

House Calendar

Friday, May 6, 2022

123rd DAY OF THE ADJOURNED SESSION

House Convenes at 9:30 A.M.

TABLE OF CONTENTS

Page No.

ACTION CALENDAR

Action Postponed Until May 6, 2022

Senate Proposal of Amendment

H. 729 Miscellaneous judiciary procedures	
Senate Proposal of Amendment	3608
Rep. Norris Amendment	3625

Governor's Veto

H. 157 Registration of construction contractors.....	3625
---	------

NEW BUSINESS

Third Reading

S. 139 An act relating to nondiscriminatory school branding.....	3627
S. 224 An act relating to juvenile proceedings.....	3627
S. 226 An act relating to expanding access to safe and affordable housing.....	3627
Rep. Donahue Amendment	3627
Rep. Bluemle Amendment	3628

Senate Proposal of Amendment

H. 96 Creating the Truth and Reconciliation Commission	
Senate Proposal of Amendment	3628
H. 279 Miscellaneous changes affecting the duties of the Department of Vermont Health Access	
Senate Proposal of Amendment	3639
H. 410 The use and oversight of artificial intelligence in State government	
Senate Proposal of Amendment	3639
H. 546 Racial justice statistics	
Senate Proposal of Amendment	3648

H. 551 Prohibiting racially and religiously restrictive covenants in deeds	
Senate Proposal of Amendment	3655

H. 728 Opioid overdose response services	
Senate Proposal of Amendment	3656

Senate Proposal of Amendment to House Proposal of Amendment

S. 210 An act relating to rental housing health and safety and affordable housing	
Senate Proposal of Amendment to House Proposal of Amendment	3661

Governor's Veto

S. 286 An act relating to amending various public pension and other postemployment benefits.....	3665
---	------

NOTICE CALENDAR

Favorable with Amendment

S. 33 An act relating to project-based tax increment financing districts	
Rep. Nigro for Commerce and Economic Development	3667
Rep. Kornheiser for Ways and Means	3668

S. 281 An act relating to hunting coyotes with dogs	
Rep. Nottle Amendment	3674

Senate Proposal of Amendment

H. 465 Boards and commissions	
Senate Proposal of Amendment	3674

H. 489 Miscellaneous provisions affecting health insurance regulation	
Senate Proposal of Amendment	3678
Rep. Donahue, et al. Amendment	3679

H. 727 The exploration, formation, and organization of union school districts and unified union school districts	
Senate Proposal of Amendment	3679

Action Postponed Until May 7, 2022

Senate Proposal of Amendment

H. 739 Capital construction and State bonding budget adjustment	
Senate Proposal of Amendment	3783

Action Postponed Until May 10, 2022

Senate Proposal of Amendment to House Proposal of Amendment

S. 280 An act relating to miscellaneous changes to laws related to vehicles	
Senate Proposal of Amendment to House Proposal of Amendment	3796

Governor's Veto

H. 708 The approval of an amendment to the charter of the City of Burlington.....	3798
--	-------------

Action Postponed Until May 17, 2022

Governor's Veto

S. 30 An act relating to prohibiting possession of firearms within hospital buildings.....	3798
---	-------------

Ordered to Lie

S. 247 An act relating to prohibiting discrimination based on genetic information.....	3798
---	-------------

Consent Calendar

H.C.R. 161 Honoring Alice Harter for her dedicated service as a long-term care ombudsman.....	3799
--	-------------

H.C.R. 162 Honoring Vermont Historical Society Librarian extraordinaire Paul A. Carnahan for his superb professional leadership.....	3799
---	-------------

H.C.R. 163 Honoring Ludlow civic leader Herbert Van Guilder.....	3799
---	-------------

H.C.R. 164 Honoring Linda Wrazen for her exemplary career at Vermont Humanities.....	3799
---	-------------

H.C.R. 165 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.....	3799
--	-------------

H.C.R. 166 Honoring Berlin Town Clerk Rosemary Morse for 20 years of exemplary dedication to her community.....	3799
--	-------------

H.C.R. 167 Commemorating the 75th Anniversary of the U.S. Air Force	3799
--	-------------

H.C.R. 168 In memory of former House Majority Leader Willem Westpalm van Hoorn Jewett of Ripton.....	3800
---	-------------

H.C.R. 169 Congratulating the Vermont students at the Pioneer Valley Regional School in Northfield, Massachusetts, who are being honored as 2022 Peacemaker Award winners.....	3800
---	-------------

S.C.R. 20 Senate concurrent resolution congratulating the Vermont Spring Open Studio Weekend on its 30th anniversary.....	3800
--	-------------

S.C.R. 21 Senate concurrent resolution recognizing the week beginning May 1, 2022 as Tardive Dyskinesia Awareness Week in Vermont.....	3800
---	-------------

ORDERS OF THE DAY

ACTION CALENDAR

Action Postponed Until May 6, 2022

Senate Proposal of Amendment

H. 729

An act relating to miscellaneous judiciary procedures

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

* * * Cross Reference Corrections * * *

Sec. 1. 12 V.S.A. § 4853a is amended to read:

§ 4853a. PAYMENT OF RENT INTO COURT; EXPEDITED HEARING

* * *

(c) Any memorandum in opposition filed by the defendant pursuant to Rule ~~78(b)~~ (7)(b)(6) of the Vermont Rules of Civil Procedure shall be accompanied by affidavit setting forth particular facts in support of the memorandum.

* * *

Sec. 2. 12 V.S.A. § 4853b is amended to read:

§ 4853b. UNLAWFUL OCCUPANT; EXPEDITED HEARING

* * *

(c) At any time before the hearing, the defendant may oppose the motion pursuant to Rule ~~78(b)~~ (7)(b)(6) of the Vermont Rules of Civil Procedure by filing an affidavit, a signed written statement, or a memorandum in opposition to the motion. The affidavit, signed written statement, or memorandum shall set forth particular facts to show that a genuine dispute of fact exists in relation to the motion.

* * *

* * * Notarization of Affidavits in Relief from Abuse Proceedings * * *

Sec. 3. 15 V.S.A. § 1104 is amended to read:

§ 1104. EMERGENCY RELIEF

(a) In accordance with the Vermont Rules of Civil Procedure, temporary

orders under this chapter may be issued ex parte, without notice to the defendant, upon motion and findings by the court that the defendant has abused the plaintiff or the plaintiff's children, or both. The plaintiff shall submit an affidavit in support of the order, which may be sworn to or affirmed by administration of the oath over the telephone to the applicant by an employee of the Judiciary authorized to administer oaths and shall conclude with the following statement: "I declare under the penalty of perjury pursuant to the laws of the State of Vermont that the foregoing is true and accurate. I understand that making false statements is a crime subject to a term of imprisonment or a fine, or both, as provided by 13 V.S.A. § 2904." The authorized person shall note on the affidavit the date and time that the oath was administered. A minor 16 years of age or older, or a minor of any age who is in a dating relationship as defined in subdivision 1101(2) of this chapter, may seek relief on ~~his or her~~ the minor's own behalf. Relief under this section shall be limited as follows:

* * *

Sec. 4. 15 V.S.A. § 1106 is amended to read:

§ 1106. PROCEDURE

* * *

(b)(1) The Court Administrator shall establish procedures to ensure access to relief after regular court hours, or on weekends and holidays. The Court Administrator is authorized to contract with public or private agencies to assist plaintiffs to seek relief and to gain access to Superior Courts. Law enforcement agencies shall assist in carrying out the intent of this section.

(2)(A) The court shall designate an authorized person to receive requests for ex parte temporary relief from abuse orders submitted after regular court hours pursuant to section 1104 of this title, including requests made by reliable electronic means according to the procedures in this subdivision.

* * *

(C) The affidavit shall be sworn to or affirmed by administration of the oath over the telephone to the applicant by the authorized person; and shall conclude with the following statement: "I declare under the penalty of perjury pursuant to the laws of the State of Vermont that the foregoing is true and accurate. I understand that ~~the penalty for perjury is imprisonment of not more than 15 years or a fine of not more than \$10,000.00, or both~~ making false statements is a crime subject to a term of imprisonment or a fine, or both, as provided by 13 V.S.A. § 2904." The authorized person shall note on the affidavit the date and time that the oath was administered.

* * *

Sec. 4a. 33 V.S.A. § 6936 is amended to read:

§ 6936. EMERGENCY RELIEF; HEARINGS

(a) In accordance with the Rules for Family Proceedings, temporary orders under this subchapter may be issued ex parte, without notice to the defendant, upon motion and findings by the court that the defendant has abused, neglected, or exploited the vulnerable adult and that serious and irreparable harm to the physical health or financial interests of the vulnerable adult will result without ex parte relief.

* * *

(d)(1) The Court Administrator shall establish procedures to ensure access to relief after regular court hours, or on weekends and holidays.

(2) The procedures established pursuant to this subsection shall include:

(A) designation of an employee of the Judiciary authorized to receive requests for ex parte petitions submitted after regular court hours; and

(B) permission for the petitioner's affidavit to be sworn to or affirmed by administration of the oath over the telephone to the petitioner by the authorized person, during or after regular court hours.

* * * Sealing Criminal History Records * * *

Sec. 5. 13 V.S.A. § 7606 is amended to read:

§ 7606. EFFECT OF EXPUNGEMENT

(a) Order and notice. Upon finding that the requirements for expungement have been met, the court shall issue an order that shall include provisions that its effect is to annul the record of the arrest, conviction, and sentence and that such person shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense. The court shall provide notice of the expungement to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victim Services, and any other entity that may have a record related to the order to expunge. The VCIC shall provide notice of the expungement to the Federal Bureau of Investigation's National Crime Information Center.

* * *

Sec. 5a. 13 V.S.A. § 7607 is amended to read:

§ 7607. EFFECT OF SEALING

(a) Order and notice. Upon entry of an order to seal, the order shall be legally effective immediately and the person whose record is sealed shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense and that its effect is to annul the record of arrest, conviction, and sentence. The court shall provide notice of the sealing to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victims Services, and any other entity that may have a record related to the order to seal. The VCIC shall provide notice of the sealing to the Federal Bureau of Investigation's National Crime Information Center.

* * *

(f) Upon request, the Victim's Compensation Program shall be provided with a copy, redacted of all information identifying the offender, of the affidavit for the sole purpose of verifying the expenses in a victim's compensation application submitted pursuant to section 5353 of this title.

(g) The sealing of a criminal record shall not affect the authority of the Restitution Unit to enforce a restitution order in the same manner as a civil judgment pursuant to subdivision 5362(c)(2) of this title.

Sec. 6. 13 V.S.A. § 7611 is added to read:

§ 7611. UNAUTHORIZED DISCLOSURE

A State or municipal employee or contractor or any agent of the court, including an attorney and an employee or contractor of the attorney, who knowingly accesses or discloses sealed criminal history record information without authorization shall be assessed a civil penalty of not more than \$1,000.00. Each unauthorized disclosure shall constitute a separate civil violation.

Sec. 6a. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

* * *

(b) The Judicial Bureau shall have jurisdiction of the following matters:

* * *

(30) Violations of 13 V.S.A. § 7611, relating to the unauthorized disclosure of sealed criminal history record information.

* * *

Sec. 7. 32 V.S.A. § 1431 is amended to read:

§ 1431. FEES IN SUPREME AND SUPERIOR COURTS

* * *

(e) Prior to the filing of any postjudgment motion in the Civil, Criminal, or Environmental Division of the Superior Court, including motions to reopen civil suspensions or motions to reopen existing cases in the Probate Division of the Superior Court, there shall be paid to the clerk of the court for the benefit of the State a fee of \$90.00 except for small claims actions, estates, and motions to confirm the sale of property in foreclosure. A filing fee of \$90.00 shall be paid to the clerk of the court for a civil petition for minor settlements. The \$90.00 filing fee shall only apply for a motion to seal a criminal history record of a violation of 23 V.S.A. § 1201(a) pursuant to 13 V.S.A. § 7602(a)(1)(C), but shall not apply for any other motion to seal or expunge a criminal history record pursuant to 13 V.S.A. § 7602, 33 V.S.A. § 5119(g), or other applicable records clearance provisions.

* * *

Sec. 7a. 13 V.S.A. § 7602 is amended to read:

§ 7602. EXPUNGEMENT AND SEALING OF RECORD,
POSTCONVICTION; PROCEDURE

(a)(1) A person may file a petition with the court requesting expungement or sealing of the criminal history record related to the conviction if:

* * *

(C) pursuant to the conditions set forth in subsection (g) of this section, the person was convicted of a violation of 23 V.S.A. § 1201(a) or § 1091 related to operating under the influence of alcohol or other substance, excluding a violation of ~~that section~~ those sections resulting in serious bodily injury or death to any person other than the operator, or related to operating a school bus with a blood alcohol concentration of 0.02 or more or operating a commercial vehicle with a blood alcohol concentration of 0.04 or more; or

* * *

* * * Correcting Title of Chief Superior Judge * * *

Sec. 8. 4 V.S.A. § 21a is amended to read:

§ 21a. DUTIES OF THE ~~ADMINISTRATIVE~~ CHIEF SUPERIOR JUDGE

(a) The ~~Administrative~~ Chief Superior Judge shall assign and specially

assign Superior judges, including ~~himself or herself~~ themselves, and Environmental judges to the Superior Court. All Superior judges except Environmental judges shall be subject to the requirements of rotation as ordered by the Supreme Court. Assignments made pursuant to the rotation schedule shall be subject to the approval of the Supreme Court.

(b) In making any assignment under this section, the ~~Administrative~~ Chief Superior Judge shall give consideration to the experience, temperament, and training of a judge and the needs of the court. In making an assignment to the Environmental Division, the ~~Administrative~~ Chief Superior Judge shall give consideration to experience and expertise in environmental and land use law and shall assign or specially assign judges in a manner to provide appropriate attention to all geographic areas of the State.

(c) In making any assignments to the Environmental Division under this section, the ~~Administrative~~ Chief Superior Judge shall regularly assign two judges, at least one of whom shall be an Environmental judge. An Environmental judge may be assigned to other divisions in the Superior Court for a period of time not exceeding two years. When assigned to other divisions in the Superior Court, the Environmental judge shall have all the powers and responsibilities of a Superior judge.

Sec. 9. 4 V.S.A. § 22 is amended to read:

§ 22. DESIGNATION AND SPECIAL ASSIGNMENT OF JUDICIAL OFFICERS AND RETIRED JUDICIAL OFFICERS

(a)(1) The Chief Justice may appoint and assign a retired Justice or judge with ~~his or her~~ the Justice's or judge's consent or a Superior or Probate judge to a special assignment on the Supreme Court. The Chief Justice may appoint, and the ~~Administrative~~ Chief Superior Judge shall assign, an active or retired Justice or a retired judge, with ~~his or her~~ the Justice's or judge's consent, to any special assignment in the Superior Court or the Judicial Bureau.

(2) The ~~Administrative~~ Chief Superior Judge may appoint and assign a judge to any special assignment in the Superior Court. As used in this subdivision, a judge shall include a Superior judge, a Probate judge, a Family Division magistrate, or a judicial hearing officer.

(b) The ~~Administrative~~ Chief Superior Judge may appoint and assign a member of the Vermont Bar residing within the State of Vermont to serve temporarily as:

- (1) an acting judge in Superior Court;
- (2) an acting magistrate;

- (3) an acting Probate judge; or
- (4) an acting hearing officer to hear cases in the Judicial Bureau.

* * *

(f) In making an appointment under subsection (b) of this section, the ~~Administrative~~ Chief Superior Judge shall apply the criteria and standards for judicial appointments contained in section 601 of this title.

Sec. 10. 4 V.S.A. § 36 is amended to read:

§ 36. COMPOSITION OF THE COURT

* * *

(C) Use of the term “judicial officer” in subdivisions (A) and (B) of this subdivision (2) shall not be construed to expand a judicial officer’s ~~subject matter~~ subject-matter jurisdiction or conflict with the authority of the Chief Justice or ~~Administrative~~ Chief Superior Judge to make special assignments pursuant to section 22 of this title.

* * *

Sec. 11. 4 V.S.A. § 38 is amended to read:

§ 38. JUDICIAL MASTERS

(a) The ~~Administrative~~ Chief Superior Judge may appoint a licensed Vermont lawyer who has been engaged in the practice of law in Vermont for at least the last five years to serve as a Judicial Master. The Judicial Master shall be an employee of the Judiciary and be subject to the Code of Judicial Conduct. A Judicial Master shall not engage in the active practice of law for remuneration while serving in this position. In making this appointment, the Administrative Judge shall apply the criteria and standards for judicial appointments contained in section 601 of this title. The Judicial Master may hear and decide the following matters as designated by the Administrative Judge:

* * *

Sec. 12. 4 V.S.A. § 71 is amended to read:

§ 71. APPOINTMENT AND TERM OF SUPERIOR JUDGES

* * *

(e) The Supreme Court shall designate one of the Superior judges to serve as ~~Administrative~~ Chief Superior Judge. The ~~Administrative~~ Chief Superior Judge shall serve at the pleasure of the Supreme Court.

Sec. 13. 4 V.S.A. § 73 is amended to read:

§ 73. ASSIGNMENT

(a) In accordance with the direction of the Supreme Court, the ~~Administrative~~ Chief Superior Judge shall assign the Superior judges among the units and divisions of the Superior Court. The ~~Administrative~~ Chief Superior Judge shall assign a presiding judge to each unit and may assign a judge to preside in more than one unit. In a case where a Superior judge is disqualified or unable to attend any term of court or part thereof to which ~~he or she~~ the Superior Judge has been assigned, the ~~Administrative~~ Chief Superior Judge may assign another Superior judge to act as judge at that term or part thereof for that period during which the assigned judge is disqualified or unable to attend. If during a term of the Superior Court the court in a unit is unable to complete all or part of the work before it in a reasonable time, the ~~Administrative~~ Chief Superior Judge, with the approval of the Supreme Court, may modify judge assignments to reduce delays in that unit. The court shall publish the judicial rotation schedule in electronic format and distribute it electronically to attorneys licensed in Vermont.

(b) Pursuant to section 21a of this title, the ~~Administrative~~ Chief Superior Judge shall assign Superior judges to hear and determine Family Court matters. The ~~Administrative~~ Chief Superior Judge shall ensure that such hearings are held promptly. Any contested divorce case ~~which~~ that has been pending for more than one year shall be advanced for prompt hearing upon the request of any party.

(c) As necessary to ensure the efficient operation of the Superior Court, the presiding judge of the unit may specially assign a Superior judge assigned to a division in the unit, including the presiding judge, to preside over one or more cases in a different division. As the ~~Administrative~~ Chief Superior Judge determines necessary for the operation of the Superior Court throughout the State, and with the approval of the Supreme Court, the ~~Administrative~~ Chief Superior Judge may additionally assign for a specified period of time a Superior judge to preside over a particular type of case, or over a particular type of motion or other judicial proceeding, in all or part of the units in the State.

Sec. 14. 4 V.S.A. § 111 is amended to read:

§ 111. SUPERIOR COURT SESSIONS

(a) When the business of a Superior Court cannot otherwise be disposed of with reasonable dispatch, by direction of the ~~Administrative~~ Chief Superior Judge, there may be held additional sessions of that Superior Court

simultaneously with the regular session consisting of a presiding judge and one or more assistant judges, if available.

(b) A Superior Court may be temporarily recessed or adjourned from the place designated for holding a regular term or session to another place having adequate facilities, when the regular facilities at the designated courthouse are not adequate.

(c) The ~~Administrative~~ Chief Superior Judge may assign assistant judges, with their consent, to a special assignment in a court where they have jurisdiction in another county when assistant judges of that county are unavailable or the business of the courts so requires.

Sec. 15. 4 V.S.A. § 115 is amended to read:

§ 115. STATED TERMS OF SUPERIOR COURT

The Superior Court shall operate continuously irrespective of the term in which events occur. Terms are designated for purposes of determining the rotation schedule of Superior judges and the responsibility of a Superior judge once a term has expired. When at the expiration of a term a Superior judge is no longer assigned to a specified unit, the judge shall complete any matters that have been heard or taken under advisement for that unit. The ~~Administrative~~ Chief Superior Judge, pursuant to rules of the Supreme Court, may specially assign a Superior judge to continue to preside over one or more cases even though the judge is no longer assigned to the unit of origin of the case or cases. In the absence of such a direction or of an assignment made pursuant to subsection 73(c) of this title, a judge who at the end of a term is no longer assigned to a unit shall have no further responsibility for cases in that unit.

Sec. 16. 4 V.S.A. § 272 is amended to read:

§ 272. PROBATE DISTRICTS; PROBATE JUDGES

* * *

(c) The ~~Administrative~~ Chief Superior Judge may specially assign a Probate judge to hear a case in a geographical district other than the district for which the Probate judge was elected.

Sec. 17. 4 V.S.A. § 461a is amended to read:

§ 461a. ESSEX COUNTY; POWERS OF ASSISTANT JUDGES AND MAGISTRATES IN FAMILY COURT PROCEEDINGS

* * *

(b) The ~~Administrative~~ Chief Superior Judge may appoint and may

specially assign a magistrate to serve as the presiding judge in the Family Division of the Superior Court in Essex County.

* * *

Sec. 18. 4 V.S.A. § 461c is amended to read:

§ 461c. POWERS OF ASSISTANT JUDGES IN DIVORCE
PROCEEDINGS

* * *

(c) Prior to hearing an uncontested domestic matter, an assistant judge shall sit with a Superior judge on domestic proceedings for a minimum of 100 hours, satisfactorily complete a minimum of 30 hours of training on subjects relevant to domestic proceedings and the Code of Judicial Conduct, and conduct a minimum of three uncontested domestic hearings with a Superior judge who shall, in ~~his or her~~ the Superior judge's sole discretion, certify to the ~~Administrative~~ Chief Superior Judge that the assistant judge is qualified to preside over matters under this section. Upon application of an assistant judge, some or all of these requirements may be waived by the ~~Administrative~~ Chief Superior Judge based on equivalent experience. The requirements set forth herein shall only apply to assistant judges who elect to conduct uncontested final hearings in domestic cases after July 1, 2010. An assistant judge already conducting hearings under this section as of July 1, 2010 shall be deemed to have complied with these requirements.

Sec. 19. 4 V.S.A. § 906 is amended to read:

§ 906. CONFLICTING APPOINTMENTS, EXCUSE FROM ATTENDING
BY ~~ADMINISTRATIVE~~ CHIEF SUPERIOR JUDGE

When an attorney is required to attend more than one trial, hearing, or other proceeding before a court or commission having judicial or quasi-judicial functions, or both, at times which conflict so that ~~he or she~~ the attorney cannot reasonably attend each appointment, the attorney may request the ~~Administrative~~ Chief Superior Judge to designate which appointment ~~he or she~~ the attorney shall attend. The ~~Administrative~~ Chief Superior Judge shall designate the appointment the attorney shall attend and shall notify the presiding magistrate of each court and commission of ~~his or her~~ the Justice's or judge's decision. The attorney shall be excused from attending at that time any proceedings other than the one designated by the ~~Administrative~~ Chief Superior Judge, and the other proceedings shall be rescheduled.

Sec. 20. 4 V.S.A. § 1001 is amended to read:

§ 1001. ENVIRONMENTAL DIVISION

* * *

(b) Two environmental judges shall be appointed to hear matters in the Environmental Division and to hear other matters in the Superior Court when so assigned by the ~~administrative judge~~ Chief Superior Judge pursuant to subsection 21a(c) of this title.

* * *

Sec. 21. 4 V.S.A. § 1104 is amended to read:

§ 1104. APPOINTMENT OF HEARING OFFICERS

The ~~Administrative~~ Chief Superior Judge shall appoint members of the Vermont Bar to serve as hearing officers to hear cases. Hearing officers shall be subject to the Code of Judicial Conduct.

Sec. 22. 4 V.S.A. § 1108 is amended to read:

§ 1108. JUDICIAL BUREAU VIOLATIONS; JURISDICTION OF
ASSISTANT JUDGES

* * *

(c) The ~~Administrative~~ Chief Superior Judge may assign or direct assignment of an assistant judge with ~~his or her~~ the assistant judge's consent to hear matters in the Judicial Bureau within the county in which the assistant judge presides or in a county other than the county in which the assistant judge presides if the assistant judge has elected to hear and decide such matters.

Sec. 23. 12 V.S.A. § 5538 is amended to read:

§ 5538. APPEALS

Any party may appeal from a small claims judgment to Superior Court. The ~~Administrative~~ Chief Superior Judge shall assign the appeal to a Superior judge who shall not have participated in any way in the decision being appealed. The appeal shall be heard and decided, based on the record made in the small claims procedure. No appeal as of right exists to the Supreme Court. On motion made to the Supreme Court by a party to the action, the Supreme Court may allow an appeal from the Superior Court.

Sec. 24. 12 V.S.A. § 5540a is amended to read:

§ 5540a. JURISDICTION OVER SMALL CLAIMS; ASSISTANT JUDGES

* * *

(d) An assistant judge upon successful completion of the training under subsection (b) of this section, shall cause the Superior Court clerk to notify the Court Administrator of the assistant judge's successful completion of training.

Upon receipt of such notification, small claims cases ~~which~~ that require a hearing shall first be set for hearing before an assistant judge in the Superior Court in the county and shall be heard by the assistant judge. If the assistant judge is unavailable due to illness, vacation, administrative leave, disability, or disqualification, the ~~Administrative~~ Chief Superior Judge pursuant to 4 V.S.A. § 22 may assign a judge, or appoint and assign a member of the Vermont bar to serve temporarily as an acting judge, to hear small claims cases in the county. No action filed or pending shall be heard at or transferred to any other location unless agreed to by the parties. If both assistant judges of the county elect to successfully complete training to hear these matters, the senior assistant judge shall make the assignment of cases to be heard by each assistant judge. The assistant judges, once qualified to preside in these matters, shall work with the Court Administrator's office and the ~~Administrative~~ Chief Superior Judge such that the scheduling of small claims cases before the assistant judges are at such times as to permit adequate current court personnel to be available when these cases are heard.

* * *

Sec. 25. 13 V.S.A. § 5451 is amended to read:

§ 5451. CREATION OF COMMISSION

(a) The Vermont Sentencing Commission is established for the purpose of overseeing criminal sentencing practices in the State, reducing geographical disparities in sentencing, and making recommendations regarding criminal sentencing to the General Assembly.

(b) The Commission shall consist of the following members:

- (1) the Chief Justice of the Vermont Supreme Court or designee;
- (2) the Chief Superior Judge or designee, provided that the designee is a sitting or retired Vermont judge;
- (3) a ~~District or~~ Superior Court Judge with substantial criminal law experience appointed by the ~~administrative judge~~ Chief Superior Judge;
- (4) the Chair of the Senate Committee on Judiciary;
- (5) the Chair of the House Committee on Judiciary;
- (6) the Attorney General or designee;
- (7) the Defender General or designee;
- (8) the Executive Director of the Department of State's Attorneys and Sheriffs or designee;

- (9) the Appellate Defender;
- (10) a State's Attorney appointed by the Executive Director of the Department of State's Attorneys and Sheriffs;
- (11) a staff public defender with experience in juvenile defense matters appointed by the Defender General;
- (12) an attorney with substantial criminal law experience appointed by the Vermont Bar Association;
- (13) the Commissioner of Corrections or designee;
- (14) the Commissioner of Public Safety or designee;
- (15) the Executive Director of the Vermont Center for Crime Victim Services or designee;
- (16) the Executive Director of the Vermont Crime Research Group; and
- (17) one member of the public appointed by the Governor.

* * *

Sec. 26. 24 V.S.A. § 139 is amended to read:

§ 139. ASSISTANT JUDGE JUDICIAL EDUCATION

The assistant judges, either collectively or through a duly authorized committee of assistant judges established by a majority vote of the assistant judges after consultation with the ~~administrative judge~~ Chief Superior Judge, shall, by majority vote:

- (1) identify the training needs of assistant judges, including needs ~~which~~ that are required by law; and
- (2) design, organize, and implement training for assistant judges, including training ~~which~~ that is required by law.

Sec. 27. 24 V.S.A. § 3211 is amended to read:

§ 3211. DETERMINATION OF NECESSITY

* * *

(b) The Superior Court judge to whom the petition is presented shall fix the time for hearing, which shall not be more than 60 nor less than 40 days from the date the judge signs such order. Likewise, the judge shall fix the place for hearing, which shall be the county courthouse or any other place within the county in which the land in question is located. If the Superior Court judge to whom the petition is presented cannot hear the petition at the time set therefor, the judge shall call upon the ~~administrative judge~~ Chief Superior Judge to

assign another Superior Court judge to hear the cause at the time and place assigned in the order.

* * *

Sec. 28. 24 V.S.A. § 3605 is amended to read:

§ 3605. HEARING TO DETERMINE NECESSITY

The judge to whom such petition is presented shall fix the time for hearing, which shall not be more than 60 nor less than 30 days from the date ~~he or she~~ the judge signs such order. Likewise, ~~he or she~~ the judge shall fix the place for hearing, which shall be the county courthouse or any other convenient place within the county in which the land in question is located. If the Superior judge to whom such petition is presented cannot hear the petition at the time set therefore ~~he or she~~, the Superior judge shall call upon the ~~Administrative~~ Chief Superior Judge to assign another Superior judge to hear such cause at the time and place assigned in the order.

Sec. 29. 32 V.S.A. § 8361 is amended to read:

§ 8361. GENERAL RULES FOR APPEALS

(a) A party aggrieved, including the State represented by the State Treasurer, on or before February 15 following such an appraisal, may appeal therefrom to a Superior judge designated by the ~~administrative judge~~ Chief Superior Judge, not excluding ~~himself or herself~~ themselves, who shall hear such appeal.

* * *

Sec. 30. 32 V.S.A. § 9272 is amended to read:

§ 9272. SUSPENSION AND REVOCATION OF LICENSES; APPEAL

* * *

(b) Any operator aggrieved by such suspension, revocation, or refusal may appeal therefrom to any Superior judge within 10 days after written notice of such suspension, revocation, or refusal has been mailed or delivered to ~~him or her~~ the operator. Such Superior judge or another Superior judge designated by the ~~administrative judge~~ Chief Superior Judge shall hear such appeal forthwith.

* * *

Sec. 31. 32 V.S.A. § 9816 is amended to read:

§ 9816. SUSPENSION OR REVOCATION OF CERTIFICATES; APPEAL

* * *

(b) Any person required to collect the tax aggrieved by a suspension, revocation, or refusal may appeal therefrom to any Superior judge within 10 days after written notice of the suspension, revocation, or refusal has been mailed or delivered to ~~him or her~~ the person. The Superior judge or another Superior judge designated by the ~~administrative judge~~ Chief Superior Judge shall hear the appeal forthwith.

* * *

* * * Report on Collection of Racial Data in Civil Court Filings * * *

Sec. 32. REPORT BY CHIEF SUPERIOR JUDGE ON COLLECTION OF RACIAL DATA IN CIVIL COURT FILINGS

On or before December 1, 2022, the Chief Superior Judge shall report to the House and Senate Committees on Judiciary on practices for the collection of racial demographic data in civil court filings. The report shall describe whether and in what manner data about the race of parties in civil court actions, including eviction and debt collection proceedings, is collected by courts in Vermont and other jurisdictions. The report may include recommendations for future practices and strategies to collect racial demographic data for civil court filings in Vermont. A copy of the report shall be sent to the Executive Director of Racial Equity.

* * * Sunset Extensions * * *

Sec. 33. 2017 Acts and Resolves No. 142, Sec. 5, as amended by 2021 Acts and Resolves No. 65, Sec. 4, is further amended to read:

Sec. 5. REPEAL

13 V.S.A. §§ 5451 (creation of Vermont Sentencing Commission) and 5452 (creation of Vermont Sentencing Commission) shall be repealed on July 1, ~~2022~~ 2023.

Sec. 34. 2013 Acts and Resolves No. 69, Sec. 3, subsection (b), as amended by 2015 Acts and Resolves No. 32, Sec. 1, as further amended by 2016 Acts and Resolves No. 169, Sec. 6, 2018 Acts and Resolves No. 175, Sec. 1, and 2020 Acts and Resolves No. 134, Sec. 3 (July 1, 2022 repeal of Automated License Plate Recognition system standards), is further amended to read:

(b) Secs. 1–2 of this act, 23 V.S.A. §§ 1607 and 1608, shall be repealed on July 1, ~~2022~~ 2024.

* * * Fees for Service of Civil Process and Fingerprinting * * *

Sec. 35. 32 V.S.A. § 1591 is amended to read:

§ 1591. SHERIFFS AND OTHER OFFICERS

There shall be paid to sheriffs' departments and constables in civil causes and to sheriffs, deputy sheriffs, and constables for the transportation and care of prisoners, juveniles, and patients with a mental condition or psychiatric disability the following fees:

(1) Civil process:

(A) For serving each process, the fees shall be as follows:

(i) \$10.00 for each reading or copy wherein the officer is directed to make an arrest;

(ii) ~~\$50.00~~ \$75.00 upon presentation of each return of service for the service of papers relating to divorce, annulments, separations, or support complaints;

(iii) ~~\$50.00~~ \$75.00 upon presentation of each return of service for the service of papers relating to civil suits except as provided in subdivisions (1)(A)(ii) and (1)(A)(vii) of this section;

(iv) ~~\$50.00~~ \$75.00 upon presentation of each return of service for the service of a subpoena and shall be limited to that one fee for each return of service;

* * *

(E) Quarterly, 15 percent of the gross civil process fees received by a sheriff's department or constable during that quarter shall be forwarded to the State Treasurer for deposit in the State's General Fund.

* * *

Sec. 36. 20 V.S.A. § 2062 is amended to read:

§ 2062. FINGERPRINTING FEES

State, county, and municipal law enforcement agencies may charge a fee of not more than ~~\$25.00~~ \$35.00 for providing persons with a set of classifiable fingerprints. No fee shall be charged to retake fingerprints determined by the Vermont Crime Information Center not to be classifiable. Fees collected by the State of Vermont under this section shall be credited to the Fingerprint Fee Special Fund established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and shall be available to the Department of Public Safety to offset the costs of providing these services.

Sec. 37. 16 V.S.A. § 257 is amended to read:

§ 257. FEES FOR FINGERPRINTING; FINGERPRINT FEE SPECIAL
FUND

State, county, and municipal law enforcement agencies may charge a fee of up to ~~\$15.00~~ \$35.00 for providing applicants or other individuals with a set of classifiable fingerprints as required by this subchapter. No fee shall be charged to retake fingerprints determined by the Vermont Crime Information Center not to be classifiable. Fees collected by the State of Vermont under this section shall be credited to the Fingerprint Fee Special Fund established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and shall be available to the Department of Public Safety to offset the costs of providing these services.

* * * Report on Unification of Animal Welfare and Related Public Safety
Functions * * *

Sec. 38. UNIFICATION OF ANIMAL WELFARE AND RELATED
PUBLIC SAFETY FUNCTIONS; REPORT

(a) On or before January 15, 2023, the Department of Public Safety, in consultation with the Agency of Agriculture, Food and Markets and any other State agency, division, or department where domestic animal welfare functions reside, shall report to the House and Senate Committees on Government Operations with a plan to unify the domestic animal welfare and related public safety functions across State government. The report, which shall include draft legislation to enact the plan, shall focus on the intersection of existing domestic animal welfare functions and the role of the Department of Public Safety and shall include:

(1) an inventory of all existing domestic animal welfare and related public safety functions across all agencies, including citations to existing statutes;

(2) an inventory of all personnel, with job descriptions, responsible for carrying out the functions in the inventory required by subdivision (1) of this subsection;

(3) a recommended location and position in State government with responsibility for all State domestic animal welfare and related public safety functions, including enforcement;

(4) a recommendation on whether to move all domestic animal welfare and related public safety functions to a single agency or to maintain a multiagency approach to be coordinated by the position recommended in subdivision (3) of this subsection; and

(5) a plan to ensure that domestic animals transported into the State from other jurisdictions meet health and safety standards and that the

businesses that import domestic animals into the State are registered or licensed, or both, and meet health and safety standards.

(b) The Department shall engage with the Animal Cruelty Investigation Advisory Board, the Vermont Humane Federation, and other interested stakeholders as needed to comply with this section.

* * * Statute of Limitations for Discrimination Claims * * *

Sec. 39. 12 V.S.A. § 525 is added to read:

§ 525. ACTIONS BASED ON DISCRIMINATION

An action under 9 V.S.A. § 4506(a) (discrimination in public accommodations or housing) or 21 V.S.A. § 495b (employment discrimination) shall be commenced within six years after the cause of action accrues and not after.

* * * Effective Date * * *

Sec. 40. EFFECTIVE DATE

This act shall take effect on passage.

(For text see House Journal March 23, 2022)

Amendment to be offered by Rep. Norris of Sheldon to H. 729

Representative Norris of Sheldon moves that the House concur in the Senate proposal of amendment with further proposal of amendment 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.

Governor's Veto

H. 157

An act relating to registration of construction contractors.

Text of Veto Message

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. H. 157** to the House is as follows:

February 10, 2022

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H. 157, *An act relating to registration of contractors*, without my signature because of my objections described herein.

As I have previously said, I strongly support protecting the interests of consumers, who are already facing a crisis of affordability. I also support policy that helps Vermont's small businesses succeed and grow. These small, local businesses are the heart and soul of our communities and the backbone of our economy.

The fact is the findings of the Legislature in support of this bill are flawed.

This bill has the potential to undermine and weaken a large number of Vermont's small businesses – small, local residential contractors – at a time when we all agree we must prioritize new and revitalized housing.

More specifically, this bill favors larger and more established businesses at the expense of small entry-level businesses by imposing, by law, specific contract and insurance requirements that many of the smaller businesses will not be able to meet. Such specific requirements are rarely, if ever imposed on other professions. Ultimately, these provisions harm small businesses – which could lead to closures – and they harm consumers through higher costs and fewer options for making needed repairs.

There are multiple ways of finding residential contractors in one's community and for holding contractors accountable without creating this new regulatory system. One can find directories maintained by trades associations, as well as commercial listings, social media, consumer sites, references, and, of course, word of mouth.

Importantly, there are existing avenues for determining and adjudicating complaints already, as well as an existing Home Improvement Fraud Registry. Current law clearly authorizes the Attorney General to pursue both civil and criminal complaints against contractors for unfair or deceptive acts or practices. The Criminal Law provisions relating to home improvement fraud apply to oral and written contracts for \$500 or more; convictions for home improvement fraud require notice to the Attorney General; and the Attorney General maintains the Home Improvement Fraud Registry (although it is important to note successfully completed deferred sentences will be expunged).

Finally, the Legislature concedes in its findings that registration confers no assurance of competence. Given this concession, we should not risk the economic harm of this legislation when we already have tools in the toolbox to protect consumers and perhaps those tools should be sharpened.

I would agree there is room to improve existing processes already designed to protect consumers, but not necessarily through Legislative action, and certainly not action that could advantage larger established entities over small, local mom-and-pop businesses; reduce our contracting workforce and increase costs for already over-burdened consumers – not to mention the \$250 fee that will be charged to get on this registry.

As legislators are well aware, I have been willing to work with you to find a path forward, but based on the objections outlined above, I cannot support this piece of legislation and must return it without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

Philip B. Scott

Governor

NEW BUSINESS

Third Reading

S. 139

An act relating to nondiscriminatory school branding

S. 224

An act relating to juvenile proceedings

S. 226

An act relating to expanding access to safe and affordable housing

Amendment to be offered by Rep. Donahue of Northfield to S. 226

Representative Donahue of Northfield moves to amend the House proposal of amendment in Sec. 22b, 10 V.S.A. chapter 15, subchapter 5, in section 325u, by striking out subdivisions (b)(9) and (10) in their entirety and inserting in lieu thereof subdivisions (b)(9), (10), and (11) to read as follows:

(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.

Amendment to be offered by Rep. Bluemle of Burlington to S. 226

Representative Bluemle of Burlington moves to amend the House Proposal of Amendment in Sec. 22b, 10 V.S.A. chapter 15, subchapter 5, in subsection 325u(f), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(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.

Senate Proposal of Amendment

H. 96

An act relating to creating the Truth and Reconciliation Commission

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

Sec. 1. INTENT

It is the intent of the General Assembly to establish the Vermont Truth and Reconciliation Commission to:

(1) examine and begin the process of dismantling institutional, structural, and systemic discrimination in Vermont, both past and present, that has been caused or permitted by State laws and policies;

(2) establish a public record of institutional, structural, and systemic discrimination in Vermont that has been caused or permitted by State laws and policies; and

(3) identify potential actions that can be taken by the State to repair the damage caused by institutional, structural, and systemic discrimination in Vermont that has been caused or permitted by State laws and policies and prevent the recurrence of such discrimination in the future.

Sec. 2. 1 V.S.A. chapter 25 is added to read:

CHAPTER 25. TRUTH AND RECONCILIATION COMMISSION

§ 901. DEFINITIONS

As used in this chapter:

(1) “Commission” means the Vermont Truth and Reconciliation Commission, including its commissioners, committees, and staff.

(2) “Consultation” means a meaningful and timely process of seeking, discussing, and considering carefully the views of others in a manner that is cognizant of all parties’ cultural values.

(3) “Panel” means the Selection Panel established pursuant to section 904 of this chapter.

(4) “Record” means any written or recorded information, regardless of physical form or characteristics.

§ 902. VERMONT TRUTH AND RECONCILIATION COMMISSION;
ESTABLISHMENT; ORGANIZATION

(a) There is created and established a body corporate and politic to be known as the Vermont Truth and Reconciliation Commission to carry out the provisions of this chapter. The Truth and Reconciliation Commission is constituted a public instrumentality exercising public and essential government functions and the exercise by the Commission of the power conferred by this chapter shall be deemed and held to be the performance of an essential governmental function.

(b)(1) The Commission shall consist of three commissioners appointed pursuant to section 905 of this chapter and shall include one or more committees established by the commissioners to examine institutional, structural, and systemic discrimination caused or permitted by State laws and policies experienced by each of the following populations and communities in Vermont:

(A) individuals who identify as Native American or Indigenous;

(B) individuals with a physical, psychiatric, or mental condition or disability and the families of individuals with a physical, psychiatric, or mental condition or disability;

(C) Black individuals and other individuals of color;

(D) individuals with French Canadian, French-Indian, or other mixed ethnic or racial heritage; and

(E) in the commissioners’ discretion, other populations and communities that have experienced institutional, structural, and systemic discrimination caused or permitted by State laws and policies.

(2)(A) Each committee shall consist of the commissioners and members appointed by the commissioners in consultation with the populations and communities identified pursuant to subdivision (1) of this subsection (b).

(B) The commissioners shall ensure that the members of each

committee shall be broadly representative of the populations and communities who are the subject of that committees' work.

(C) The commissioners may appoint not more than 30 committee members in the aggregate across all of the committees established pursuant to subdivision 906(a)(1) of this chapter.

(D)(i) Except as otherwise provided pursuant to subdivision (ii) of this subdivision (2)(D), committee members 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 per calendar year. These payments shall be made from monies appropriated to the Commission.

(ii) The commissioners may authorize committee members to receive per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for additional meetings in each calendar year. Payments for additional meetings shall be made from grants or additional funding received by the Commissioners pursuant to subdivision 906(b)(11) of this chapter. In no event shall the per diem compensation and reimbursement of expenses for any additional meetings exceed the amounts permitted pursuant to 32 V.S.A. § 1010.

(3) Nothing in this subsection shall be construed to require the Commission to examine institutional, structural, and systemic discrimination experienced by the populations and communities identified in subdivision (1) of this subsection in isolation or separately from each other.

§ 903. COMMISSIONERS

(a) Commissioners shall be full-time State employees and shall be exempt from the State classified system.

(b) The commissioners shall receive compensation equal to one-half that of a Superior Court Judge.

(c) The term of each commissioner shall begin on the date of appointment and end on July 1, 2026.

§ 904. SELECTION PANEL; MEMBERSHIP; DUTIES

(a)(1) The Selection Panel shall be composed of seven members selected on or before September 1, 2022 by a majority vote of the following:

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

(B) the Executive Director of the Vermont Center for Independent Living or designee;

(C) an individual, who shall not be a current member of the General

Assembly, appointed by the Speaker of the House;

(D) an individual, who shall not be a current member of the General Assembly, appointed by the Committee on Committees; and

(E) an individual appointed by the Chief Justice of the Vermont Supreme Court.

(2) The individuals identified in subdivision (1) of this subsection:

(A) shall hold their first meeting on or before August 1, 2022 at the call of the individual appointed by the Chief Justice of the Vermont Supreme Court; and

(B) are encouraged to appoint individuals to the Selection Panel who include members of the populations and communities identified pursuant to subdivisions 902(b)(1)(A)–(D) of this chapter and who are diverse with respect to socioeconomic status, work, education, geographic location, gender, and sexual identity.

(3) Individuals selected pursuant to subdivision (1) of this subsection who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than two meetings. These payments shall be made from amounts appropriated to the Truth and Reconciliation Commission.

(b)(1) The Selection Panel shall select and appoint the commissioners of the Truth and Reconciliation Commission as provided pursuant to section 905 of this chapter.

(2) To enable it to carry out its duty to select and appoint the commissioners of the Truth and Reconciliation Commission as provided pursuant to section 905 of this chapter, the Panel may:

(A) adopt procedures as necessary to carry out the duties set forth in section 905 of this chapter;

(B) establish and maintain a principal office;

(C) meet and hold hearings at any place in this State; and

(D) hire temporary staff to provide administrative assistance during the period from September 1, 2022 through January 15, 2023, provided that if the Panel extends the time to select commissioners pursuant to subdivision 905(c)(1) of this chapter, it may retain staff to provide administrative assistance through March 31, 2023.

(c) The term of each member of the Panel shall begin on the date of

appointment and end on January 15, 2023, except if the Panel extends the time to select commissioners pursuant to subdivision 905(c)(1) of this chapter, the term of the Panel members shall end on March 31, 2023.

(d) The Panel shall select a chair and a vice chair from among its members.

(e)(1) Meetings shall be held at the call of the Chair or at the request of four or more members of the Panel.

(2) A majority of the current membership of the Panel shall constitute a quorum, and actions of the Panel may be authorized by a majority of the members present and voting at a meeting of the Panel.

(f) Members of the Panel shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than 20 meetings during fiscal year 2023. These payments shall be made from amounts appropriated to the Truth and Reconciliation Commission.

§ 905. SELECTION OF COMMISSIONERS

(a)(1) Except as otherwise provided pursuant to subdivision (c)(1) of this section, the Selection Panel shall, on or before December 31, 2022, select three individuals to serve as the commissioners of the Vermont Truth and Reconciliation Commission.

(2) In carrying out its duty to select the commissioners, the Panel shall:

(A) Establish a public, transparent, and simple process for candidates to apply to serve as a commissioner.

(B) Publicize the application process, deadlines, and requirements to serve as a commissioner through media outlets, civil society organizations, and any other forms of public outreach that the Panel determines to be appropriate.

(C) Solicit nominations for individuals to serve as commissioners from civil society organizations in Vermont whose work relates to the mission of the Commission.

(D) Invite Vermont residents to submit applications to serve as commissioners.

(E) Hold one or more public hearings to provide an opportunity for members of the public to meet and ask questions of the finalists to serve as a commissioner.

(F) Hold private interviews with each individual selected by the Panel as a finalist for selection as a commissioner.

(G) Conduct criminal history record checks for finalists, provided

that the Panel shall only consider felony convictions or convictions for crimes involving untruthfulness or falsification. A finalist who has been convicted of a felony or a crime involving untruthfulness or falsification shall be afforded an opportunity to explain the information and the circumstances regarding the conviction, including postconviction rehabilitation.

(H) Take any other actions that the Panel deems appropriate or necessary to carry out its duties in relation to the selection of commissioners.

(3) The three commissioners selected by the Panel shall:

(A) be residents of Vermont;

(B) not be members of the Selection Panel;

(C) have knowledge of the problems and challenges facing the populations and communities identified pursuant to subdivisions 902(b)(1)(A)–(D) of this chapter; and

(D) satisfy any additional criteria established by the Panel.

(b) Not later than five days after selecting the commissioners pursuant to subsection (a) of this section, the Panel shall submit a brief report to the Governor and the General Assembly identifying the commissioners. The names of the commissioners shall be made available to the public on the same day that the report is submitted.

(c)(1) If the Panel is unable to identify three suitable applicants on or before December 31, 2022, the Panel may by a majority vote extend the time to select commissioners to March 31, 2023.

(2) If the Panel extends the time to select commissioners pursuant to this subsection, the Panel shall, on or before January 5, 2023, submit a brief written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Government Operations providing notice of its decision to extend the time to select commissioners and its reasons for doing so and identifying any changes to the provisions of this chapter that may be necessary to enable the Panel to successfully identify and select commissioners.

§ 906. POWERS AND DUTIES OF THE COMMISSIONERS

(a) Duties. The commissioners shall:

(1) establish, in consultation with the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter and other interested parties in the commissioners' discretion, committees to examine institutional, structural, and systemic discrimination caused or permitted by State laws and

policies that have been experienced by the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter;

(2) determine, in consultation with the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter, historians, social scientists, experts in restorative justice, and other interested parties in the commissioners' discretion, the scope and objectives of the work to be carried out by each committee established pursuant to subdivision (1) of this subsection;

(3) develop and implement a process for each committee established pursuant to subdivision (1) of this subsection to fulfill the objectives established pursuant to subdivision (2) of this subsection;

(4) work with the committees and Commission staff to carry out research, public engagement, and other work necessary to:

(A) identify and examine historic and ongoing institutional, structural, and systemic discrimination against members of the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter that has been caused or permitted by State laws and policies;

(B) determine the current status of members of the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter; and

(C) satisfy the scope of work and the objectives established pursuant to subdivision (1) of this subsection (a);

(5) work with the committees and Commission staff to identify potential programs and activities to create and improve opportunities for or to eliminate disparities experienced by the populations and communities that are the subject of the committees' work;

(6) work with the committees and Commission staff to identify potential educational programs related to historic and ongoing institutional, structural, and systemic discrimination against members of the populations and communities that are the subject of the committees' work;

(7) work in consultation with the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter, experts in restorative justice, and, in the commissioners' discretion, other interested parties to ensure that the work of the Commission is open, transparent, inclusive, and meaningful; and

(8) supervise the work of the Executive Director of the Commission.

(b) Powers. To carry out its duties pursuant to this chapter, the commissioners may:

(1) Adopt rules in accordance with 3 V.S.A. chapter 25 as necessary to implement the provisions of this chapter.

(2) Adopt procedures as necessary to carry out the duties set forth in subsection (a) of this section.

(3) Establish and maintain a principal office.

(4) Meet and hold hearings at any place in this State.

(5) Consult with local, national, and international experts on issues related to discrimination, truth and reconciliation, and restorative justice.

(6) Interview and take statements from members of the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter; members of the public; and persons with knowledge of the institutional, structural, and systemic discrimination experienced by such populations and communities.

(7) Study, research, investigate, and report on the impact of State laws and policies on populations and communities identified pursuant to subdivision 902(b)(1) of this chapter. If the Commission determines that particular laws or policies caused or permitted institutional, structural, and systemic discrimination against a population or community, regardless of whether the discrimination was intentional or adversely impacted the population or community, the Commission may propose legislative or administrative action to the General Assembly or Governor, as appropriate, to remedy the impacts on the population or community.

(8) Enter into cooperative agreements with private organizations or individuals or with any agency or instrumentality of the United States or of this State to carry out the provisions of this chapter.

(9) Make and execute legal documents necessary or convenient for the exercise of its powers and duties under this chapter.

(10) Hire consultants and independent contractors to assist the Commission in carrying out the provisions of this chapter.

(11) Seek grants or funding other than annual State appropriations to further the work of the Commission.

(12) Take any other actions necessary to carry out the provisions of this chapter.

§ 907. EXECUTIVE DIRECTOR; DUTIES

(a) The Commissioners shall appoint an Executive Director. The Executive Director shall be a full-time State employee, shall be exempt from

the State classified system, and shall serve at the pleasure of the commissioners.

(b) The Executive Director shall be responsible for the following:

(1) supervising and administering the implementation of the provisions of this chapter on behalf of the commissioners;

(2) assisting the commissioners in carrying out their duties;

(3) ensuring that the Commission has the resources and staff assistance necessary to collect historical materials, take statements from individuals, hold public hearings and events, and prepare and publish reports and other documents;

(4) facilitating communications between the Commission and members of the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter, interested parties, and members of the public;

(5) hiring staff, including researchers and administrative and legal professionals, as necessary to carry out the duties of the Commission; and

(6) preparing an annual budget for submission to the commissioners.

§ 908. REPORTS

(a) On or before January 15, 2024, the Commission shall submit to the Governor and General Assembly an interim report on the Commission's progress to date, the committees established pursuant to subdivision 906(a)(1) of this chapter and the scope and objectives of their work, emerging themes and issues that the Commission has identified, and, if available, any preliminary findings and recommendations for legislative or other action that the Commission believes should be prioritized to address instances of institutional, structural, and systemic discrimination identified by the Commission.

(b)(1) On or before June 15, 2026, the Commission shall submit a final report incorporating the findings and recommendations of each committee. Each report shall detail the findings and recommendations of the relevant committee and shall include recommendations for actions that can be taken to eliminate ongoing instances of institutional, structural, and systemic discrimination and to address the harm caused by historic instances institutional, structural, and systemic discrimination.

(2) The Commission shall, on or before January 15, 2026, make a draft of the final report publicly available and provide copies of the draft to interested parties from the populations and communities identified pursuant to subdivision 902(b)(1) of this chapter and other interested parties. The

Commission shall provide the interested parties and members of the public with not less than 60 days to review the draft and provide comments on it. The Commission shall consider fully all comments submitted in relation to the draft and shall include with the final version of the report a summary of all comments received and a concise statement of the reasons why the Commission decided to incorporate or reject any proposed changes. Comments submitted in relation to the final report shall be made available to the public in a manner that complies with the requirements of section 910 of this chapter.

(c) The Commission may, in its discretion, issue additional reports to the Governor, General Assembly, and public.

§ 909. ACCESS TO INFORMATION; CONFIDENTIALITY

(a) Access to State records and information.

(1) The Commission shall have access to and the right to copy any record or other information held by all executive, administrative, and judicial agencies and departments and all instrumentalities of the State. All executive, administrative, and judicial agencies and departments and all instrumentalities of the State shall cooperate with the Commission with respect to any request for access to any record or other information and shall provide all records or other information requested by the Commission to the extent permitted by law.

(2) The Commission shall keep confidential any information received from an executive, administrative, or judicial agency or department or an instrumentality of the State that is confidential or is exempt from the Public Records Act.

(b) Confidentiality requirements.

(1) Except as otherwise provided pursuant to subsection (c) of this section, information and records acquired by or provided to the Commission that would in any manner reveal an individual's identity shall be kept confidential and shall be exempt from public inspection and copying under the Public Records Act.

(2) The Commission shall not include the personally identifying information of any individual in any report that it produces without the express, written consent of the individual.

(c) Exceptions.

(1) Except as provided in subdivision (2) of this subsection, information and records acquired by or provided to the Commission shall only be available to the public in an anonymized form that does not reveal the identity of any

individual.

(2) Information or records acquired by or provided to the Commission may be disclosed in a manner that would reveal the identity of an individual if that individual has provided their express, written consent to the disclosure of the information or record in a manner that would reveal their identity.

(d) Private proceedings.

(1) The Commission shall permit any individual who is interviewed by the Commission to elect to have their interview conducted in a manner that protects the individual's privacy and to have any recording of the interview kept confidential by the Commission. Any other record or document produced in relation to an interview conducted pursuant to this subdivision (d)(1) shall only be available to the public in an anonymized form that does not reveal the identity of any individual.

(2) The Commission shall adopt procedures and safeguards to ensure to the greatest extent possible that it does not conduct any interview in a manner that is open to the public if the interview will reveal the identities of individuals other than the interviewee without the express, written consent of those individuals.

§ 910. ESTABLISHMENT OF POSITIONS

The establishment of the following exempt limited-service positions within the Truth and Reconciliation Commission is authorized in fiscal year 2023:

- (1) one Executive Director;
- (2) one Staff Attorney;
- (3) one Researcher; and
- (4) one Administrative Assistant.

Sec. 3. APPROPRIATION

The sum of \$748,000.00 is appropriated from the General Fund to the Truth and Reconciliation Commission in fiscal year 2023.

Sec. 4. REPEAL

1 V.S.A. chapter 25 (Truth and Reconciliation Commission) is repealed on July 1, 2026.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

(For text see House Journal March 23, 2022)

H. 279

An act relating to miscellaneous changes affecting the duties of the Department of Vermont Health Access

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

By striking out Sec. 4, separate individual and small group health insurance markets for plan year 2023 if federal subsidies extended, in its entirety and by renumbering Sec. 5, effective date, to be Sec. 4.

(For text see House Journal March 11, 2022)

H. 410

An act relating to the use and oversight of artificial intelligence in State government

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

Sec. 1. FINDINGS; INTENT

(a) The General Assembly finds that:

(1) The Vermont Artificial Intelligence Task Force (Task Force), established by 2018 Acts and Resolves No. 137, Sec. 1, as amended by 2019 Acts and Resolves No. 61, Sec. 20, met from September 2018 through January 2020 to investigate the field of artificial intelligence (AI) and make recommendations for State action and policies with respect to this new technology.

(2) The Task Force found that this technology presents tremendous opportunities for economic growth and improved quality of life but also presents substantial risks of loss of some jobs and invasions of privacy and other impacts to civil liberties.

(3) Large-scale technological change makes states rivals for the economic rewards, where inaction leaves states behind. States can become leaders in crafting appropriate responses to technological change that eventually produces policy and action around the country.

(4) The Task Force determined that there are steps that the State can take to maximize the opportunities and reduce the risk, but action must be taken now. The Task Force concluded that there is a role for local and State action, especially where national and international action is not occurring.

(5) The final report of the Task Force presents a series of recommendations for policies and actions consistent with the limited role of

Vermont to direct the path of AI development and use in the State. The final report also concludes that Vermont can make a difference, maximize the benefits of AI, and minimize, or adapt to, the adverse consequences.

(b) It is the intent of the General Assembly to carry out the work of the Task Force by creating the Division of Artificial Intelligence within the Agency of Digital Services to implement some of the specific recommendations of the Task Force and require the Agency of Digital Services to conduct an inventory of all automated decision systems that are being developed, used, or procured by the State.

Sec. 2. 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) an annual update to the inventory required by section 3305 of this title.

* * *

Sec. 3. 3 V.S.A. § 3305 is added to read:

§ 3305. AUTOMATED DECISION SYSTEM; STATE PROCUREMENT;

INVENTORY

(a) Definitions. As used in this section:

(1) “Algorithm” means a computerized procedure consisting of a set of steps used to accomplish a determined task.

(2) “Automated decision system” means any algorithm, including one incorporating machine learning or other artificial intelligence techniques, that uses data-based analytics to make or support government decisions, judgments, or conclusions.

(3) “Automated final decision system” means an automated decision system that makes final decisions, judgments, or conclusions without human intervention.

(4) “Automated support decision system” means an automated decision system that provides information to inform the final decision, judgment, or conclusion of a human decision maker.

(5) “State government” has the same meaning as in section 3301 of this chapter.

(b) Inventory. The Agency of Digital Services shall conduct a review and make an inventory of all automated decision systems that are being developed, employed, or procured by State government. The inventory shall include the following for each automated decision system:

(1) the automated decision system’s name and vendor;

(2) a description of the automated decision system’s general capabilities, including:

(A) reasonably foreseeable capabilities outside the scope of the agency’s proposed use; and

(B) whether the automated decision system is used or may be used for independent decision-making powers and the impact of those decisions on Vermont residents;

(3) the type or types of data inputs that the technology uses; how that data is generated, collected, and processed; and the type or types of data the automated decision system is reasonably likely to generate;

(4) whether the automated decision system has been tested for bias by an independent third party, has a known bias, or is untested for bias;

(5) a description of the purpose and proposed use of the automated decision system, including:

(A) what decision or decisions it will be used to make or support;

(B) whether it is an automated final decision system or automated support decision system; and

(C) its intended benefits, including any data or research relevant to the outcome of those results;

(6) how automated decision system data is securely stored and processed and whether an agency intends to share access to the automated decision system or the data from that automated decision system with any other entity, which entity, and why; and

(7) a description of the IT fiscal impacts of the automated decision system, including:

(A) initial acquisition costs and ongoing operating costs, such as maintenance, licensing, personnel, legal compliance, use auditing, data retention, and security costs;

(B) any cost savings that would be achieved through the use of the technology; and

(C) any current or potential sources of funding, including any subsidies or free products being offered by vendors or governmental entities.

Sec. 4. AUTOMATED DECISION SYSTEM; STATE PROCUREMENT; INVENTORY; REPORT

On or before December 1, 2022, the Agency of Digital Services shall submit to the House Committee on Energy and Technology and the Senate Committee on Finance a report on the inventory described in 3 V.S.A. § 3305. The report shall include recommendations for any changes to the inventory, including how it should be maintained, the frequency of updates, and remediation measures needed to address systems deemed problematic.

Sec. 5. 3 V.S.A. chapter 69 is added to read:

CHAPTER 69. DIVISION OF ARTIFICIAL INTELLIGENCE

§ 5011. DEFINITION

As used in this chapter, “artificial intelligence systems” means systems capable of perceiving an environment through data acquisition and then processing and interpreting the derived information to take an action or actions or to imitate intelligent behavior given a specific goal. An artificial intelligence system can also learn and adapt its behavior by analyzing how the environment is affected by prior actions.

§ 5012. DIVISION OF ARTIFICIAL INTELLIGENCE

(a) Creation. There is established the Division of Artificial Intelligence within the Agency of Digital Services to review all aspects of artificial intelligence systems developed, employed, or procured in State government. The Division shall be administered by the Director of Artificial Intelligence, who shall be appointed by the Secretary of Digital Services.

(b) Powers and duties. The Division shall review artificial intelligence systems developed, employed, or procured in State government, including the following:

(1) propose for adoption by the Agency of Digital Services a State code of ethics for artificial intelligence in State government, which shall be updated annually;

(2) make recommendations to the General Assembly on policies, laws, and regulations for artificial intelligence systems in State government; and

(3) review the automated decision systems inventory created by the Agency of Digital Services, including:

(A) whether any systems affect the constitutional or legal rights, duties, or privileges of any Vermont resident; and

(B) whether there are any potential liabilities or risks that the State of Vermont could incur from its implementation.

(c) Reports. Annually, on or before January 15 each year, the Division shall report to the House Committee on Energy and Technology and the Senate Committees on Finance and on Government Operations on the following:

(1) the extent of the use of artificial intelligence systems by State government and any short- or long-term actions needed to optimize that usage or mitigate their risks;

(2) the impact of using artificial intelligence systems in State government on the liberty, finances, livelihood, and privacy interests of Vermont residents;

(3) any necessary policies to:

(A) protect the privacy and interests of Vermonters from any diminution caused by employment of artificial intelligence systems by State government;

(B) ensure that Vermonters are free from unfair discrimination caused or compounded by the employment of artificial intelligence in State government;

(C) address the use or prohibition of systems that have not been tested for bias or have been shown to contain bias; and

(D) address security and training on artificial intelligence systems; and

(4) any other information the Division deems appropriate based on its work.

§ 5013. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL

(a) Advisory Council. There is established the Artificial Intelligence Advisory Council to provide advice and counsel to the Director of the Division of Artificial Intelligence with regard to the Division's responsibilities to review all aspects of artificial intelligence systems developed, employed, or procured in State government. The Council, in consultation with the Director of the Division, shall also engage in public outreach and education on artificial intelligence.

(b) Members.

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

(A) the Secretary of Digital Services or designee;

(B) the Secretary of Commerce and Community Development or designee;

(C) the Commissioner of Public Safety or designee;

(D) the Executive Director of the American Civil Liberties Union of Vermont or designee;

(E) one member who is an expert in constitutional and legal rights, appointed by the Chief Justice of the Supreme Court;

(F) one member with experience in the field of ethics and human rights, appointed by the Governor;

(G) one member who is an academic at a postsecondary institute, appointed by the Vermont Academy of Science and Engineering;

(H) the Commissioner of Health or designee;

(I) the Executive Director of Racial Equity or designee; and

(J) the Attorney General or designee.

(2) Chair. Members of the Advisory Council shall elect by majority vote the Chair of the Advisory Council. Members of the Advisory Council shall be appointed on or before August 1, 2022 in order to prepare as they

deem necessary for the establishment of the Advisory Council, including the election of the Chair of the Advisory Council.

(3) Qualifications. Members shall be drawn from diverse backgrounds and, to the extent possible, have experience with artificial intelligence.

(c) Meetings. The Advisory Council shall meet at the call of the Chair as follows:

(1) on or before January 31, 2024, not more than 12 times; and

(2) on or after February 1, 2024, not more than monthly.

(d) Quorum. A majority of members shall constitute a quorum of the Advisory Council. Once a quorum has been established, the vote of a majority of the members present at the time of the vote shall be an act of the Advisory Council.

(e) Assistance. The Advisory Council shall have the administrative and technical support of the Agency of Digital Services.

(f) Reimbursement. Members of the Advisory Council who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and expenses as provided in 32 V.S.A. § 1010.

(g) Consultation. The Advisory Council shall consult with any relevant national bodies on artificial intelligence, including the National Artificial Intelligence Advisory Committee established by the Department of Commerce, and its applicability to Vermont.

(h) Repeal. This section shall be repealed on June 30, 2027.

Sec. 6. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL; IMPLEMENTATION

First meeting. The first meeting of the Artificial Intelligence Advisory Council shall be called by the Secretary of Digital Services or designee. All subsequent meetings shall be called by the Chair.

Sec. 7. DIVISION OF ARTIFICIAL INTELLIGENCE; REPORTS AND RECOMMENDATIONS

(a) On or before January 15, 2023, the Council shall submit a report to the House Committee on Energy and Technology and the Senate Committees on Finance and on Government Operations on the following:

(1) the State code of ethics as described in 3 V.S.A. § 5012(b)(1); and

(2) what policies the State should have for a third-party entity to

disclose potential conflicts of interest prior to purchasing or using the entity's technology and how the State should evaluate those conflicts with respect to how the State intends to implement the technology.

(b) On or before January 15, 2024, the Council shall develop and submit to the House Committee on Energy and Technology and the Senate Committees on Finance and on Government Operations recommendations for a clear use and data management policy for State government, including protocols for the following:

(1) how and when an automated decision system will be deployed or used and by whom, including:

(A) the factors that will be used to determine where, when, and how the technology is deployed;

(B) whether the technology will be operated continuously or used only under specific circumstances; and

(C) when the automated decision system may be accessed, operated, or used by another entity on the agency's behalf and any applicable protocols;

(2) whether the automated decision system gives notice to an individual impacted by the automated decision system of the fact that the automated decision system is in use and what information should be provided with consideration to the following:

(A) the automated decision system's name and vendor;

(B) what decision or decisions it will be used to make or support;

(C) whether it is an automated final decision system or automated support decision system;

(D) what policies and guidelines apply to its deployment;

(E) whether a human verifies or confirms decisions made by the automated decision system; and

(F) how an individual can contest any decision made involving the automated decision system;

(3) whether the automated decision system ensures that the agency can explain the basis for its decision to any impacted individual in terms understandable to a layperson, including:

(A) by requiring the vendor to create such an explanation;

(B) whether the automated decision system is subject to appeal or immediate suspension if a legal right, duty, or privilege is impacted by the

decision; and

(C) potential reversal by a human decision maker through a timely process clearly described and accessible to an individual impacted by the decision; and

(4) what policies the State should have for a third-party entity to disclose potential conflicts of interest prior to purchasing or using their technology and how the State should evaluate those conflicts with respect to how the State intends to implement the technology.

(c) On or before January 15, 2025, the Council shall submit recommendations to the House Committee on Energy and Technology and the Senate Committees on Finance and on Government Operations on the following

(1) whether the scope of the Division should be expanded to include artificial intelligence outside State government;

(2) whether there should be any changes to the structural oversight, membership, or powers and duties of the Council;

(3) whether the Council should cease to exist on a certain date; and

(4) whether there are any other additional tasks the Division should complete.

(d) As used in this section:

(1) “Automated decision system” means any algorithm, including one incorporating machine learning or other artificial intelligence techniques, that uses data-based analytics to make or support government decisions, judgments, or conclusions.

(2) “Automated final decision system” means an automated decision system that makes final decisions, judgments, or conclusions without human intervention.

(3) “Automated support decision system” means an automated decision system that provides information to inform the final decision, judgment, or conclusion of a human decision maker.

Sec. 8. DIVISION OF ARTIFICIAL INTELLIGENCE; POSITION

The establishment of the permanent exempt position is authorized in fiscal year 2023 in the Agency of Digital Services to manage and implement the work of the Division of Artificial Intelligence, established in 3 V.S.A. § 5012, and to serve as the State expert on artificial intelligence use and oversight within State government. This position shall be transferred and converted

from existing vacant positions in the Executive Branch and shall not increase the total number of authorized State positions. The position shall be funded from existing resources within the Agency.

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(For text see House Journal March 23, 2022)

H. 546

An act relating to racial justice statistics

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

Sec. 1. 3 V.S.A. chapter 68 is amended to read:

CHAPTER 68. EXECUTIVE DIRECTOR OFFICE OF RACIAL EQUITY

Subchapter 1. Executive Director of Racial Equity

* * *

§ 5003. DUTIES OF EXECUTIVE DIRECTOR OF RACIAL EQUITY

* * *

(e) The Executive Director of Racial Equity shall oversee the Division of Racial Justice Statistics (Division) established in subchapter 2 of this chapter.

(1) The Director shall have general charge of the Division.

(2) The Director may apply for grant funding, if available, to advance or support any responsibility within the Division's jurisdiction.

(e)(f) The Director shall periodically report to the Racial Equity Advisory Panel and the Racial Disparities in the Criminal and Juvenile Justice Systems Advisory Panel on the progress toward carrying out the duties as established by this section.

(f)(g) On or before January 15, 2020, and annually thereafter, the Director shall report to the House and Senate Committees on Government Operations demonstrating the State's progress in identifying and remediating systemic racial bias within State government.

* * *

Subchapter 2. Division of Racial Justice Statistics

§ 5011. DIVISION OF RACIAL JUSTICE STATISTICS; CREATION; PURPOSE

(a) Creation. There is created within the Office of Racial Equity the Division of Racial Justice Statistics to collect and analyze data related to systemic racial bias and disparities within the criminal and juvenile justice systems.

(b) Purpose. The mission of the Division is to collect and analyze data relating to racial disparities with the intent to center racial equity throughout these efforts. The purpose of the Division is to create, promote, and advance a system and structure that provides access to appropriate data and information, ensuring that privacy interests are protected and principles of transparency and accountability are clearly expressed. The data are to be used to inform policy decisions that work toward the amelioration of racial disparities across various systems of State government.

§ 5012. DUTIES

(a) The Division shall have the following duties:

(1) Work collaboratively with, and have the assistance of, all State and local agencies and departments identified pursuant to subdivision 5013(a)(2) of this title for purposes of collecting all data related to systemic racial bias and disparities within the criminal and juvenile justice systems.

(2) Collect and analyze the data related to systemic racial bias and disparities within the criminal and juvenile justice systems.

(3) Conduct justice information sharing gap analyses.

(4) Maintain an inventory of justice technology assets and a data dictionary to identify elements and structure of databases and relationships, if any, to other databases.

(5) Develop a justice technology strategic plan, which shall be updated annually. The justice technology strategic plan shall include identification and prioritization of data needs and requirements to fulfill new or emerging data research proposals or operational enhancements.

(6) Develop interagency agreements and memorandums of understanding for data sharing and publish public use files.

(7) Report its data, analyses, and recommendations to the Racial Justice Statistics Advisory Council and the Racial Disparities in the Criminal and Juvenile Justice Systems Advisory Panel on a monthly basis.

(b) On or before January 15, 2023 and annually thereafter, the Division shall report its data, analyses, and recommendations to the House and Senate Committees on Judiciary and on Government Operations. The report may

include an operational assessment of the Division's structure and staffing levels and any recommendations for necessary adjustments.

(c) To carry out its duties under this subchapter, the Division may adopt procedural and substantive rules in accordance with the provisions of chapter 25 of this title.

§ 5013. DATA GOVERNANCE

(a) Data collection. In consultation with the Racial Disparities in the Criminal and Juvenile Justice Systems Advisory Panel and the Racial Justice Statistics Advisory Council, the Division shall establish the data to be collected to carry out the duties of this subchapter.

(1) Any data or records transmitted to or obtained by the Division that are exempt from public inspection and copying under the Public Records Act shall remain exempt and shall be kept confidential to the extent required by law. A State or local agency or department that transmits data or records to the Division shall be the sole records custodian for purposes of responding to requests for the data or records. The Division may direct any request for these data or records to the transmitting agency or department for response, provided that the Division shall respond to a Public Records Act request for nonidentifying data used by the Division for preparation of the reports required by subdivision 5012(a)(7) and subsection 5012(b) of this title.

(2) The Division shall identify which State and local agencies or departments possess the data necessary for the Division to perform the requirements and objectives of this subchapter. An agency or department identified pursuant to this subdivision shall, upon request, provide the Division with any data that the Division determines is relevant to its purpose under subsection 5011(b) of this title, provided that the Office of the Defender General shall not be required to make any disclosures that would violate 1 V.S.A. § 317(c)(3). The Division may identify non-State entities that possess the data necessary for the Division to perform the requirements and objectives of this subchapter and have access to the data of an identified entity pursuant to a data sharing agreement or memorandum of understanding.

(3) The Division shall, pursuant to section 218 of this title, establish, maintain, and implement an active and continuing management program for its records and information, including data, with support and services provided by the Vermont State Archives and Records Administration pursuant to section 117 of this title and the Agency of Digital Services pursuant to section 3301 of this title.

(b) Data analysis. The Division shall analyze the data collected pursuant to this subchapter in order to:

(1) identify the stages of the criminal and juvenile justice systems at which racial bias and disparities are most likely to occur;

(2) organize and synthesize the data in a cohesive and logical manner so that it can be best presented and understood; and

(3) present the data to the Racial Justice Statistics Advisory Council as required under this subchapter.

(c) Data governance policy. The Division shall develop and adopt a data governance policy and shall establish:

(1) a system or systems to standardize the collection and retention of the data collected pursuant to this subchapter; and

(2) methods to permit sharing and communication of the data between the State agencies, local agencies, and external researchers, including the use of data sharing agreements.

(d) Data collection. The Division shall recommend to State and local agencies evidence-based practices and standards for the collection of racial justice data.

(e) Publicly available data.

(1) The Division shall maintain a public-facing website and dashboard that maximizes the transparency of the Division's work and ensures the ability of the public and historically impacted communities to review and understand the data collected by the Division and its analyses.

(2) The Division shall develop public use data files.

§ 5014. RACIAL JUSTICE STATISTICS ADVISORY COUNCIL

(a) Creation. The Racial Justice Statistics Advisory Council is established within the Office of Racial Equity to serve in an advisory capacity to the Division of Racial Justice Statistics. The Council shall be organized and have the duties and responsibilities as provided in this section. The Council shall have the administrative, legal, and technical support of the Agency of Administration.

(b) Membership.

(1) Appointments. The Council shall consist of seven members, as follows:

(A) an individual with substantive expertise in community-based research on racial equity, to be appointed by the Governor; and

(B)(i) six individuals who have experience with or knowledge about one or more of the following situations:

(I) facing eviction;

(II) violence, discrimination, or criminal conduct, including law enforcement misconduct;

(III) moving to Vermont as an immigrant or refugee;

(IV) effects of racial disparities and discipline policies within the educational system; or

(V) participation in treatment programs addressing mental health, substance use disorder, and reentry programs; and

(ii) appointments made pursuant to this subdivision (B) shall be made by the following entities, each of which shall appoint one member: NAACP, Vermont Racial Justice Alliance, Migrant Justice, AALV Inc., Vermont Commission on Native American Affairs, and Outright Vermont.

(2) Qualifications. Members shall be drawn from diverse backgrounds to represent the interests of communities of color and other historically disadvantaged communities throughout the State and, to the extent possible, have experience working to implement racial justice reform and represent geographically diverse areas of the State.

(3) Terms. The term of each member shall be four years. As terms of currently serving members expire, appointments of successors shall be in accord with the provisions of this section. Appointments of members to fill vacancies or expired terms shall be made by the authority that made the initial appointment to the vacated or expired term. Members shall serve until their successors are appointed. Members shall serve not more than two consecutive terms in any capacity.

(4) Chair and terms. Members of the Council shall elect by majority vote the Chair of the Council. Members of the Council shall be appointed on or before November 1, 2022 in order to prepare as they deem necessary for the establishment of the Council, including the election of the Chair of the Council. Terms of members shall officially begin on January 1, 2023.

(c) Duties. The Council shall have the following duties and responsibilities:

(1) work with and assist the Director or designee to implement the requirements of this subchapter;

(2) advise the Director to ensure ongoing compliance with the purpose of this subchapter;

(3) evaluate the data and analyses received from the Division and make recommendations to the Division as a result of the evaluations;

(4) report monthly to on its findings and recommendations regarding the work of the Division to the Racial Disparities in the Criminal and Juvenile Justice Systems Advisory Panel; and

(5) on or before January 15, 2023 and annually thereafter, report to the House and Senate Committees on Judiciary and on Government Operations on:

(A) its findings regarding systemic racial bias and disparities within the criminal and juvenile justice systems based upon the data and analyses the Council receives from the Division pursuant to subdivision 5012(a)(7) of this subchapter; and

(B) a status report on progress made and recommendations for further action, including legislative proposals, to address systemic racial bias and disparities within the criminal and juvenile justice systems.

(d) Meetings. The Council shall meet monthly.

(e) Compensation. Each member of the Council shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

(f) This section shall be repealed on June 30, 2027.

§ 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.

Sec. 2. RACIAL JUSTICE STATISTICS ADVISORY COUNCIL; IMPLEMENTATION

(a) First meeting. The first meeting of the Racial Justice Statistics Advisory Council shall be called by the Director of Racial Equity or designee. All subsequent meetings shall be called by the Chair.

(b) Staggered terms. Notwithstanding Sec. 1 of this act, the initial terms of the Council members beginning on January 1, 2023 shall be as follows:

(1) Members appointed pursuant to 3 V.S.A. § 5014(b)(1)(A) and (b)(1)(B)(i)(I) shall be appointed to a two-year term.

(2) Members appointed pursuant to 3 V.S.A. § 5014(b)(1)(B)(i)(II) and (III) shall be appointed to a three-year term.

(3) Members appointed pursuant to 3 V.S.A. § 5014(b)(1)(B)(i)(IV) and (V) shall be appointed to a four-year term.

Sec. 3. DIVISION OF RACIAL JUSTICE STATISTICS; POSITIONS

The following new positions are created in the Division of Racial Justice Statistics:

(1) one full-time, exempt Division leader, who shall be an Information Technology Data Analyst; and

(2) two full-time, exempt Information Technology Data Analysts, at a level to be determined by the Division.

Sec. 4. APPROPRIATION

The following appropriations shall be made in fiscal year 2023:

(1) \$363,000.00 from the General Fund to the Office of Racial Equity for the Division of Racial Justice Statistics;

(2) \$3,360.00 from the General Fund to the Office of Racial Equity for per diem compensation and reimbursement of expenses under 32 V.S.A. § 1010 for members of the Racial Justice Statistics Advisory Council established by 3 V.S.A. § 5014; and

(3) \$520,300.00 from the General Fund to the Agency of Digital Services to assist and support the Division of Racial Justice Statistics in the Office of Racial Equity.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(For text see House Journal March 18, 2022)

H. 551

An act relating to prohibiting racially and religiously restrictive covenants in deeds

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

Sec. 1. LEGISLATIVE INTENT

While racially and religiously restrictive covenants have been held unenforceable by courts since the U.S. Supreme Court's 1948 decision in *Shelley v. Kramer*, 344 U.S. 1 (1948), no State law currently exists to render these covenants void and to put an end to what was an invidious, historical practice of discrimination in the United States. This practice was responsible, in part, for preventing persons of racial and religious minority backgrounds from fully participating in one of the greatest expansions of wealth and prosperity in this country's history through federally backed mortgages and freely available homeownership. It is the intent of the General Assembly that this act prohibit racially and religiously restrictive covenants from ever being used in Vermont again, regardless of their enforceability, and that it ensure that existing racially and religiously restrictive covenants remain in municipal land records to preserve the historical record and maintain critical evidence of a pervasive system of discrimination that existed in Vermont and throughout the country.

Sec. 2. 27 V.S.A. § 546 is added to read:

§ 546. RACIALLY AND RELIGIOUSLY RESTRICTIVE COVENANTS IN

DEEDS PROHIBITED

(a) A deed, mortgage, plat, or other recorded device recorded on or after July 1, 2022 shall not contain a covenant, easement, or any other restrictive or reversionary interest purporting to restrict the ownership or use of real property on the basis of race or religion.

(b) A covenant, easement, or any other restrictive or reversionary interest in a deed, mortgage, plat, or other recorded device purporting to restrict the ownership or use of real property on the basis of race or religion is declared contrary to the public policy of the State of Vermont and shall be void and unenforceable. This subdivision shall apply to a restrictive covenant executed at any time.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(For text see House Journal March 16, 2022)

H. 728

An act relating to opioid overdose response services

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

* * * Operation of Syringe Service Programs * * *

Sec. 1. 18 V.S.A. § 4475 is amended to read:

§ 4475. DEFINITIONS

(a)(1) The term “drug paraphernalia” means all equipment, products, devices, and materials of any kind that are used, or promoted for use or designed for use, in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a regulated drug in violation of chapter 84 of this title. “Drug paraphernalia” does not include needles ~~and~~, syringes, or other harm reduction supplies distributed or possessed as part of an organized community-based needle exchange program.

(2) “Organized community-based needle exchange program” means a program approved by the Commissioner of Health under section 4478 of this title, the purpose of which is to provide access to clean needles and syringes; ~~and which is operated by an AIDS service organization, a substance abuse treatment provider, or a licensed health care provider or facility.~~ Such

programs shall be operated in a manner that is consistent with the provisions of 10 V.S.A. chapter 159 (waste management; hazardous waste); and any other applicable laws.

* * *

Sec. 2. REPORT; NEEDLE EXCHANGE PROGRAM GUIDELINES

On or before January 1, 2023, the Department of Health shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare on updates to the needle exchange program operating guidelines required pursuant to 18 V.S.A. § 4478 that reflect current practice and consideration of the feasibility and costs of designating organizations to deliver peer-operated needle exchange.

* * * Prior Authorization of Medication-Assisted Treatment
Medications for Medicaid Beneficiaries * * *

Sec. 3. 33 V.S.A. § 1901k is added to read:

§ 1901k. MEDICATION-ASSISTED TREATMENT MEDICATIONS

(a) The Agency of Human Services shall provide coverage to Medicaid beneficiaries for medically necessary medication-assisted treatment for opioid use disorder when prescribed by a health care professional practicing within the scope of the professional's license and participating in the Medicaid program.

(b) Upon approval of the Drug Utilization Review Board, the Agency shall cover at least one medication in each therapeutic class for methadone, buprenorphine, and naltrexone as listed on Medicaid's preferred drug list without requiring prior authorization.

Sec. 4. REPORT; PRIOR AUTHORIZATION; MEDICATION-ASSISTED TREATMENT

(a) On or before December 1, 2022, the Department of Vermont Health Access shall research the following, in consultation with individuals representing diverse professional perspectives, and submit its findings related to prior authorization for medication-assisted treatment to the Drug Utilization Review Board and Clinical Utilization Review Board for review, consideration, and recommendations:

(1) the quantity limits and preferred medications for buprenorphine products;

(2) the feasibility and costs for adding mono-buprenorphine products as preferred medications and the current process for verifying adverse effects;

(3) how other states' Medicaid programs address prior authorization for medication-assisted treatment, including the 60-day deferral of prior authorization implemented by Oregon's Medicaid program;

(4) the appropriateness and feasibility of removing annual renewal of prior authorization;

(5) the appropriateness of creating parity between hub-and-spoke providers with regard to medication-assisted treatment quantity limits; and

(6) creating an automatic emergency 72-hour pharmacy override default.

(b) Prior to providing a recommendation to the Department, the Drug Utilization Review Board and the Clinical Utilization Review Board shall include as an agenda item at their respective meetings the Department's findings related to prior authorization required pursuant to subsection (a) of this section.

(c) On or before January 15, 2023, the Department shall submit a written report containing both the Department's initial research and findings and the Drug Utilization Review Board and the Clinical Utilization Review Board's recommendations pursuant to subsection (a) of this section to the House Committee on Human Services and to the Senate Committee on Health and Welfare.

Sec. 5. [Deleted.]

Sec. 6. [Deleted.]

Sec. 7. REPORTS; PRIOR AUTHORIZATION FOR MEDICATION-
ASSISTED TREATMENT; MEDICAID

On or before February 1, 2023, 2024, and 2025, the Department of Vermont Health Access shall report to the House Committees on Health Care and on Human Services and to the Senate Committee on Health and Welfare regarding prior authorization processes for medication-assisted treatment in Vermont's Medicaid program during the previous calendar year, including:

(1) which medications required prior authorization;

(2) the reason for initiating prior authorization;

(3) how many prior authorization requests the Department received and, of these, how many were approved and denied and the reason for approval or denial;

(4) the average and longest length of time the Department took to process a prior authorization request; and

(5) how many prior authorization appeals the Department received and, of these, how many were approved and denied and the reason for approval or denial.

* * * Overdose Prevention Site Working Group * * *

Sec. 8. OVERDOSE PREVENTION SITE WORKING GROUP

(a) Creation. In recognition of the rapid increase in overdose deaths across the State, with a record number of opioid-related deaths in 2021, there is created the Overdose Prevention Site Working Group to identify the feasibility and liability of implementing overdose prevention sites in Vermont. The Working Group shall review the findings from previously completed reports on this topic and current efforts to examine and implement an overdose prevention site.

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

(1) the Commissioner of Health or designee;

(2) the Commissioner of Public Safety or designee;

(3) a representative, appointed by the State's Attorneys Offices;

(4) two representatives, appointed by the Vermont League of Cities and Towns, from different regions of the State;

(5) two individuals with lived experience of opioid use disorder, including at least one of whom is in recovery; one member appointed by the Howard Center's Safe Recovery program; and one member appointed by the Vermont Association of Mental Health and Addiction Recovery;

(6) the Program Director from the Consortium on Substance Use;

(7) the Program Director from the Howard Center's Safe Recovery program;

(8) a primary care prescriber with experience providing medication-assisted treatment within the hub-and-spoke model, appointed by the Clinical Director of Alcohol and Drug Abuse Programs; and

(9) an emergency department physician, appointed by the Vermont Medical Society.

(c) Powers and duties. The Working Group shall:

(1) conduct an inventory of overdose prevention sites nationally;

(2) identify the feasibility, liability, and cost of both publicly funded and privately funded overdose prevention sites;

(3) make recommendations on municipal and local actions necessary to implement overdose prevention sites;

(4) make recommendations on executive and legislative actions necessary to implement overdose prevention sites, if any; and

(5) develop an actionable plan for the design, facility fit-up, and implementation of one or more overdose prevention sites in Vermont.

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

(e) Report. On or before January 15, 2023, the Working Group shall submit a written report to the House Committee on Human Services and the Senate Committee on Health and Welfare with its findings and any recommendations for legislative action, including the plan developed pursuant to subdivision (c)(5) of this section and the estimated cost to implement the plan.

(f) Meetings.

(1) The Commissioner of Health 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 15, 2023.

(g) Compensation and reimbursement. Members of the Working Group 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. These payments shall be made from monies appropriated to the Department of Health.

(h) As used in this section, “overdose prevention site” means a facility where individuals can use previously acquired regulated drugs as defined in 18 V.S.A. § 4201.

* * * Program Presentations * * *

Sec. 9. MOBILE MEDICATION-ASSISTED TREATMENT

On or before February 15, 2023, the designated agencies operating mobile medication-assisted treatment services shall present information regarding their services to the House Committee on Human Services and to the Senate Committee on Health and Welfare. The Department of Health’s Division of

Alcohol and Drug Abuse Programs shall also present a summary of its use of federal funds for mobile medication-assisted treatment services and an assessment as to the efficacy of mobile medication-assisted treatment services at preventing overdose deaths. As part of their respective presentations, the designated agencies and the Department shall describe geographic inequities in the provision of methadone services and provide proposals for addressing geographic inequities.

Sec. 10. SUBSTANCE USE SUPPORT FOR JUSTICE INVOLVED
VERMONTERS

The Departments of Health and of Corrections shall continue existing efforts to support access to medication-assisted treatment services to individuals in the custody of the Department of Corrections and those individuals transitioning out of the custody of the Department of Corrections. On or before February 15, 2023, the Departments shall jointly present to the House Committees on Corrections and Institutions and on Human Services and to the Senate Committees on Health and Welfare and on Judiciary information:

- (1) summarizing their use of federal funds for this purpose; and
- (2) regarding the provision of medication-assisted treatment services to justice-involved individuals.

Sec. 11. OVERDOSE EMERGENCY RESPONSE SUPPORT

The Agency of Human Services shall continue existing efforts to provide or facilitate connections to substance use treatment, recovery, or harm reduction services at the time of an emergency response to an overdose. On or before February 15, 2023, the Agency shall present information to the House Committee on Human Services and to the Senate Committee on Health and Welfare summarizing the use of federal funds and status of this work.

* * * Effective Date * * *

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(For text see House Journal March 24, 2022)

Senate Proposal of Amendment to House Proposal of Amendment

S. 210

An act relating to rental housing health and safety and affordable housing

The Senate concurs in the House proposal of amendment with further

amendment thereto 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.

(For House Proposal of Amendment see House Journal April 22, 2022)

Governor's Veto

S. 286

An act relating to amending various public pension and other postemployment benefits.

Text of Veto Message

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. S. 286** to the House is as follows:

Dear Mr. Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.286, *An act relating to amending various public pension and other postemployment benefits*, without my signature because of my objections described herein.

Since the day after this bill was introduced, before it was voted out of a single committee, in either chamber of the General Assembly, I have been clear it does not include enough structural change to solve the enormous unfunded liability problems the State faces. I offered balanced solutions, which were disregarded.

It is unfortunate this veto will likely be easily overridden, not for me, but for Vermont taxpayers and State employees who will bear the burden in the future. I will acknowledge, this bill takes some positive steps, and the easiest thing for me to do would be to sign it, assure the public we solved the problem, and move on.

But given the scope of this problem and the risk it poses to the financial health of our state, I cannot bring myself to do that. It would be disingenuous because I know we could have done better.

The fact is, in several years – despite adding a quarter of a billion dollars in *additional* money (on top of the roughly \$400 million for our regular, required payment) from taxpayers – the state will be faced with the same unsustainable system we have today.

I won't be governor when those chickens come home to roost, and many of you will not be serving in your current roles, either. But the Legislature's unwillingness to question the deal reached between a handful of union and legislative representatives will come back to haunt our state in the not-too-distant future.

And when it does, we won't have the unprecedented level of federal funds and state surplus dollars at our disposal, and the fix will be tougher on both taxpayers and public employees.

/s/Philip B. Scott

NOTICE CALENDAR

Favorable with Amendment

S. 33

An act relating to project-based tax increment financing districts

Rep. Nigro of Bennington, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate that the bill be amended as follows:

First: In Sec. 2, 32 V.S.A. § 5404a, by striking out subdivision (b)(2) in its entirety and inserting in lieu thereof the following:

(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, for the properties located within both the agreement and the tax increment financing district, 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.

by striking out subdivision (f)(4) and its following asterisks in their entireties, and in subdivision (h)(4)(C), by adding after the second sentence, "For environmental remediation of a brownfield, this shall include the cost of the site preparation needed to stimulate development or redevelopment in the tax increment financing district as identified in clean-up documentation approved by a regulatory agency."

Second: By striking out Sec. 3, tax increment financing project development; pilot program, in its entirety and by renumbering the remaining sections to be numerically correct.

Third: In the newly renumbered Sec. 3, 24 V.S.A. § 1891, in subdivision (7), in the first sentence, by inserting "and related costs" after "improvements" and by striking out "and related costs" after "improvements" in the second sentence.

Fourth: In the newly renumbered Sec. 4, 24 V.S.A. § 1895, in subsection (b), by inserting "when the district is established" after "Any parcel within a district" in the first sentence.

Fifth: By striking out in the newly renumbered Sec. 5, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 5. 24 V.S.A. § 1896 is amended to read:

§ 1896. TAX INCREMENTS

(a) In each year following the creation of the district, the listers or assessor shall include ~~no~~ not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the tax increment financing district is situated; but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year. In each year ~~for which the assessed valuation exceeds the original taxable value~~, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property in the district ~~which~~ that the excess valuation bears to the total assessed valuation. The amount held apart each year is the “tax increment” for that year. ~~No~~ Not more than the percentages established pursuant to section 1894 of this subchapter of the municipal and State education tax increments received with respect to the district and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness of the district has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the district in the assessed valuations upon which municipal and other tax rates are computed and extended and thereafter no taxes from the district shall be deposited in the district’s tax increment financing account.

* * *

(e) In each year, a municipality shall remit not less than the aggregate original taxable value to the Education Fund.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

and that after passage the title of the bill be amended to read: “An act relating to miscellaneous tax increment financing district provisions”

(Committee vote:11-0-0)

(For text see Senate Journal March 24, 2022)

Rep. Kornheiser of Brattleboro, for the Committee on Ways and Means, recommends the bill ought to pass when amended as recommended by the Committee on Commerce and Economic Development and when further amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 24 V.S.A. § 1891 is amended to read:

§ 1891. DEFINITIONS

When 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” does not include the funding of debt service payments.

* * *

(7) “Financing” means debt incurred, including principal, interest, and any fees or charges directly related to that debt, or other instruments or borrowing used by a municipality to pay for improvements in a tax increment financing district, only if authorized by the legal voters of the municipality in accordance with section 1894 of this subchapter. Payment for the cost of district improvements may also include direct payment by the municipality using the district increment. However, such payment is also subject to a vote by the legal voters of the municipality in accordance with section 1894 of this subchapter and, if not included in the tax increment financing plan approved under subsection 1894(d) of this subchapter, is also considered a substantial change and subject to the review process provided by subdivision 1901(2)(B) of this subchapter. If interfund loans within the municipality are used as the method of financing, no interest shall be charged. Bond anticipation notes may be used as a method of financing; provided, however, that bond anticipation notes shall not be considered a first incurrence of debt pursuant to subsection 1894(a) of this subchapter.

* * *

(9) “Active district” means a district that has been created pursuant to subsection 1892(a) of this subchapter, has not been terminated pursuant to subsection 1894(a) of this subchapter, and has not retired all district financing or related costs.

Sec. 2. 24 V.S.A. 1892 is amended to read:

§ 1892. CREATION OF DISTRICT

* * *

~~(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;~~
- ~~(4) the City of Newport;~~
- ~~(5) the City of Winooski;~~
- ~~(6) the Town of Colchester;~~
- ~~(7) the Town of Hartford;~~
- ~~(8) the City of St. Albans;~~
- ~~(9) the City of Barre;~~
- ~~(10) the Town of Milton, Town Core; and~~

~~(11) the City of South Burlington~~ There shall be not more than 14 active districts in the State at any time.

* * *

(h) Annually, based on the analysis and recommendations included in the reports required in this section, the General Assembly shall consider the amount of new long-term net debt that prudently may be authorized for TIF districts in the next fiscal year and determine whether to expand the number of active TIF districts or similar economic development tools ~~in addition to the previously approved districts referenced in subsection (d) of this section and the six additional districts authorized by 32 V.S.A. § 5404a(f) in subsection (d) of this section.~~

Sec. 3. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

(a) Certification. As of the date the district is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district has increased or decreased relative to the original taxable value.

(b) Boundary of the district. No adjustments to the physical boundary lines of a district shall be made after the approval of a tax increment financing district plan.

Sec. 4. 24 V.S.A. § 1896 is amended to read:

§ 1896. TAX INCREMENTS

(a) In each year following the creation of the district, the listers or assessor shall include ~~no~~ not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the tax increment financing district is situated; but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year. In each year ~~for which the assessed valuation exceeds the original taxable value~~, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property in the district ~~which~~ that the excess valuation bears to the total assessed valuation. The amount held apart each year is the “tax increment” for that year. ~~No~~ Not more than the percentages established pursuant to section 1894 of this subchapter of the municipal and State education tax increments received with respect to the district and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness of the district has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the district in the assessed valuations upon which municipal and other tax rates are computed and extended and thereafter no taxes from the district shall be deposited in the district’s tax increment financing account.

* * *

(e) In each year, a municipality shall remit not less than the aggregate tax due on the original taxable value to the Education Fund.

Sec. 5. 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 districts in the State, and not a district if it will result in the total number of active districts, as defined in 24 V.S.A. § 1891(9), exceeding the limit set forth in 24 V.S.A. § 1892(d) and shall not approve 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)~~(B) 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~~ 14 active-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~~ 14 active-district limit.

* * *

Sec. 6. REPORT; DEPARTMENT OF TAXES; LOCAL OPTION TAX;

MUNICIPAL INFRASTRUCTURE IMPROVEMENTS

(a) On or before January 1, 2023, the Commissioner of Taxes shall submit a written report to the House Committees on Government Operations and on Ways and Means and the Senate Committees on Finance and on Government Operations that recommends a program to allow a municipality to adopt a local option tax under 24 V.S.A. § 138 without requiring legislative approval by the General Assembly, provided that:

(1) all revenue from the local option tax is:

(A) used only for specified municipal projects for infrastructure improvements; and

(B) deposited into a special or limited-use fund;

(2) the imposition of the local option tax is limited in duration to the term of repayment of a municipal debt obligation; and

(3) notwithstanding 24 V.S.A. § 138(c) and (d):

(A) the Department shall collect the per-return fee for the costs of administration and collection under 24 V.S.A. § 138(c) from the municipality only; and

(B) all revenue from the local option tax after reduction for the costs of administration and collection shall be paid to the municipality.

(b) As part of the recommendation described in subsection (a) of this section, the Commissioner of Taxes shall consider whether a municipality that already has a local option tax can use the program and, if so, whether any other conditions should apply.

Sec. 7. 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 miscellaneous changes to tax increment financing district provisions”

(Committee Vote:11-0-0)

S. 281

An act relating to hunting coyotes with dogs

Rep. Notte of Rutland City, for the Committee on Judiciary, recommends that the House Proposal of Amendment be amended as follows:

By adding a new section to be Sec. 3a to read as follows:

Sec. 3a. DEPARTMENT OF PUBLIC SAFETY; REPORT ON USE OF GUN SUPPRESSORS

On or before January 15, 2023, the Commissioner of Public Safety, in consultation with the Commissioner of Fish and Wildlife, the Commissioner of Health, and the Vermont Network Against Domestic and Sexual Violence, shall submit to the House Committees on Natural Resources, Fish, and Wildlife and on Judiciary and the Senate Committees on Natural Resources and Energy and on Judiciary a written report regarding the use of gun suppressors in order to inform whether the General Assembly should authorize the use of gun suppressors for hunting. The report shall include:

(1) an assessment of the impacts on hearing when a person is using a gun suppressor and when the person is not;

(2) the number of suppressors owned in Vermont and any reported incidence of the misuse of suppressors in Vermont;

(3) available information regarding the use of gun suppressors in the commission of crimes or domestic violence in those states that allow the use of gun suppressors while hunting; and

(4) available information regarding the basis for the prohibition on the use of gun suppressors in those states that prohibit the use.

(Committee vote:8-2-1)

Senate Proposal of Amendment

H. 465

An act relating to boards and commissions

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

First: 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.

* * *

Second: 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.

Third: 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.

Fourth: 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.

Fifth: By striking out Sec. 9, effective date, and its reader assistance heading in their entirety 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.

(For text see House Journal March 17, 2022)

H. 489

An act relating to miscellaneous provisions affecting health insurance regulation

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

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
(For text see House Journal February 2, 2022)

Amendment to be offered by Reps. Donahue of Northfield, Black of Essex, Burrows of West Windsor, Cordes of Lincoln, Goldman of Rockingham, Houghton of Essex, Lippert of Hinesburg, Page of Newport City and Peterson of Clarendon to H. 489

Representatives Donahue of Northfield, Black of Essex, Burrows of West Windsor, Cordes of Lincoln, Goldman of Rockingham, Houghton of Essex, Lippert of Hinesburg, Page of Newport City, and Peterson of Clarendon move that the House concur in the Senate proposal of amendment with further proposal of amendment by adding a new section to be Sec. 10 to read as follows:

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

H. 727

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

The Senate proposes to the House to amend the bill by striking 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 ~~16~~. ~~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 I 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) 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.

**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) 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.

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.

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.

(For text see House Journal March 17, 2022)

Action Postponed Until May 7, 2022

Senate Proposal of Amendment

H. 739

An act relating to capital construction and State bonding budget adjustment

The Senate proposes to the House to amend the bill by striking 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

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

(6) Nursing school programs, capital grants, renovation or expansion of simulation laboratories: \$1,000,000.00

* * *

(e)(1) For the amount appropriated in subdivision (b)(6) of this section, the Secretary of Administration shall establish a capital grant program for nursing school programs to enable them to increase student enrollment by renovating or expanding their simulation laboratories, or both. On or before August 15, 2022, the Secretary of Administration shall issue a request for information (RFI) to assess the capital needs at nursing programs in the State and develop the guidelines and eligibility criteria for the grant and determine the appropriate State entity to administer the program. The ROI process shall include a survey of nursing school programs at Vermont colleges and

universities to determine what, if any, capital needs exist for the expansion of nursing school simulation laboratories. The process shall also include an assessment of capital needs relating to technology upgrades to allow for remote access.

(2) On or before January 15, 2023, the Agency or Department responsible for distributing the grant funds shall submit a report to the House Committees on Corrections and Institutions and on Health Care and the Senate Committee on Health and Welfare and on Institutions with the results of the assessment described in subdivision (1) of this subsection.

* * *

Appropriation – FY 2022	\$12,350,000.00
Appropriation – FY 2023	\$1,200,000.00 <u>\$7,100,000.00</u>
Total Appropriation – Section 3	\$13,550,000.00 <u>\$19,450,000.00</u>

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 <u>\$683,000.00</u>
--	---

* * *

(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.

<u>Appropriation – FY 2022</u>	<u>\$473,000.00</u>
<u>Appropriation – FY 2023</u>	<u>\$733,000.00</u>
<u>Total Appropriation – Section 4</u>	<u>\$1,206,000.00</u>

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

Appropriation – FY 2022 \$2,000,000.00

Appropriation – FY 2023 ~~\$2,100,000.00~~ \$2,900,000.00

Total Appropriation – Section 8 ~~\$4,100,000.00~~ \$4,900,000.00

Sec. 6. 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
\$50,000.00

(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. 7. 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. 8. 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. 9. 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~~

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. 13. 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. 14. 2021 Acts and Resolves No. 50, Sec. 19 is amended to read:

Sec. 19. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

(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.

Sec. 15. 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:

Sec. 16. 2021 Acts and Resolves No. 50, Sec. 21a is amended to read:

(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.

(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. 17. 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. 18. 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	<u>\$22,176.75</u>
--	--------------	--------------------

* * *

Sec. 19. EFFECTIVE DATE

This act shall take effect on passage.

(For text see House Journal March 25, 2022)

Action Postponed Until May 10, 2022

Senate Proposal of Amendment to House Proposal of Amendment

S. 280

An act relating to miscellaneous changes to laws related to vehicles

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

By striking out Secs. 12, report on increasing gross weight limits on highways; 13, distracted driving; report; 14, idling; public outreach campaign; 15, 19 V.S.A. § 10b; 16, 19 V.S.A. § 10i; and 17, effective dates, and their corresponding reader assistance headings in their entirety and inserting in lieu thereof the following:

* * * General Statement of Policy; Transportation Planning * * *

Sec. 12. 19 V.S.A. § 10b is amended to read:

§ 10b. STATEMENT OF POLICY; GENERAL

(a) The Agency shall be the responsible agency of the State for the development of transportation policy. It shall develop a mission statement to reflect:

(1) that State transportation policy shall be to encompass, coordinate, and integrate all modes of transportation and to consider “complete streets” principles, which are principles of safety and accommodation of all transportation system users, regardless of age, ability, or modal preference; and

(2) the need for transportation projects that will improve the State’s economic infrastructure, as well as the use of resources in efficient, coordinated, integrated, cost-effective, and environmentally sound ways, and that will be consistent with the recommendations of the Comprehensive Energy Plan (CEP) issued under 30 V.S.A. § 202b, the recommendations of the Climate Action Plan (CAP) issued under 10 V.S.A. § 592, and any rules adopted in accordance with 10 V.S.A. § 593.

(b) The Agency shall coordinate planning and education efforts with ~~those of the Vermont Climate Change Oversight Committee and~~ those of local and regional planning entities to:

(1) ~~to ensure that the transportation system as a whole is integrated, that access to the transportation system as a whole is integrated, and that statewide, local, and regional conservation and efficiency opportunities and practices are integrated; and~~

(2) to support employer-led or local or regional government-led conservation, efficiency, rideshare, and bicycle programs and other innovative transportation advances, especially employer-based incentives.

(c) In developing the State's annual Transportation Program, the Agency shall, consistent with the planning goals listed in 24 V.S.A. § 4302 ~~as amended by 1988 Acts and Resolves No. 200~~ and with appropriate consideration to local, regional, and State agency plans:

(1) Develop or incorporate designs that provide integrated, safe, and efficient transportation and that are consistent with the recommendations of the CEP and the CAP.

* * *

Sec. 13. 19 V.S.A. § 10i is amended to read:

§ 10i. TRANSPORTATION PLANNING PROCESS

(a) Long-range systems plan. The Agency shall establish and implement a planning process through the adoption of a long-range ~~multi-modal~~ multimodal systems plan integrating all modes of transportation. The long-range ~~multi-modal~~ multimodal systems plan shall be based upon Agency transportation policy developed under section 10b of this title; other policies approved by the General Assembly; Agency goals, mission, and objectives; and demographic and travel forecasts, design standards, performance criteria, and funding availability. The long-range systems plan shall be developed with participation of the public and local and regional governmental entities and pursuant to the planning goals and processes set forth in 1988 Acts and Resolves No. 200. The plan shall be consistent with the Comprehensive Energy Plan (CEP) issued under 30 V.S.A. § 202b and the Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

* * *

(c) Transportation Program. The Transportation Program shall be developed in a fiscally responsible manner to accomplish the following objectives:

(1) managing, maintaining, and improving the State's existing transportation infrastructure to provide capacity, safety, and flexibility, and resiliency in the most cost-effective and efficient manner;

(2) developing an integrated transportation system that provides Vermonters with transportation choices;

(3) strengthening the economy, protecting the quality of the natural environment, and improving Vermonters' quality of life; and

(4) achieving the recommendations of the CEP and the CAP.

* * *

* * * Effective Dates * * *

Sec. 14. EFFECTIVE DATES

(a) This section and Secs. 1 (new motor vehicle arbitration; 9 V.S.A. § 4173(d)), 3 (current Total Abstinence Program participants), 8 and 9 (abandoned vehicles; 23 V.S.A. §§ 2151 and 2153(a)), and 10 (transportation network companies regulation preemption; 23 V.S.A. § 754(b)) shall take effect on passage.

(b) Sec. 2 (Total Abstinence Program; 23 V.S.A. § 1209a) shall take effect on passage and apply to all individuals participating in or in the process of applying to participate in the Total Abstinence Program as of the effective date of this section without regard to when the individual's license was reinstated under the Total Abstinence Program.

(c) All other sections shall take effect on July 1, 2022.

(For House Proposal of Amendment see House Journal April 22, 26, 2022)

Governor's Veto

H. 708

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

For text of Veto Message, please see the House Journal of May 3, 2022

Action Postponed Until May 17, 2022

Governor's Veto

S. 30

An act relating to prohibiting possession of firearms within hospital buildings.

For text of Veto Message, please see Senate Journal of March 11, 2022

Ordered to Lie

S. 247

An act relating to prohibiting discrimination based on genetic information.

Pending Question: Second Reading?

Consent Calendar

Concurrent Resolutions for Adoption Under Joint Rule 16a

The following concurrent resolutions have been introduced for approval by the Senate and House and will be adopted automatically unless a Senator or Representative requests floor consideration before today's adjournment. Requests for floor consideration in either chamber should be communicated to the Secretary's office and/or the House Clerk's office, respectively. For text of resolutions, see Addendum to House Calendar and Senate Calendar of May 5, 2022.

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

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.

For Informational Purposes

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3)(D):

JFO #3096 – Ten (10) limited-service positions to the Agency of Human Services, Department of Health to support the Public Health Emergency Response Supplemental Award for response to the Covid-19 pandemic. Funded by previously approved JFO grant #2070. Positions funded through 6/30/2023. Please see page 3 of this document for a list of positions.

[Received April 11, 2022]

JFO #3097 – Two (2) limited-service positions to the Vermont Agency of Human Services, Department of Health funded through a Substance Abuse Block grant supplement which was part of the American Recovery Act funding. Positions to help relieve the increase of substance abuse due to isolation during the Covid-19 pandemic. One (1) Substance Use Information Specialist, and one (1) Public Health Analyst funded through 9/30/2025.

[Received April 11, 2022]

JFO #3098 – One (1) limited-service position, Environmental Analyst IV, to the Agency of Natural Resources, Department of Environmental Conservation. This position will assist with coordination of the \$10M Regional Partnership Program grant which supports DEC's work on creative and innovative approaches to water quality. Position funded through previously approved grant #2762 through 12/31/2024.

[Received April 18, 2022]