dispatch model.

(b) Membership. The working group shall be composed of the following members:

(1) one representative of the Vermont State Police, selected by the Commissioner of Public Safety;

(2) two representatives of local legislative bodies, selected by the Vermont League of Cities and Towns, one of which utilizes a State-dispatch center and one of which utilizes an existing regional or local dispatch center;

(3) one representative of an existing local or regional dispatch center, selected by the Vermont League of Cities and Towns;

(4) two police chiefs, selected by the Vermont Police Chiefs Association, one of whom utilizes a State-dispatch center and one of whom utilizes an existing regional or local dispatch center;

(5) one emergency medical responder, selected by the Vermont EMS Advisory Committee;

(6) one firefighter, selected by the Vermont State Firefighters Association;

(7) one sheriff, selected by the Vermont Sheriffs Association; and

(8) one representative of the Enhanced 911 Board, selected by the Board Chair.

(c) Powers and Duties. The working group shall:

(1) Consider and document how current dispatch services are provided statewide and the various methods of funding that exist to cover the cost of dispatch services. This shall include detail by town and or by emergency service provider. This analysis shall identify any funding inequities that exist in the current system between those entities paying for services using local funds and those entities receiving dispatch services provide by the State without cost. The analysis of current costs and payments flows for dispatch services shall be compared to the projected costs and payment flows under the new regional dispatch model. This analysis shall also estimate how first responder entities dispatched though the new regional system may be financially impacted in the transition to the new regional system.

(2) Identify a transitional timeline and the tasks to be completed within that timeline for transitioning to the new regional dispatch model.

(3) Identify any State resources that may become available once the new dispatch system is fully operational and recommend if and how such resources should be distributed to equitably reduce local costs.

(4) Identify any other ongoing sources of statewide revenue to be dedicated to statewide emergency response communications to equitably reduce local costs.

(d) Meetings.

(1) The Commissioner of Public Safety or designee shall call the first meeting of the working group.

(2) The working group shall determine its chair from among the members of the working group.

(3) A majority of the membership shall constitute a quorum.

(e) Assistance. The working group shall have the administrative, technical, and legal assistance of the Department of Public Safety.

Sec. E.212 PUBLIC SAFETY – FIRE SAFETY

(a) Of the funds appropriated in Sec. B.212 of this act, $55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

Sec. E.215 MILITARY – ADMINISTRATION

(a) The amount of $1,319,834 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Tuition Benefit Program established in 16 V.S.A. § 2857.

Sec. E.219 MILITARY – VETERANS' AFFAIRS

(a) Of the funds appropriated in Sec. B.219 of this act, $1,000 shall be used for continuation of the Vermont Medal Program, $4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council, $7,500 shall be used for the Veterans' Day parade, and $10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

Sec. E.222 NEW FARMER PROGRAM COORDINATION

(a) The Secretary of Agriculture shall, in consultation with the Vermont Housing Conservation Board, inventory the programs available to assist new farmers beginning operations in the State. On or before January 15, 2023, the Secretary shall provide a report to the House and Senate Committees on Agriculture on the degree of coordination across these programs. This shall include recommendations for improvement or change in operations and coordination that would benefit new farmers experience in seeking assistance.

Sec. E.232 [Deleted.]

Sec. E.233 30 V.S.A. § 8083(b)(6) is amended to read:

(6) upon approval by the General Assembly, up to $1,500,000.00 annually to fund the operational expenses of the Board and the Department to the extent the Department's expenses support the work of the Board.

Sec. E.233.1 VERMONT COMMUNITY BROADBAND BOARD; OPERATIONAL EXPENSES; ANNUAL BUDGET

(a) On or before December 1, 2022, the Vermont Community Broadband Board shall submit to the Governor and the General Assembly a proposed budget for its operational expenses for fiscal year 2023 for inclusion in the fiscal year 2023 budget adjustment act.

(b) On or before January 15, 2023, the Vermont Community Broadband Board shall submit to the Governor and the General Assembly a proposed budget for its operational expenses in fiscal year 2024 for inclusion in the Governor's recommended fiscal year 2024 appropriations for the support of government.

(c) In preparing a proposed budget for its operational expenses, the Vermont Community Broadband Board shall maximize first the use of any federal funds in the Vermont Community Broadband Fund that are available for administrative costs, and then shall draw upon monies transferred to the Vermont Community Broadband Fund pursuant to 30 V.S.A. § 7523(b).

Sec. E.233.2 VERMONT COMMUNITY BROADBAND BOARD

(a) In fiscal year 2023 there is appropriated to the Vermont Community Broadband Board a total of $1,500,000 from special funds to operate the Board. The intent of this section is to provide the necessary spending authority to the Board to operate in fiscal year 2023 until a new line-item budget is included in the budget adjustment for fiscal year 2023 pursuant to Sec. 233.1. of this act.

Sec. E.233.3 MUNICIPAL FUNDS FOR BROADBAND

(a) Notwithstanding any other provision of law to the contrary, a municipality may accept and finance broadband projects with funds received from the American Rescue Plan Act of 2021, Pub. L. 117-2, including funds received as lost revenue.

Sec. E.240 CANNABIS CONTROL BOARD

(a) The funds appropriated for the Cannabis Control Board in Sec. B.240 of this act include one-time special funds of $703,432 to support phase two of the license application and seed to sale tracking information technology system.

* * * Cannabis Regulation Fund; Cannabis Excise Tax Revenue in Fiscal Years 2024 and 2025* * *

Sec. E.240.1 7 V.S.A. § 845 is amended to read:

§ 845. CANNABIS REGULATION FUND

(a) There is established the Cannabis Regulation Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall be maintained by the Cannabis Control Board.

(b) The Fund shall be composed of:

(1) all State application fees, annual license fees, renewal fees, and civil penalties collected by the Board pursuant to chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title; ~~and~~

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title; and

(3) all cannabis excise tax revenue raised pursuant to 32 V.S.A. § 7902.

(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and chapter 33 of this title.

(d) The Commissioner of Finance and Management shall do the following not later than July 31 each year:

(1) transfer the unexpended and unobligated balance of the Cannabis Regulation Fund to the General Fund at the close of the prior fiscal year; and

(2) report the amount of the transfer made pursuant to subdivision (1) of this subsection to the Joint Fiscal Committee.

Sec. E.240.2 32 V.S.A. § 7909 is amended to read:

§ 7909. SUBSTANCE MISUSE PREVENTION FUNDING

(a) Thirty percent of the ~~revenues raised by the cannabis excise tax imposed by section 7902 of this title~~ unexpended and unobligated balance of the Cannabis Regulation Fund that is transferred to the General Fund pursuant to 7 V.S.A. § 845(d)(1), not to exceed $10,000,000.00 per fiscal year, shall be used to fund substance misuse prevention programming in the subsequent fiscal year.

* * *

Sec. E.240.3. REPEAL

(a) 2020 Acts and Resolves No. 164, Sec. 6c (contingent Cannabis Regulation Fund deficit offset) is repealed.

Sec. E.240.4 2020 Acts and Resolves No. 164, Sec. 33(h) is amended to read:

(h) ~~Sec. 6c (contingent Cannabis Regulation Fund deficit offset) shall take effect on July 1, 2024.~~ [Repealed.]

* * * Cannabis Excise Tax Revenue Starting in Fiscal Year 2026 * * *

Sec. E.240.5. 7 V.S.A. § 845 is amended to read:

§ 845. CANNABIS REGULATION FUND

(a) There is established the Cannabis Regulation Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall be maintained by the Cannabis Control Board.

(b) The Fund shall be composed of:

(1) all State application fees, annual license fees, renewal fees, and civil penalties collected by the Board pursuant to chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title; and

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title~~; and~~.

(3) ~~all cannabis excise tax revenue raised pursuant to 32 V.S.A. § 7902.~~ [Repealed.]

(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and chapter 33 of this title.

(d) ~~The Commissioner of Finance and Management shall do the following not later than July 31 each year:~~

~~(1) transfer the unexpended and unobligated balance of the Cannabis Regulation Fund to the General Fund at the close of the prior fiscal year; and~~

~~(2) report the amount of the transfer made pursuant to subdivision (1) of this subsection to the Joint Fiscal Committee.~~ [Repealed.]

Sec. E.240.6. 32 V.S.A. § 7909(a) is amended to read:

(a) Thirty percent of the revenues raised by the cannabis excise tax imposed by section 7902 of this title ~~unexpended and unobligated balance of the Cannabis Regulation Fund that is transferred to the General Fund pursuant to 7 V.S.A. § 845(d)(1)~~, not to exceed $10,000,000.00 per fiscal year, shall be used to fund substance misuse prevention programming in the subsequent fiscal year.

Sec. E.240.7 TRANSFER IN JULY 2025

(a) Notwithstanding any provision of law to the contrary, the Commissioner of Finance and Management shall do the following not later than July 31, 2025:

(1) transfer the unexpended and unobligated balance of the Cannabis Regulation Fund to the General Fund at the close of the 2024 fiscal year; and

(2) report the amount of the transfer made pursuant to subdivision (1) of this section to the Joint Fiscal Committee.

* * * Human Services * * *

Sec. E.300 FUNDING FOR THE OFFICE OF THE HEALTH CARE ADVOCATE

(a) Of the funds appropriated in Sec. B.300 of this act, $1,847,406 shall be used for the contract with the Office of the Health Care Advocate.

Sec. E.300.1 PRIVATE NONMEDICAL INSTITUTIONS; COSTS

(a) On or before September 1, 2022, the Agency of Human Services shall report to Joint Fiscal Committee on a plan to address costs associated with contract staffing for private nonmedical institutions. The plan shall include a timeline to address the rate setting process for future ongoing base costs starting in State fiscal year 2023.

Sec. E.301 SECRETARY'S OFFICE – GLOBAL COMMITMENT:

(a) The Agency of Human Services (AHS) shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the Agency of Human Services and the managed care entity, the Department of Vermont Health Access, as provided for in the Global Commitment for Health Waiver (Global Commitment) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the State funds appropriated in this section, a total estimated sum of $25,231,644 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) $22,230,100 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with $28,269,900 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of $50,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) $3,001,544 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

(c) Up to $4,034,170 is transferred from the AHS Federal Receipts Holding Account to the Interdepartmental Transfer Fund consistent with the amount appropriated in Sec. B.301 – Secretary's Office – Global Commitment of this act.

Sec. E.301.1 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT

(a) In order to facilitate the end-of-year closeout for fiscal year 2023, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the Agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2023 meeting. The purpose of

this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

Sec. E.301.2 GLOBAL COMMITMENT WAIVER AMENDMENT

(a) The Secretary of Human Services is authorized to seek to extend or renew Vermont's Global Commitment to Health Section 1115 Demonstration Waiver, which is currently set to expire on June 30, 2022. The Agency of Human Services shall strive to maintain or increase the State's flexibility to use Global Commitment investment dollars to increase access to care and coverage, improve health outcomes, strengthen health care delivery, and promote transformation to value-based and integrated models of care.

Sec. E.301.3 PROVIDER RATE INCREASES

(a) Recipients of any increased rates under Secs. B.314, B.333, and B. 334.1 of this act shall be transparent in the use of these funds through timely and accurate reporting.

(b) On or before April 15, 2023, based on the information reported in subsection (a) of this section from the Designated and Specialized Service Agencies and the Home Health Provider Agencies, the Agency of Human Services shall provide a preliminary report to General Assembly on whether the fiscal year 2023 provider rate increase is having an impact on:

(1) reducing the wait times for community-based mental health services or community-based home health services under the Choices for Care Program;

(2) reducing the use of emergency department resources at local hospitals for mental health related incidents; and

(3) improving the staff vacancy rate at these providers through their ability to recruit and retain employees.

Sec. E.306 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding health care eligibility and enrollment and the operation of the Vermont Health Benefit Exchange to state and federal law and guidance. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2023, but only in the event that new state or federal law or guidance require Vermont to amend or adopt its rules in a time frame that cannot be accomplished under the traditional rulemaking process. An emergency rule adopted under these

exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

Sec. E.306.1 [Deleted.]

Sec. E.312 HEALTH – PUBLIC HEALTH

(a) AIDS/HIV funding.

(1) In fiscal year 2023 and as provided in this section, the Department of Health shall provide grants in the amount of $475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) In fiscal year 2023 and as provided in this section, the Department of Health shall provide grants in the amount of $295,000 to the following organizations:

(A) Vermont CARES - $140,000;

(B) AIDS Project of Southern Vermont - $100,000; and

(C) HIV/HCV Resource Center - $55,000.

(3) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in VMAP to assist all eligible individuals. The Secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to VMAP medications until such time as the General Assembly can take action.

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of not less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2023, the Department of Health shall provide grants in the amount of $100,000 in general funds to Vermont AIDS service

organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including syringe exchange programs; improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. Not more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2023, the Department of Health shall provide grants in the amount of $300,0000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2023. Grant reporting shall include outcomes and results.

(6) In fiscal year 2023, the Department of Health shall not reduce any grants to the Vermont AIDS service and peer-support organizations or syringe service programs from funds appropriated for AIDS/HIV services to levels below those in fiscal year 2022 without receiving prior approval from the Joint Fiscal Committee.

Sec. E.313 REPORT, PUBLIC INEBRIATE AND SOBER BED PROGRAMMING

(a) The new alcohol and drug abuse program beds funded through Sec. B.313 of this act shall be used to treat public inebriates instead of having these individuals held by the Department of Corrections. On or before January 15, 2023, the Department of Health, in consultation with the Chief Prevention Officer, Vermont Preferred Providers, Vermont Care Partners, the Vermont Association for Mental Health and Addiction Recovery, and the Vermont Alliance for Recovery Residences, shall submit a written report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare examining whether there is excess bed capacity among those programs designated for use by public inebriates. The report shall include an analysis of financial sustainability of the programs. If the Department determines that there is excess capacity, the report shall include a plan to make efficient use of the excess capacity, including possibly redesignating beds for alternative purposes.

Sec. E.314 DEPARTMENT OF MENTAL HEALTH; MOBILE CRISIS OUTREACH SERVICES

(a) The Department of Mental Health shall build an urgent care model for mental health by expanding mobile outreach services based on the Department's analysis of statewide mobile crisis services and gaps pursuant to its State Planning Grant from the Centers for Medicare and Medicaid Services. The urgent care model shall address geographic gaps and the regions of the State in which the lack of mobile outreach is most directly driving unnecessary emergency department visits or unnecessary law enforcement responses.

(b) The new mobile outreach services shall:

(1) be based on evidence-based and trauma-informed practices, including using peer support staff;

(2) be developed in conjunction with the continuum of urgent care response related to the new 9-8-8 suicide prevention line; and

(3) comply with federal requirements as needed to qualify for three years of federal financial participation at an enhanced 85 percent federal match rate.

(c) The Department, in coordination with the Agency of Human Services Secretary's Office, Department of Vermont Health Access and the Department of Financial Regulation, shall develop a sustainability plan to ensure that the services will continue to be available after expiration of the enhanced federal match rate.

(d) On or before January 15, 2023, the Department shall provide a status report on:

(1) the experience of the Rutland pilot project which includes the number of Vermonters served by this pilot though 2022, as well as a description of the evaluation of the operating model of the pilot since it was launched to date; and

(2) the status of expansion of the urgent care model for mental health by expanding mobile outreach services funded in fiscal year 2023, including grants issued to date, operating status of the programs provided funding, and number of Vermonters served in 2022.

Sec. E.314.1 DEPARTMENT OF MENTAL HEALTH; EMERGENCY DEPARTMENTS; PATIENT EXPERIENCE OF CARE; REPORT

(a) On or before January 15, 2023, the Department of Mental Health shall report to the House Committee on Health Care and the Senate Committee on

Health and Welfare regarding the progress of the health care system in improving the patient experience of care for individuals encountering lengthy emergency departments waits for admission for inpatient psychiatric treatment. The report shall include an assessment of the services offered to these patients in emergency departments and the extent to which stakeholder input is included in decisions about services and patient care. The report shall include the most recent data pertaining to patient length of stay in emergency departments due to a lack of appropriate alternative mental health level 1 or step-down bed placements, and any changes anticipated it the inventory of level 1 or step-down beds system wide.

Sec. E.314.2 29 V.S.A. § 821 is amended to read:

§ 821. STATE FACILITIES

(a) State buildings.

* * *

(15) "River Valley Therapeutic Residence" shall be the name of the secure residential recovery facility in Essex.

* * *

Sec. E.316 PARENT CHILD CENTER GRANT

(a) The Department for Children and Families shall, within the administration of the grant for parent child centers and in consultation with the parent child centers, seek to ensure that services are targeted to families most at risk of having young children come into State custody. The shared goal of preventing that outcome and bringing Vermont's rate of young children coming into State custody down to a level more consistent with other states experience, shall be reflected in the grant agreement.

Sec. E.317 33 V.S.A. § 5126 is added to read:

§ 5126. PLACEMENT OF A CHILD INTO A QUALIFIED RESIDENTIAL TREATMENT PROGRAM

(a) Within 60 days of the start of a placement of a child into a qualified residential treatment program by the Commissioner, the Family Division of the Superior Court or the Judicial Master shall review the assessment, determination, and documentation provided by the qualified individual conducting the assessment required pursuant to 42 U.S.C. § 675a. The court or Judicial Master shall determine whether the needs of the child can be met through placement with family members, in a foster family home, or in another approved setting designed to meet specialized needs. If placement in a setting described above is not appropriate, the court or Judicial Master shall

consider whether placement of the child in a qualified residential treatment program provides the most effective and appropriate level of care for the child in the least restrictive environment, and whether such a placement is consistent with the short- and long-term goals for the child, as specified in the case plan for the child.

(b) The court or Judicial Master shall approve or disapprove the placement in a qualified residential treatment program based on the factors considered in subsection (a) of this section and make written findings as to the basis for the determination. The decision and findings shall be submitted to the parties.

(c) Nothing in this section shall be construed to limit the Commissioner's authority to place a child who is in the Commissioner's legal custody in a family home or a treatment, rehabilitative, detention, or educational facility or institution as provided in subdivision 5106(4) of this title.

(d) This section shall not apply to children placed in a setting that is intended for the detention of minors.

Sec. E.318 REPEAL

2019 Acts and Resolves No. 72, Sec. E.318.7 is repealed.

Sec. E.318.1 CHILD CARE CAPACITY-BUILDING GRANTS

(a) Of the funds appropriated in Sec. B.318 of this act, $800,000 is allocated for the purpose of expanding infant and toddler child care capacity.

(b) The Child Development Division shall award grants to eligible applicants. An eligible applicant shall:

(1) be a new or existing regulated, privately owned center-based child care program or family child care home in good regulatory standings;

(2) participate in Child Care Financial Assistance Program (CCFAP);

(3) provide year-round, full day child care and early learning services;

(4) provide child care and early learning services for infants and toddlers; and

(5) participate in the Step Ahead Recognition System (STARS).

(c) Center-based child care program or family child care homes receiving a grant pursuant to this section shall remain in compliance with the Division's rules, continue participation in STARS, and maintain enrollment of children supported by CCFAP.

Sec. E.318.2 PRE-APPRENTICESHIP PROGRAM IN EARLY CHILDHOOD EDUCATION:APPROPRIATION

(a) Of the federal funds appropriated in Sec. B.318 of this act to the Department for Children and Families Division of Child Development, $100,000 shall be transferred to Vermont Department of Labor for the pre-apprenticeship program in Early Childhood Education provided by Vermont Career and Technical Education centers.

Sec. E.318.3 CHILD DEVELOPMENT DIVISION; STEP AHEAD RECOGNITION SYSTEM

As part of its fiscal year 2023 budget adjustment presentation to the General Assembly, the Department for Children and Families shall present its proposed policy changes to the Step Ahead Recognition System (STARS) to the House Committee on Human Services and the Senate Committee on Health and Welfare. The Division's presentation shall summarize its proposed changes to STARS, including any anticipated impacts on child care providers and families.

Sec. E.318.4 CHILD DEVELOPMENT DIVISION INFORMATION SYSTEM; MODERNIZATION; CHILD CARE FINANCIAL ASSISTANCE PROGRAM

(a) On or before January 1, 2024, or six months after both the modernization of the Child Development Division Information System (CDDIS) pursuant to 2021 Acts and Resolves No. 45, Sec. 5 and the implementation of the corresponding eligibility changes to the Child Care Financial Assistance Program (CCFAP) pursuant to 2021 Acts and Resolves No. 45, Sec. 2 have taken effect, whichever is first occurring, the Department for Children and Families shall submit a written report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare evaluating the effectiveness of the CDDIS modernization project and the CCFAP eligibility changes. The report shall address how implementation of CDDIS and CCFAP changes impact the availability and affordability of child care throughout Vermont.

Sec. E.321 [Deleted.]

Sec. E.321.1 GENERAL ASSISTANCE HOUSING; ADVERSE WEATHER CONDITIONS

(a) The Commissioner for Children and Families may, by policy, provide temporary housing for a limited duration in adverse weather conditions when appropriate shelter space is not available.

Sec. E.324 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it if the benefit cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

Sec. E.325 DEPARTMENT FOR CHILDREN AND FAMILIES – OFFICE OF ECONOMIC OPPORTUNITY

(a) Of the funds appropriated in Sec. B.325 of this act, $12,699,440 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal Emergency Solutions Grants funds. Funds shall be administered in consultation with the Vermont Coalition to End Homelessness.

Sec. E.325.1 TRANSITIONAL HOUSING; RULEMAKING

(a) Notwithstanding 2022 Acts and Resolves No. 83, Sec. 54(c)(1), the Department for Children and Families may withdraw its permanent rule filing and shall file a second emergency rule to be effective upon the expiration of the Transitional Housing Program Emergency Rules (22-E07), adopted by the Department on March 31, 2022 and effective until September 28, 2022. The Department shall be deemed to have met the emergency rulemaking criteria in 3 V.S.A. § 844 if a second emergency rule that is substantially similar to the Transitional Housing Program Emergency Rules (22-E07) is adopted. The Department shall file permanent rules pursuant to 3 V.S.A. chapter 25 if the availability of federal ERAP funding extends beyond March 31, 2023.

(b) Prior to filing a second emergency rule pursuant to this section, the Department shall:

(1) send a draft of the second emergency rule to the Joint Fiscal Committee 30 days prior to its September 2022 meeting;

(2) present the second emergency rule and an update on the funding forecast for the transitional housing program at the Joint Fiscal Committee's September 2022 meeting and consider any input and recommendations offered by the Joint Fiscal Committee; and

(3) inform the General Assistance working group described in 2021 Acts and Resolves No. 74, Secs. E.321 and E.321.2 of any inconsistencies

between the first and second emergency rules and consider any input on the changes offered by the working group.

Sec. E.326 DEPARTMENT FOR CHILDREN AND FAMILIES – OFFICE OF ECONOMIC OPPORTUNITY – WEATHERIZATION ASSISTANCE

(a) Of the Special Fund appropriation in Sec. B.326 of this act, $750,000 is for the replacement and repair of home heating equipment.

Sec. E.329 [Deleted.]

Sec. E.334 SPECIFIC HOME- AND COMMUNITY-BASED SERVICE PROVIDER RATE STUDY; REPORT

(a) The Department of Vermont Health Access, in collaboration with the Department of Disabilities, Aging, and Independent Living, shall conduct a rate study of the Medicaid reimbursement rates paid for adult day, adult day rehabilitation, personal care, and homemaker services.

(b) On or before February 15, 2023, the Department of Vermont Health Access shall report the results of its rate study to the House Committees on Human Services and on Appropriations and the Senate Committees on Health and Welfare and on Appropriations.

Sec. E.334.1 LONG-TERM CARE - PERSONAL NEEDS ALLOWANCE INCREASE

(a) The amount of the State supplement for Medicaid beneficiaries who reside in a nursing home and receive Supplemental Security Income shall increase by 10 percent to the degree practicable effective January 1, 2023 but not later than January 1, 2024.

Sec. E.335 CORRECTIONS APPROPRIATIONS; UNEXPENDED FUNDS TRANSFER; REPORT

(a) In fiscal year 2023, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer unexpended funds between the respective appropriations for correctional services; provided, however, that no transfer shall be made from correctional services out-of-state beds. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next scheduled meeting.

(b) In fiscal year 2023, any unexpended funds for correctional services out-of-state beds shall be carried forward to fiscal year 2024, and the amount reported to the Joint Legislative Justice Oversight Committee in September

2023, to support community-based service programs. Funds may only be expended on community-based service programs upon approval of the Joint Legislative Justice Oversight Committee. The House Committees on Appropriations and on Corrections and Institutions and the Senate Committees on Appropriations and on Judiciary shall be notified of any proposed expenditures on community-based service programs.

(c) Any funds expended on community-based service programs pursuant to subsection (b) of this section shall be included in the subsequent year Department of Corrections budget for the same purpose at the same amount.

Sec. E.335.1 [Deleted]

Sec. E.335.2 28 V.S.A. § 125 is added to read:

§ 125. JUSTICE REINVESTMENT II INITIATIVES; REPORT

(a) On or before January 15 each year, the Commissioner of Corrections, in consultation with the Commissioners of Health, of Mental Health and for Children and Families and the Attorney General shall submit a report to the House Committees on Appropriations and on Corrections and Institutions and the Senate Committees on Appropriations and on Judiciary detailing the expenditures on Justice Reinvestment II and the following related initiatives:

(1) funding for domestic violence intervention programming in the Department of Corrections;

(2) funding for offender transitional housing capacity with the Department of Corrections and other departments;

(3) funding for the Department of Correction's data collection Offender Management System;

(4) funding for community-based mental health and substance use services for individuals under Department of Corrections supervision;

(5) funding provided for diversion and restorative justice programs including community justice centers, court diversion, and balanced and restorative justice (BARJ); and

(6) funding and a description of any other General Fund expenditures for Justice Reinvestment II initiatives.

(b) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this section.

Sec. E.338 CORRECTIONS – CORRECTIONAL SERVICES

(a) Notwithstanding 32 V.S.A. § 3709(a), the special funds appropriation of $152,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.345 [Deleted.]

* * * Labor * * *

Sec. E.400 [Deleted.]

Sec. E.400.1 [Deleted.]

* * * K–12 Education * * *

Sec. E.500 EDUCATION – FINANCE AND ADMINISTRATION

(a) The Global Commitment funds appropriated in this section shall be used for physician claims for determining medical necessity of Individualized Education Programs (IEPs). These services are intended to increase access to quality health care for uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 2021 Acts and Resolves No. 66, Sec. 14 is amended to read:

Sec. 14. FINDINGS AND PURPOSE

(a) Sec. E.500.1 of 2018 (Sp. Sess.) Acts and Resolves No. 11, as amended, requires that not later than July 1, 2022 all Vermont supervisory unions, supervisory districts, school districts, and independent technical center districts utilize the same ~~shared school district data management system (eFinancePlus)~~ Shared School District Data Management System (SSDDMS), which shall be selected by the Agency of Education per State procurement guidelines.

(b) The purpose of Secs. 15–17 of this act is to:

(1) extend the deadline to December 31, ~~2022~~ 2024 for statewide adoption of ~~eFinancePlus~~ SSDDMS;

(2) pause until ~~January 1, 2022~~ July 1, 2023 the further implementation of ~~eFinancePlus~~ SSDDMS to provide time for further evaluation of the system, provided that:

(A) the Agency of Education and its contractor for implementation of the system shall continue to support users of the system; and

(B) a supervisory union, supervisory district, school district, or independent technical center district ~~that does not use the system~~ may ~~join an~~

~~implementation round offered by the Agency of Education~~ implement or leave SSDDMS during the pause period after consultation with the Agency of Education and upon approval by its governing body; and

* * *

Sec. E.500.2 2021 Acts and Resolves No. 66, Sec. 15 is amended to read:

Sec. 15. 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. E.500.1, as amended by 2019 Acts and Resolves No. 72, Sec. E.500.5, is further amended to read:

Sec. E.500.1. SHARED SCHOOL DISTRICT FINANCIAL DATA MANAGEMENT SYSTEM

(a) Not later than December 31, ~~2022~~ 2024, all Vermont supervisory unions, supervisory districts, school districts, and independent technical center districts shall utilize the same school finance and financial data management system. The system shall be selected by the Agency of Education per State procurement guidelines.

* * *

Sec. E.500.3 2021 Acts and Resolves No. 66, Sec. 16 is amended to read:

Sec. 16. PAUSE OF IMPLEMENTATION OF SHARED SCHOOL DISTRICT FINANCIAL DATA MANAGEMENT SYSTEM

Notwithstanding Sec. E.500.1 of 2018 (Sp. Sess.) Acts and Resolves No. 11, as amended, the implementation of the Shared School District Data Management System (SSDDMS) shall be paused until ~~January 1, 2022~~ July 1, 2023, provided that:

(1) the Agency of Education and its contractor for implementation of the system shall continue to support users, as of the date of enactment of this act, of the system; and

(2) a supervisory union, supervisory district, school district, or independent technical center district ~~that does not use the system~~ may ~~join an implementation round offered by the Agency of Education~~ implement or leave SSDDMS during the pause period after consultation with the Agency of Education and upon approval by its governing body.

Sec. E.500.4 2021 Acts and Resolves No. 66, Sec. 17 is amended to read:

Sec. 17. AGENCY OF EDUCATION; REPORTS

(a) On or before June 30, 2021 and quarterly thereafter until March 31, ~~2023~~ 2025, the Agency of Education shall provide a written report to the General Assembly and the Vermont Association of School Business

Officials on the status of improving and implementing the Shared School District Data Management System, including the status of:

* * *

Sec. E.500.5 AGENCIES OF EDUCATION AND OF DIGITAL SERVICES; JOINT REPORT ON THE SHARED SCHOOL DISTRICT DATA MANAGEMENT SYSTEM

(a) On or before December 15, 2022, the Agencies of Education and of Digital Services shall jointly submit a report to the House and Senate Committees on Education on the status of improving and implementing the Shared School District Data Management System (SSDDMS) and a recommendation on whether to continue, discontinue, suspend, or delay implementation of SSDDMS and the reasons for their recommendation. In preparing their report, the Agencies of Education and of Digital Services shall solicit feedback from the Vermont Association of School Business Officials, school business managers and users and nonusers of SSDDMS around the State, the Vermont chapter of the American Association of School Personnel Administrators, and school human resources managers around the State.

Sec. E.500.6 2019 Acts and Resolves No. 1, Sec. 1, as amended by 2021 Acts and Resolves No. 66, Sec. 12, is further amended to read:

Sec. 1. ETHNIC AND SOCIAL EQUITY STANDARDS ADVISORY WORKING GROUP

* * *

(d) Appointment and operation.

* * *

(D) The Working Group shall cease to exist on ~~July 1, 2022~~ July 1, 2023.

* * *

(g) Duties of the Working Group.

(1) The Working Group shall review standards for student performance adopted by the State Board of Education under 16 V.S.A. § 164(9) and, on or before December 31, ~~2021~~ 2022, recommend to the State Board updates and additional standards to recognize fully the history, contributions, and perspectives of ethnic groups and social groups. These recommended additional standards shall be designed to:

* * *

(h) Reports.

* * *

(3) The Working Group shall, on or before ~~December 31, 2022~~ June 30, 2023, submit a report to the General Assembly that includes:

* * *

(i) Duties of the State Board of Education. The Board of Education shall, on or before ~~December 31, 2022~~ June 30, 2023, consider adopting ethnic and social equity studies standards into standards for student performance adopted by the State Board under 16 V.S.A. § 164(9) for students in prekindergarten through grade 12, taking into account the report submitted by the Working Group under subdivision (g)(1) of this section.

Sec. E.500.7 2021 Acts and Resolves No. 66, Sec. 13 is amended to read:

* * *

(c) Any unused portion of these appropriations shall, as of July 1, ~~2022~~ 2023, revert to the General Fund.

* * * Amendment to S.287, When Enacted * * *

Sec. E.500.8 Subdivision (d)(1) of Sec. 4, amendment to 16 V.S.A. § 4010; determination of weighted long-term membership and per pupil education spending, of S.287 as enacted is amended to read:

(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;

(B) grades six through eight—0.36; and

(C) grades nine through 12—0.39.

Sec. E.500.9 Subdivision (b)(1) of Sec. 7, calculation of tax rates; tax rate review; fiscal years 2025–2029; of S.287 as enacted is amended to read:

(b)(1) In order to determine which school districts shall be subject to a Tax Rate Review, the Secretary of Education shall calculate the fiscal year 2024 per pupil education spending, as defined in 16 V.S.A. § 4001(14) as in effect on July 1, 2024, of each school district subject to subsection (a) of this section as though the funding formula created under this act applied to fiscal year 2024. In fiscal year 2025, if a school district's per pupil education spending calculated using the funding formula created under this act increases by 10 percent or more over the school district's fiscal year 2024 per pupil education spending as calculated by the Secretary under this subsection, then

the school district shall be subject to a Tax Rate Review. In fiscal years 2026–2029, if a school district's per pupil education spending calculated using the funding formula created under this act increases by 10 percent or more over the school district's prior fiscal year per pupil education spending, then the school district shall be subject to a Tax Rate Review. Upon request of the Secretary, a school district shall submit its budget to a Tax Rate Review to determine whether its increase in per pupil education spending was beyond the school district's control or for other good cause. In conducting the Review, the Secretary shall select three business managers and three superintendents to serve in an advisory role in the Review. The Review shall consider the extent to which the increase in per pupil education spending is caused by at least the following factors:

(A) ~~the extent to which the increase in per pupil education spending is caused by declining enrollment in the school district; and~~ declining enrollment in the school district;

(B) ~~the extent to which the increase in per pupil education spending is caused by~~ increases in tuition paid by the school district~~.~~;

(C) costs associated with facilities improvements required to protect the health and safety of students, teachers, and staff; and

(D) new State and federal requirements.

Sec. E.500.10 Sec. 15, evaluation and reporting on implementation of act, of S.287 as enacted is amended to read:

Sec. 15. EVALUATION AND REPORTING ON IMPLEMENTATION OF ACT

(a) The Joint Fiscal Office shall design and contract for an evaluation of the impact of the changes required under this act in achieving the goals under Sec. 2 of this act. ~~On or before December 15, 2029, the Joint Fiscal Office shall submit to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance its written evaluation report.~~ In order to maintain independence, the Joint Fiscal Office shall not contract with an individual who has consulted on, or contracted to provide services in relation to, the Pupil Weighting Factors Report dated December 24, 2019 or the December 17, 2021 report prepared in accordance with 2021 Acts and Resolves No. 59.

(b) The contractor shall consult with the Joint Fiscal Office and the Agency of Education to determine appropriate metrics such as Vermont Education Quality Standards and other common educational standards; standardized test scores, graduation rates, and other student performance measures; student health and wellness measures; budget and finance measures; teacher and staff

compensation comparisons; and educational opportunity comparisons across school districts. The evaluation shall be conducted using rigorous and objective standards for fiscal and educational program review.

(c) On or before December 15, 2029, the Joint Fiscal Office shall submit to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance its written evaluation report.

Sec. E.501 AGENCY OF EDUCATION; ESSER III FUND PLAN

(a) The following sums are appropriated from the ESSER III funds provided to the State pursuant to Sec. 2001(f) of the American Rescue Plan Act of 2021 to the Agency of Education in fiscal year 2023:

(1) $2,852,234 for Evidence-Based Summer Programming for the implementation of evidence-based summer enrichment programs and to ensure such programs respond to students' academic, social, and emotional needs and address the disproportionate impact of the coronavirus on the student populations described in section 1111(b)(2)(B)(xi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)(B)(xi)), students experiencing homelessness, and children and youth in foster care.

(2) $2,852,234 for Evidence-Based Afterschool Programming for the implementation of evidence-based comprehensive afterschool programs, and to ensure such programs respond to students' academic, social, and emotional needs and address the disproportionate impact of the coronavirus on the student populations described in section 1111(b)(2)(B)(xi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)(B)(xi)), students experiencing homelessness, and children and youth in foster care.

(3) $1,352,170 to address lost instructional time due to COVID-19 in accordance with 2021 Acts and Resolves No. 28 to support literacy with a specific prioritization for the implementation of 2018 Acts and Resolves No. 173.

(4) $1,130,586 for meeting other needs as determined by the State educational agency (AOE) to address issues in responding to COVID-19. This may include the implementation of a facilities planning grant program per 2021 Acts and Resolves No. 72.

Sec. E.502 EDUCATION – SPECIAL EDUCATION: FORMULA GRANTS

(a) Of the appropriation authorized in Sec. B.502 of this act, and notwithstanding any other provision of law, an amount not to exceed $4,073,400 shall be used by the Agency of Education in fiscal year 2023 as

funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d).

Sec. E.504.1 EDUCATION – FLEXIBLE PATHWAYS

(a) Of the appropriation in Sec. B.504 of this act, $2,100,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c).

(b) Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) $921,500 is available for dual enrollment programs notwithstanding 16 V.S.A. § 944(f)(2);

(2) $1,800,000 is available to support the Vermont Virtual High School;

(3) $400,000 is available for secondary school reform grants; and

(4) $3,000,000 is available for Early College pursuant to 16 V.S.A. § 4011(e).

(c) Of the appropriation in Sec. B.504 of this act, $921,500 from the General Fund is available for dual enrollment programs.

Sec. E.514 STATE TEACHERS' RETIREMENT SYSTEM

(a) In accordance with 16 V.S.A. § 1944(g)(2), and consistent with system changes enacted for fiscal year 2023 in the 2022 session, the annual contribution to the State Teachers' Retirement System (STRS) shall be $194,161,651 of which $187,273,782 shall be the State's contribution and $6,887,869 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, $34,342,965 is the "normal contribution," and $159,818,686 is the "accrued liability contribution."

Sec. E.515 RETIRED TEACHERS' HEALTH CARE AND MEDICAL BENEFITS

(a) In accordance with 16 V.S.A. § 1944b(b)(2), and consistent with system changes enacted for fiscal year 2023 in the 2022 session, the annual contribution to the Retired Teachers' Health and Medical Benefits plan shall be $50,206,128.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, $15,100,000 is the "normal contribution," and $35,106,128 is the "accrued liability contribution."

* * * Higher Education * * *

Sec. E.600 UNIVERSITY OF VERMONT

(a) The Commissioner of Finance and Management shall issue warrants to pay 1/12 of the appropriation in Sec. B.600 of this act to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, $380,326 shall be transferred to the Experimental Program to Stimulate Competitive Research (EPSCoR) for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

Sec. E.602 VERMONT STATE COLLEGES

(a) The Commissioner of Finance and Management shall issue warrants to pay 1/12 of the appropriation in Sec. B.602 of this act to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, $427,898 shall be transferred to the Vermont Manufacturing Extension Center for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

Sec. E.603 VERMONT STATE COLLEGES – ALLIED HEALTH

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont State Colleges shall be maintained through the General Fund or other State funding sources.

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in Sec. B.603 of this act to support the dental hygiene, respiratory therapy, and nursing programs that graduate approximately 315 health care providers annually. These graduates deliver direct, high-quality health care services to Medicaid beneficiaries or uninsured or underinsured persons.

Sec. E.605 VERMONT STUDENT ASSISTANCE CORPORATION

(a) Of the appropriation in Sec. B.605 of this act, $25,000 is appropriated from the General Fund to the Vermont Student Assistance Corporation (VSAC) to be deposited into the Trust Fund established in 16 V.S.A. § 2845.

(b) Of the appropriated amount remaining after accounting for subsection (a) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(c) To the extent other funding is provided to VSAC in this act or other legislation enacted into law this year, up to six percent, but not to exceed

$100,000, may be used for staff expenses associated with administering the funds. Funds shall not be used for indirect costs. To the extent these are federal funds, allocation for expenses associated with administering the funds shall be consistent with federal grant requirements.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) Notwithstanding 16 V.S.A. § 4025(b), the sum of $41,225 in education funds and $41,225 in general funds is appropriated to the Vermont Student Assistance Corporation (VSAC) for dual enrollment and need-based stipend purposes to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 946 to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(b) VSAC shall report on the program to the House Committees on Appropriations and on Commerce and Economic Development and to the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs on or before January 15, 2023.

Sec. E.700 10 V.S.A. § 581 is amended to read:

§ 581. BUILDING EFFICIENCY GOALS

It shall be goals of the State:

(1) To improve substantially the energy fitness of at least ~~20 percent of the State's housing stock by 2017 (more than 60,000 housing units), and 25 percent of the State's housing stock by 2020 (approximately 80,000 housing units)~~ 120,000 housing units and reduce greenhouse gas emissions by 0.15 $MMTCO_2e$ by 2031.

* * *

Sec. E.702 23 V.S.A. § 3513 is amended to read:

§ 3513. LIABILITY INSURANCE; AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES

(a) The amount of 85 percent of the fees and penalties collected under this chapter, except interest, is allocated to the ~~Agency of Natural Resources~~ Department of Forests, Parks and Recreation for use by the Vermont ATV Sportsman's Association (VASA) for development and maintenance of a Statewide ATV Trail Program, for trail liability insurance, and to contract for law enforcement services with any constable, sheriff's department, municipal police department, the Department of Public Safety, and the Department of

Fish and Wildlife for purposes of trail compliance pursuant to this chapter. The Departments of Public Safety and of Fish and Wildlife are authorized to contract with VASA to provide these law enforcement services. ~~The Agency of Natural Resources~~ The Department of Forests, Parks and Recreation shall retain for its use up to $7,000.00 during each fiscal year to be used for administration of this Program.

* * *

Sec. E.709 10 V.S.A. § 1283(g)(3) is amended to read:

(3) "Release" means any intentional or unintentional action or omission resulting in the spilling, leaking, pumping, pouring, emitting, emptying, dumping, or disposing of hazardous materials into the surface or groundwaters, or onto the lands in the State, or into waters outside the jurisdiction of the State when damage may result to the public health, lands, waters, or natural resources within the jurisdiction of the State. "Release" also means the intentional or unintentional action or omission resulting in the spilling, leaking, emission, or disposal of polychlorinated biphenyls (PCBs) from building materials in ~~a building or structure~~ public schools and approved and recognized independent schools, as those terms are defined in 16 V.S.A. § 11, that were constructed or renovated before 1980.

Sec. E.709.1 10 V.S.A. § 6602(17) is amended to read:

(17) "Release" means any intentional or unintentional action or omission resulting in the spilling, leaking, pumping, pouring, emitting, emptying, dumping, or disposing of hazardous materials into the surface or groundwaters, or onto the lands in the State, or into waters outside the jurisdiction of the State when damage may result to the public health, lands, waters, or natural resources within the jurisdiction of the State. "Release" also means the intentional or unintentional action or omission resulting in the spilling, leaking, emission, or disposal of polychlorinated biphenyls (PCBs) from building materials in ~~a building or structure~~ public schools and approved and recognized independent schools, as those terms are defined in 16 V.S.A. § 11, that were constructed or renovated before 1980.

Sec. E.709.2 REPORT ON REGULATION OF PCB RELEASES FROM BUILDING MATERIALS IN NONSCHOOL BUILDINGS

On or before January 15, 2023, the Secretary of Natural Resources shall submit to the Senate Committees on Appropriations and on Natural Resources and Energy and the House Committees on Appropriations and on Natural Resources, Fish, and Wildlife a report regarding the indoor air quality testing

of buildings for releases of polychlorinated biphenyls (PCBs) from building materials. The report shall include:

(1) a proposal for the best method for regulating releases of PCBs from PCB-containing building materials in non-school buildings;

(2) a proposal of who will be required to test for a release or potential release of PCBs from building materials, including whether and how testing will be required under the Brownfields Reuse and Environmental Liability Limitation Program or as part of an environmental assessment for a property transaction;

(3) a summary of when during a corrective action or property transaction testing would be required and why it would be required;

(4) the standard or standards that would be utilized to determine if a release occurred;

(5) the action or remediation that would be required if PCBs are identified in excess of the proposed standard;

(6) how responsive action or remediation would be funded, including potential federal or State sources of funding; and

(7) how the requirement to test may affect investment in the redevelopment of historic downtowns or similar areas.

* * * Transportation * * *

Sec. E.903 MULTI-AGENCY INVESTMENTS IN ELECTRIC VEHICLE SUPPLY EQUIPMENT INFRASTRUCTURE

(a) Definitions. As used in this section:

(1) "Area median income" means the county or Metropolitan Statistical Area median income published by the federal Department of Housing and Urban Development.

(2) "Electric vehicle supply equipment (EVSE)" has the same meaning as in 30 V.S.A. § 201.

(3) "Level 1 charger" or "level 1 EVSE" means EVSE that plugs directly into a standard 120-volt AC outlet and supplies an average output of 1.3 to 2.4 kilowatts.

(4) "Level 2 charger" or "level 2 EVSE" means galvanically connected EVSE with a single-phase input voltage range from 208 to 240 volts AC and a maximum output current less than or equal to 80 amperes AC.

(5) "Level 3 charger," "level 3 EVSE," or "direct-current fast charger (DCFC)," means EVSE that uses dedicated direct current (DC) to provide energy to a plug-in electric vehicle.

(6) "Multiunit affordable housing" means a multiunit dwelling where:

(A) at least 50 percent of the units are or will be occupied by households whose income does not exceed 100 percent of the greater of the State or area median income; or

(B) all units are affordable to households earning between 60 and 120 percent of area median income.

(7) "Multiunit dwelling" means a housing project, such as cooperatives, condominiums, dwellings, or mobile home parks, with three or more units constructed or maintained on a tract or tracts of land.

(8) "Workplace" means a place where an individual works.

(b) Housing, employers, and public venues and attractions.

(1) In fiscal year 2023, $10,000,000 is appropriated in Sec. G.600 (b) of this act to the Agency of Commerce and Community Development to support the following:

(A) one or more grant programs, which may build upon the existing EVSE Grant Program, to support the continued buildout of level 1 and 2 EVSE at multiunit dwellings, including multiunit affordable housing, with less than 20 units prioritized and not less than 30 percent of the total appropriation, less the administration expenses allowed under subsection (~~d~~ c) of this section, allocated to this purpose;

(B) one or more grant programs, which may build upon the existing EVSE Grant Program, to support the continued buildout of level 1 and 2 EVSE at private workplaces, with the workplaces of employers with fewer than 100 employees prioritized;

(C) one or more grant programs, which may build upon the existing EVSE Grant Program, to support the continued buildout of level 1, 2, and 3 EVSE at public venues and attractions, such as parks, State parks and access areas, downtowns, museums, and ski mountains, that are available to any member of the public; and

(D) the purchase and installation of level 1 and 2 EVSE that is available to the public at State workplaces or to provide grants to persons for the purchase and installation of level 1 and 2 EVSE that is available to the public at State workplaces, or both.

(2) If the Agency of Commerce and Community Development, in consultation with the EVSE Interagency Workgroup, determines that programmatic funding remains available following the first round of grant awards made under subdivision (1) of this subsection, then the balance of the $10,000,000 shall be awarded in grants that prioritize placing EVSE at multiunit affordable housing and workplaces of employers with fewer than 100 employees.

(c) Administration costs. The Agency of Commerce and Community Development may use up to 15 percent of the appropriation in subsection (b) of this section for administrative costs associated with installing EVSE at multiunit housing, workplaces, and public venues and attractions.

(d) Carryforward; deployment in fiscal year 2023.

(1) Notwithstanding any other provision of law and subject to the approval of the Secretary of Administration, appropriations to support the expenditures under this section remaining unexpended on June 30, 2023 shall be carried forward and designated for the same expenditures in the subsequent fiscal year.

(2) Every reasonable effort shall be made to obligate and deploy the monies appropriated for expenditure under this section in fiscal year 2023 in order to achieve a pace of EVSE deployment necessary to meet the emissions reduction requirements of 10 V.S.A. § 578(a) and the recommendations of the Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

(e) Outreach and marketing. The Agency of Commerce and Community Development shall ensure that there is sufficient outreach and marketing, including the use of translation and interpretation services, of the EVSE grant programs implemented pursuant to subsection (b) of this section and such costs shall be considered administrative costs for purposes of subsection (c) of this section.

* * * Collective Bargaining Agreements; Fiscal Years 2023 and 2024 * * *

Sec. F.100 COLLECTIVE BARGAINING AGREEMENTS; FISCAL YEAR 2023 AND 2024

(a) Fiscal year 2023. This act fully funds the first year of the collective bargaining agreements between the State and the Vermont State Employees' Association and the State and the Vermont Troopers' Association for the period of July 1, 2022 through June 30, 2023. The collective bargaining agreements for classified employees provide in fiscal year 2023 an average 1.9 percent step increase and 3.0 percent across-the-board increase for a total of a 4.9 percent increase, plus a one-time cash payment of $1,500.00.

(b) Fiscal year 2024. This act fully funds the second year of the collective bargaining agreements between the State and the Vermont State Employees' Association and the State and the Vermont Troopers' Association for the period of July 1, 2023 through June 30, 2024. The collective bargaining agreements for classified employees provide in fiscal year 2024 an average 1.9 percent step increase and 2.0 percent across-the-board increase for a total of a 3.9 percent increase, plus a one-time cash payment of $1,000.00.

* * * Exempt Employees; Fiscal Years 2023 and 2024 * * *

Sec. F.101 EXEMPT EMPLOYEES; PERMITTED SALARY INCREASES; FISCAL YEARS 2023 AND 2024

(a) Fiscal year 2023. Executive, Judicial, and Legislative Branches may extend the fiscal year 2023 provisions of the collective bargaining agreements that are funded by this act to employees not covered by the bargaining agreements as they determine to be appropriate and in accordance with the appropriations provided to each branch.

(b) Fiscal year 2024. Executive, Judicial, and Legislative Branches may extend the fiscal year 2024 provisions of the collective bargaining agreements that are funded by this act to employees not covered by the bargaining agreements as they determine to be appropriate and in accordance with the appropriations provided to each branch.

Sec. F.102 EXECUTIVE BRANCH; EXEMPT AGENCY AND DEPARTMENT HEADS, DEPUTIES, AND EXECUTIVE ASSISTANTS; ANNUAL SALARY ADJUSTMENT AND OR BONUS

(a) Fiscal year 2023. For purposes of determining annual salary adjustments, special salary increases, and bonuses under 32 V.S.A. §§ 1003(b) and 1020(b), "the average rate of adjustment available to classified employees under the collective bargaining agreement" shall be, in fiscal year 2023, 4.9 percent.

(b) Fiscal year 2024. For purposes of determining annual salary adjustments, special salary increases, and bonuses under 32 V.S.A. §§ 1003(b) and 1020(b), "the average rate of adjustment available to classified employees under the collective bargaining agreement" shall be, in fiscal year 2024, 3.9 percent.

* * * Executive Branch; Miscellaneous Statutory Salaries; Fiscal Years 2023 and 2024 * * *

Sec. F.103 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

(a) Each elective officer of the Executive Department is entitled to an annual salary as follows:

	~~Annual Salary as of January 5, 2020~~	~~Annual Salary as of July 4, 2021~~	Annual Salary as of July 3, 2022	Annual Salary as of July 2, 2023
Governor	~~$184,113~~	~~$191,754~~	$201,150	$208,995
Lieutenant Governor	~~78,153~~	~~81,396~~	$85,384	$88,714
Secretary of State	~~116,745~~	~~121,590~~	$127,548	$132,522
State Treasurer	~~116,745~~	~~121,590~~	$127,548	$132,522
Auditor of Accounts	~~116,745~~	~~121,590~~	$127,548	$132,522
Attorney General	~~139,790~~	~~145,591~~	$152,725	$158,681

(b) The Governor may appoint each officer of the Executive Branch listed in this subsection at a starting salary ranging from the base salary stated for that position to a salary that does not exceed the maximum salary unless otherwise authorized by this subsection. The maximum salary for each appointive officer shall be 50 percent above the base salary. Annually, the Governor may grant to each of those officers an annual salary adjustment subject to the maximum salary. The annual salary adjustment granted to officers under this subsection shall not exceed the average rate of adjustment available to classified employees under the collective bargaining agreement then in effect. In addition to the annual salary adjustment specified in this subsection, the Governor may grant a special salary increase subject to the maximum salary, or a bonus, to any officer listed in this subsection whose job duties have significantly increased, or whose contributions to the State in the preceding year are deemed especially significant. Special salary increases or bonuses granted to any individual shall not exceed the average rate of adjustment available to classified employees under the collective bargaining agreement then in effect.

(1) Heads of the following Departments and Agencies:

	~~Base Salary as of January 5, 2020~~	~~Base Salary as of July 4, 2021~~	Base Salary as of July 3, 2022	Base Salary as of July 2, 2023

(A) Administration	~~$111,332~~	~~$115,952~~	$121,634	$126,378
(B) Agriculture, Food and Markets	~~111,332~~	~~115,952~~	$121,634	$126,378
(C) Financial Regulation	~~104,079~~	~~108,398~~	$113,710	$118,145
(D) Buildings and General Services	~~104,079~~	~~108,398~~	$113,710	$118,145
(E) Children and Families	~~104,079~~	~~108,398~~	$113,710	$118,145
(F) Commerce and Community Development	~~111,332~~	~~115,952~~	$121,634	$126,378
(G) Corrections	~~104,079~~	~~108,398~~	$113,710	$118,145
(H) Defender General	~~104,079~~	~~108,398~~	$113,710	$118,145
(I) Disabilities, Aging, and Independent Living	~~104,079~~	~~108,398~~	$113,710	$118,145
(J) Economic Development	~~94,413~~	~~98,331~~	$103,149	$107,172
(K) Education	~~111,332~~	~~115,952~~	$121,634	$126,378
(L) Environmental Conservation	~~104,079~~	~~108,398~~	$113,710	$118,145
(M) Finance and Management	~~104,079~~	~~108,398~~	$113,710	$118,145
(N) Fish and Wildlife	~~94,413~~	~~98,331~~	$103,149	$107,172
(O) Forests, Parks and Recreation	~~94,413~~	~~98,331~~	$103,149	$107,172
(P) Health	~~104,079~~	~~108,398~~	$113,710	$118,145
(Q) Housing and Community Development	~~94,413~~	~~98,331~~	$103,149	$107,172

(R) Human Resources	~~104,079~~	~~108,398~~	$113,710	$118,145
(S) Human Services	~~111,332~~	~~115,952~~	$121,634	$126,378
(T) Digital Services	~~111,332~~	~~115,952~~	$121,634	$126,378
(U) Labor	~~104,079~~	~~108,398~~	$113,710	$118,145
(V) Libraries	~~94,413~~	~~98,331~~	$103,149	$107,172
(W) Liquor and Lottery	~~94,413~~	~~98,331~~	$103,149	$107,172
(X) [Repealed.]				
(Y) Mental Health	~~104,079~~	~~108,398~~	$113,710	$118,145
(Z) Military	~~104,079~~	~~108,398~~	$113,710	$118,145
(AA) Motor Vehicles	~~94,413~~	~~98,331~~	$103,149	$107,172
(BB) Natural Resources	~~111,332~~	~~115,952~~	$121,634	$126,378
(CC) Natural Resources Board Chair	~~94,413~~	~~98,331~~	$103,149	$107,172
(DD) Public Safety	~~104,079~~	~~108,398~~	$113,710	$118,145
(EE) Public Service	~~104,079~~	~~108,398~~	$113,710	$118,145
(FF) Taxes	~~104,079~~	~~108,398~~	$113,710	$118,145
(GG) Tourism and Marketing	~~94,413~~	~~98,331~~	$103,149	$107,172
(HH) Transportation	~~111,332~~	~~115,952~~	$121,634	$126,378
(II) Vermont Health Access	~~104,079~~	~~108,398~~	$113,710	$118,145
(JJ) Veterans' Home	~~104,079~~	~~108,398~~	$113,710	$118,145

(2) ~~The Secretary of Administration may include the Director of the Office of Professional Regulation in any pay plans that may be established under the authority of subsection 1020(c) of this title, provided the minimum hiring rate does not fall below a base salary, as of January 5, 2020 of $80,041.00 and as of July 4, 2021 of $83,363.00.~~ [Repealed.]

(3) If the Chair of the Natural Resources Board is employed on less than a full-time basis, the hiring and salary maximums for that position shall be reduced proportionately.

(4) When a permanent employee is appointed to an exempt position, the Governor may authorize such employee to retain the present salary even though it is in excess of any salary maximum provided in statute.

* * *

(d) Notwithstanding the maximum salary established in subsection (b) of this section, the Defender General shall not receive compensation in excess of the compensation established for the Attorney General in this section.

(e) Notwithstanding the maximum salary established in subsection (b) of this section, the maximum salary for the Commissioner of Health shall not exceed ~~$150,000.00~~ 100 percent above the base salary for this position.

* * * Judicial Branch; Statutory Salaries; Fiscal Years 2023 and 2024 * * *

Sec. F.104 32 V.S.A. § 1003(c) is amended to read:

(c) The officers of the Judicial Branch named in this subsection shall be entitled to annual salaries as follows:

	~~Annual Salary as of January 5, 2020~~	~~Annual Salary as of July 4, 2021~~	Annual Salary as of July 3, 2022	Annual Salary as of July 2, 2023
(1) Chief Justice of Supreme Court	~~$177,203~~	~~$184,557~~	$193,600	$201,150
(2) Each Associate Justice	~~169,121~~	~~176,140~~	$184,771	$191,977
(3) Administrative Judge	~~169,121~~	~~176,140~~	$184,771	$191,977
(4) Each Superior Judge	~~160,777~~	~~167,449~~	$175,654	$182,505
(5) [Repealed.]				
(6) Each Magistrate	~~121,224~~	~~126,255~~	$132,441	$137,606

(7) Each Judicial Bureau hearing officer	~~121,224~~	~~126,255~~	$132,441	$137,606

Sec. F.105 32 V.S.A. § 1141 is amended to read:

§ 1141. ASSISTANT JUDGES

(a)(1) Each assistant judge of the Superior Court shall be entitled to receive compensation in the amount of ~~$185.86~~ $203.05 a day as of ~~January 5, 2020~~ July 3, 2022 and ~~$193.57~~ $210.97 a day as of July ~~4, 2021~~ 2, 2023 for time spent in the performance of official duties and necessary expenses as allowed to classified State employees. Compensation under this section shall be based on a two-hour minimum and hourly thereafter.

(2)(A) The compensation paid to an assistant judge pursuant to this section shall be paid by the State except as provided in subdivision (B) of this subdivision (2).

(B) The compensation paid to an assistant judge pursuant to this section shall be paid by the county at the State rate established in subdivision (a)(1) of this section when an assistant judge is sitting with a presiding Superior judge in the Civil or Family Division of the Superior Court.

(b) Assistant judges of the Superior Court shall be entitled to receive pay for such days as they attend court when it is in actual session~~,~~ or during a court recess when engaged in the special performance of official duties.

Sec. F.106 32 V.S.A. § 1142 is amended to read:

§ 1142. PROBATE JUDGES

(a) The Probate judges in the several Probate Districts shall be entitled to receive the following annual salaries, which shall be paid by the State in lieu of all fees or other compensation:

	~~Annual Salary as of January 5, 2020~~	~~Annual Salary as of July 4, 2021~~	Annual Salary as of July 3, 2022	Annual Salary as of July 2, 2023
(1) Addison	~~$63,384~~	~~$66,014~~	$69,249	$71,950
(2) Bennington	~~80,127~~	~~83,452~~	$87,541	$90,955
(3) Caledonia	~~56,210~~	~~58,543~~	$61,412	$63,807
(4) Chittenden	~~133,720~~	~~139,269~~	$146,093	$151,791
(5) Essex	~~15,703~~	~~16,355~~	$17,156	$17,825

(6) Franklin	~~63,384~~	~~66,014~~	$69,249	$71,950
(7) Grand Isle	~~15,703~~	~~16,355~~	$17,156	$17,825
(8) Lamoille	~~44,249~~	~~46,085~~	$48,343	$50,228
(9) Orange	~~52,620~~	~~54,804~~	$57,489	$59,731
(10) Orleans	~~51,425~~	~~53,559~~	$56,183	$58,374
(11) Rutland	~~113,613~~	~~118,328~~	$124,126	$128,967
(12) Washington	~~87,301~~	~~90,924~~	$95,379	$99,099
(13) Windham	~~70,560~~	~~73,488~~	$77,089	$80,095
(14) Windsor	~~95,674~~	~~99,644~~	$104,527	$108,604

(b) Probate judges shall be entitled to be paid by the State for their actual and necessary expenses under the rules and regulations pertaining to classified State employees. The compensation for the Probate judge of the Chittenden District shall be for full-time service.

(c) All Probate judges, regardless of the number of hours worked annually, shall be eligible to participate in all employee benefits that are available to exempt employees of the Judicial Department.

* * * Sheriffs; Statutory Salaries; Fiscal Years 2023 and 2024 * * *

Sec. F.107 32 V.S.A. § 1182 is amended to read:

§ 1182. SHERIFFS

(a) The sheriffs of all counties except Chittenden shall be entitled to receive salaries in the amount of ~~$86,116.00~~ $94,085 as of ~~January 5, 2020~~ July 3, 2022 and ~~$89,690.00~~ $97,754 as of July ~~4, 2021~~ 2, 2023. The Sheriff of Chittenden County shall be entitled to an annual salary in the amount of ~~$91,133.00~~ $99,566 as of ~~January 5, 2020~~ July 3, 2022 and ~~$94,915.00~~ $103,449 as of July ~~4, 2021~~ 2, 2023.

(b) Compensation under subsection (a) of this section shall be reduced by 10 percent for any sheriff who has not obtained Level III law enforcement officer certification under 20 V.S.A. § 2358.

* * * State's Attorneys; Statutory Salaries; Fiscal Years 2023 and 2024 * * *

Sec. F.108 32 V.S.A. § 1183 is amended to read:

§ 1183. STATE'S ATTORNEYS

(a) The State's Attorneys shall be entitled to receive annual salaries as follows:

	~~Annual Salary as of January 5, 2020~~	~~Annual Salary as of July 4, 2021~~	Annual Salary as of July 3, 2022	Annual Salary as of July 2, 2023
(1) Addison County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(2) Bennington County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(3) Caledonia County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(4) Chittenden County	~~$121,782~~	~~$126,836~~	$133,051	$138,240
(5) Essex County	~~$87,366~~	~~$90,992~~	$95,451	$99,174
(6) Franklin County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(7) Grand Isle County	~~$87,366~~	~~$90,992~~	$95,451	$99,174
(8) Lamoille County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(9) Orange County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(10) Orleans County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(11) Rutland County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(12) Washington County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(13) Windham County	~~$116,486~~	~~$121,320~~	$127,265	$132,228
(14) Windsor County	~~$116,486~~	~~$121,320~~	$127,265	$132,228

* * *

* * * Appropriations * * *

Sec. F.109 PAY ACT APPROPRIATIONS; FISCAL YEARS 2023 AND 2024

(a) Executive Branch. The first and second years of the two-year agreements between the State of Vermont and the Vermont State Employees' Association for the Defender General, Non-Management, Supervisory, and Corrections bargaining units, and, for the purpose of appropriation, the State's Attorneys' offices bargaining unit, for the period of July 1, 2022 through June 30, 2024; the collective bargaining agreement with the Vermont Troopers' Association for the period of July 1, 2022 through June 30, 2024; and salary increases for employees in the Executive Branch not covered by the bargaining agreements shall be funded as follows:

(1) Fiscal year 2023.

(A) General Fund. The amount of $23,614,294.00 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2023 collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of $1,502,420.00 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation and the Department of Public Safety to fund the fiscal year 2023 collective bargaining agreements and the requirements of this act.

(C) Other funds. The Administration shall provide additional spending authority to departments through the existing process of excess receipts to fund the fiscal year 2023 collective bargaining agreements and the requirements of this act. The estimated amounts are $35,872,729.00 from a special fund, federal funds, and other sources.

(D) Transfers. With due regard to the possible availability of other funds, for fiscal year 2023, the Secretary of Administration may transfer from the various appropriations and various funds and from the receipts of the Liquor Control Board such sums as the Secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by State funds.

(2) Fiscal year 2024.

(A) General Fund. The amount of $19,029,823.00 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2024 collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of $2,500,000.00 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation and the Department of Public Safety to fund the fiscal year 2024 collective bargaining agreements and the requirements of this act.

(C) Other funds. The Administration shall provide additional spending authority to departments through the existing process of excess receipts to fund the fiscal year 2024 collective bargaining agreements and the requirements of this act. The estimated amounts are $27,500,943.00 from a special fund, federal funds, and other sources.

(D) Transfers. With due regard to the possible availability of other funds, for fiscal year 2024, the Secretary of Administration may transfer from the various appropriations and various funds and from the receipts of the Liquor Control Board such sums as the Secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by State funds.

(3) This section shall include sufficient funding to ensure administration of exempt pay plans authorized by 32 V.S.A. § 1020(c).

(b) Judicial Branch.

(1) The Chief Justice of the Vermont Supreme Court may extend the provisions of the Judiciary's collective bargaining agreement to Judiciary employees who are not covered by the bargaining agreement.

(2) Fiscal year 2023. The first year of the two-year agreements between the State of Vermont and the Vermont State Employees' Association for the judicial bargaining unit for the period of July 1, 2022 through June 30, 2023 and salary increases for employees in the Judicial Branch not covered by the bargaining agreements shall be funded as follows: the amount of $3,217,628.00 is appropriated from the General Fund and the amount of $287,032.00 is provided from other sources to the Judiciary to fund the fiscal year 2023 collective bargaining agreement and the requirements of this act.

(3) Fiscal year 2024. The second year of the two-year agreements between the State of Vermont and the Vermont State Employees' Association for the judicial bargaining unit for the period of July 1, 2023 through June 30, 2024 and salary increases for employees in the Judicial Branch not covered by the bargaining agreements shall be funded as follows: the amount of $1,803,013.00 is appropriated from the General Fund and the amount of $160,840.00 is provided from other sources to the Judiciary to fund the fiscal year 2024 collective bargaining agreement and the requirements of this act.

(c) Legislative Branch.

(1) For the period of July 1, 2022 through June 30, 2023, the General Assembly including all Legislative Branch employees shall be funded as follows: the amount of $985,111.00 is appropriated from the General Fund to the Legislative Branch.

(2) For the period of July 1, 2023 through June 30, 2024, the General Assembly including all Legislative Branch employees shall be funded as follows: the amount of $776,000.00 is appropriated from the General Fund to the Legislative Branch.

* * * American Rescue Plan Act Appropriations * * *

* * * Intent and Other Funding * * *

Sec. G.100 MULTIYEAR FUNDING PRIORITIES INTENT

(a) The appropriations of ARPA – Coronavirus State Fiscal Recovery Funds in made in Secs. G.300–G.700 of this act by categorical areas are made consistent with the intent expressed in Sec. G.100 of 2021 Acts and Resolves No. 74 (the Big Bill), and reiterated in 2022 Acts and Resolves No. 83, Sec. 67a. In some cases, other funding sources are included or are referenced for specific programs or projects providing comprehensive funding by category. All appropriations of ARPA funds in this act are made only to the extent permitted by federal law and guidance. Appropriations not expended in fiscal year 2023 shall carry forward.

Sec. G.200 AMERICAN RESCUE PLAN ACT (ARPA) - CORONAVIRUS STATE FISCAL RECOVERY FUND (SFR) APPROPRIATIONS; REVERSION AND REALLOCATION; REPORTS

(a) On or before September 15, 2022 and annually thereafter until September 15, 2026, the Commissioner of Finance and Management shall submit a report to the Joint Fiscal Committee on the status of all appropriations made from the Coronavirus State and Local Fiscal Recovery Fund (SLFR) provided to the State from the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA). The report shall include updates on project eligibility, obligated funds, actual expenditures, and any compliance or reporting issues.

(b) On or before January 15, 2023, the Commissioner of Finance and Management shall provide an update to the September 15, 2022 ARPA report described in subsection (a) of this section to the House and Senate Committees on Appropriations, including recommendations, if any, for reallocation of ARPA SLFR funds in the fiscal year 2023 budget adjustment act.

* * * Economy, Workforce, and Communities * * *

Sec. G.300 INVESTMENTS IN VERMONT'S ECONOMY, WORKFORCE, AND COMMUNITIES

(a) $48,700,000 in fiscal year 2023 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds as follows:

(1) $1,050,000 to the Natural Resources Board, to be used as needed to prioritize and expedite permitting of ARPA-funded projects, including the costs of three exempt limited-service positions.

(2) $750,000 to the Secretary of State for expenses related to telehealth.

(3) $14,900,000 to the Vermont State Colleges for bridge funding to transform the system. This includes offsets to continuing costs and impacts from COVID-19 pandemic.

(4) $2,000,000 to the Department for Children and Families' Economic Services Division to grant to the Vermont Foodbank to support access to food for Vermonters with low income.

(5) $30,000,000 to the Agency of Commerce and Community Development for the Community Recovery and Grant Revitalization Program.

(b) General Fund Workforce Appropriations. In fiscal year 2023, $1,500,000 is appropriated from the General Fund to Vermont Student Assistance Corp (VSAC) 802 Opportunity Program for increasing the household income eligibility limit from $50,000 to $75,000.

(c) Community Economic Development. $12,200,000 is appropriated in fiscal year 2023 from the General Fund for community based economic development initiatives as follows:

(1) $5,000,000 to the Department of Forests, Parks and Recreation for the Vermont Outdoor Recreation Economic Collaborative (VOREC) Community Grant Program.

(2) $6,000,000 to the Department of Economic Development for the remediation and redevelopment of brownfield sites.

(3) $800,000 to the Agency of Transportation to grant to the Vermont Association of Snow Travelers (VAST) as follows:

(A) $50,000 for the VAST for the Law Enforcement and Safety Program.

(B) $750,000 for the VAST Equipment Grant-in-Aid Program.

(4) $400,000.00 to the Agency of Transportation in fiscal year 2023, in addition to other funds appropriated to the Agency of Transportation under this act, for the purpose of payment of fees under 10 V.S.A. chapter 151 to mitigate development of primary agricultural soils at the Franklin County State Airport and for payment of attendant permitting costs for the development at the airport. The funds appropriated under this section shall be used solely to address development on the acreage at the Franklin County State Airport under the control of the Agency of Transportation at the time of the effective date of this section.

(d) $16,400,000 to the Department of Libraries from the Coronavirus Capital Projects Fund provided to the State from the American Rescue Plan

Act of 2021, Pub. L. No. 117-217 (ARPA), for the Libraries Capital Project for capital improvements to libraries, including Americans with Disabilities Act compliance, space renovations for improved Internet access for telehealth appointments and job interviews, and general building renovations.

* * * Addressing Homelessness, Housing Insecurity and Increasing the Stock of Low- and Moderate-Income Housing * * *

Sec. G.400 HOUSING AND HOMELESSNESS INVESTMENTS

(a) $30,000,000 to the Vermont Housing and Conservation Board (VHCB) in fiscal year 2023 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Fund to the to provide affordable mixed-income rental housing and homeownership units, improvements to manufactured homes and communities, recovery residences and, if determined eligible, housing available to farm workers and refugees. VHCB shall also use the funds for shelter and permanent homes for those experiencing homelessness in consultation with the Secretary of Human Services. These funds shall carry forward into fiscal year 2024.

(b) Additional funding for housing investments of $10,000,000 through VHCB are included in Sec. C.102 of this act contingent upon fiscal year 2022 revenue. Other legislation of the 2022 session allocates $40,000,000 of ARPA funds for other housing development programs.

* * * Broadband Connectivity and Technology Modernization Investments * * *

Sec. G.500 BROADBAND CONNECTIVITY INVESTMENTS

(a) $95,000,000 is appropriated in fiscal year 2023 to the Department of Public Service, Vermont Community Broadband Board from the American Rescue Plan Act - Coronavirus Capital Projects Fund in order to support the State's goal of achieving universal access to reliable, high-quality, affordable broadband. This appropriation shall be transferred to the Vermont Community Broadband Fund to make grants through the Broadband Construction Grant Program. The Board may use monies appropriated in this subsection to fund any match requirements applicable to broadband grants funded by the federal Infrastruture Investment and Jobs Act.

(b) $1,600,000 to the Department of Forests, Parks and Recreation from the Coronavirus Capital Projects Fund provided to the State from the American Rescue Plan Act of 2021, Pub. L. No. 117-217 (ARPA), for the Parks Connectivity Project to improve reliability, performance, and support Internet connectivity services to all State parks.

* * * Weatherization and Other Climate Change Mitigation Investments * * *

Sec. G.600 CLIMATE ACTION INVESTMENTS

(a) In fiscal year 2023, $129,760,000 is appropriated from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Funds for climate change mitigation initiatives as follows:

(1) $45,000,000 to the Department for Children and Families, Office of Economic Opportunity, Home Weatherization Assistance Program to be used in fiscal years 2023 and 2024. Households approved for assistance in this section will also be offered services outlined in subdivision (4) of this subsection.

(2) $35,000,000 to the Department of Public Service to grant to Efficiency Vermont for the purpose of weatherization incentives to Vermonters with a moderate income. These funds shall be deposited in the Electric Efficiency Fund established under 30 V.S.A. § 209(d)(3) and shall be available for use by Efficiency Vermont through December 31, 2024. Households approved for assistance in this section will also be offered services outlined in subdivision (4) of this subsection.

(3) $2,000,000 to the Agency of Transportation to support the continued build-out of public electric vehicle charging infrastructure along highway networks.

(4) $25,000,000 to the Department of Public Service, of which $20,000,000 is to provide financial and technical assistance for Vermonters with low- and moderate-income to upgrade home electrical systems to enable installation of energy saving technologies, and $5,000,000 is to establish a "Switch and Save" program to provide financial and technical assistance for Vermonters with low and moderate income to install, at low- or no-cost, heat pump water heaters, with a focus on replacing water heaters near the end of their useful life and serving households participating in the electrical system upgrades described in this subsection.

(5) $2,000,000 to the Department of Public Service for load management and storage efforts to assist Vermonters with low and moderate income customers to purchase electric equipment for heating, cooling, and vehicle charging. In addition, investments will be made in load control and management platforms to enable smaller municipal and cooperative utilities to capture and share benefits of load management and funding for municipal back-up electricity storage installations. The same use of funds shall apply to $5,000,000 of the funds appropriated in 2021 Acts and Resolves No. 74, Sec G.600(a)(5).

(6) $15,000,000 to improve landscape resilience and mitigate flood hazards to be allocated as follows:

(A) $14,750,000 to the Department of Public Safety, Division of Emergency Management, for a State-level buyout program for flood-vulnerable parcels; and

(B) $250,000 to the Department of Environmental Conservation to provide technical assistance to the statewide hazard mitigation program.

(7) $4,760,000 to the Agency of Agriculture, Food and Markets to provide farms in Vermont with financial assistance for the implementation of soil-based practices that improve soil quality and nutrient retention, increase crop production, minimize erosion potential, and reduce agricultural waste discharges. Assistance may take the form of programs that provide education, training, or instruction to farmers.

(8) $1,000,000 to the Department of Forests, Parks and Recreation for the Urban and Community Forestry (UCF) Program to plant up to 5,000 trees to improve air quality and reduce heat island effects in urban areas in accordance with UCF program standards for design, planting, and maintenance.

(b) In fiscal year 2023, $32,200,000 is appropriated from the General Fund and $550,000 is appropriated from the Transportation Fund for electric vehicle charging infrastructure, electrification incentives and public transportation investments as follows:

(1) $10,000,000 to the Agency of Commerce and Community Development to install level 1, 2, and 3 EVSE at dwellings, workplaces, and community attractions in accordance with Sec. E.903 of this act.

(2) $12,000,000 to the Agency of Transportation for the Incentive Program for New PEVs, established in 2019 Acts and Resolves No. 59, Sec. 34, as amended.

(3) $2,000,000 to the Agency of Transportation for the public-private partnership with Drive Electric Vermont to support the expansion of the plug-in electric vehicle market in the State.

(4) $3,000,000 to the Agency of Transportation to grant to the Community Action Agencies to support the MileageSmart Program, established in 2019 Acts and Resolves No. 59, Sec. 34, as amended.

(5) $3,000,000 to the Agency of Transportation for the Replace Your Ride Program, established in 2021 Acts and Resolves No. 55, Sec. 27, as amended.

(6) $2,200,000 general funds and $550,000 Transportation funds to the Agency of Transportation for the following:

(A) $1,200,000 general funds for transit agencies to, as practicable and in the sole discretion of the transit agencies, operate routes other than commuter and LINK Express on a zero-fare basis and provide service at pre-COVID-19 levels; and

(B) $1,000,000 general funds and $500,000 Transportation funds to continue administering the Mobility and Transportation Innovation (MTI) Grant program to support projects that improve both mobility and access to services for transit-dependent Vermonters, reduce the use of single-occupancy vehicles, and reduce greenhouse gas emissions.

(C) $50,000 Transportation funds to the Agency of Transportation for electric bicycle incentives.

(c) In fiscal year 2023, $8,000,000 is appropriated from the General Fund to the Department of Public Service to offer up to 70 percent reimbursement to municipal and cooperative electrical distribution utilities for the implementation of one or more systems of Advanced Metering Infrastructure that has been approved by the Public Utility Commission.

(d) Additional grant funding of $45,000,000 from ARPA is included in other legislation of the 2022 session for Municipal Energy Resilience Grant Program.

* * * Clean Water Investments * * *

Sec. G.700 WATER AND SEWER INVESTMENTS

(a) In fiscal year 2023, $104,000,000 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds as follows:

(1) $31,000,000 for Stormwater Retrofit Projects to provide three-acre stormwater permitting design and construction support for entities subject to the Vermont 3- 9050 Stormwater General Permit and to provide design and construction for practices necessary to restore impaired waters subject to flow restoration plans. These funds shall be allocated as follows:

(A) $30,000,000 to the Department of Environmental Conservation to provide three-acre stormwater permitting design and construction support for entities subject to the Vermont 3- 9050 Stormwater General Permit and to provide permitting, design, and construction services; and

(B) $1,000,000 to the Department of Forests, Parks and Recreation to support compliance with the three-acre stormwater rule.

(2) $30,000,000 to the Department of Environmental Conservation to support water and wastewater projects and pretreatment activities, as follows:

(A) $15,000,000 to support the design and construction of community-scale water or decentralized wastewater projects, or both, to support underserved designated centers;

(B) $5,000,000 to provide financial assistance to municipalities, Vermont businesses, and nonprofit entities to install or enhance pretreatment processes to address high strength or toxic wastes that otherwise require treatment at municipal expense by publicly owned treatment facilities; and

(C) $10,000,000 to municipalities with small and primarily residential customer bases to upgrade or replace existing water or wastewater treatment systems that are at risk of failure.

(3) $20,000,000 to the Department of Environmental Conservation to assist municipalities to design and construct projects to reduce or eliminate wet weather sewer overflows.

(4) $23,000,000 to make repairs or improvements to water and wastewater systems in Vermont homes to be allocated as follows:

(A) $6,500,000 to the Department of Environmental Conservation for improving water/wastewater systems at coop-owned or nonprofit mobile home parks (MHPs);

(B) $15,000,000 to the Department of Environmental Conservation to replace failed on-site wastewater and water supplies for Vermonters with low income or who are unable to access or afford market rate loans; and

(C) $1,500,000 to the Department of Housing and Community Development to update leaking service lines, old plumbing, and replacing outdated fixtures (sinks, toilets, dishwashers, laundry) with high-efficiency devices.

Sec. G.701 APPROPRIATIONS: OFFSET CAPITAL BILL FUNDED PROJECTS BY SWAP TO ARPA

(a) Fiscal year 2022. $500,000 in fiscal year 2022 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds to the Department of Forests, Parks and Recreation for forestry access road water quality improvements.

(b) Fiscal year 2023. $5,236,781 in fiscal year 2023 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery

Funds for projects authorized in the fiscal year 2023 Capital Budget Adjustment Act as follows:

(1) $600,000 to the Department of Buildings and General Services for three-acre parcel stormwater planning, design, and implementation;

(2) $300,000 to the Department of Forests, Parks and Recreation for State parks major maintenance;

(3) $585,000 to the Department of Environmental Conservation for Municipal Pollution Control Grants;

(4) $700,000 to the Department of Forests, Parks and Recreation for forestry access road water quality improvements;

(5) $2,451,781 to the Agency of Agriculture, Food and Markets for water quality grants; and

(6) $600,000 to the Vermont Housing and Conservation Board for agricultural water quality projects.

Sec. G.702 2021 Acts and Resolves No. 74, Sec. G.700(c) is amended to read as follows:

(c) ~~$15,000,000 to be used to~~ To the extent capital funds have been appropriated to projects supporting water and sewer infrastructure in fiscal year 2022 and capital appropriations can be offset for reuse for future capital construction projects in the fiscal years 2022–2023 capital budget adjustment process~~. On~~ on or before December 15, 2021, the Commissioner of Finance and Management shall review and recommend water and sewer infrastructure projects funded ~~in fiscal year 2022~~ that could be funded with ARPA funds to the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions and to the Governor for the fiscal years 2022–2023 capital budget adjustment report.

* * * Administration * * *

Sec. G.800 ARPA AND GENERAL ONE-TIME FUND FUNDED LIMITED-SERVICE POSITIONS

(a) The establishment of the following 23 new classified limited-service positions is authorized in fiscal year 2023.

(1) Agency of Administration: one Grants Manager.

(2) Agency of Agriculture, Food and Markets: two Water Quality Program Coordinators.

(3) Public Service Department:

(A) one Administrative Services Coordinator;

(B) one Outreach Coordinator;

(C) one Grants Manager;

(D) one Financial Manager; and

(E) one Program Coordinator.

(4) Vermont Community Broadband Board:

(A) one Fiscal and Federal Reporting Specialist;

(B) one Rural Broadband Technical Specialist;

(C) one Business Office Manager; and

(D) one Digital Equity Office Manager.

(E) Vermont Community Broadband Board: one Fiber Optics Engineer.

(5) Natural Resources Board:

(A) two District Coordinators; and

(B) one Executive Director.

(6) Agency of Human Services, Office of Economic Opportunity:

(A) one Senior Energy Services Program Officer; and

(B) two Energy Services Program Officers.

(7) Department of Labor: three Program Technicians.

(8) Agency of Natural Resources, Department of Forests, Parks and Recreation: one Environmental Analyst III.

(9) Agency of Transportation:

(A) one Grants Management Specialist; and

(B) one Grants Manager.

(10) Department of Libraries

(A) one Grants Administrator; and

(B) one Buildings Project Manager II.

(11) Agency of Commerce and Community Development:

(A) one Community Affairs Planning Coordinator;

(B) two Grants Management Specialist;

(C) one Agency of Transportation Environmental Specialist 1; and

(D) one Historic Resource Specialist.

Sec. G.801 APPROPRIATION FOR ADMINISTRATIVE COSTS

(a) $10,500,000 in fiscal year 2023 is appropriated from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Funds to the Agency of Administration to be distributed as needed to address the statewide costs of administering these funds, including the costs of related limited-service positions, and contracting for programs and services.

* * * Effective Dates * * *

Sec. H.100 EFFECTIVE DATES

(a) This section, Secs. C.100 through C.114 (fiscal year 2022 one-time appropriations, adjustments, and amendments), E.105.1 (Technology Modernization Special Fund), E.106.1 (Capital Cash Expenditure Cash Fund), E.240.3 (repeal of 2020 Acts and Resolves No. 164, Sec. 6(c)), E.240.4 (repeal of 2020 Acts and Resolves No. 164, Sec. 33(h)), G.702 (amendment to 2021 Acts and Resolves No.74, Sec. G.700(c)), and G.701(a) (offset capital funds by swap to ARPA) shall take effect upon passage.

(b) Secs. E.240.5 (7 V.S.A. § 845) and E.240.6 (32 V.S.A. § 7909(a)) shall take effect on July 1, 2025.

(c) Notwithstanding 1 V.S.A. § 214, Secs. E.709 and E.709.1 (definition of release; PCBs) shall take effect retroactively on July 1, 2021.

(d) Secs. E.240.1 (7 V.S.A. § 845); E.240.2 (32 V.S.A. § 7909); E.702 (Fish and Wildlife); F.100(b), F.101(b), F.102(b) and F.103 (Executive Branch; Exempt Employees, Misc. Statutory Salaries; Fiscal Year 2024); F.104–106 (Judicial Branch; Statutory Salaries, Fiscal Year 2024); F.107 (Sheriffs, Statutory Salaries, Fiscal Year 2024); F.108 (State's Attorney's; Statutory Salaries; Fiscal Year 2024); and Secs. F.109(a)(2), F.109(b)(3), and F.109(c)(2) (Appropriations; Fiscal Year 2024) shall take effect on July 1, 2023.

(e) Secs. E.500.8–500.10 shall be effective as of the date of enactment of S.287 (2022).

(f) All remaining sections shall take effect on July 1, 2022.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

M. JANE KITCHEL
PHILIP E. BARUTH
RICHARD A. WESTMAN

Committee on the part of the Senate

MARY S. HOOPER
PETER J. FAGAN
KIMBERLY JESSUP

Committee on the part of the House

Addendum to the Report of Committee of Conference

H. 740

An act relating to making appropriations for the support of government.

By adding a new section to be Sec. E.400.1 to read as follows:

Sec. E.400.1. UNEMPLOYMENT INSURANCE; INFORMATION TECHNOLOGY MODERNIZATION FUNDING; REPORT

(a) On or before January 15, 2023, the Commissioner of Labor 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 evaluating potential funding mechanisms to support ongoing unemployment insurance information technology modernization and unemployment-insurance-related administrative costs without utilizing appropriations from the General Fund.

(b) The report shall do the following:

(1) identify and evaluate funding mechanisms utilized by other states for similar purposes;

(2) in the Commissioner's discretion, identify and evaluate other potential funding mechanisms that could support ongoing unemployment insurance information technology modernization and unemployment-insurance-related administrative costs; and

(3) examine any benefits, adverse impacts, or challenges related to implementing the identified funding mechanisms.

(c) The report shall include a recommendation for one or more funding mechanisms to support ongoing unemployment insurance information technology modernization and unemployment-insurance-related administrative costs without utilizing appropriations from the General Fund. The report may

include a recommendation for legislative action to implement the recommended funding mechanism or mechanisms.

M. JANE KITCHEL
PHILIP E. BARUTH
RICHARD A. WESTMAN
Committee on the part of the Senate

MARY S. HOOPER
PETER J. FAGAN
KIMBERLY JESSUP

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative, on a roll call, Yeas 30, Nays 0.

Senator Kitchel having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

Rules Suspended; Bills Messaged

On motion of Senator Balint, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 738, H. 740.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator White, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

The nomination of

Winters, Debbie of Swanton - Member Vermont Municipal Bond Bank - March 28, 2022 to January 31, 2024.

The nomination of

Zeller, Susan of Montpelier - Trustee Vermont State Colleges Board of Trustees - May 24, 2021 to February 28, 2025.

The nomination of

Saarniijoki, Linda of Weston - Member Libraries, Board of - December 1, 2021 to February 28, 2025.

The nomination of

Frank, Thomas of Milton - Member Libraries, Board of - December 1, 2021 to February 28, 2025.

Were collectively confirmed by the Senate.

Bills Delivered

Senator Balint moved that pursuant to Joint Rule 15 that all bills passed by both the Senate and the House be ordered to the Governor.

Which was agreed to.

Joint Senate Resolution Adopted on the Part of the Senate

J.R.S. 54.

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Balint,

J.R.S. 54. Joint resolution relating to final adjournment of the General Assembly in 2022.

Resolved by the Senate and House of Representatives

That the President of the Senate and the Speaker of the House of Representatives adjourn their respective houses *sine die* on the twelfth or thirteenth day of May, 2022.

Thereupon, on motion of Senator Balint, the rules were suspended and the joint resolution was ordered messaged to the House forthwith.

Message from the House No. 84

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to House proposal of amendment to Senate bill of the following title:

S. 226. An act relating to expanding access to safe and affordable housing.

And has concurred therein.

The House has considered Senate proposal of amendment to House proposal of amendment to Senate bill of the following title:

S. 250. An act relating to law enforcement data collection and interrogation.

And has concurred therein.

The House has considered joint resolution originating in the Senate of the following title:

J.R.S. 54. Joint resolution relating to final adjournment of the General Assembly in 2022.

And has adopted the same in concurrence.

Message from the House No. 85

A message was received from the House of Representatives by Ms. Melissa Kucserik, its First Assistant Clerk, as follows:

Mr President:

I am directed to inform the Senate that the House has on its part completed the business of the second half of the Biennial session and is ready to adjourn *sine die*, pursuant to the provisions of J.R.S. 54.

Message from the House No. 86

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to the following House bill:

H. 353. An act relating to pharmacy benefit management.

And has severally concurred therein.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

H. 727. An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

And has adopted the same on its part.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

H. 740. An act relating to making appropriations for the support of government.

And has adopted the same on its part.

Secretary Directed to Inform the House of Completion of Business

On motion of Senator Balint, the Secretary was directed to inform the House that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 54.

Remarks of Lieutenant Governor

The Honorable Molly R. Gray, briefly addressed the Senate.

Committee Appointed to Inform Governor of Completion of Business

On motion of Senator Balint, the President appointed the following four Senators as members of a committee to wait upon His Excellency, Philip B. Scott, the Governor, and inform him that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 54:

Senator Hooker
Senator Brock
Senator Nitka
Senator Pearson

Report of Committee

The Committee appointed to wait upon His Excellency, the Governor, to inform him that the Senate had, on its part, completed the business of the session and was ready to adjourn pursuant to the provisions of J.R.S. 54, performed the duties assigned to it and escorted the Governor to the rostrum where he delivered his remarks in person.

Remarks of Governor

The Governor, the Honorable Philip B. Scott, assumed the rostrum and briefly addressed the Senate.

Departure of Governor

The Governor, having completed the delivery of his message, was escorted from the Chamber by the committee appointed by the Chair.

Final Adjournment

On motion of Senator Balint, at six o'clock and fifteen minutes in the evening (6:15 P.M.), the Senate adjourned *sine die*, pursuant to the provisions of J.R.S. 54.

Messages Received After Final Adjournment

After final adjournment, the following messages were received by the Secretary:

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the twenty-third day of May, 2022 he approved and signed bills originating in the Senate of the following titles:

S. 122. An act relating to the required votes of presidential electors.

S. 127. An act relating to clarifying community supervision furlough appeals and the powers of the Corrections Monitoring Commission.

S. 220. An act relating to State-paid deputy sheriffs.

S. 254. An act relating to maintaining records of judgments and settlements paid by law enforcement agencies and a legal analysis of qualified immunity.

S. 287. An act relating to improving student equity by adjusting the school funding formula and providing education quality and funding oversight.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the thirty-first day of May, 2022 he approved and signed bills originating in the Senate of the following titles:

S. 53. An act relating to changes to Vermont corporate income tax and conformity to federal tax laws.

S. 90. An act relating to establishing an amyotrophic lateral sclerosis registry.

S. 91. An act relating to the Parent Child Center Network.

S. 100. An act relating to universal school meals.

S. 139. An act relating to nondiscriminatory school branding.

S. 140. An act relating to prohibiting civil arrests at courthouses.

S. 148. An act relating to environmental justice in Vermont.

S. 161. An act relating to extending the baseload renewable power portfolio requirement.

S. 173. An act relating to the State House art collection.

S. 181. An act relating to authorizing miscellaneous regulatory authority for municipal governments.

S. 188. An act relating to regulating licensed small cannabis cultivation as farming.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the first day of June, 2022 he approved and signed bills originating in the Senate of the following titles:

S. 201. An act relating to best management practices for trapping.

S. 224. An act relating to juvenile proceedings.

S. 250. An act relating to law enforcement data collection and interrogation.

S. 258. An act relating to agricultural water quality, enforcement, and dairy farming.

S. 261. An act relating to municipal retention of property tax collections.

S. 269. An act relating to extending the Energy Savings Account Partnership Pilot Program.

S. 281. An act relating to hunting coyotes with dogs.

S. 283. An act relating to miscellaneous changes to education laws.

S. 285. An act relating to health care reform initiatives, data collection, and access to home- and community-based services.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the first day of June, 2022 he returned without signature and *vetoed* a bill originating in the Senate of the following title:

S. 234. An act relating to changes to Act 250.

Text of Communication from Governor

The text of the communication to the Senate from His Excellency, the Governor, whereby he vetoed and returned unsigned **Senate Bill No. 234** to the Senate is as follows:

"June 1, 2022

The Honorable John Bloomer, Jr.
Secretary of the Senate
115 State House
Montpelier, VT 05633-5401

Dear Secretary Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.234, *An Act Relating to Changes to Act 250*, without my signature because this bill moves us in the wrong direction on Act 250.

From my perspective, this bill makes Act 250 even more cumbersome than it is today and it will make it harder to build the housing we desperately need. These concerns were raised by elected leaders on both sides of the aisle, though were not addressed by the Legislature.

Fortunately, the pieces of this bill that will make some modest improvements were added to another bill, which I plan to sign.

Based on the objections outlined above, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the seventh day of June, 2022 he approved and signed bills originating in the Senate of the following titles:

S. 210. An act relating to rental housing health and safety and affordable housing.

S. 226. An act relating to expanding access to safe and affordable housing.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Brittney L. Wilson, Secretary of Civil and Military Affairs, as follows:

Madam President:

I am directed by the Governor to inform the Senate that on the eighth day of June, 2022 he approved and signed a bill originating in the Senate of the following title:

S. 11. An act relating to economic and workforce development.

Message from the House No. 87

A message was received from the House of Representatives by Ms. Alona Tate, its Second Assistant Clerk, as follows:

Madam President:

I am directed to inform the Senate that:

The Governor has informed the House that on May 16, 2022, he approved and signed bills originating in the House of the following titles:

H. 447. An act relating to approval of amendments to the charter of the Town of Springfield.

H. 462. An act relating to miscellaneous Department of Health programs.

H. 482. An act relating to the Petroleum Cleanup Fund.

H. 661. An act relating to licensure of mental health professionals.

H. 711. An act relating to the creation of the Opioid Settlement Advisory Committee and the Opioid Abatement Special Fund.

The Governor has informed the House that on May 19, 2022, he approved and signed bills originating in the House of the following titles:

H. 287. An act relating to patient financial assistance policies and medical debt protection.

H. 500. An act relating to prohibiting the sale of mercury lamps in the State.

H. 553. An act relating to eligibility of domestic partners for reimbursement from the Victims Compensation Program.

The Governor has informed the House that on May 19, 2022, he did not approve and allowed to become law without his signature a bill originating in the House of the following title:

H. 523. An act relating to reducing hydrofluorocarbon emissions.

Text of Communication from Governor

The text of the communication to the House from His Excellency, the Governor, setting for his reasons for refusing to sign and *allowing to become law without his signature,* **House Bill No. 523**, is as follows:

"May 19, 2022

Vermont General Assembly
115 State Street
Montpelier, VT 05633

Re: H.523, AN ACT RELATING TO REDUCING HYDROFLUOROCARBON EMISSIONS

Dear Legislators:

I am allowing H.523, *An act relating to reducing hydrofluorocarbon emissions,* to go into law without my signature.

While I support the goals of this bill, I am concerned there may be unintended consequences for Vermonters who own vehicles made in 2015 or earlier. The number of vehicles and impacts of this law are unknown – and hopefully inconsequential – but should be determined before the effective date in January 2023. I have asked the Department of Motor Vehicles to research this and assess the consequences.

Should there be undue harm from this bill, I will ask the Legislature to make the necessary changes in January.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

The Governor has informed the House that on May 19, 2022, he did not approve and allowed to become law without his signature a bill originating in the House of the following title:

H. 744. An act relating to approval of an amendment to the charter of the City of Burlington.

Text of Communication from Governor

The text of the communication to the House from His Excellency, the Governor, setting for his reasons for refusing to sign and *allowing to become law without his signature,* **House Bill No. 744**, is as follows:

"May 19, 2022

Vermont General Assembly
115 State Street
Montpelier, VT 05633

Re: H.744, AN ACT RELATING TO THE APPROVAL OF AN AMENDMENT TO THE CHARTER OF THE CITY OF BURLINGTON

Dear Legislators:

Today, I am letting H.744, *An act relating to the approval of an amendment to the charter of the city of Burlington* go into law without my signature.

I'm allowing it to move forward because its scope is limited to the method of elections of the Burlington City Council. Ten years ago, Burlington voters rejected a similar instant runoff election system because it yielded flawed results. Nevertheless, the political winds have shifted and once again Burlington voters, for now, favor ranked choice voting.

While H.744 will become law, it will be without my signature. I want to be clear, I am opposed to a statewide system of ranked choice voting. I believe one person should get one vote, and candidates who get the most votes should win elections.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

The Governor has informed the House that on May 19, 2022, he returned without signature and vetoed a bill originating in the House of the following title:

H. 505. An act relating to the creation of the Drug Use Standards Advisory Board within the Vermont Sentencing Commission.

Text of Communication from Governor

The text of the communication to the House from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 505** to the House is as follows:

"May 19, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H. 505, *An act relating to the creation of the Drug Use Standards Advisory Board within the Vermont Sentencing Commission*, without my signature.

Vermont has made progress in treating drug and alcohol addiction as an illness, de-stigmatizing, expanding treatment, and instituting recovery systems that enable individuals to re-build their lives. This year, I proposed, and the Legislature passed, significant investments in these areas because this continues to be a priority issue, especially as we experience an alarming increase in the number of overdose deaths and deaths by suicide.

I agree that the criminal justice system cannot, and should not, be the only tool in this work – and in Vermont, it is not. However, we cannot completely abandon reasonable regulation and law enforcement as a tool.

Specifically, this bill creates a Drug Use Standards Advisory Board with a stated goal to identify a path to effectively legalize personal possession and use of dangerous and highly addictive drugs, stating:

"The primary objective of the Board shall be to determine, for each regulated and unregulated drug, the benchmark personal use dosage and the benchmark personal use supply. The benchmarks determined pursuant to this subsection shall be determined with a goal of preventing and reducing the criminalization of personal drug use."

It places no limits on which drugs can be contemplated for legalization or the amounts, and while rightly saying we need to view substance abuse as a public health matter – a point where I agree – it includes absolutely no recognition of the often-disastrous health and safety impacts of using drugs like fentanyl, heroin, cocaine, methamphetamines, and more. Nor does it acknowledge the role of enforcement in tracking down and stopping the dealers who seek to poison Vermonters – including children – for profit.

In its written testimony, the Department of Public Safety expressed its concern that Vermont remains a "destination for drug trafficking" due in part to demand, and in part because of the view by drug traffickers that "the financial incentives outweigh the risks posed by Vermont's criminal laws."

For these reasons, I cannot allow H. 505 to go into law, and must return it without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

Philip B. Scott
Governor

PBS/kp"

The Governor has informed the House that on May 19, 2022, he returned without signature and vetoed a bill originating in the House of the following title:

H. 534. An act relating to expanding eligibility for expungement and sealing of criminal history records for nonviolent offenses.

Text of Communication from Governor

The text of the communication to the House from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 534** to the House is as follows:

"May 19, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.534, *An act relating to expanding eligibility for expungement and sealing of criminal history records for nonviolent offenses,* without my signature because of my objections described herein.

Safe schools and communities are a top priority of State government and must consistently be a key consideration when criminal justice legislation is debated. Ultimately, I find this bill inconsistent with the State's responsibilities to keep the public safe.

Vermont is currently experiencing a significant spike in violent crime with most being drug-related. From my perspective, this bill seeks to make offenses relating to possessing, selling, cultivating, dispensing and transporting dangerous, illicit and highly addictive drugs – as well as the use of fraud or deceit to obtain these dangerous drugs – expungable offenses.

In addition, H.534 conflicts with recent policy to increase gun safety. Specifically, the Legislature recently passed – and I signed – a firearm safety measure which increases reliance on background checks to disclose Brady-disqualifying felonies. This was done to keep guns out of the hands of people who should not have them. H.534, however, would expunge felonies that would otherwise disqualify someone from purchasing and owning a gun.

Another area of contradictory policy can be seen with the Legislature's recent creation of a contractor registry to address home improvement fraud. Yet, this bill makes home improvement fraud an expungable offense, eliminating the ability to hold offenders accountable through the registry the Legislature simultaneously said was about accountability. Similarly, despite passing new laws to expand criminal threatening and prohibit carrying a gun into a hospital, these crimes are also expungable.

In total, over 20 new felony crimes, including felony identity theft, could be erased – inaccessible to anyone, even law enforcement – from an individual's criminal record if this bill becomes law.

To address these concerns, my administration proposed a uniform, simplified system of *sealing* – rather than erasing – criminal records. This approach would eliminate undue consequences related to housing, job and

education for those Vermonters who are not repeat offenders, while also ensuring access for law enforcement and criminal justice purposes as well as for background checks necessary to ensure public safety and security.

Without allowing access to records for public safety purposes, and resolving all of the very clear inconsistency in policy and conflicts in law H. 534 would create, I cannot support this effort.

Sincerely,

Philip B. Scott
Governor

PBS/kp"

The Governor has informed the House that on May 24, 2022, he approved and signed bills originating in the House of the following titles:

H. 96. An act relating to creating the Truth and Reconciliation Commission.

H. 265. An act relating to the Office of the Child, Youth, and Family Advocate.

H. 279. An act relating to miscellaneous changes affecting the duties of the Department of Vermont Health Access.

H. 353. An act relating to pharmacy benefit management.

H. 410. An act relating to the use and oversight of artificial intelligence in State government.

H. 444. An act relating to approval of amendments to the charter of the City of Barre.

H. 464. An act relating to miscellaneous changes to the Reach Up Program.

H. 465. An act relating to boards and commissions.

H. 466. An act relating to surface water withdrawals and interbasin transfers.

H. 477. An act relating to leave for crime victims.

H. 489. An act relating to miscellaneous provisions affecting health insurance regulation.

The Governor has informed the House that on May 27, 2022, he approved and signed bills originating in the House of the following titles:

H. 510. An act relating to a Vermont Child Tax Credit and the Vermont Social Security income exclusion.

H. 515. An act relating to banking, insurance, and securities.

H. 517. An act relating to educational benefits for members of the military and their families and eligibility for election to serve as Adjutant and Inspector General.

H. 533. An act relating to forfeited property disposition and a study assessing civil and criminal seizure and forfeiture of property in drug-related offenses.

H. 546. An act relating to racial justice statistics.

H. 551. An act relating to prohibiting racially and religiously restrictive covenants in deeds.

H. 559. An act relating to workers' compensation.

H. 626. An act relating to the sale, use, or application of neonicotinoid pesticides.

H. 697. An act relating to eligibility of reserve forestland for enrollment in the Use Value Appraisal Program.

The Governor has informed the House that on May 31, 2022, he approved and signed bills originating in the House of the following titles:

H. 729. An act relating to miscellaneous judiciary procedures.

H. 742. An act relating to approval of amendments to the charter of the Town of Milton.

The Governor has informed the House that on June 2, 2022, he approved and signed bills originating in the House of the following titles:

H. 74. An act relating to making miscellaneous changes concerning self-storage businesses.

H. 244. An act relating to authorizing the natural organic reduction of human remains.

H. 446. An act relating to miscellaneous natural resources and development subjects.

H. 512. An act relating to modernizing land records and notarial acts law.

H. 518. An act relating to municipal energy resilience initiatives.

H. 572. An act relating to the retirement allowance for interim educators.

H. 709. An act relating to miscellaneous agricultural subjects.

H. 716. An act relating to making miscellaneous changes in education law.

The Governor has informed the House that on June 2, 2022, he returned without signature and vetoed a bill originating in the House of the following title:

H. 606. An act relating to community resilience and biodiversity protection.

Text of Communication from Governor

The text of the communication to the House from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 606** to the House is as follows:

"June 2, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.606, *An act relating to community resilience and biodiversity protection*, without my signature.

Vermont has a long history of effective land conservation that has significantly contributed to the state's vibrant, resilient working landscape of farms and forests, vast natural areas, and world class opportunities for outdoor recreation. This is a result of flexible and innovative tools like our current use program and the payment-for-ecosystem-services model. These programs are critical to achieving our conservation priorities because they combine conservation planning with incentives – making it more attractive and affordable for Vermont families to keep and conserve their land, farms and forests.

Over the course of the legislative session, the Agency of Natural Resources testified multiple times against this bill. Among the objections, the Agency pointed to the conservation goals established in H.606 are unnecessarily tied to – and unreasonably limited to – permanent protection. The Agency has repeatedly said that permanent preservation has not been, and cannot be, the state's exclusive conservation tool and this bill, intentional or not, would diminish the existing and successful conservation tools we have.

Based on the objections outlined above, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

The Governor has informed the House that on June 7, 2022, he approved and signed bills originating in the House of the following titles:

H. 727. An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

H. 730. An act relating to alcoholic beverages and the Department of Liquor and Lottery.

H. 737. An act relating to setting the homestead property tax yields and the nonhomestead property tax rate.

H. 738. An act relating to technical and administrative changes to Vermont's tax laws.

H. 739. An act relating to capital construction and State bonding budget adjustment.

H. 743. An act relating to amending the charter of the Town of Hardwick.

H. 745. An act relating to the approval of the adoption of the charter of the Town of Montgomery.

H. 746. An act relating to an amendment to the charter of the City of Burlington.

The Governor has informed the House that on June 7, 2022, he returned without signature and vetoed a bill originating in the House of the following title:

H. 728. An act relating to opioid overdose response services.

Text of Communication from Governor

The text of the communication to the House from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 728** to the House is as follows:

"June 7, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.728, *An act relating to opioid overdose response services*, without my signature because it directs the Administration to design a plan for the implementation of one or more overdose prevention sites (also known as "safe injection sites"). From my standpoint, it seems counterintuitive to divert resources from proven harm reduction strategies to plan injection sites without clear data on the effectiveness of this approach.

We are all aware the pandemic has had negative impacts on the mental health of Vermonters. This includes concerning increases in drug and alcohol addiction, overdose deaths and suicides.

Prior to the pandemic, Vermont was making progress treating opioid addiction with our groundbreaking "hub-and-spoke" treatment system and medically assisted treatment of our corrections populations.

We also utilize harm reduction strategies, including syringe programs, distribution of Narcan, fentanyl test strips and comprehensive community education. These are proven, evidence-based approaches to saving lives but we must also continue to focus on preventing addiction in the first place and supporting people through treatment and recovery.

Unfortunately, this bill proposes to shift state policy and financial resources away from prevention and toward unproven strategies such as overdose prevention sites. It's important to note that what little data exists on this approach is for sites located in large cities, so it's not applicable to the vast majority of Vermont. Last year, I signed the experimental decriminalization of buprenorphine and am now waiting for the data to show if this had a positive impact on addiction or overdose rates in our state. I believe it's important to analyze this data before moving to another experimental strategy.

For these reasons, I cannot allow H.728 to go into law, and must return it without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

/s/Philip B. Scott
Governor"

The Governor has informed the House that on June 9, 2022, he approved and signed bills originating in the House of the following titles:

H. 736. An act relating to the Transportation Program and miscellaneous changes to laws related to transportation.

H. 740. An act relating to making appropriations for the support of government.

The Governor has informed the House that on June 9, 2022, he did not approve and allowed to become law without his signature a bill originating in the House of the following title:

H. 720. An act relating to the system of care for individuals with developmental disabilities.

Committees Appointed After Final Adjournment

Appointment of Senate Members to the Giglio Database Study Committee

Pursuant to the provisions of Act No. 161 Sec. 2 (Acts of 2022)(Adj. Sess.), the President *pro tempore*, appointed of the following Senators to serve on the Giglio Database Study Committee during this biennium:

Senator Baruth
Senator Parent

Appointment of Senate Members to the Task Force to Revitalize the Vermont Dairy Industry

Pursuant to the provisions of Act No. 162 Sec. 9 (Acts of 2022)(Adj. Sess.), the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Task Force to Revitalize the Vermont Dairy Industry during this biennium:

Senator Starr
Senator Brock

Appointment of Senate Member to the Opioid Settlement Advisory Committee

Pursuant to the provisions of 18 V.S.A. § 4772, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Opioid Settlement Advisory Committee during this biennium:

Senator Hardy

Appointment of Senate Members to Income-Based Education Tax Study Committee

Pursuant to the provisions of Act No. 175 Sec. 5 (Acts of 2022)(Adj. Sess.), the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Income-Based Education Tax Study Committee during this biennium:

Senator Cummings
Senator Perchlik
Senator Pearson

Appointment of Senate Member to the Vermont Film and Media Industry Task Force

Pursuant to the provisions of Act No. 183 Sec. 49 (Acts of 2022)(Adj. Sess.), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Film and Media Industry Task Force during this biennium:

Senator Brock

Appointment of Senate Members to Sports Betting Study Committee

Pursuant to the provisions of Act No. 183 Sec. 56 (Acts of 2022)(Adj. Sess.), the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Sports Betting Study Committee during this biennium:

Senator Sears
Senator Ram Hinsdale

Appointment of Senate Member to the Special Oversight Commission on Workforce Expansion

Pursuant to the provisions of Act No. 183 Sec. 5 (Acts of 2022)(Adj. Sess.), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Special Oversight Commission on Workforce Expansion during this biennium:

Senator Clarkson

Appointment of Senate Member to the Oversight Commission on Children, Youths, and Families

Pursuant to the provisions of 33 V.S.A. § 3211, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Oversight Commission on Children, Youths, and Families during this biennium:

Senator Lyons

CERTIFICATION

"STATE OF VERMONT

Office of the Secretary of the Senate
Senate Chamber
State House
Montpelier, Vermont 05633

I hereby certify that the foregoing Journal is a true and correct record of the proceedings of the Senate of the State of Vermont for the second year of the biennial session of 2021, often referred to as the adjourned session of 2022.

This was the second year of the seventy-sixth biennial session of the General Assembly, beginning on the fourth day of January, 2022, and ending on the twelfth day of May, 2022.

Attest:

/s/John H. Bloomer, Jr.

JOHN H. BLOOMER, JR.
Secretary of the Senate"