

Journal of the Senate

WEDNESDAY, MAY 11, 2022

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

House Proposals of Amendment to Senate Proposal of Amendment Concurred In

H. 465.

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

An act relating to boards and commissions.

Was taken up.

The House proposes to the Senate to amend the Senate proposal of amendment as follows:

First: That the bill be amended in Sec. 8, 32 V.S.A. § 1010, by striking out subsection (e) in its entirety and inserting a new subsection (e) to read as follows:

(e) The Governor may authorize per diem compensation and expense reimbursement in accordance with this section for members of boards and commissions, including temporary study commissions, created by Executive Order. Per diem compensation authorized under this section for members of boards, commissions, councils, and committees and all other management, policymaking, or advisory bodies, including temporary study commissions, of the Executive Branch, whether appointed by the Governor or not, shall be not less than \$50.00 per day and shall be approved pursuant to this subsection.

(1) The annual budget report of the Governor submitted to the General Assembly as required by 32 V.S.A. § 306 shall contain a separate schedule, by entity, that provides the per diem compensation rate established for the current fiscal year and the per diem rate proposed for the next fiscal year of any per diem that will be increased from its current fiscal year rate. This schedule shall also provide, by entity, the total per diem amounts paid and total expenses reimbursed for all members of the entity in the most recently ended fiscal year. Prior to submitting this schedule, the Governor shall consult with

each elective officer or State officer who administers per diems that are not funded by the General Fund.

(2) In the annual budget documentation submitted to the House and Senate Committees on Appropriations, any agency or department that administers funds for a board, commission, council, and committee and all other management, policymaking, or advisory bodies, including temporary study commissions, shall provide a list of the entities and the current and projected per diem rate and expense reimbursement for each entity. The agency or department shall include within its annual budget documentation the justification for any current or projected per diem rate that is greater than \$50.00, including the justification for authorizing a per diem rate of greater than \$50.00 for a board, commission, council, or committee created by executive order pursuant to subsection (g) of this section.

Second: By striking out Sec. 9, Department of Finance and Management; fiscal year 2024; per diem maximum; report, in its entirety and inserting in lieu thereof a new section to be Sec. 9 to read as follows:

**Sec. 9. FISCAL YEAR 2024; SUNSET ADVISORY COMMISSION; PER
DIEM MAXIMUM; REPORT**

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

(b) Report. On or before December 1, 2023, the Sunset Advisory Commission shall submit a written report to the House and Senate Committees on Appropriations and on Government Operations with a recommendation on whether to establish a maximum per diem rate for boards, commissions, councils, or committees and any legislative actions necessary to increase uniformity and equality of per diem rates across State government.

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

**House Proposal of Amendment to Senate Proposal of Amendment
Concurred In**

H. 739.

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

An act relating to capital construction and State bonding budget adjustment.

Was taken up.

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

Sec. 1. 2021 Acts and Resolves No. 50, Sec. 1 is amended to read:

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the ~~\$127,378,694.00~~ \$143,757,972.00 authorized in this act, not more than ~~\$70,074,988.00~~ \$69,549,988.00 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

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

(c) It is also the intent of the General Assembly that in the second year of the biennium, the General Assembly address the impacts of the COVID-19 pandemic by offsetting capital projects with funds appropriated to the State from the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to the extent these appropriations are in compliance with federal law and guidance.

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

Sec. 2. STATE BUILDINGS

* * *

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

(1) Statewide, major maintenance: ~~\$7,350,000.00~~ \$7,096,521.00

(2) ~~Statewide, BGS engineering and architectural project costs:~~
~~\$3,747,442.00~~ [Repealed.]

* * *

(12) Burlington, 32 Cherry Street, parking garage renovations planning, design, and construction: ~~\$865,000.00~~ \$565,000.00

* * *

(15) Montpelier, State House, HVAC renovations:
~~\$2,535,000.00~~ \$6,800,000.00

* * *

(17) ~~Statewide, three-acre parcel, stormwater planning, design and implementation:~~ ~~\$600,000.00~~

(18) ~~Statewide, correctional facilities, door control system replacements:~~ ~~\$670,000.00~~

(18) ~~Burlington, 108 Cherry Street, parking garage repairs:~~ ~~\$2,000,000.00~~

(19) ~~Springfield, Southern State Correctional Facility, door control system replacement:~~ ~~\$750,000.00~~

(20) ~~Windsor, former Southeast State Correctional Facility, necessary demolition, salvage, dismantling, and improvements to facilitate future use of the facility:~~ ~~\$400,000.00~~

(21) ~~133 State Street, renovations for the Office of Legislative Information Technology and shared common spaces:~~ ~~\$1,400,000.00~~

(d)(1) On or before January 15, 2023, the Commissioner of Buildings and General Services shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions heat source options for a system to dehumidify the State House in the summer months that are consistent with the State Agency Energy Plan set forth in 3 V.S.A. § 2291.

(2) For the amount appropriated in subdivision (c)(15) of this section, no funds shall be expended on the heat source for a system to dehumidify the State House in the summer months until the General Assembly approves one of the options, as described in subdivision (1) of this subsection (d).

Appropriation – FY 2022 \$19,316,774.00

Appropriation – FY 2023 ~~\$24,800,442.00~~ \$28,714,521.00

Total Appropriation – Section 2 ~~\$44,117,216.00~~ \$48,031,295.00

Sec. 3. 2021 Acts and Resolves No. 50, Sec. 3 is amended to read:

Sec. 3. HUMAN SERVICES

* * *

(b) The following sums are appropriated in FY 2023 to the Department of Buildings and General Services for the Agency of Human Services for the following projects described in this subsection:

(1) Women's correctional facilities, replacement: \$1,000,000.00

(2) Statewide, correctional facility, life safety and security needs and enhancements: \$200,000.00

(3) Secure Residential Recovery Facility, design and construction:\$3,200,000.00(4) Statewide, correctional facilities, accessibility improvements, Americans with Disabilities Act (ADA) compliance:\$1,200,000.00(5) Statewide, correctional facilities, HVAC, programming, schematic design, and design documents:\$500,000.00

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Appropriation – FY 2022 \$12,350,000.00

Appropriation – FY 2023 ~~\$1,200,000.00~~ \$6,100,000.00Total Appropriation – Section 3 ~~\$13,550,000.00~~ \$18,450,000.00

Sec. 4. 2021 Acts and Resolves No. 50, Sec. 4 is amended to read:

Sec. 4. COMMERCE AND COMMUNITY DEVELOPMENT

* * *

(b) The following sums are appropriated in FY 2023 to the Agency of Commerce and Community Development for the following projects described in this subsection:

(1) Major maintenance at statewide historic sites:

~~\$350,000.00~~ \$683,000.00

* * *

(d) The Division of Historic Preservation shall conduct a facilities condition assessment on all the buildings and structures of the State Historic Sites within the next five years, with a cyclical update plan. Those buildings and structures open to the public shall be prioritized for investigation.

(e) It is the intent of the General Assembly to encourage the Lake Champlain Maritime Museum to, in addition to the development of a decommissioning plan, explore all options for the ongoing use of the Schooner Lois McClure.

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

Sec. 5. 2021 Acts and Resolves No. 50, Sec. 8 is amended to read:

Sec. 8. VERMONT STATE COLLEGES

* * *

(b) The following sums are appropriated in FY 2023 to the Vermont State Colleges for the projects described in this subsection:

(1) construction, renovation, and major maintenance at any facility owned or operated in the State by the Vermont State Colleges:

\$2,000,000.00

(2) infrastructure transformation planning and space modification:

~~\$100,000.00~~ \$900,000.00

(3) nursing programs, renovation of simulation laboratories:

\$800,000.00

(c) For the amount appropriated in subdivision (b)(3) of this section, on or before January 15, 2023, the Chancellor of the Vermont State Colleges shall submit a report to the House Committees on Corrections and Institutions, on Commerce and Economic Development, and on Health Care and to the Senate Committees on Economic Development, Housing and General Affairs, on Health and Welfare, and on Institutions, providing an accounting of all expenditures, any encumbered funds, and whether any unexpended funds remain.

Appropriation – FY 2022	\$2,000,000.00
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Appropriation – FY 2023	\$2,100,000.00 <u>\$3,700,000.00</u>
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Total Appropriation – Section 8	\$4,100,000.00 <u>\$5,700,000.00</u>
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Sec. 6. 2021 Acts and Resolves No. 50, Sec. 8a is added to read:

Sec. 8a. NORWICH UNIVERSITY

(a) The sum of \$200,000.00 is appropriated to Norwich University for the construction of simulation laboratories for the University's Nursing School.

(b) For the amount appropriated in subsection (a) of this section, on or before January 15, 2023, the President of Norwich University shall submit a report to the House Committees on Corrections and Institutions, on Commerce and Economic Development, and on Health Care and to the Senate Committees on Economic Development, Housing and General Affairs, on Health and Welfare, and on Institutions, providing an accounting of all expenditures, any encumbered funds, and whether any unexpended funds remain.

Appropriation – FY 2023 \$200,000.00

Total Appropriation – Section 8a \$200,000.00

Sec. 7. 2021 Acts and Resolves No. 50, Sec. 9 is amended to read:

Sec. 9. NATURAL RESOURCES

* * *

(e) The following sums are appropriated in FY 2023 to the Agency of Natural Resources for the Department of Environmental Conservation for the projects described in this subsection:

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(2) ~~Dam safety and hydrology projects~~ High and Significant Hazard Dam, dam safety improvements: ~~\$805,000.00~~ \$3,115,000.00

* * *

(4) Little Hosmer Dam, rehabilitation: \$190,000.00

(5) Infrastructure Investment and Jobs Act, Drinking and Clean Water State Revolving Fund, State match: \$2,833,980.00

(f) The following sums are appropriated in FY 2023 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the following projects:

(1) Infrastructure rehabilitation, including statewide small-scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, and statewide small-scale road rehabilitation projects: ~~\$4,476,553.00~~ \$4,251,553.00

(2) Rustic Cabin Construction Program: ~~\$500,000.00~~ \$700,000.00

(g) The following amounts are appropriated in FY 2023 to the Agency of Natural Resources for the Department of Fish and Wildlife for the projects described in this subsection:

(1) General infrastructure projects, including small-scale maintenance and rehabilitation of infrastructure: \$1,083,500.00

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

(3) Lake Champlain Walleye Association, Inc., purchase of self-cleaning tanks: \$25,000.00

(h) The following shall apply to the amounts appropriated in this section:

(1) For the amounts appropriated in subdivision (e)(5) of this section, the funds shall not be released until the federal grant has been received by the State.

(2) For the amount appropriated in subdivision (f)(2) of this section, the Department of Forests, Parks and Recreation is authorized to use not more than \$200,000.00 to work with career technical education centers for assistance with the Rustic Cabin Construction Program.

Appropriation – FY 2022 \$11,455,214.00

Appropriation – FY 2023 \$9,853,264.00 \$15,187,244.00

Total Appropriation – Section 9 \$21,308,478.00 \$26,642,458.00

Sec. 8. 2021 Acts and Resolves No. 50, Sec. 10 is amended to read:

Sec. 10. CLEAN WATER INITIATIVES

* * *

(c) The sum of \$500,000.00 is appropriated in FY 2022 to the Agency of Natural Resources for forestry access roads, recreation access roads, and water quality improvements. [Repealed.]

* * *

(e) The sum of \$11,000,000.00 is appropriated in FY 2023 to the Agency of Natural Resources for the Department of Environmental Conservation for clean water implementation projects. The amount of \$200,000.00 is appropriated in FY 2023 to the Agency of Agriculture, Food and Markets for water quality grants and contracts.

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(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 <u>\$10,500,000.00</u>
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Appropriation – FY 2023	\$11,000,000.00 <u>\$6,663,219.00</u>
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Total Appropriation – Section 10	\$22,000,000.00 <u>\$17,163,219.00</u>
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Sec. 9. 2021 Acts and Resolves No. 50, Sec. 11 is amended to read:

Sec. 11. MILITARY

(a) The sum of \$900,000.00 is appropriated in FY 2022 to the Department of Military for maintenance, renovations, and ADA compliance at State armories.

(b) The sum of ~~\$900,000.00~~ are \$1,100,000.00 is appropriated in FY 2023 to the Department of Military for the projects described in subsection (a) of this section.

Appropriation – FY 2022	\$900,000.00
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Appropriation – FY 2023	\$900,000.00 <u>\$1,100,000.00</u>
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Total Appropriation – Section 11	\$1,800,000.00 <u>\$2,000,000.00</u>
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Sec. 10. 2021 Acts and Resolves No. 50, Sec. 12 is amended to read:

Sec. 12. PUBLIC SAFETY

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~~(b) The sum of \$50,000.00 is appropriated in FY 2023 to the Department of Public Safety for a feasibility study for the Vermont Police Academy in Pittsford. The following amounts are appropriated in FY 2023 to the Department of Public Safety for the projects described in this subsection:~~

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

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

Appropriation – FY 2022	\$6,120,000.00
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Appropriation – FY 2023	\$50,000.00 <u>\$3,550,000.00</u>
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Total Appropriation – Section 12	\$6,170,000.00 <u>\$9,670,000.00</u>
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Sec. 11. 2021 Acts and Resolves No. 50, Sec. 13 is amended to read:

Sec. 13. AGRICULTURE, FOOD AND MARKETS

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(b) The sum of ~~\$350,000.00~~ \$1,400,000.00 is appropriated in FY 2023 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for ~~the project described in subsection (a) of this section~~ major maintenance, renovation, and modernization planning and design at the Vermont Building at the Eastern States Exhibition.

Appropriation – FY 2022	\$260,000.00
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Appropriation – FY 2023	\$350,000.00 <u>\$1,400,000.00</u>
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Total Appropriation – Section 13	\$610,000.00 <u>\$1,660,000.00</u>
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Sec. 12. 2021 Acts and Resolves No. 50, Sec. 17a is added to read:

Sec. 17a. SERGEANT AT ARMS

The amount of \$185,000.00 is appropriated in FY 2023 to the Sergeant at Arms for upgrades to 2 Governor Aiken Avenue.

Total Appropriation – Section 17a	<u>\$185,000.00</u>
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Sec. 13. 2021 Acts and Resolves No. 50, Sec. 17b is added to read:

Sec. 17b. FY 2022 AND FY 2023; AMERICAN RESCUE PLAN ACT;
STATE AND LOCAL FISCAL RECOVERY FUND; CAPITAL
PROJECTS; AUTHORIZATIONS

(a) Findings. The General Assembly finds:

(1) In 2021 Acts and Resolves No. 74, Sec. G.700(c), the General Assembly authorized the Commissioner of Finance and Management to use not more than \$15,000,000.00 in American Rescue Plan Act (ARPA) funds to offset capital funds appropriated to projects supporting water and sewer infrastructure in fiscal year 2022 to the extent feasible under federal law and guidance.

(2) The Governor's fiscal year 2022–2023 capital budget adjustment report included recommendations for water and sewer infrastructure projects historically funded in the State's capital construction act that could be funded in fiscal years 2022 and 2023 with ARPA funds.

(3) The General Assembly finds that in addition to the capital projects identified by the Governor's fiscal year 2022–2023 capital budget adjustment report, there are other capital projects that can be funded in fiscal year 2023 with ARPA funds.

(b) Intent. It is the intent of the General Assembly to authorize certain projects that are eligible for ARPA funds in this act but appropriate the funds for these projects in the FY 2023 Annual Appropriations Act.

(c) Authorizations. In fiscal years 2022 and 2023, the following capital projects are authorized to be undertaken with funds appropriated in the FY 2023 Annual Appropriations Act:

(1) In FY 2022 and FY 2023, the Department of Forests, Parks and Recreation is authorized to upgrade forestry access roads, recreation access roads, and make water quality improvements to these roads.

(2) In FY 2023, in addition to the amounts appropriated in Sec. 10(e) of this act, the Agency of Agriculture, Food and Markets is authorized to issue water quality grants and contracts.

(3) In FY 2023, in addition to the amounts appropriated in Sec. 10(i)(2) of this act, the Department of Environmental Conservation is authorized to issue municipal pollution control grants.

(4) In FY 2023, the Department of Forests, Parks and Recreation is authorized to make wastewater repairs and water and sewer infrastructure improvements and upgrades to restrooms and bathhouses at State parks.

(5) In FY 2023, in addition to the amount appropriated in Sec. 10(j)(1)(A) of this act, the Vermont Housing and Conservation Board is authorized to issue grants for water quality improvement projects.

(6) In FY 2023, the Vermont Historical Society is authorized to make upgrades and repairs to the HVAC system at the Vermont History Center in Barre.

(7) The Department of Buildings and General Services is authorized to begin design and construction for the expansion of the State House in Montpelier.

(8) The Judiciary is authorized to make HVAC improvements to county courthouses.

Sec. 14. 2021 Acts and Resolves No. 50, Sec. 18 is amended to read:

Sec. 18. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

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

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- (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

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Total Reallocations and Transfers – Section 18 \$4,198,694.44 \$7,737,808.64

Sec. 15. 2021 Acts and Resolves No. 50, Sec. 19 is amended to read:

Sec. 19. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

(a) The State Treasurer is authorized to issue general obligation bonds in the amount of \$123,180,000.00 for the purpose of funding the appropriations of this act. The State Treasurer, with the approval of the Governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded. The State Treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds, pursuant to 32 V.S.A. § 954.

Total Revenues – Section 19	\$123,180,000.00	\$136,020,163.00
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(c) Sec. 97 (general obligation debt financing) shall take effect on July 1, 2023 June 30, 2022.

Sec. 21a. ~~13 BALDWIN STREET; SALE OF PROPERTY~~ PROPERTIES

(b) The Commissioner of Buildings and General Services is authorized to sell the property located at 14-16 Baldwin Street in Montpelier, Vermont, pursuant to the requirements of 29 V.S.A. § 166. The proceeds of the sale of 14-16 Baldwin Street shall be appropriated to future capital construction projects.

(c) The Commissioner of Buildings and General Services is authorized to sell the property located at 9 Baldwin Street in Montpelier, Vermont, contingent upon the completed relocation of the Office of Legislative Information Technology to 133 State Street. The proceeds from the sale shall be appropriated to future capital construction projects.

Sec. 25b. REDUCING CARBON INTENSITY; STATE BUILDINGS;
STATE ENERGY MANAGEMENT PROGRAM; INTENT

(a) It is the intent of the General Assembly that the Department of Buildings and General Services implement strategies as soon as practicable to

reduce carbon intensity in buildings under the jurisdiction of the Department. These strategies may include the use of:

(1) non-fossil-fuel alternatives when installing or replacing any space conditioning or water heating systems; and

(2) carbon-storing and least-embodied-carbon materials, as evidenced by appropriate documentation from contractors and suppliers, when constructing, renovating, or substantially repairing a building or facility.

(b) It is also the intent of the General Assembly that the Department of Forests, Parks and Recreations and the Agency of Transportation use the technical assistance of the State Energy Management Program, created in 29 V.S.A. § 168, for eligible projects.

Sec. 19. 2021 Acts and Resolves No. 50, Sec. 30a is added to read:

Sec. 30a. NURSING SCHOOL PROGRAMS; SIMULATION
LABORATORIES; REPORT

On or before January 15, 2023, the Vermont State Colleges, Norwich University, and the University of Vermont shall each submit a report to the House Committees on Commerce and Economic Development and on Health Care and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare detailing the infrastructure and programming needs, estimated costs, and timeline to renovate or construct nursing simulation laboratories in order to expand student enrollment at nursing programs in the State.

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

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

(a) Notwithstanding the provisions of 29 V.S.A. § 165 and any other provision of law to the contrary, in order to perform its constitutional duties, the Legislative Branch shall have exclusive use of alternative locations during the 2021–22 legislative biennium, including the following:

(1) 133 State Street:

(A) Basement: rooms 012, 016, and 021.

(B) First Floor: rooms 121 and 126.

(C) Fourth Floor: board room.

(2) 109 State Street:

(A) Basement: rooms B07 and B015 and surrounding space;

(B) Second floor: rooms 264, 267, 268, and 270.

(C) Fourth floor: conference room.

(3) 111 State Street: library stacks room on the second floor.

(b) Notwithstanding the provisions of 29 V.S.A. § 165 and any other provision of law to the contrary, in order to perform its constitutional duties, beginning July 1, 2021, the Legislative Branch shall have the exclusive use of the following space:

(1) 2 Aiken Street: entire building.

(2) 4 Aiken Street: entire building.

(3) 133 State Street:

(A) Basement: rooms 015 and 022.

(B) First Floor: rooms 122 and 125.

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

(d) The Sergeant at Arms and the Commissioner of Buildings and General Services shall consider ways to address any disruption to the functionality of the Executive and Legislative Branches in shared State building space.

~~(d)~~(e) The authority of the Sergeant at Arms set forth in 2 V.S.A. chapter 62 shall apply in any rooms or spaces occupied by the Legislative Branch.

Sec. 21. 2019 Acts and Resolves No. 42, Sec. 10 is amended to read:

Sec. 10. NATURAL RESOURCES

* * *

(b) The following sums are appropriated in FY 2020 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the following projects:

* * *

(2) Rustic Cabin Construction Program:	\$797,586.00	<u>\$22,176.75</u>
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* * *

Sec. 22. EFFECTIVE DATE

This act shall take effect on passage.

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

Bill Passed in Concurrence with Proposal of Amendment

H. 175.

House bill of the following title

An act relating to the beverage container redemption system.

Was read the third time and passed in concurrence with proposal of amendment on a roll call, Yeas 17, Nays 13.

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

Roll Call

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

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

Bill Passed in Concurrence with Proposal of Amendment

H. 512.

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

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

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

H. 533.

House bill entitled:

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

Was taken up.

Thereupon, pending third reading of the bill, Senator Sears moved to amend the Senate proposal of amendment as follows:

First: In Sec. 1, drug-related property seizure and forfeiture; working group; report, in subsection (d), following “Joint Legislative Justice Oversight Committee”, by inserting , the Senate Committee on Judiciary, and the House Committee on Judiciary

Second: By adding a new Sec. 2 to read as follows:

Sec. 2. 18 V.S.A. § 4247 is amended to read:

§ 4247. DISPOSITION OF PROPERTY

(a) Whenever property is forfeited and delivered to the State Treasurer under this subchapter, the State Treasurer shall, ~~no~~ not sooner than 90 days ~~of~~ after the date the property is delivered, sell the property at a public sale held under 27 V.S.A. chapter ~~13~~ 18, subchapter 7.

(b) The proceeds from the sale of forfeited property shall be used first to offset any costs of selling the property, and then, after any liens on the property have been paid in full, applied to payment of seizure, storage, and forfeiture expenses, including animal care expenses related to the underlying violation. Remaining proceeds shall be distributed as follows:

* * *

(B) ~~The Governor’s Criminal Justice and Substance Abuse Cabinet Agency of Administration~~ is authorized to determine the allocations among the groups listed in subdivision (A) of this subdivision (1); and may only reimburse the prosecutor and law enforcement agencies that participated in the enforcement effort resulting in the forfeiture for expenses incurred, including actual expenses for involved personnel. The proceeds shall be held by the Treasurer until the ~~Cabinet Agency~~ Agency notifies the Treasurer of the allocation determinations, at which time the Treasurer shall forward the allocated amounts to the appropriate agency’s operating funds.

* * *

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

Sec. 3. REPEAL

18 V.S.A. § 4247(b)(1)(B) is repealed on July 1, 2024.

And by renumbering the remaining section to be numerically correct.

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

An act relating to forfeited property disposition and a study assessing civil and criminal seizure and forfeiture of property in drug-related offenses.

Which was agreed to.

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

Senate Resolutions Adopted on the Part of the Senate

Senate resolutions of the following titles were severally read the third time and adopted on the part of the Senate:

S.R. 26. Senate resolution urging the Vermont Congressional Delegation to introduce and pursue the enactment of legislation authorizing permanent U.S. residency eligibility for the more than 800 international victims of the Vermont EB-5 scandal.

S.R. 27. Senate resolution reaffirming the friendship between Vermont and the Republic of China (Taiwan) and supporting both enhanced United States-Taiwan bilateral relations and Taiwan's participation in the international community.

Proposal of Amendment; Third Reading Ordered

H. 730.

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to alcoholic beverages and the Department of Liquor and Lottery.

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

* * * Ready-to-Drink Spirits Beverages; Ciders * * *

Sec. 1. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this title:

* * *

(6) "Certificate of approval" means a license granted by the Board of Liquor and Lottery to a manufacturer or distributor of malt beverages or vinous beverages, or both, that is not licensed under the provisions of this title, that permits the licensee to sell those beverages to holders of a packager's or wholesale dealer's license.

* * *

(16) “First-class license” means a license permitting the licensee to sell malt ~~and beverages~~, vinous beverages, and ready-to-drink spirits beverages to the public for consumption only on the premises for which the license is granted.

* * *

(19) “Fourth-class license” means a license permitting a licensed manufacturer or rectifier to sell by the unopened container and distribute by ~~the glass sample~~, with or without charge, beverages manufactured by the licensee.

* * *

(25) “Malt beverages” means all fermented beverages of any name or description manufactured for sale from malt, wholly or in part, or from any substitute therefor, known as, among other things, beer, ale, or lager, containing not less than one percent nor more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

(26) “Manufacturer’s or rectifier’s license” means a license granted by the Board of Liquor and Lottery that permits the holder to manufacture or rectify malt beverages, vinous beverages, and fortified wines; or spirits, ~~and fortified wines, and ready-to-drink spirits beverages~~.

* * *

(31) “Ready-to-drink spirits beverage” means an alcoholic beverage containing more than one percent alcohol by volume and not more than 12 percent alcohol by volume at 60 degrees Fahrenheit obtained by distillation, by chemical synthesis, or through concentration by freezing and mixed with nonalcoholic beverages, flavoring, or coloring materials. Ready-to-drink spirits beverages may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, and other ingredients.

(32) “Request-to-cater permit” means a permit granted by the Division of Liquor Control authorizing a licensed caterer or commercial caterer to cater individual events.

(32)(33) “Retail dealer” means any person who sells or furnishes malt or vinous beverages to the public.

(33)(34) “Retail delivery permit” means a permit granted by the Division of Liquor Control that permits a second-class licensee to deliver malt beverages and vinous beverages sold from the licensed premises for consumption off the premises to an individual who is 21 years of age or older at a physical address in Vermont.

~~(34)~~(35) “Sampler flight” means a flight, ski, paddle, or any similar device by design or name intended to hold alcoholic beverage samples for the purpose of comparison.

~~(35)~~(36) “Second-class license” means a license permitting the licensee to export and to sell malt beverages ~~and~~, vinous beverages, or ready-to-drink spirits beverages to the public for consumption off the premises for which the license is granted.

~~(36)~~(37) “Special event permit” means a permit granted by the Division of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local control commissioners.

~~(37)~~(38) “Special venue serving permit” means a permit granted by the Division of Liquor Control permitting an art gallery, bookstore, public library, or museum to conduct an event at which malt or vinous beverages, or both, are served by the glass to the public. As used in this section, “art gallery” means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; “bookstore” means a fixed establishment whose primary purpose is to offer books for sale; “public library” has the same meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in 27 V.S.A. § 1151.

~~(38)~~(39) “Specialty beer” means a malt beverage that contains more than eight percent alcohol and not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

~~(39)~~(40) “Spirits” means beverages that contain more than one percent alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; vinous beverages containing more than 23 percent alcohol; and malt beverages containing more than 16 percent alcohol by volume at 60 degrees Fahrenheit. “Spirits” also means a ready-to-drink spirits beverage that contains more than 12 percent alcohol by volume at 60 degrees Fahrenheit or is packaged in containers greater than 24 fluid ounces in volume.

~~(40)~~(41) “Third-class license” means a license granted by the Board of Liquor and Lottery permitting the licensee to sell spirits and fortified wines for consumption only on the premises for which the license is granted.

~~(41)~~(42) “Vinous beverages” means all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits or other agricultural product, containing sugar, the total alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit.

(42)(43) “Wholesale dealer’s license” means a license granted by the Board of Liquor and Lottery permitting the holder to sell or distribute malt ~~and beverages~~, vinous beverages, and ready-to-drink spirits beverages to first- and second-class licensees, to educational sampling event permit holders, and to agencies of the United States.

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

Sec. 2. 7 V.S.A. § 62 is amended to read:

§ 62. HOURS OF SALE

(a) First- or first- and third-class licensees, or festival, special event, or educational sampling event permit holders may sell alcoholic beverages between the hours of 8:00 a.m. and 2:00 a.m. the next morning.

(b)(1) Second-class licensees may sell malt ~~and beverages~~, vinous beverages and ready-to-drink spirits beverages between the hours of 6:00 a.m. and 12:00 midnight.

* * *

Sec. 3. 7 V.S.A. § 63 is amended to read:

§ 63. IMPORTATION OR TRANSPORTATION OF ALCOHOL;
PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

(a)(1) All spirits and fortified wines imported or transported into this State shall be imported or transported by and through the Board of Liquor and Lottery. A person importing or transporting or causing to be imported or transported into this State any spirits or fortified wines, or both, in violation of this section shall be imprisoned not more than one year or fined not more than \$5,000.00, or both.

(2) Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than eight quarts of spirits or fortified wines, or both, into this State ~~in his or her~~ the person’s own private vehicle or in his or her actual possession at the time of importation without a license or permit, provided the beverages are not for resale.

(b)(1) Except as provided in sections 277, 278, and 283 of this title, all malt ~~or beverages~~, vinous beverages, or ready-to-drink spirits beverages, or ~~both~~ a combination of malt beverages, vinous beverages, and ready-to-drink spirits beverages, imported or transported into this State shall be imported or

transported by and through the holder of a wholesale dealer's license issued by the Board of Liquor and Lottery. A person importing or transporting or causing to be imported or transported into this State any malt ~~or~~ beverages, vinous beverages, ~~or both~~ or ready-to-drink spirits beverages, in violation of this section shall be imprisoned not more than one year or fined not more than \$1,000.00, or both.

(2) Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than six gallons of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages, or ~~both~~ a combination of malt beverages, vinous beverages, and ready-to-drink spirits beverages, into this State in ~~his or her~~ the person's own private vehicle or in ~~his or her~~ the person's actual possession at the time of importation without a license or permit, provided the beverages are not for resale.

Sec. 4. 7 V.S.A. § 104 is amended to read:

§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

The Board shall supervise and manage the sale of spirits and fortified wines within the State in accordance with the provisions of this title, and through the Commissioner of Liquor and Lottery shall:

* * *

(11) Adopt rules regarding intrastate transportation of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages.

* * *

Sec. 5. 7 V.S.A. § 161 is amended to read:

§ 161. LICENSES VOTED BY TOWN; TOWN MEETINGS; WARNING

(a) Upon petition of not less than five percent of the legal voters of any town, filed with the town clerk in conformance with 17 V.S.A. § 2642, the warning of the annual or special meeting shall contain an article providing for a vote upon the following questions:

Shall licenses for the sale of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages be granted in this town?

Shall spirits and fortified wines be sold in this town?

The vote under the article shall be by ballot in the following form:

Shall licenses for the sale of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages be granted in this town?

Yes ___ No ___

Shall spirits and fortified wines be sold in this town?

Yes ____ No ____

(b) Licenses and permits for the sale of malt ~~and~~ beverages, vinous beverages, ready-to-drink spirits beverages, and spirits and fortified wines shall be issued according to the vote at the annual town meeting held in March 1969 until a town votes otherwise.

Sec. 6. 7 V.S.A. § 201 is amended to read:

§ 201. LICENSES CONTINGENT ON TOWN VOTE

Licenses of the first or second class shall not be granted by the control commissioners or the Board of Liquor and Lottery to be exercised in any city or town, the voters of which vote “No” on the question of whether to permit the sale of malt beverages ~~and~~, vinous beverages, and ready-to-drink spirits beverages pursuant to section 161 of this title. Licenses of the third class shall not be granted by the Board of Liquor and Lottery to be exercised in any city or town, the voters of which vote “No” on the question of whether to sell fortified wines and spirits pursuant to section 161 of this title.

Sec. 7. 7 V.S.A. § 204 is amended to read:

§ 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

(a) The following fees shall be paid when applying for a new license or permit or to renew a license or permit:

(1) For a manufacturer’s or rectifier’s license to manufacture or rectify malt beverages, or vinous beverages and fortified wines, or ~~spirits and~~ fortified wines, and ready-to-drink spirits beverages, \$285.00 for each license.

* * *

(7) For a shipping license for malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages:

- (A) in-state consumer shipping license, \$330.00~~;~~;
- (B) out-of-state consumer shipping license, \$330.00~~;~~;
- (C) vinous beverages retail shipping license, \$250.00.

* * *

(16) For a certificate of approval:

- (A) for malt beverages, \$2,485.00;
- (B) for vinous beverages, \$985.00~~;~~;

(C) for ready-to-drink spirits beverages, \$985.00.

* * *

Sec. 8. 7 V.S.A. § 221 is amended to read:

§ 221. FIRST-CLASS LICENSES

* * *

(b)(1) A first-class license permits the holder to sell malt ~~and beverages,~~ vinous beverages, and ready-to-drink spirits beverages for consumption only on those premises.

(2) Except as otherwise provided pursuant to sections 271 and 278 of this title, a first-class license holder shall purchase all malt beverages ~~and,~~ vinous beverages, and ready-to-drink spirits beverages sold pursuant to the license from Vermont wholesale dealers or packagers.

(c) A retail dealer carrying on business in more than one place shall acquire a first-class license for each place where the retail dealer sells malt ~~or beverages,~~ vinous beverages, or ready-to-drink spirits beverages for consumption on the premises.

* * *

Sec. 9. 7 V.S.A. § 222 is amended to read:

§ 222. SECOND-CLASS LICENSES

(a)(1) With the approval of the Board of Liquor and Lottery, the control commissioners may grant a second-class license to a retail dealer for the premises where the dealer carries on business if the retail dealer submits an application and pays the fee provided in section 204 of this title and satisfies the Board that the premises:

* * *

(b)(1) A second-class license permits the holder to export malt ~~and beverages,~~ vinous beverages, and ready-to-drink spirits beverages and to sell malt ~~and beverages,~~ vinous beverages, and ready-to-drink spirits beverages to the public from the licensed premises for consumption off the premises.

* * *

(3) Except as otherwise provided pursuant to sections 225, 271, and 278 of this title, a second-class license holder shall purchase all malt beverages ~~and,~~ vinous beverages, and ready-to-drink spirits beverages sold pursuant to its license from Vermont wholesale dealers or packagers.

(c) A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where the retail dealer sells malt and beverages, vinous beverages, and ready-to-drink spirits beverages.

* * *

Sec. 10. 7 V.S.A. § 224 is amended to read:

§ 224. FOURTH-CLASS LICENSES

* * *

(b) At each licensed location, a fourth-class licensee may sell by the unopened container or distribute by the glass, with or without charge, alcoholic beverages manufactured by the licensee.

(1) A licensee may, for consumption at the licensed premises or location, distribute the following amounts of alcoholic beverages to a retail customer:

(A) ~~no~~ not more than two ounces of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages with a total of eight ounces; and

* * *

Sec. 11. 7 V.S.A. § 226 is amended to read:

§ 226. RETAIL DELIVERY PERMITS

* * *

(b) A retail delivery permit holder may deliver malt beverages ~~and~~, vinous beverages, and ready-to-drink spirits beverages sold from the licensed premises for consumption off the premises to an individual who is 21 years of age or older subject to the following requirements:

* * *

(4) An employee of a retail delivery permit holder shall not be permitted to make deliveries of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages pursuant to the permit unless ~~he or she~~ the employee has completed a training program approved by the Division pursuant to section 213 of this chapter.

(5) Malt beverages ~~and~~, vinous beverages, and ready-to-drink spirits beverages delivered pursuant to a retail delivery permit shall be for personal use and not for resale.

Sec. 12. 7 V.S.A. § 228 is amended to read:

§ 228. SAMPLER FLIGHTS

(a) The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages or ciders to a single customer at one time.

(b) The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages or ready-to-drink spirits beverages to a single customer at one time.

* * *

Sec. 13. 7 V.S.A. § 251 is amended to read:

§ 251. EDUCATIONAL SAMPLING EVENT PERMIT

* * *

(b) An educational sampling event permit holder is permitted to conduct an event that is open to the public at which malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, spirits, or all four are served only for the purposes of marketing and educational sampling.

* * *

(d) The permit holder shall ensure all the following:

(1) Attendees at the educational sampling event shall be required to pay an entry fee of ~~no~~ not less than \$5.00.

(2)(A) Malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain ~~no~~ not more than two ounces of either beverage.

* * *

(f) Taxes for the alcoholic beverages served at the event shall be paid as follows:

* * *

Sec. 14. 7 V.S.A. § 252 is amended to read:

§ 252. SPECIAL EVENT PERMITS

* * *

(b)(1) A special event permit holder may sell alcoholic beverages manufactured or rectified by the permit holder by the glass within the event boundaries or the unopened bottle.

(2) For purposes of tasting, a special event permit holder may distribute beverages manufactured or rectified by the permit holder with or without charge, provided the beverages are distributed:

(A) by the glass; and

(B) in quantities of ~~no~~ not more than two ounces per product and eight ounces total of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages and ~~no~~ not more than one ounce in total of spirits or fortified wines to each individual.

* * *

Sec. 15. 7 V.S.A. § 253 is amended to read:

§ 253. FESTIVAL PERMITS

* * *

(b) A festival required to be permitted under this section is any event that is open to the public for which the primary purpose is to serve one or more of the following: malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits.

(c) A festival permit holder is permitted to conduct an event that is open to the public at which one or more of the following are served: malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits.

(d) The permit holder shall ensure the following:

* * *

(2)(A) Malt beverages and ciders for sampling shall be offered in glasses that contain not more than 12 ounces; with not more than 60 ounces served to any patron at one event.

(B) Vinous beverages or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain not more than five ounces with not more than 25 ounces served to any patron at one event.

* * *

(E) Patrons attending a festival where combinations of malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits are mutually sampled shall not be served more than a combined total of six U.S. standard drinks containing 3.6 fluid ounces or 84 grams of pure ethyl alcohol.

* * *

(e)(1) A festival permit holder may purchase invoiced volumes of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages directly from a manufacturer or packager licensed in Vermont or a manufacturer or packager that holds a federal Basic Permit or Brewers Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

(2) The invoiced volumes of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event.

(f) A festival permit holder shall be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages pursuant to section 421 of this title.

* * *

Sec. 16. 7 V.S.A. § 254 is amended to read:

§ 254. SPECIAL VENUE SERVING PERMITS

* * *

(b) A permit holder may purchase malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages directly from a licensed retailer.

* * *

(d) A public library or museum may only be granted a permit pursuant to this section for an event held for a charitable or educational purpose at which malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages will be served for a period of not more than six hours.

Sec. 17. 7 V.S.A. § 255 is amended to read:

§ 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

* * *

(b) The Division may grant the following alcoholic beverage tasting permits to the following types of licensees:

(1) A second-class licensee.

(A) The permit authorizes the employees of the second-class licensee or of a designated manufacturer or rectifier to dispense to each customer of legal age on the licensee's premises malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt ~~or~~ beverages, vinous beverages,

or ready-to-drink spirits beverages.

(B) Malt ~~or beverages,~~ vinous beverages, or ready-to-drink spirits beverages dispensed at the tasting event shall be from the inventory of the licensee or purchased from a wholesale dealer.

* * *

(2) A licensed manufacturer or rectifier of malt ~~or beverages,~~ vinous beverages, or ready-to-drink spirits beverages.

(A) The permit authorizes the licensed manufacturer or rectifier to dispense to each customer of legal age for consumption on the premises of a second-class licensee beverages produced by the manufacturer or rectifier by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt ~~or beverages,~~ vinous beverages, or ready-to-drink spirits beverages.

* * *

(3) A licensed wholesale dealer. The permit authorizes a licensed wholesale dealer to dispense malt ~~or beverages,~~ vinous beverages, or ready-to-drink spirits beverages for promotional purposes at the wholesale dealer's premises without charge to invited employees of first-, second-, and third-class licensees, provided the invited employees are of legal age.

(c) A vinous beverage, ready-to-drink spirits beverage, or malt beverage tasting event held pursuant to subsection (b) of this section, not including an alcoholic beverage tasting conducted on the premises of the manufacturer or rectifier, shall comply with the following:

(1) continue for ~~no not~~ more than six hours, with ~~no not~~ more than six beverages to be offered at a single event, and ~~no not~~ more than two ounces of any single beverage and ~~no not~~ more than a total of eight ounces of malt ~~or beverages,~~ vinous beverages, or ready-to-drink spirits beverages to be dispensed to a customer;

* * *

Sec. 18. 7 V.S.A. § 256 is amended to read:

§ 256. PROMOTIONAL TASTINGS FOR LICENSEES

(a)(1) At the request of a first- or second-class licensee, a holder of a manufacturer's, rectifier's, or wholesale dealer's license may distribute without charge to the first- or second-class licensee's management and staff, provided they are of legal age, two ounces per person of vinous beverages, ready-to-drink spirits beverages, or one ounce per person, for the purpose of promoting the beverage.

* * *

(b)(1) At the request of a holder of a wholesale dealer's license, a first-class licensee may dispense malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages for promotional purposes without charge to invited management and staff of first-, second-, or third-class licensees, provided they are of legal age.

* * *

(c)(1) Upon receipt of a first- or second-class application by the Division, a holder of a wholesale dealer's license may dispense malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages for promotional purposes without charge to invited management and staff of the business that has applied for a first- or second-class license, provided they are of legal age.

* * *

(4) No malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages shall be left behind at the conclusion of the tasting.

* * *

Sec. 19. 7 V.S.A. § 257 is amended to read:

§ 257. TASTINGS FOR PRODUCT QUALITY ASSURANCE

* * *

(b) Each sample of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages shall be ~~no~~ not larger than two ounces, and each sample of spirits or fortified wines shall be ~~no~~ not larger than one-quarter ounce.

* * *

Sec. 20. 7 V.S.A. § 271 is amended to read:

§ 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

(a)(1) The Board of Liquor and Lottery may grant a manufacturer's or rectifier's license upon application and payment of the fee provided in section 204 of this title that permits the license holder to operate a facility that manufactures or rectifies:

- (A) malt beverages;
- (B) vinous beverages and fortified wines; or
- (C) spirits, ready-to-drink spirits beverages, and fortified wines.

* * *

(b) Except as otherwise provided in section 224 of this title and subsections (d)–(f) of this section:

* * *

(2) malt beverages ~~and~~, vinous beverages, and ready-to-drink spirits beverages may be manufactured or rectified for sale to packagers or wholesale dealers, or for export, or both.

(c) A licensed manufacturer of vinous beverages or fortified wines, or both, may receive from another manufacturer licensed in or outside this State bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages or fortified wines produced by the licensed manufacturer may contain ~~no~~ not more than 25 percent imported vinous beverages.

* * *

Sec. 21. 7 V.S.A. § 273 is amended to read:

§ 273. WHOLESALE DEALER'S LICENSE

* * *

(b) A wholesale dealer's license holder may distribute or sell malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages to first- and second-class licensees and holders of educational sampling event permits.

* * *

Sec. 22. 7 V.S.A. § 274 is amended to read:

§ 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT
~~OR BEVERAGES~~, VINOUS BEVERAGES,
OR READY-TO DRINK SPIRITS BEVERAGES

(a) The Board of Liquor and Lottery may grant to a manufacturer or distributor of malt ~~or beverages~~, vinous beverages, or ready-to-drink spirits beverages that is not licensed under the provisions of this title a certificate of approval if the manufacturer or distributor does all of the following:

* * *

(b) A certificate of approval shall permit the holder to export malt ~~or beverages~~, vinous beverages, or ready-to-drink spirits beverages or sell malt ~~or beverages~~, vinous beverages, or ready-to-drink spirits beverages to holders of packagers' or wholesale dealers' licenses issued under section 272 or 273 of this title, or both.

(c) A holder of a packager's or a wholesale dealer's license issued under this title shall not purchase within or outside the State, or import or cause to be

imported into the State, any malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages unless the person, manufacturer, or distributor from which the beverages are obtained holds a valid certificate of approval or packager's license.

* * *

Sec. 23. 7 V.S.A. § 275 is amended to read:

§ 275. SOLICITOR'S LICENSE

* * *

(b) A solicitor's license holder may, by canvassing or interviewing holders of licenses issued under the provisions of this title:

(1) solicit orders for and promote the sale of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages; and

(2) promote the sale of spirits and fortified wines.

* * *

(d) A person who solicits, or attempts to solicit, orders for malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages; or promotes, or attempts to promote, the sale of malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines by canvassing or interviewing a holder of a license issued under the provisions of this title, without having first obtained a solicitor's license as provided in this section, or who makes a false or fraudulent statement or representation in an application for the license or in connection with an application shall be imprisoned not more than six months or fined not more than \$500.00, or both.

Sec. 24. 7 V.S.A. § 277 is amended to read:

§ 277. MALT AND, VINOUS, AND READY-TO-DRINK SPIRITS
BEVERAGE CONSUMER SHIPPING LICENSE

(a)(1) A manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages licensed in Vermont may be granted an in-state consumer shipping license by filing with the Division of Liquor Control an application in a form required by the Commissioner accompanied by a copy of the applicant's current Vermont manufacturer's license and the fee provided in section 204 of this title.

* * *

(b)(1) A manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages licensed in another state that operates a brewery ~~or~~, winery, or distillery in the United States and holds valid state and

federal permits and licenses may be granted an out-of-state consumer shipping license by filing with the Division of Liquor Control an application in a form required by the Commissioner accompanied by copies of the applicant's current out-of-state manufacturer's license and the fee provided in section 204 of this title.

* * *

(c)(1) A consumer shipping license granted pursuant to this section shall permit the licensee to ship malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages produced by the licensee to private residents for personal use and not for resale.

(2) A licensee shall not ship more than 12 cases of malt beverages containing ~~no~~ not more than 36 gallons of malt beverages or ~~no~~ not more than 12 cases of vinous beverages or ready-to-drink spirits beverages containing ~~no~~ not more than 29 gallons of vinous beverages or ready-to-drink spirits beverages to any one Vermont resident in any calendar year.

* * *

Sec. 25. 7 V.S.A. § 279 is amended to read:

§ 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL REQUIREMENTS

A holder of a shipping license granted pursuant to section 277 or 278 of this subchapter shall comply with all of the following:

* * *

(4) Report at least twice per year to the Division if a holder of a consumer shipping license and once per year if a holder of a retail shipping license in a manner and form required by the Commissioner all the following information:

(A) the total amount of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages shipped into or within the State during the preceding six months if a holder of a consumer shipping license or during the preceding 12 months if a holder of a retail shipping license;

* * *

(5) Pay to the Commissioner of Taxes the tax required pursuant to section 421 of this title on the malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages shipped pursuant to this subchapter and comply with the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery in this State shall be deemed to constitute a sale in this State at the place of delivery and shall be subject to all

appropriate taxes levied by the State of Vermont.

* * *

Sec. 26. 7 V.S.A. § 280 is amended to read:

§ 280. COMMON CARRIERS; REQUIREMENTS

(a) A common carrier shall not deliver malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages pursuant to this chapter until it has complied with the training provisions in section 213 of this title and been certified by the Division of Liquor Control.

(b) No employee of a certified common carrier may deliver malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages until that employee completes the training required pursuant to subsection 213(c) of this title.

(c) A certified common carrier shall deliver only malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages that have been shipped by the holder of a license issued under section 277 or 278 of this subchapter or vinous beverages that have been shipped by the holder of a vinous beverage storage license issued under section 283 of this subchapter.

Sec. 27. 7 V.S.A. § 281 is amended to read:

§ 281. PROHIBITIONS

(a)(1) Except as otherwise provided in section 226 of this title, direct shipments of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages are prohibited if the shipment is not specifically authorized and in compliance with sections 277–280 of this subchapter.

(2) Any person who knowingly makes, participates in, imports, or receives a direct shipment of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages from a person who does not hold a license, permit, or certificate pursuant to sections 226 or 277–280 of this title may be fined not more than \$2,500.00 or imprisoned not more than one year, or both.

(b) The holder of a license issued pursuant to section 277 or 278 of this title or a common carrier that ships malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to an individual under 21 years of age shall be fined not less than \$1,000.00 or more than \$3,000.00 or imprisoned not more than two years, or both.

* * *

Sec. 28. 7 V.S.A. § 421 is amended to read:

§ 421. TAX ON MALT AND VINOUS BEVERAGES

(a) Every packager and wholesale dealer shall pay to the Commissioner of Taxes:

(1) the sum of 26 and one-half cents per gallon for every gallon or its equivalent of:

(A) malt beverages containing not more than six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

(B) ciders containing not more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State;

(2) the sum of 55 cents per gallon for each gallon of:

(A) malt beverages containing more than six percent of alcohol by volume at 60 degrees Fahrenheit;

(B) ciders containing more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and each gallon of

(C) vinous beverages sold by them to retailers in the State; and

(3) the sum of \$1.10 per gallon of ready-to-drink spirits beverages sold to them by retailers in the State.

(b) A manufacturer or rectifier of malt beverages, or vinous beverages, or ready-to-drink spirits beverages shall pay the taxes required by this subsection to the Commissioner of Taxes for all malt and vinous beverages manufactured or rectified by them and sold at retail.

~~(b)~~(c) A packager or wholesale dealer may sell malt or beverages, vinous beverages, or ready-to-drink spirits beverages to any duly authorized agency of the U.S. Armed Forces on any U.S. Armed Forces' installation presently existing in the State or ~~which~~ that may in the future be established as though to a retail dealer but without the payment of the gallonage tax, subject to the filing of the returns as provided in subsection (c) of this section.

~~(e)(1)~~(d)(1) For the purpose of ascertaining the amount of tax, on the filing dates set out in subdivision (2) of this subsection according to tax liability, each packager, wholesale dealer, manufacturer, or rectifier shall transmit to the Commissioner of Taxes, upon a form prepared and furnished by the Commissioner, a statement or return under oath or affirmation showing the quantity of malt and beverages, vinous beverages, and ready-to-drink spirits beverages sold by the packager, wholesale dealer, manufacturer, or rectifier

during the preceding filing period, and report any other information requested by the Commissioner accompanied by payment of the tax required by this section. The amount of tax computed under subsection (a) of this section shall be rounded to the nearest whole cent. At the same time this form is due, each packager, wholesale dealer, manufacturer, or rectifier also shall transmit to the Commissioner in electronic format a separate report showing the description, quantity, and price of malt ~~and beverages~~, vinous beverages, ~~and ready-to-drink spirits beverages~~ sold by the packager, wholesale dealer, manufacturer, or rectifier to each retail dealer as defined in section 2 of this title; provided, however, for direct sales to retail dealers by manufacturers or rectifiers of vinous beverages or ready-to-drink spirits beverages, the report required by this subsection may be submitted in a nonelectronic format.

* * *

Sec. 29. 7 V.S.A. § 651 is amended to read:

§ 651. SOLICITING ORDERS

A person who, for himself or herself or as agent, takes or solicits orders for the sale of malt ~~or beverages~~, vinous beverages, or ready-to-drink spirits beverages, except for licensees or from agencies of the U.S. Armed Forces as specified in section 421 of this title, or of spirits or fortified wines shall be imprisoned not more than six months or fined not more than \$500.00 nor less than \$100.00, or both.

Sec. 30. 7 V.S.A. § 656 is amended to read:

§ 656. PERSON 16 YEARS OF AGE OR OLDER AND UNDER 21 YEARS OF AGE MISREPRESENTING AGE, PROCURING, POSSESSING, OR CONSUMING ALCOHOLIC BEVERAGES; CIVIL VIOLATION

(a) Prohibited conduct; offense.

(1) Prohibited conduct. A person 16 years of age or older and under 21 years of age shall not:

(A) Falsely represent ~~his or her~~ the person's age for the purpose of procuring or attempting to procure malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines from any licensee, State liquor agency, or other person or persons.

(B) Possess malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines for the purpose of consumption by ~~himself or herself~~ the person or other minors, except in the regular performance of duties as an employee of a licensee licensed to sell alcoholic liquor.

(C) Consume malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines. A violation of this subdivision may be prosecuted in a jurisdiction where the minor has consumed malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines or in a jurisdiction where the indicators of consumption are observed.

* * *

Sec. 31. 7 V.S.A. § 701 is amended to read:

§ 701. DEFINITIONS

Except as otherwise provided pursuant to section 752 of this chapter, as used in this chapter:

(1) “Certificate of approval” means an authorization by the Board of Liquor and Lottery pursuant to section 274 of this title to a manufacturer or distributor of malt beverages ~~or~~, vinous beverages, or ~~both~~, ready-to-drink spirits beverages not licensed under the provisions of this title, to sell those beverages to holders of a packager’s or wholesale dealer’s license issued by the Board pursuant to section 272 or 273 of this title.

(2) “Franchise” or “agreement” ~~shall mean~~ means one or more of the following:

* * *

(B) a relationship that has been in existence for at least one year in which the wholesale dealer is granted the right to offer and sell the brands of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages offered by the certificate of approval holder or manufacturer;

* * *

(E) a relationship that has been in existence for at least one year in which the wholesale dealer’s business is substantially reliant on the certificate of approval holder or manufacturer for the continued supply of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages; or

* * *

(3) “Franchisee” means any malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages wholesale dealer to whom a franchise or agreement as defined in this section is granted or offered, or any malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined in this section.

(4) “Franchisor” means any malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages certificate of approval holder or manufacturer who enters into any franchise or agreement with a malt beverages or vinous beverages wholesale dealer, or any malt beverages or vinous beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined in this section.

* * *

Sec. 32. 7 V.S.A. § 702 is amended to read:

§ 702. PROHIBITED ACTS BY MANUFACTURER OR CERTIFICATE OF APPROVAL HOLDER

A manufacturer or certificate of approval holder shall not do any of the following:

* * *

(2) Induce or coerce, or attempt to induce or coerce, any wholesale dealer to do any illegal act or thing by threatening to cancel or terminate the wholesale dealer’s malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages franchise agreement.

(3) Fail or refuse to deliver promptly to a wholesale dealer after the receipt of its order any malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages when the product is available for immediate sale. If a manufacturer or certificate of approval holder believes in good faith that it does not have a sufficient amount of a product available for immediate sale to satisfy the demand of a wholesale dealer and its other customers, it shall allocate the available product between the wholesale dealer and its other customers in a fair and equitable manner.

* * *

Sec. 33. 7 V.S.A. § 705 is amended to read:

§ 705. EXCLUSIVE TERRITORIES

No certificate of approval holder or manufacturer, who designates a sales territory for which a wholesale dealer shall be primarily responsible or in which a wholesale dealer is required to concentrate its efforts, shall enter into any franchise or agreement with any other wholesale dealer for the purpose of establishing an additional franchisee for its brand or brands of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages in the territory being primarily served or concentrated upon by the first licensed wholesale dealer.

Sec. 34. 7 V.S.A. § 706 is amended to read:

§ 706. SALE TO RETAILERS BY FRANCHISEES

No franchisee that is granted a sales territory for which the franchisee shall be primarily responsible or in which the franchisee is required to concentrate its efforts shall make any sale or delivery of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages to any retail licensee whose place of business is not within the sales territory granted to the franchisee.

Sec. 35. 10 V.S.A. § 1521 is amended to read:

§ 1521. DEFINITIONS

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

(1) “Beverage” means beer or other malt beverages and mineral waters, mixed wine drink, soda water and carbonated soft drinks in liquid form and intended for human consumption. ~~As of January 1, 1990 “beverage” also shall mean~~ “Beverage” also means liquor and ready-to-drink spirits beverage.

* * *

Sec. 36. TRANSFER TO GENERAL FUND

(a) In fiscal year 2023, a minimum of \$20,400,000.00 shall be transferred from the Liquor Control Enterprise Fund to the General Fund. The amount transferred pursuant to this subsection shall include any amounts transferred pursuant to the fiscal year 2023 annual budget bill.

(b) In fiscal year 2024, a minimum of \$21,200,000.00 shall be transferred from the Liquor Control Enterprise Fund to the General Fund.

(c) It is the intent of the General Assembly that for each year after fiscal year 2024 the amounts transferred from the Liquor Control Enterprise Fund to the General Fund shall annually increase according to the growth rate of liquor tax revenues in the most recent January Consensus Revenue Forecast.

* * * DLL Criminal Background Checks * * *

Sec. 37. 7 V.S.A. § 215 is added to read:

§ 215. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

Subject to the approval of the Board, the Commissioner shall establish a user agreement with the Vermont Crime Information Center in accordance with 20 V.S.A. chapter 117 for the purpose of obtaining Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation to review applications for any liquor or tobacco license issued under this title.

Sec. 38. 31 V.S.A. § 655 is amended to read:

§ 655. DUTIES OF THE COMMISSIONER

* * *

(b) The Commissioner shall:

* * *

(7) Subject to the approval of the Board, establish a user agreement with the Vermont Crime Information Center in accordance with 20 V.S.A. chapter 117 for the purpose of obtaining Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation to review applications for any Lottery sales agent license issued under this title.

* * * Appointment of One Deputy Commissioner * * *

Sec. 39. 7 V.S.A. § 101 is amended to read:

§ 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF
LIQUOR AND LOTTERY; BOARD OF LIQUOR AND LOTTERY

(a)(1) The Department of Liquor and Lottery, created by 3 V.S.A. § 212, shall administer the laws relating to alcoholic beverages, tobacco, and the State Lottery. It shall include the Commissioner of Liquor and Lottery and the Board of Liquor and Lottery.

* * *

(3)(A) The Department of Liquor and Lottery shall be under the immediate supervision and direction of the Commissioner of Liquor and Lottery.

* * *

(D) The Commissioner, with the approval of the Governor, may appoint a Deputy Commissioner of Liquor ~~Control and Lottery~~ to supervise and direct the Division of Liquor Control and a ~~Deputy Commissioner of the State Lottery to supervise and direct~~ the Division of Lottery. ~~Both~~ The Deputy Commissioners Commissioner shall be exempt from the classified service and shall serve at the pleasure of the Commissioner.

* * *

* * * Expansion of Rare Spirits Raffle * * *

Sec. 40. 7 V.S.A. § 5 is amended to read:

§ 5. DIVISION OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO
PURCHASE RARE AND UNUSUAL PRODUCTS SPIRITS

(a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary, the Division of Liquor Control may conduct raffles for the right to purchase certain rare and unusual spirits and fortified wines that are acquired by the Board of Liquor and Lottery. A raffle conducted pursuant to this section shall meet the following requirements:

(1) Tickets to enter the raffle shall only be available for purchase to a member of the general public, or to a third-class licensee by and through an authorized agent, who is 21 years of age or older.

* * *

* * * Staggered Licenses * * *

Sec. 41. TRANSITIONAL PROVISION; STAGGERED LICENSE
RENEWAL

The Department of Liquor and Lottery may extend the expiration date and stagger the issuance or renewal of permits, licenses, and certificates that are set to expire in the years 2022 and 2023. Permits, licenses, and certificates that are renewed on April 30, 2022 shall remain valid for one year or until a later renewal date designated by the Department.

Sec. 42. DEPARTMENT OF LIQUOR AND LOTTERY; STUDIES AND
REPORTS

(a) Ready-to-drink spirits beverage study.

(1) On or before January 15, 2024 the Department of Liquor and Lottery shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning the fiscal and economic impacts of privatizing the sale of ready-to-drink spirits beverages. In particular, the report shall:

(A) analyze the taxes imposed on these beverages by other control states that have privatized the sale of these beverages;

(B) provide a recommendation for whether the tax rate on ready-to-drink spirits beverages should increased, decreased, or stay the same;

(C) analyze the Department's annual sales report to determine retail sales and growth by beverage category; and

(D) examine any available sales data reflecting the impact of retail sale of ready-to-drink spirits beverages on the local craft beer industry in Vermont.

(2) In the preparation of the report, the Department of Liquor and Lottery shall solicit input from the Joint Fiscal Office, the Department of Taxes, and other stakeholders.

(b) Fortified wines study. On or before January 15, 2024, the Department of Liquor and Lottery shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning:

(1) the impact on State revenue of privatizing the sale of fortified wines;

(2) an examination of control state models that permit private sale of fortified wines up to 23 percent alcohol by volume; and

(3) the current and historical volume of fortified wine sales by retailers that hold a fortified wines permit.

(c) Study on consumer shipping of spirits.

(1) On or before January 15, 2024, the Department of Liquor and Lottery shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning:

(A) an analysis of the revenue impacts to the State and 802 retailers if direct to consumer shipping of spirits is authorized;

(B) an examination of the illegal direct to consumer shipping market that exists in the State;

(C) an analysis of the volume of direct to consumer spirits sales in the states with legal markets; and

(D) an analysis of the potential impact on Vermont distillers and 802 outlets of permitting out-of-state manufacturers to acquire direct-to-consumer shipping licenses.

(2) On or before January 15, 2023, the Department of Liquor and Lottery shall submit a written interim report concerning the study required by subdivision (1) of this subsection.

(d) Privatization study. On or before January 15, 2024, the Joint Fiscal Office, in conjunction with the Department of Liquor and Lottery, shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning the potential privatization of Vermont's alcoholic beverage market. The study and

report shall examine the impact on State revenue, the taxation and enforcement models that could be used in a private market, and recommendations for whether the State should amend regulatory structures to implement a privatized alcoholic beverage market. The Joint Fiscal Office may contract with an independent third-party consultant to conduct the study required by this subsection.

* * * Effective Dates * * *

Sec. 43. EFFECTIVE DATES

(a) This section and Sec. 41 (transitional provision; staggered license renewal) shall take effect on passage.

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

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

Senator Sirotkin, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: By striking out Sec. 28, 7 V.S.A. § 421, in its entirety and inserting in lieu thereof new Secs. 28 and 28a and their reader assistance headings to read as follows:

* * * Tax on ready-to-drink spirits beverages; effective July 1, 2022 * * *

Sec. 28. 7 V.S.A. § 421 is amended to read:

§ 421. TAX ON MALT AND VINOUS BEVERAGES

(a) Every packager and wholesale dealer shall pay to the Commissioner of Taxes:

(1) the sum of 26 and one-half cents per gallon for every gallon or its equivalent of malt beverages containing not more than six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; ~~and~~

(2) the sum of 55 cents per gallon for each gallon of:

(A) malt beverages containing more than six percent of alcohol by volume at 60 degrees Fahrenheit; ~~and each gallon of~~

(B) vinous beverages sold by them to retailers in the State; and

(3) the sum of \$1.10 per gallon of ready-to-drink spirits beverages sold by them to retailers in the State.

(b) A manufacturer or rectifier of malt beverages, ~~or~~ vinous beverages, or ready-to-drink spirits beverages shall pay the taxes required by this subsection to the Commissioner of Taxes for all malt and vinous beverages manufactured or rectified by them and sold at retail.

~~(b)(c)~~ A packager or wholesale dealer may sell malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits beverages to any duly authorized agency of the U.S. Armed Forces on any U.S. Armed Forces' installation presently existing in the State or ~~which~~ that may in the future be established as though to a retail dealer but without the payment of the gallonage tax, subject to the filing of the returns as provided in subsection (c) of this section.

~~(e)(1)(d)(1)~~ For the purpose of ascertaining the amount of tax, on the filing dates set out in subdivision (2) of this subsection according to tax liability, each packager, wholesale dealer, manufacturer, or rectifier shall transmit to the Commissioner of Taxes, upon a form prepared and furnished by the Commissioner, a statement or return under oath or affirmation showing the quantity of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages sold by the packager, wholesale dealer, manufacturer, or rectifier during the preceding filing period, and report any other information requested by the Commissioner accompanied by payment of the tax required by this section. The amount of tax computed under subsection (a) of this section shall be rounded to the nearest whole cent. At the same time this form is due, each packager, wholesale dealer, manufacturer, or rectifier also shall transmit to the Commissioner in electronic format a separate report showing the description, quantity, and price of malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages sold by the packager, wholesale dealer, manufacturer, or rectifier to each retail dealer as defined in section 2 of this title; provided, however, for direct sales to retail dealers by manufacturers or rectifiers of vinous beverages or ready-to-drink spirits beverages, the report required by this subsection may be submitted in a nonelectronic format.

* * *

* * * Tax on ciders; effective July 1, 2023 * * *

Sec. 28a. 7 V.S.A. § 421 is amended to read:

§ 421. TAX ON MALT AND VINOUS BEVERAGES

(a) Every packager and wholesale dealer shall pay to the Commissioner of Taxes;

(1) the sum of 26 and one-half cents per gallon for every gallon or its equivalent of:

(A) malt beverages containing not more than six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

(B) ciders containing not more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State;

(2) the sum of 55 cents per gallon for each gallon of:

(A) malt beverages containing more than six percent of alcohol by volume at 60 degrees Fahrenheit;

(B) ciders containing more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

(C) vinous beverages sold by them to retailers in the State; and

* * *

Second: By striking out Sec. 43, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 43. EFFECTIVE DATES

(a) This section and Sec. 41 (transitional provision; staggered license renewal) shall take effect on passage.

(b) Sec. 28a (tax on malt and vinous beverages; ciders) shall take effect on July 1, 2023.

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

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

Senator Westman, for the Committee on Appropriations, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Economic Development Housing and General Affairs with the following amendment thereto:

By striking out Sec. 42 (Department of Liquor and Lottery; studies and reports) in its entirety and inserting in lieu thereof:

Sec. 42. [Deleted.]

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee on Economic Development, Housing and General Affairs was amended as recommended by the Committee on Finance.

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Appropriations?, Senator Brock moved to amend the proposal of amendment of the Committee on Appropriations, as follows:

By striking out Sec. 42, Department of Liquor and Lottery; studies and reports, in its entirety and inserting in lieu thereof a new Sec. 42 to read as follows:

Sec. 42. AGENCY OF ADMINISTRATION; STUDY AND REPORT

(a) Privatization study. On or before January 15, 2024, the Agency of Administration shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committees on Economic Development, Housing and General Affairs and on Finance concerning the potential privatization of Vermont's alcoholic beverage market. The study and report shall examine the impact on State revenue, the taxation and enforcement models that could be used in a private market, and recommendations for whether the State should amend regulatory structures to implement a privatized alcoholic beverage market. The Agency of shall contract with an independent third-party consultant to conduct the study required by this subsection.

(b) Appropriation. The sum of \$50,000.00 is appropriated from the General Fund to the Agency of Administration in fiscal year 2023 for the purpose of contracting with an independent third-party consultant pursuant to subsection (a) of this section.

Which was agreed to.

Thereupon, the proposal of amendment of the Committee on Economic Development and Housing was amended as recommended by the Committee on Appropriations.

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

First: By striking out Sec. 1, 7 V.S.A. § 2, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this title:

* * *

(2) “Alcoholic beverages” means malt beverages, vinous beverages, spirits, ready-to-drink spirits beverages, and fortified wines.

* * *

(6) “Certificate of approval” means a license granted by the Board of Liquor and Lottery to a manufacturer or distributor of malt beverages ~~or~~, vinous beverages, or ~~both~~, ready-to-drink spirits beverages that is not licensed under the provisions of this title, that permits the licensee to sell those beverages to holders of a packager’s or wholesale dealer’s license.

* * *

(15) “Festival permit” means a permit granted by the Division of Liquor Control permitting a person to conduct an event at which ~~malt or vinous alcoholic beverages, or both~~, are sold by the glass to the public, provided the event is approved by the local control commissioners.

(16) “First-class license” means a license permitting the licensee to sell malt ~~and beverages~~, vinous beverages, and ready-to-drink spirits beverages to the public for consumption only on the premises for which the license is granted.

* * *

(19) “Fourth-class license” means a license permitting a licensed manufacturer or rectifier to sell by the unopened container and distribute by ~~the glass~~ sample, with or without charge, beverages manufactured by the licensee.

* * *

(25) “Malt beverages” means all fermented beverages of any name or description manufactured for sale from malt, wholly or in part, or from any substitute therefor, known as, among other things, beer, ale, or lager, containing not less than one percent nor more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

(26) “Manufacturer’s or rectifier’s license” means a license granted by the Board of Liquor and Lottery that permits the holder to manufacture or rectify malt beverages, vinous beverages, and fortified wines, or spirits ~~and~~, fortified wines, and ready-to-drink spirits beverages.

* * *

(31) “Ready-to-drink spirits beverage” means an alcoholic beverage containing more than one percent alcohol by volume and not more than 12 percent alcohol by volume at 60 degrees Fahrenheit obtained by distillation, by chemical synthesis, or through concentration by freezing and mixed with nonalcoholic beverages, flavoring, or coloring materials. Ready-to-drink spirits beverages may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, and other ingredients.

(32) “Request-to-cater permit” means a permit granted by the Division of Liquor Control authorizing a licensed caterer or commercial caterer to cater individual events.

~~(32)~~(33) “Retail dealer” means any person who sells or furnishes malt or beverages, vinous beverages, or ready-to-drink spirits beverages to the public.

~~(33)~~(34) “Retail delivery permit” means a permit granted by the Division of Liquor Control that permits a second-class licensee to deliver malt beverages and vinous beverages sold from the licensed premises for consumption off the premises to an individual who is 21 years of age or older at a physical address in Vermont.

~~(34)~~(35) “Sampler flight” means a flight, ski, paddle, or any similar device by design or name intended to hold alcoholic beverage samples for the purpose of comparison.

~~(35)~~(36) “Second-class license” means a license permitting the licensee to export and to sell malt beverages and, vinous beverages, or ready-to-drink spirits beverages to the public for consumption off the premises for which the license is granted.

~~(36)~~(37) “Special event permit” means a permit granted by the Division of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local control commissioners.

~~(37)~~(38) “Special venue serving permit” means a permit granted by the Division of Liquor Control permitting an art gallery, bookstore, public library, or museum to conduct an event at which malt or vinous beverages, or both, are served by the glass to the public. As used in this section, “art gallery” means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; “bookstore” means a fixed establishment whose primary purpose is to offer books for sale; “public library” has the same meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in 27 V.S.A. § 1151.

(38)(39) “Specialty beer” means a malt beverage that contains more than eight percent alcohol and not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

(39)(40) “Spirits” means beverages that contain more than one percent alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; vinous beverages containing more than 23 percent alcohol; and malt beverages containing more than 16 percent alcohol by volume at 60 degrees Fahrenheit. “Spirits” also means a ready-to-drink spirits beverage that contains more than 12 percent alcohol by volume at 60 degrees Fahrenheit or is packaged in containers greater than 24 fluid ounces in volume.

(40)(41) “Third-class license” means a license granted by the Board of Liquor and Lottery permitting the licensee to sell spirits and fortified wines for consumption only on the premises for which the license is granted.

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

(42)(43) “Wholesale dealer’s license” means a license granted by the Board of Liquor and Lottery permitting the holder to sell or distribute malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages to first- and second-class licensees, to educational sampling event permit holders, and to agencies of the United States.

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

Second: By striking out Sec. 13, 7 V.S.A. § 251, in its entirety and inserting in lieu thereof a new Sec. 13 to read as follows:

Sec. 13. 7 V.S.A. § 251 is amended to read:

§ 251. EDUCATIONAL SAMPLING EVENT PERMIT

* * *

(b) An educational sampling event permit holder is permitted to conduct an event that is open to the public at which malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, spirits, or all ~~four~~ five are served only for the purposes of marketing and educational sampling.

* * *

(d) The permit holder shall ensure all the following:

(1) Attendees at the educational sampling event shall be required to pay an entry fee of ~~no~~ not less than \$5.00.

(2)(A) Malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain ~~no~~ not more than two ounces of either beverage.

* * *

(f) Taxes for the alcoholic beverages served at the event shall be paid as follows:

* * *

(3) spirits: \$19.80 per gallon served; ~~and~~

(4) fortified wines: \$19.80 per gallon served; and

(5) ready-to-drink spirits beverages: \$1.10 per gallon served.

Third: In Sec. 18, 7 V.S.A. § 256, by striking out subdivision (a)(1) in its entirety and inserting in lieu thereof a new subdivision (a)(1) to read as follows:

(a)(1) At the request of a first- or second-class licensee, a holder of a manufacturer's, rectifier's, or wholesale dealer's license may distribute without charge to the first- or second-class licensee's management and staff, provided they are of legal age, two ounces per person of vinous ~~or~~ beverages, malt beverages, or ready-to-drink spirits beverages for the purpose of promoting the beverage.

Which was agreed to.

Thereupon, the pending question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Economic Development Housing and General Affairs, as amended?, was decided in the affirmative.

Thereupon, pending the question, Shall the bill be read third time?, Senator Ram Hinsdale moved to amend the Senate proposal of amendment in Sec. 1, 7 V.S.A. § 2, subdivision (31) ("read-to-drink spirits beverage"), following the period at the end of the last sentence, by adding a sentence to read as follows: "Ready-to-drink spirits beverage" shall not include a beverage that is packaged in containers greater than 24 fluid ounces in volume.

Which was agreed to.

Thereupon, third reading of the bill was ordered.

Rules Suspended; Bills on Notice Calendar for Immediate Consideration

On motion of Senator Balint, the rules were suspended, and the following bills, appearing on the Calendar for notice, were ordered to be brought up for immediate consideration:

S. 91, S. 173, S. 181, S. 201, S. 281, H. 74, H. 244, H. 477, H. 559.

Third Reading Ordered

H. 74.

Senator Brock, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to making miscellaneous changes concerning self-storage businesses.

Reported that the bill ought to pass in concurrence.

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

Third Reading Ordered

H. 244.

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

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

Reported that the bill ought to pass in concurrence.

Senator Pearson, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass in concurrence.

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

Third Reading Ordered**H. 477.**

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to leave for crime victims.

Reported that the bill ought to pass in concurrence.

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

Third Reading Ordered**H. 559.**

Senator Sirotkin, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to workers' compensation.

Reported that the bill ought to pass in concurrence.

Senator Cummings, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass in concurrence.

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

House Proposal of Amendment Concurred In**S. 91.**

House proposal of amendment to Senate bill entitled:

An act relating to the Parent Child Center Network.

Was taken up.

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

Sec. 1. 33 V.S.A. chapter 37 is amended to read:

CHAPTER 37. ~~PARENT-CHILD~~ PARENT CHILD CENTER PROGRAM
NETWORK

§ 3701. ~~PARENT-CHILD~~ PARENT CHILD CENTER PROGRAM
NETWORK; ELIGIBILITY

(a) ~~For purposes of~~ As used in this chapter, ~~“parent-child center”~~;

(1) “Concrete supports” means community services and resources to address the immediate needs of the family or contribute to the long-term well-being of the family, or both.

(2) “Parent child center” means a community-based organization established for the purpose of providing prevention and early intervention services such as parenting education, support, training, referral, and related services to prospective parents and families with young children including those whose children are medically, socially, or educationally at risk through the core services listed in subsection (d) of this section on behalf of the State.

(3) “Parent Child Center Network” or “Network” means an Agency of Human Services’ community partner composed of authorized parent child centers that ensures accountability and collaboration among authorized parent child centers.

(4) “Secretary” means the Secretary of Human Services or designee.

(b) The Secretary of Human Services shall:

(1) upon applications made annually, award grants to eligible parent-child centers; and

(2) establish, by rule, a formula for determining the amount of grants awarded under this chapter and minimum eligibility standards for such awards

The Secretary shall authorize a parent child center in accordance with this chapter.

(2) The Secretary shall conduct a reauthorization review of each authorized parent child center at least every six years.

(3) The Parent Child Center Network may recommend to the Secretary one or more new parent child centers for authorization. Upon receipt of the Network’s recommendations, the Secretary shall review each parent child center recommended for authorization to ensure it meets the criteria set forth in subsection (c) of this section. A parent child center recommended by the Network and determined to meet the criteria in subsection (c) of this section by the Secretary may be deemed an authorized parent child center.

(c) In order to be eligible for a grant under this chapter, a parent-child center authorization pursuant to subsection (b) of this section, a parent child center shall:

(1) Receive some funding from one or more private, local, or federal source. Contributions in kind, whether material, commodities, transportation, or office space, may be used to satisfy the contribution requirement of this subdivision.

(2) Qualify for tax exempt status under the provisions of Section 501(c) of the Internal Revenue Code.

(3) Have ~~parent representation on its~~ a board of directors;

(A) whose membership reflects the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color, as well as with regard to socioeconomic status, geographic location, gender, sexual identity, and disability status; and

(B) that has parent representation.

(4) Represent a designated geographic catchment area.

(5) Complete a peer review every three years, which shall be conducted by the Parent Child Center Network.

(6) Provide each of the eight core services set forth in subsection (d) of this section.

(7) Indicate an intention to participate in the Parent Child Center Network as a member.

(8) Work to achieve population-level quality-of-life outcomes related to children and families pursuant to 3 V.S.A. § 2311.

~~(d) A parent-child center funded under this chapter shall:~~

~~(1) provide leadership in the coordination of services for families with other community service providers;~~

~~(2) provide such financial or programmatic information as may be necessary to enable the Secretary of Human Services to evaluate the services provided through grant funds, the effect of such services on consumers of these services, and an accounting of the expenditure of grant funds; and~~

~~(3) participate in an annual peer review process conducted by the parent-child center network and the Agency of Human Services~~ An authorized parent child center shall provide, either directly or indirectly through formal community partnerships, the following eight core services:

(1) home visits;

(2) early childhood services;

(3) parent education;

(4) playgroups;

(5) parent support groups;

(6) concrete supports;

(7) community development; and

(8) resources and referrals.

§ 3702. FUNDING

(a) The Secretary of Human Services shall disperse a joint allocation for all parent child center services to the Parent Child Center Network, which shall distribute funding to each authorized parent child center.

(b) The Agency shall consult with the Parent Child Center Network to develop appropriate measures and methods of accountability for authorized members of the Network. The Network and authorized parent child centers shall provide any previously agreed upon information to enable the Secretary to evaluate the services provided through grant funds, the effect of services on consumers, and an accounting of the expenditure of grant funds.

Sec. 2. 33 V.S.A. § 3701 is amended to read:

§ 3701. PARENT CHILD CENTER NETWORK; ELIGIBILITY

* * *

(c) In order to be eligible for authorization pursuant to subsection (b) of this section, a parent child center shall:

* * *

(9) Have an advisory committee that meets regularly and provides input, guidance, and feedback to the board of directors on programs and services provided by the parent child center.

* * *

Sec. 3. TEMPORARY AUTHORIZATION STATUS

Any parent child center in existence on July 1, 2022 shall be deemed to have met the authorization criteria in 33 V.S.A. § 3701(c) through the time period of the parent child center's next reauthorization review pursuant to 33 V.S.A. § 3701(b)(2).

Sec. 4. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 2 (Parent Child Center Network; eligibility) shall take effect on July 1, 2024.

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

House Proposal of Amendment Concurred In**S. 173.**

House proposal of amendment to Senate bill entitled:

An act relating to the State House art collection.

Was taken up.

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

* * * Legislative Advisory Committee on the State House * * *

Sec. 1. 2 V.S.A. chapter 19 is amended to read:

CHAPTER 19. LEGISLATIVE ADVISORY COMMITTEE ON THE
STATE HOUSE

§ 651. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE
HOUSE

(a) The Legislative Advisory Committee on the State House is created.

(b) The Committee shall be composed of ~~13~~ 12 members:

(1) ~~four~~ three members of the House of Representatives, appointed biennially by the Speaker of the House;

(2) ~~four~~ three members of the Senate, appointed biennially by the Committee on Committees;

(3) the Chair of the Board of Trustees of the Friends of the Vermont State House;

(4) the Director of the Vermont Historical Society;

(5) the Director of the Vermont ~~Council on the Arts~~ Council;

(6) the Commissioner of Buildings and General Services or designee;
and

(7) the Sergeant at Arms; and

(8) the State Curator.

(c) The Committee shall biennially elect a chair from among its legislative members. A quorum shall consist of seven members.

(d) The Committee shall meet ~~at the State House at least one time when the General Assembly is in session and at least one time when~~ When the General Assembly is not in session or at the call of the Chair, the Committee shall meet at least one time, but the Committee and any subcommittees shall not

cumulatively meet more than six times per year; provided, however, that the Committee and any subcommittees of the Committee may meet more often with the approval of the Speaker of the House and the President Pro Tempore of the Senate. The Commissioner of Buildings and General Services shall keep minutes of the meetings and maintain a file thereof.

(e) The Committee shall have the assistance of the Office of Legislative Counsel and the Office of Legislative Operations.

(f) A member of the Committee shall not vote on a matter under consideration by the Committee regarding any activities or duties the member is responsible for discharging.

§ 652. PER DIEM AND EXPENSES; LEGISLATIVE MEMBERS

For meetings held during adjournment of the General Assembly, the legislative members of the Committee shall be entitled to per diem compensation and expense reimbursement as provided in ~~subsection 406(a)~~ section 23 of this title.

§ 653. FUNCTIONS

~~(a)(1) The Legislative Advisory Committee on the State House shall be consulted on:~~

(1) review, coordinate, and make recommendations on all activities relating to the acquisition collections and care of paintings and art, historic artifacts, and furnishings, and the refurbishing, renovation, preservation, and expansion of the building and its interior; and

~~(2) The Legislative Advisory Committee on the State House shall develop approve a plan for the acquisition or commission of artwork collections policy for the State House collection that represents Vermont's diverse people and history, including diversity of gender, race, ethnicity, sexuality, and disability status, as developed by the State Curator pursuant to 29 V.S.A. § 154a(c).~~

(b) The Sergeant at Arms and the Commissioner of Buildings and General Services, in discharging responsibilities under subdivision 62(a)(6) of this title and 29 V.S.A. §§ 154(a) and 154a, respectively, shall consider the recommendations of the Committee. ~~The Committee's recommendations shall be advisory only.~~

Sec. 2. LEGISLATIVE ADVISORY COMMITTEE ON THE STATE HOUSE; ROLES AND RESPONSIBILITIES; STUDY

The Legislative Advisory Committee on the State House shall review the roles and responsibilities of the State Curator, the Sergeant at Arms, and the

Friends of the Vermont State House. On or before December 15, 2022, the Committee shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions recommendations for legislative action, if any, to clarify these roles and responsibilities.

* * * Sergeant at Arms * * *

Sec. 3. 2 V.S.A. § 62 is amended to read:

§ 62. LEGISLATIVE DUTIES

(a) The Sergeant at Arms shall:

(1) execute orders of either house, the Joint Legislative Management Committee, the Committee on Joint Rules, or the House or Senate Committee on Rules;

(2) maintain order among spectators and take measures to prevent interruption of either house or any committee thereof;

(3) arrange for special meetings and conferences at the State House;

(4) provide for the distribution of mail to all legislators;

(5) schedule the time for the use of rooms for committee meetings and hearings;

(6) maintain the State House and its furnishings in a good state of repair and provide security for all furniture, draperies, rugs, desks, and other furnishings kept in the State House in consultation with the State Curator;

(7) provide for the establishment of a cafeteria and supervise its operation;

(8) provide security for the State House, pursuant to the responsibilities set forth in 29 V.S.A. § 171; and

(9) perform such other duties for the benefit of the legislators as may be required by any duly authorized committee thereof.

(b) ~~He or she~~ The Sergeant at Arms or any person ~~in his or her employ employed by the Sergeant at Arms~~ shall not accept any compensation or gift for ~~his or her the services of the Sergeant at Arms or any of the employee's services other than his or her the Sergeant at Arms' or the employee's salary, respectively.~~ If he or she or any Any person in his or her employ who violates this provision, ~~he or she~~ shall be fined \$25.00.

(c) The Sergeant at Arms shall not be responsible for:

(1) structural repairs, or capital improvements, to the or State House building;

(2) the maintenance for of the State House building ~~(as the term maintenance is defined in 29 V.S.A. § 159);~~

(3) curating the historic State House and its collections; or for

(4) the use, upkeep, or maintenance of the State House grounds.

(d) The Sergeant at Arms and employees of the Sergeant at Arms shall seek guidance from and operate in accordance with policies adopted by the Joint Legislative Management Committee.

* * * State Curator * * *

Sec. 4. 29 V.S.A. § 154a is amended to read:

§ 154a. STATE CURATOR

(a) Creation. The position of State Curator is created within the Department of Buildings and General Services.

(b) Duties. The State Curator's responsibilities shall include:

(1) oversight of the general historic preservation of the State House, ~~including maintaining the historical integrity of the State House and works of art in the State House;~~

(2) interpretation of the State House to the visiting public through exhibits, publications, and tours, and other means of communication; and

(3) acquisition, management, and care of State collections of art and historic artifacts, and furnishings, provided that any works of art all items obtained for the State House are acquired pursuant to the requirements of 2 V.S.A. § 653(a) collections policy adopted pursuant to subsection (c) of this section; and

(4) oversight and management of the State's historic and contemporary art and collections in other State buildings and on State property.

(c) Acquisition Collections policy. In coordination with the Legislative Advisory Committee on the State House, and in accordance with the plan developed pursuant to 2 V.S.A. § 653, the The State Curator shall adopt an acquisition develop a collections policy, in coordination with experts, that ensures that the acquisition of art, historic artifacts, and furnishings, and the commissioning of art and furnishings, for the State House reflects Vermont's diverse people and history, including a diversity of race, ethnicity, sex, gender identity, sexual orientation, and disability status, and a diversity of artistic media and artists; and celebrates the natural history of the State; and the diversity of the people and stories of Vermont throughout the history of the State. Upon approval of the Legislative Advisory Committee on the State

House pursuant to 2 V.S.A. § 653, the State Curator shall adopt the collections policy.

(d) Interpretive plan. In coordination with the Friends of the Vermont State House and the Vermont Historical Society, the State Curator shall create an interpretive plan that tells the stories of the State House art collection through accessible written, multimedia, and oral means. The plan shall include appropriate and inclusive training of State House volunteers and staff.

* * * Effective Dates * * *

Sec. 5. EFFECTIVE DATES

This act shall take effect on passage, except that all members of the General Assembly serving on the Legislative Advisory Committee on the State House as of the date of enactment of this act shall remain on the Committee through the end of the 2021–2022 biennium.

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

House Proposal of Amendment Concurred In

S. 181.

House proposal of amendment to Senate bill entitled:

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

Was taken up.

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

* * * Ordinance Authority Subject to Permissive Referendum * * *

Sec. 1. 24 V.S.A. § 2291 is amended to read:

§ 2291. ENUMERATION OF POWERS

For the purpose of promoting the public health, safety, welfare, and convenience, a town, city, or incorporated village shall have the following powers:

(1) To set off portions of public highways of the municipality for sidewalks and bicycle paths and to regulate their installation and use.

* * *

(4) To regulate the operation and use of vehicles of every kind including the power to erect traffic signs and signals; to regulate the speed of vehicles

subject to 23 V.S.A. chapter 13, subchapter 12; to implement traffic-calming devices, to regulate or exclude the parking of all vehicles; and to provide for waiver of the right of appearance and arraignment in court by persons charged with parking violations by payment of specified fines within a stated period of time.

* * *

(6) To regulate the location, installation, maintenance, repair, and removal of utility poles, wires and conduits, water pipes or mains, storm drains, or gas mains and sewers, upon, under, or above public highways or public property of the municipality.

* * *

(13) To compel the cleaning or repair of any premises that in the judgment of the legislative body is dangerous to the health or safety of the public and to establish health and safety standards for premises within the municipality in order to protect the public or prevent physical injury to other properties in the vicinity.

* * *

* * * Municipal Authority Subject to Voter Approval * * *

Sec. 2. 17 V.S.A. § 2645a is added to read:

§ 2645a. CHARTERED MUNICIPALITIES; VOTE TO SUSPEND
CHARTER AUTHORITY AND RELY ON GENERAL
MUNICIPAL LAW

(a) A municipality may propose to suspend for not more than three years specific authority granted in the municipality's charter and instead use later-enacted general municipal authority granted to all Vermont municipalities by the General Assembly, provided that the proposal is approved by the voters at any annual or special meeting warned for that purpose.

(b) The proposal may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality. The proposal shall specifically identify and contain the later-enacted general law that the municipality proposes to use in lieu of the charter provision.

(c) If the proposal is approved by a majority of voters at an annual or special meeting warned for that purpose, then the municipal clerk shall certify the results of the vote to the House and Senate Committees on Government Operations.

(d) Annually on or before November 15, the Office of Legislative Counsel shall prepare a list of the charter provisions that are subject to a repeal review

pursuant to this section.

Sec. 3. 17 V.S.A. § 2646a is added to read:

§ 2646a. TOWN OFFICERS; TOWN VOTE TO ALLOW ELECTION OF
NONRESIDENTS

(a)(1) Notwithstanding section 2646 of this subchapter, a municipality may propose to allow individuals who are residents of the State, but not residents of the municipality, to be elected or appointed town officers. However, this section shall not apply to members of the legislative body of the municipality or justices of the peace. For the municipality's boards or commissions that are established by State law and are required to be composed of residents, the majority of the members of the boards or commissions shall be residents of the municipality.

(2) The proposal must be approved by the voters at any annual or special meeting warned for that purpose.

(b) The proposal may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality. The proposal shall identify the town office that may be filled by a nonresident.

Sec. 4. 17 V.S.A. § 2651a is amended to read:

§ 2651a. CONSTABLES; APPOINTMENT; REMOVAL; ELIMINATION
OF OFFICE

* * *

(d)(1) A town may vote at an annual meeting to eliminate the office of constable.

(2) If a town votes to eliminate the office of constable, the selectboard shall appoint a town officer to discharge the constable's duties, if any, subject to 24 V.S.A. § 1936a. The town officer shall proceed in the discharge of the constable's duties in the same manner and be subject to the same liabilities as are established by law for constables.

(3) A vote to eliminate the office of constable shall remain in effect until rescinded by majority vote of the registered voters present and voting at an annual meeting warned for that purpose.

(4) The term of office of any constable in office on the date a town votes to eliminate that office shall expire on the 45th day after the vote or on the date upon which the selectboard appoints a town officer under this subsection, whichever occurs first.

Sec. 5. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(c) In the case of an urban municipality or of a rural town where the planning commission does not serve as the board of adjustment or the development review board, members of the board of adjustment or the development review board shall be appointed by the legislative body, the number and terms of office of which shall be determined by the legislative body subject to the provisions of subsection ~~(a)~~(b) of this section. The municipal legislative body may appoint alternates to a planning commission, a board of adjustment, or a development review board for a term to be determined by the legislative body. Alternates may be assigned by the legislative body to serve on the planning commission, the board of adjustment, or the development review board in situations when one or more members of the board are disqualified or are otherwise unable to serve. Vacancies shall be filled by the legislative body for the unexpired terms and upon the expiration of such terms. Each member of a board of adjustment or a development review board may be removed for cause by the legislative body upon written charges and after public hearing. If a development review board is created, provisions of this subsection regarding removal of members of the board of adjustment shall not apply.

* * *

(f) Notwithstanding subsections (b) and (c) of this section, a municipality may vote at an annual or special meeting to change the number of members that may be appointed to a board of adjustment or development review board.

(1) The proposal to change the number of members serving on a board may be brought by the legislative body or by petition of five percent of the voters of the municipality.

(2) If the number of members on a board is reduced, the members with the nearest expiration of their term of office shall serve until the expiration of that term and then the office shall terminate.

Sec. 6. 24 V.S.A. § 4322 is amended to read:

§ 4322. PLANNING COMMISSION; MEMBERSHIP

(a) A planning commission shall have not less than three nor more than nine voting members. All members may be compensated and reimbursed by the municipality for necessary and reasonable expenses. At least a majority of the members of a planning commission shall be residents of the municipality.

(b) ~~The selectboard~~ legislative body of a rural town, or not more than two elected or appointed officials of an urban municipality who are chosen by the legislative body of the urban municipality, shall be nonvoting ex officio members of a planning commission. If a municipality has an energy coordinator under chapter 33, subchapter 12 of this title, the energy coordinator may be a nonvoting ex officio member of the planning commission.

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

(1) for an appointed planning commission, the legislative body may change the number of members that may be appointed to the commission; and

(2) for an elected planning commission, a municipality may vote at an annual or special meeting to change the number of members that may be elected to the commission.

(d) Notwithstanding subsection 4323(c) of this subchapter, if the number of members on an appointed or elected planning commission is reduced, the members with the nearest expiration of their term of office shall serve until the expiration of that term and then the office shall terminate.

* * * Authority of Legislative Body without Voter Approval * * *

Sec. 7. 18 V.S.A. § 5361 is amended to read:

§ 5361. APPROPRIATIONS AND REGULATIONS BY TOWNS

A town may vote sums of money necessary for purchasing, holding, improving, and keeping in repair suitable grounds and other conveniences for burying the dead. The selectboard may make necessary regulations concerning public burial grounds and for fencing and keeping the same in proper order.

* * * Emergency Provisions for the Operation of Government * * *

Sec. 8. 1 V.S.A. § 312a is added to read:

§ 312a. MEETINGS OF PUBLIC BODIES; STATE OF EMERGENCY

(a) As used in this section:

(1) “Affected public body” means a public body:

(A) whose regular meeting location is located in an area affected by a hazard; and

(B) that cannot meet in a designated physical meeting location due to a declared state of emergency pursuant to 20 V.S.A. chapter 1.

(2) “Hazard” means an “all-hazards” as defined in 20 V.S.A. § 2(1).

(b) Notwithstanding subdivisions 312(a)(2)(D) and (c)(2) of this title, during a declared state of emergency under 20 V.S.A. chapter 1:

(1) A quorum or more of an affected public body may attend a regular, special, or emergency meeting by electronic or other means without designating a physical meeting location where the public may attend.

(2) The members and staff of an affected public body shall not be required to be physically present at a designated meeting location.

(3) An affected public body of a municipality may post any meeting agenda or notice of a special meeting in two publicly accessible designated electronic locations in lieu of the two designated public places in the municipality, or in a combination of a designated electronic location and a designated public place.

(c) When an affected public body meets electronically under subsection (b) of this section, the affected public body shall:

(1) use technology that permits the attendance and participation of the public through electronic or other means;

(2) allow the public to access the meeting by telephone; and

(3) post information that enables the public to directly access and participate in meetings electronically and shall include this information in the published agenda for each meeting.

(d) Unless unusual circumstances make it impossible for them to do so, the legislative body of each municipality and each school board shall record any meetings held pursuant to this section.

(e) An affected public body of a municipality shall continue to post notices and agendas in or near the municipal clerk's office pursuant to subdivision 312(c)(2) of this title and shall provide a copy of each notice or agenda to the newspapers of general circulation for the municipality.

Sec. 9. 32 V.S.A. § 4404 is amended to read:

§ 4404. APPEALS FROM LISTERS AS TO GRAND LIST

* * *

(c)(1) The board shall meet at the time and place so designated, and on that day and from day to day thereafter shall hear and determine such appeals until all questions and objections are heard and decided. Each property, the appraisal of which is being appealed, shall be inspected by a committee of not less than three members of the board who shall report to the board within 30 days from the hearing on the appeal and before the final decision pertaining to

the property is given. If, after notice, the appellant refuses to allow an inspection of the property as required under this subsection, including the interior and exterior of any structure on the property, the appeal shall be deemed withdrawn. The board shall, within 15 days from the time of the report, certify in writing its notice of decision, with reasons, in the premises, and shall file ~~such~~ the notice with the town clerk who shall thereupon record the same in the book wherein the appeal was recorded and forthwith notify the appellant in writing of the action of such board, by certified mail. If the board does not substantially comply with the requirements of this subsection and if the appeal is not withdrawn by filing written notice of withdrawal with the board or deemed withdrawn as provided in this subsection, the grand list of the appellant for the year for which appeal is being made shall remain at the amount set before the appealed change was made by the listers; except, if there has been a complete reappraisal, the grand list of the appellant for the year for which appeal is being made shall be set at a value that will produce a tax liability equal to the tax liability for the preceding year. The town clerk shall immediately record the same in the book wherein the appeal was recorded and forthwith notify the appellant in writing of ~~such~~ the action, by certified mail. Thereupon the appraisal so determined pursuant to this subsection shall become a part of the grand list of ~~such~~ the person.

(2) During a declared state of emergency under 20 V.S.A. chapter 1, a board of civil authority within a municipality affected by an all-hazards event shall not be required to physically inspect any property that is the subject of an appeal. If the appellant requests in writing that the property be inspected for purposes of the appeal, a member or members of the board shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, then the appeal shall be deemed withdrawn.

(3) As used in this subsection, "electronic means" means the transmittal of video or photographic evidence by the appellant at the direction of the board members conducting the inspection.

(d) Listers and agents to prosecute and defend suits wherein a town is interested shall not be eligible to serve as members of the board while convened to hear and determine such appeals nor shall an appellant, ~~his or her~~ the appellant's servant, agent, or attorney be eligible to serve as a member of the board while convened to hear and determine any appeals. However, listers and agents to prosecute and defend suits wherein a town is interested shall be given the opportunity to defend the appraisals in question.

Sec. 10. 32 V.S.A. § 4467 is amended to read:

§ 4467. DETERMINATION OF APPEAL

(a) Upon appeal to the Director or the court, the hearing officer or court shall proceed de novo and determine the correct valuation of the property as promptly as practicable and to determine a homestead and a housesite value if a homestead has been declared with respect to the property for the year in which the appeal is taken. The hearing officer or court shall take into account the requirements of law as to valuation, and the provisions of Chapter I, Article 9 of the Constitution of Vermont and the 14th Amendment to the Constitution of the United States.

(b) If the hearing officer or court finds that the listed value of the property subject to appeal does not correspond to the listed value of comparable properties within the town, the hearing officer or court shall set ~~said~~ the property in the list at a corresponding value. The findings and determinations of the hearing officer shall be made in writing and shall be available to the appellant.

(c)(1) If the appeal is taken to the Director, the hearing officer may inspect the property prior to making a determination, unless one of the parties requests an inspection, in which case the hearing officer shall inspect the property prior to making a determination. Within 10 days of the appeal being filed with the Director, the Director shall notify the property owner in writing of ~~his or her~~ the Director's option to request an inspection under this section.

(2) During a declared state of emergency under 20 V.S.A. chapter 1, a hearing officer shall not be required to physically inspect any property that is the subject of an appeal. If the appellant requests in writing that the property be inspected for purposes of the appeal, the hearing officer shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, then the appeal shall be deemed withdrawn.

(3) As used in this subsection, "electronic means" means the transmittal of video or photographic evidence by the appellant at the direction of the hearing officer conducting the inspection.

Sec. 11. 24 V.S.A. § 5152 is added to read:

§ 5152. DISCONNECTIONS PROHIBITED; STATE OF EMERGENCY

(a) Notwithstanding this chapter or any provision of law to the contrary, a municipality; a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 and who provides another person water as a part of the operation of that public water system; or a company engaged in the collecting,

sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) shall be prohibited from disconnecting any person from services during a declared state of emergency under 20 V.S.A. chapter 1, provided that:

(1) the state of emergency is declared in response to an all-hazards event that will cause financial hardship and the inability of ratepayers to pay for water or sewer services; and

(2) the all-hazards event does not require the water or sewer service provider to disconnect services to protect the health and safety of the public.

(b) A person or company that is subject to subsection (a) of this section may temporarily disconnect water or sewer services during the declared state of emergency when the temporary disconnection is necessary for the maintenance or repair of the water or sewer system.

(c)(1) A violation of subsection (a) of this section by a municipality or a person who is permitted as a public water system pursuant to 10 V.S.A. chapter 56 may be enforced by the Agency of Natural Resources pursuant to 10 V.S.A. chapter 201.

(2) A violation of subsection (a) of this section by a company engaged in the collecting, sale, and distribution of water for domestic, industrial, business, or fire protection purposes that is regulated by the Public Utility Commission under 30 V.S.A. § 203(3) may be enforced by the Public Utility Commission pursuant to 30 V.S.A. § 30.

(d) A ratepayer shall remain obligated for any amounts due to a water or sewer service provider subject to this section. The ratepayer shall have a minimum of 90 days after the end of the declared state of emergency to pay the amounts due.

Sec. 12. 20 V.S.A. § 47 is added to read:

§ 47. MUNICIPAL DEADLINES, PLANS, AND LICENSES; EXTENSION

(a) During a state of emergency declared under this chapter, a municipal corporation may:

(1) extend any statutory deadline applicable to municipal corporations, provided that the deadline does not relate to a license, permit, program, or plan issued or administered by the State or federal government; and

(2) extend or waive deadlines applicable to licenses, permits, programs, or plans that are issued by the municipal corporation.

(b) During a state of emergency declared under this chapter, any expiring license, permit, program, or plan issued by a municipal corporation that is due for renewal or review shall remain valid for 90 days after the date that the declared state of emergency ends.

Sec. 12a. 1 V.S.A. § 316 is amended to read:

§ 316. ACCESS TO PUBLIC RECORDS AND DOCUMENTS

* * *

(i) If an agency maintains public records in an electronic format, nonexempt public records shall be available for copying in either the standard electronic format or the standard paper format, as designated by the party requesting the records. ~~An~~ If requested by the party requesting the records, an agency may, but is not required to, provide copies of public records in a nonstandard format, ~~to~~ create a public record, or ~~to~~ convert paper public records to electronic format.

* * *

* * * Repeal * * *

Sec. 13. REPEAL

19 V.S.A. § 312 (use of town highway funds) is repealed.

* * * Effective Date * * *

Sec. 14. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

House Proposal of Amendment Concurred In

S. 201.

House proposal of amendment to Senate bill entitled:

An act relating to best management practices for trapping.

Was taken up.

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

Sec. 1. DEPARTMENT OF FISH AND WILDLIFE; BEST MANAGEMENT PRACTICES FOR TRAPPING

(a) On or before January 15, 2023, the Commissioner of Fish and Wildlife

shall submit to the Senate Committee on Natural Resources and Energy, the House Committee on Natural Resources, Fish, and Wildlife, and the Fish and Wildlife Board recommended best management practices (BMPs) for trapping that propose criteria and equipment designed to modernize trapping and improve the welfare of animals subject to trapping programs. The BMPs shall be based on investigation and research conducted by scientists and experts at the Department of Fish and Wildlife and shall use the “Best Management Practices for Trapping in the United States” issued by the Association of Fish and Wildlife Agencies as the minimum standards for BMP development. The BMPs shall include recommended:

(1) trapping devices and components of trapping devices that are more humane than currently authorized devices and are designed to minimize injury to a captured animal;

(2) criteria for adjusting or maintaining trapping devices so that they operate correctly and humanely;

(3) trapping techniques, including the appropriate size and type of a trap for target animals, use of lures or other attractants, trap safety, and methods to avoid nontarget animals;

(4) requirements for the location of traps, including the placing of traps for purposes other than nuisance trapping at a safe distance, from public trails, class 4 roads, playgrounds, parks, and other public locations where persons may reasonably be expected to recreate;

(5) criteria for when and how live, captured animals should be released or dispatched; and

(6) revisions to trapper education materials and instructions that incorporate the recommendations or requirements set forth in subdivisions (1)–(5) of this subsection.

(b) The report required under subsection (a) of this section shall include a recommendation from the Commissioner of Fish and Wildlife for funding the replacement of currently authorized trapping devices with trapping devices that are compliant with the recommended BMPs. The Commissioner’s recommendation shall include alternatives financed with public funding, private funding, or some combination of public and private funding.

(c) In developing the BMPs required under subsection (a) of this section, the Commissioner shall provide an opportunity for public review and comment and shall hold at least one public hearing regarding the proposed BMPs.

(d) As used in this section, “trapping” means to take or attempt to take furbearing animals with traps, including the dispatching of lawfully trapped

fur-bearing animals.

Sec. 2. 10 V.S.A. § 4861 is amended to read:

§ 4861. FUR-BEARING ANIMALS; TAKING; POSSESSION

(a) Fur-bearing animals shall not be taken except in accordance with the provisions of this part, and of rules of the Board. The fur or skins of fur-bearing animals may be possessed at any time unless otherwise provided by this part, rules of the Board, or orders of the Commissioner.

(b) On or before January 1, 2024, the Fish and Wildlife Board shall revise the rules regulating the trapping of fur-bearing animals in the State. The revised rules shall be at least as stringent as best management practices for trapping recommended by the Department of Fish and Wildlife to the General Assembly.

(c) On or before January 1, 2024 and annually thereafter, the Commissioner of Fish and Wildlife shall submit in writing to the House Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy information regarding the species and number of nontarget animals killed or injured by trapping in the preceding calendar year.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

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

House Proposal of Amendment Concurred In

S. 281.

House proposal of amendment to Senate bill entitled:

An act relating to hunting coyotes with dogs.

Was taken up.

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

Sec. 1. 10 V.S.A. §§ 5008 and 5009 are added to read:

§ 5008. HUNTING COYOTE WITH AID OF DOGS; PERMIT

(a) No person shall pursue coyote with the aid of dogs, either for training or taking purposes, without a permit issued by the Commissioner.

(1) The Commissioner may deny any permit at the Commissioner's discretion. The Commissioner shall not issue more than 100 permits annually.

(2) The number of permits that the Commissioner issues to nonresidents in any given year shall not exceed 10 percent of the number of permits issued to residents in the preceding year. The Commissioner shall establish a process and standards for determining which nonresidents are to receive a permit, including who will receive a permit if there are more nonresident applicants than nonresident permits.

(3) A nonresident may train dogs to pursue coyote only while the training season is in effect in the nonresident's home state and subject to the requirements of this part and rules adopted under this part.

(b)(1) The Commissioner shall issue permits under this section to a resident for a fee of \$50.00.

(2) The application fee for a nonresident permit issued under this section shall be \$10.00, and the fee for a nonresident permit issued under this section shall be \$200.00 for a successful applicant.

§ 5009. PURSUING COYOTE WITH AID OF DOGS; LANDOWNER PERMISSION

(a) A person shall not release a dog onto land posted in accordance with section 5201 of this title for the purpose of pursuing coyote with the aid of dogs unless the dog owner or handler of the hunting dog has obtained a courtesy permission card from the landowner or landowner's agent allowing the pursuit of coyote with the aid of dogs on the land.

(b) A person shall not release onto land a dog for the purpose of pursuing coyote with the aid of dogs if in the previous 365 days a dog had been previously found on the land, and the dog owner, a handler of the dog, or a person participating in the hunt has been personally informed by law enforcement that hunting dogs are not permitted on the property.

(c)(1) For a first offense, a person who violates this section shall have committed a minor fish and wildlife violation and shall be assessed a five-point violation under subdivision 4502(b)(1) of this title.

(2) For a second or subsequent violation of this section, a person shall be assessed a 10-point violation under subdivision 4502(b)(2) of this title and shall be fined under section 4515 of this title.

Sec. 2. MORATORIUM ON HUNTING COYOTE WITH AID OF DOGS

(a) A person shall not pursue coyote with the aid of dogs, either for the training of dogs or for the taking of coyote, except that a person may pursue

coyote with the aid of dogs in defense of a person or property if the person pursuing coyote with the aid of dogs:

(1) is the landowner; or

(2) has obtained a courtesy permission card from the landowner or landowner's agent allowing the release of a dog onto the land for the purpose of pursuing coyote with the aid of dogs.

(b) This section shall be repealed on the effective date of the Fish and Wildlife Board rules required by Sec. 3 of this act.

Sec. 3. FISH AND WILDLIFE BOARD RULES; PURSUING COYOTE WITH THE AID OF DOGS

(a) The General Assembly through the rules required under this section intends to reduce conflicts between landowners and persons pursuing coyote with the aid of dogs by reducing the frequency that dogs or persons pursuing coyote enter onto land that is posted against hunting or land where pursuit of coyote with dogs is not authorized. In addition, the General Assembly intends that the rules required under this section support the humane taking of coyote, the management of the population in concert with sound ecological principles, and the development of reasonable and effective means of control.

(b) The Fish and Wildlife Board shall adopt a rule regarding the pursuit of coyote with the aid of dogs, either for the training of dogs or for the taking of coyote. The rule shall include at least the following provisions:

(1) a limit on the number of dogs that may be used to pursue coyote;

(2) a prohibition on the substitution of any new dog for another dog during pursuit of a coyote;

(3) the legal method of taking coyote pursued with the aid of dogs, such as rifle, muzzle loader, crossbow, or bow and arrow;

(4) a definition of control to minimize the risk that dogs pursuing coyote:

(A) enter onto land that is posted against hunting;

(B) enter onto land where pursuit of coyote with dogs is not authorized;

(C) harass or harm people or domestic animals; and

(D) cause other unintentional damages to people or property;

(5) provisions to encourage persons pursuing coyote with the aid of dogs to seek landowner permission before entering or releasing dogs onto land that is not posted in accordance with 10 V.S.A. § 5201; and

(6) required reporting of every coyote killed during pursuit with the aid of dogs.

(c) The Board shall consider whether to include within the rule required by this section provisions related to seasonal restrictions and baiting.

(d) As used in this section, "harass" means to annoy a person or domestic animal to such an extent as to significantly disrupt normal behavioral patterns.

Sec. 4. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN SUPPRESSORS

(a) As used in this section:

(1) "Gun suppressor" means any device for ~~silencing~~, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

(2) "Sport shooting range" shall have the same meaning as used in 10 V.S.A. § 5227(a).

(b) A person shall not manufacture, make, or import a gun suppressor, except for:

(1) a licensed manufacturer, as defined in 18 U.S.C. § 921, who is registered as a manufacturer pursuant to 26 U.S.C. § 5802;

(2) a licensed importer, as defined in 18 U.S.C. § 921, who is registered as an importer pursuant to 26 U.S.C. § 5802; or

(3) a person who makes a gun suppressor in compliance with the requirements of 26 U.S.C. § 5822.

(c) A person shall not use a gun suppressor in the State, except for use by:

(1) a Level III certified law enforcement officer or Department of Fish and Wildlife employee in connection with ~~his or her~~ the officer's or employee's duties and responsibilities and in accordance with the policies and procedures of that officer's or employee's agency or department;

(2) the Vermont National Guard in connection with its duties and responsibilities;

(3) a licensed manufacturer or a licensed importer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer or an importer pursuant to 26 U.S.C. § 5802, who in the ordinary course of ~~his or her~~ the manufacturer's or importer's business as a manufacturer or as an importer tests the operation of the gun suppressor; ~~or~~

- (4) a person lawfully using a sport shooting range; or
- (5) a person taking game as authorized under 10 V.S.A. § 4701.

(d)(1) A person who violates subsection (b) of this section shall be fined not less than \$500.00 for each offense.

(2) A person who violates subsection (c) of this section shall be fined \$50.00 for each offense.

Sec. 5. 10 V.S.A. § 4701 is amended to read:

§ 4701. USE OF GUN, BOW AND ARROW, AND CROSSBOW; LEGAL DAY; DOGS

(a) Unless otherwise provided by statute, a person shall not take game except with:

- (1) a gun fired at arm's length;
- (2) a bow and arrow; or
- (3) a crossbow as authorized by the rules of the Board.

(b) A person shall not take game between one-half hour after sunset and one-half hour before sunrise unless otherwise provided by statute or by the rules of the Board.

(c) A person may take game and fur-bearing animals during the open season therefor, with the aid of a dog, unless otherwise prohibited by statute or by the rules of the Board.

(d) A person taking game with a gun may possess, carry, or use a gun suppressor in the act of taking game.

Sec. 6. 10 V.S.A. § 4704 is amended to read:

§ 4704. USE OF MACHINE GUNS; AND AUTOLOADING RIFLES; AND GUN SUPPRESSORS

(a) A person engaged in hunting for wild animals shall not use, carry, or have in ~~his or her~~ the person's possession:

- (1) a machine gun of any kind or description; or
- (2) an autoloading rifle with a magazine capacity of over six cartridges, except a .22 caliber rifle using rim fire cartridges; or
- ~~(3) a gun suppressor.~~

~~(b) As used in this section, "gun suppressor" means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in~~

~~assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.~~ [Repealed.]

Sec. 7. 10 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

Words and phrases used in this part, unless otherwise provided, shall be construed to mean as follows:

* * *

(9) Game: game birds or game quadrupeds, or both.

(10) Game birds: quail, partridge, woodcock, pheasant, plover of any kind, Wilson snipe, other shore birds, rail, coot, gallinule, wild ducks, wild geese, and wild turkey.

* * *

(15) Wild animals or wildlife: all animals, including birds, fish, amphibians, and reptiles, other than domestic animals, domestic fowl, or domestic pets.

* * *

(23) Take and taking: pursuing, shooting, hunting, killing, capturing, trapping, snaring, and netting fish, birds, and quadrupeds and all lesser acts, such as disturbing, harrying, worrying, or wounding or placing, setting, drawing, or using any net or other device commonly used to take fish or wild animals, whether they result in the taking or not; and shall include every attempt to take and every act of assistance to every other person in taking or attempting to take fish or wild animals, provided that when taking is allowed by law, reference is had to taking by lawful means and in a lawful manner.

* * *

(41) Gun suppressor: any device for muffling or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a gun suppressor, and any part intended only for use in such assembly or fabrication.

Sec. 8. 13 V.S.A. § 4010(c) is amended to read:

(c) A person shall not use a gun suppressor in the State, except for use by:

* * *

(3) a licensed manufacturer or a licensed importer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer or an importer pursuant to 26 U.S.C. § 5802, who in the ordinary course of the

manufacturer's or importer's business as a manufacturer or as an importer tests the operation of the gun suppressor; or

(4) a person lawfully using a sport shooting range; ~~or~~

~~(5) a person taking game as authorized under 10 V.S.A. § 4701.~~

Sec. 9. 10 V.S.A. § 4701(d) is amended to read:

~~(d) A person taking game with a gun may possess, carry, or use a gun suppressor in the act of taking game. [Repealed.]~~

Sec. 10. 10 V.S.A. § 4704 is amended to read:

§ 4704. USE OF MACHINE GUNS AND, AUTOLOADING RIFLES, AND GUN SUPPRESSORS

(a) A person engaged in hunting for wild animals shall not use, carry, or have in the person's possession:

(1) a machine gun of any kind or description; ~~or~~

(2) an autoloading rifle with a magazine capacity of over six cartridges, except a .22 caliber rifle using rim fire cartridges; or

(3) a gun suppressor.

Sec. 11. EFFECTIVE DATES

(a) This section and Sec. 3 (Fish and Wildlife Board rules) shall take effect on passage.

(b) Secs. 2 (moratorium on hunting coyote with aid of dogs) and 4–7 (gun suppressors) shall take effect on July 1, 2022.

(c) Sec. 1 (permit requirement and prohibition on pursuing coyote with aid of dogs) shall take effect on the effective date of the Fish and Wildlife Board rules required under Sec. 3 of this act.

(d) Secs. 8–10 (repeal of authority to use gun suppressors while hunting) shall take effect on July 1, 2024.

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

Rules Suspended; Bills Messaged

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

H. 465, H. 512, H. 533, H. 739.

Rules Suspended; Bills Delivered

On motion of Senator Balint, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 91, S. 173, S. 181, S. 201, S. 281.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator White, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

The nomination of

Jefferson, Shirley of South Royalton - Member State Police Advisory Commission - December 1, 2021 to June 30, 2025.

The nomination of

Wasik, Mary Jean of Pittsford - Member Human Services Board - May 24, 2021 to February 28, 2027.

The nomination of

Donohue, Michael of Shelburne - Chair Human Services Board - May 24, 2021 to February 28, 2027.

The nomination of

Gregory, Peter of Harland - Member State Infrastructure Bank Board - May 24, 2021 to February 28, 2025.

The nomination of

Carpenter, Caroline of Salisbury - Member Vermont Economic Development Authority - January 1, 2022 to June 30, 2027.

The nomination of

Hale, Karyn of Lyndonville - Member Vermont Economic Development Authority - September 17, 2021 to June 20, 2024.

The nomination of

Leavitt, Thomas of Waterbury - Member Vermont Housing Finance Agency - December 1, 2021 to January 31, 2024.

The nomination of

Pinto, Audra, Dr. of Essex Junction - Member Health, State Board of - September 20, 2021 to February 28, 2027.

The nomination of

Wilson, Bruce of Winooski - Member Human Rights Commission - February 1, 2022 to February 28, 2026.

The nomination of

Clifford, Eric of Starksboro - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Elliot, Wayne of Essex Junction - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Fischer, Robert of Barre - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2024.

The nomination of

Fisher, Lori of Williston - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Naud, Mark of South Hero - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2024.

The nomination of

Solomon, Hilary of Middletown Springs - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2024.

The nomination of

Wennberg, Jeff of Rutland - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Smith, Denise of St. Albans - Member VT Citizens' Advisory Council on Lake Champlain's Future - May 24, 2021 to February 28, 2023.

The nomination of

Giffin, Tom of Rutland - Member Parole Board - March 28, 2022 to February 28, 2025.

The nomination of

Aldrich, Brad of Shelburne - Member Natural Resources Board - March 28, 2022 to January 31, 2025.

The nomination of

Richardson, Amy of Woodstock - Member Vermont Housing and Conservation Board - March 28, 2022 to February 29, 2024.

The nomination of

Boyde, Glenn of Colchester - Member State Police Advisory Commission - March 28, 2022 to February 28, 2025.

The nomination of

Filipek, John of Jericho - Member State Police Advisory Commission - March 28, 2022 to February 28, 2026.

The nomination of

Foley, Mark, Jr. of Rutland - Member Vermont Municipal Bond Bank - March 28, 2022 to January 31, 2024.

The nomination of

Dengler, Wayne of Isle La Monte - Member Parole Board - March 28, 2022 to February 28, 2025.

The nomination of

Moore, Gary of Bradford - Member Connecticut River Valley Flood Control Commission - April 26, 2021 to February 28, 2027.

Were collectively confirmed by the Senate.

Appointments Confirmed

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

The nomination of

Samuelson, Jennifer of Shelburne - Secretary Human Services, Agency of - March 28, 2022 to February 28, 2023.

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

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

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Benning, Bray, Brock, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Campion, Terenzini.

The nomination of

Walsh, Thomas of Colchester - Member Green Mountain Care Board - December 17, 2021 to February 28, 2027.

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

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

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Benning, Bray, Brock, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Campion, Starr.

The nomination of

Richardson, Daniel P. of Montpelier - Judge Superior Judge - April 26, 2022 to March 31, 2027.

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

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

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

The Senator absent and not voting was: Starr.

The nomination of

Allen, James Riley of Montpelier - Member Public Utility Commission - March 1, 2021 to February 28, 2027.

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

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

Roll Call

Those Senators who voted in the affirmative were: Balint, Baruth, Benning, Bray, Brock, Campion, Chittenden, Clarkson, Collamore, Cummings, Hardy, Hooker, Ingalls, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Parent, Pearson, Perchlik, Pollina, Ram Hinsdale, Sears, Sirotkin, Terenzini, Westman, White.

Those Senators who voted in the negative were: None.

The Senator absent and not voting was: Starr.

Adjournment

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

Called to Order

The Senate was called to order by the President.

Message from the House No. 77

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

Madam President:

I am directed to inform the Senate that:

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

S. 250. An act relating to law enforcement data collection and interrogation.

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

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

S. 188.

Appearing on the Calendar for notice, on motion of Senator Baling, the rules were suspended and House proposal of amendment to Senate proposal of amendment to Senate bill entitled:

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

Was taken up for immediate consideration.

The House proposes to the Senate to amend the Senate proposal of amendment to the House proposal of amendment as follows:

First: By striking out Sec.1 in its entirety and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. § 861 is amended to read:

§ 861. DEFINITIONS

As used in this chapter:

* * *

(16) “Child-deterrent packaging” means tear-resistant packaging that can be sealed in a manner that would deter children under five years of age from easily accessing the contents of the package within a reasonable time and not difficult for adults to use properly.

(17) “Child-resistant packaging” means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance in the container within a reasonable time and not difficult for normal adults to use properly; but does not mean packaging that all children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.

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

(18)(19) “Dispensary” means a business organization licensed pursuant to chapter 37 of this title or 18 V.S.A. chapter 86.

(19)(20) “Enclosed, locked facility” means a building, room, greenhouse, outdoor fenced-in area, or other location that is enclosed on all

~~sides and prevents cannabis from easily being viewed by the public. The facility shall be equipped with locks or other security devices that permit access only by:~~

~~(A) Employees, agents, or owners of the cultivator, all of whom shall be 21 years of age or older.~~

~~(B) Government employees performing their official duties.~~

~~(C) Contractors performing labor that does not include cannabis cultivation, packaging, or processing. Contractors shall be accompanied by an employee, agent, or owner of the cultivator when they are in areas where cannabis is being grown, processed, packaged, or stored.~~

~~(D) Registered employees of other cultivators, members of the media, elected officials, and other individuals 21 years of age or older visiting the facility, provided they are accompanied by an employee, agent, or owner of the cultivator. [Repealed.]~~

~~(20)~~(21) “Flavored oil cannabis product” means any oil cannabis product that contains an additive to give it a characterizing flavor.

(22) “Hemp” means the plant *Cannabis sativa* L. and any part of the plant, including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp.

(23) “Hemp products” or “hemp-infused products” means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

~~(21)~~(24) “Integrated licensee” means a person licensed by the Board to engage in the activities of a cultivator, wholesaler, product manufacturer, retailer, and testing laboratory in accordance with this chapter.

~~(22)~~(25) “Municipality” means a town, city, or incorporated village.

(26) “Owner” means a natural person who controls, or shares control of, a Cannabis Establishment.

~~(23)~~(27) “Person” shall include any natural person; corporation; municipality; the State of Vermont or any department, agency, or subdivision of the State; and any partnership, unincorporated association, or other legal

entity.

(24)(28) “Plant canopy” means the square footage dedicated to live plant production and does not include areas such as office space or areas used for the storage of fertilizers, pesticides, or other products.

(25)(29) “Principal” means ~~an individual vested with the authority to conduct, manage, or supervise the business affairs of a person, and may include the president, vice president, secretary, treasurer, manager, or similar executive officer of a business; a director of a corporation, nonprofit corporation, or mutual benefit enterprise; a member of a nonprofit corporation, cooperative, or member-managed limited liability company; and a partner of a partnership~~ one of the following:

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

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

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

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

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

(26)(30) “Small cultivator” means a cultivator with a plant canopy or space for cultivating plants for breeding stock of not more than 1,000 square feet.

Second: By adding Secs. 10–22 to read as follows:

Sec. 10. 7 V.S.A. § 862a is added to read:

§ 862a. SYNTHETIC AND HEMP-DERIVED CANNABINOIDS

The Board shall have the authority to regulate synthetic cannabinoids and hemp-derived cannabinoids, including delta-8 and delta-10

tetrahydrocannabinol.

Sec. 11. 7 V.S.A. § 868 is amended to read:

§ 868. PROHIBITED PRODUCTS

(a) The following are prohibited products and may not be cultivated, produced, or sold pursuant to a license issued under this chapter:

- (1) cannabis flower with greater than 30 percent tetrahydrocannabinol;
- (2) ~~solid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol;~~
- (3) ~~oil cannabis products except for those that are sold prepackaged for use with battery-powered devices;~~
- (4) flavored oil cannabis products sold prepackaged for use with battery-powered devices and any cannabis flower that contains characterizing flavor that is not naturally occurring in the cannabis;
- (5)(3) cannabis products that contain delta-9 tetrahydrocannabinol and nicotine or alcoholic beverages; and
- (6)(4) any cannabis, cannabis products, or packaging of such items that are designed to make the product more appealing to persons under 21 years of age.

(b)(1) Except as provided by subdivision (2) of this subsection, solid and liquid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol may be produced by a licensee and sold to another licensee in accordance with subchapter 3 of this chapter but shall not be sold to the public by a licensed retailer or integrated licensee.

(2) Liquid concentrate cannabis products with greater than 60 percent tetrahydrocannabinol that are prepackaged for use with battery-powered devices shall be permitted to be sold to the public by a licensed retailer or integrated licensee.

Sec. 12. 7 V.S.A. § 881 is amended to read:

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

(a) The Board shall adopt rules to implement and administer this chapter in accordance with subdivisions (1)–(7) of this subsection.

(1) Rules concerning any cannabis establishment shall include:

* * *

(I) regulation of additives to cannabis and cannabis products, including ~~those~~ cannabidiol derived from hemp and substances that are toxic or

designed to make the product more addictive, more appealing to persons under 21 years of age, or to mislead consumers;

* * *

(3) Rules concerning product manufacturers shall include:

(A) requirements that a single package of a cannabis product shall not contain more than 50 milligrams of THC, except in the case of:

(i) cannabis products that are not consumable, including topical preparations; and

(ii) solid concentrates, oils, and tinctures; and

(iii) cannabis products sold to a dispensary pursuant to 18 V.S.A. chapter 86 and regulations issued pursuant to that chapter;

* * *

(5) Rules concerning retailers shall include:

* * *

(C) requirements that if the retailer sells hemp or hemp products, the hemp and hemp products are clearly labeled as such ~~and displayed separately from cannabis and cannabis products;~~

(D) requirements for opaque, child-resistant packaging of ~~cannabis~~ and cannabis products and child-deterrent packaging for cannabis at point of sale to customer; and

* * *

Sec. 13. 7 V.S.A. § 883 is amended to read:

§ 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

(a) The Board shall obtain from the Vermont Crime Information Center a copy of a ~~license applicant's~~ fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation for each license applicant, principal of an applicant, and person who controls an applicant who is a natural person.

(b) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Notwithstanding subsection (a) of this section, the Board may accept third-party criminal background checks submitted by an applicant for a cannabis establishment license or renewal in lieu of obtaining the records from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation. Any such third-party background check shall:

(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act; and

(2) include a multistate and multi-jurisdiction criminal record locator.

Sec. 14. 7 V.S.A. § 884 is amended to read:

§ 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board. A person may apply for an identification card prior to obtaining employment with a licensee. An employee identification card shall authorize the person to work for any licensee.

(b)(1)(A) Prior to issuing the identification card to an owner or principal of a cannabis establishment, the Board shall obtain from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.

(B) Prior to issuing the identification card to an employee of a cannabis establishment, the Board shall obtain a copy of a fingerprint-based identity history summary record from the Federal Bureau of Investigation.

(2) The Board shall adopt rules that set forth standards for determining whether a person should be denied a cannabis establishment identification card because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Once an identification card application has been submitted, a person may serve as an employee of a cannabis establishment pending the background check, provided the person is supervised in his or her duties by someone who is a cardholder. The Board shall issue a temporary permit to the person for this purpose, which shall expire upon the issuance of the identification card or disqualification of the person in accordance with this section.

(d) An identification card shall expire one year after its issuance or, in the case of owners and principals, upon the expiration of the cannabis establishment's license, whichever occurs first.

Sec. 15. 7 V.S.A. § 901(d)(3) is amended to read:

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

(B) An applicant and its affiliates that are control a dispensary registered ~~pursuant to 18 V.S.A. chapter 86 on April 1, 2022~~ may obtain one integrated license provided in subdivision (1)(F) of this subsection (d) or a maximum of one of each type of license provided in subdivisions (1)(A)–(E) of this subsection (d). An integrated licensee may not hold a separate cultivator, wholesaler, product manufacturer, retailer, or testing laboratory license, and no applicant or its affiliates that control a dispensary shall hold more than one integrated license. An integrated license shall permit only one location for each of the types of activities permitted by the license: cultivation, wholesale operations, product manufacturing, retail sales, and testing.

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

Sec. 16. PURPOSE; LEGISLATIVE INTENT

The purpose of the amendment to 7 V.S.A. § 901(d)(3)(B) in Sec. 7 of this act is solely to make the language consistent with the defined terms used throughout 7 V.S.A. chapter 33. The amendment should not be construed to alter the meaning of the provision as it was originally enacted in 2019 Acts and Resolves No. 164, Sec. 7.

Sec. 17. 7 V.S.A. § 907 is amended to read:

§ 907. RETAILER LICENSE

(a) A retailer licensed under this chapter may:

(1) purchase cannabis from a licensed cultivator, wholesaler, or integrated licensee; and cannabis products from a licensed wholesaler, product manufacturer, integrated licensee, and dispensary; and

(2) transport, possess, package, and sell cannabis and cannabis products to the public for consumption off the registered premises.

* * *

~~(e) Internet ordering and delivery~~ Delivery of cannabis to customers ~~are is~~ prohibited.

Sec. 18. 7 V.S.A. § 909(c) is added to read:

(c) An integrated licensee shall comply with the provisions of subsection 908(f) of this title and have its cannabis or cannabis products tested by an independent licensed testing laboratory.

Sec. 19. 7 V.S.A. § 910(8) is amended to read:

(8) Products. ~~Retailers and integrated licensees~~ Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of \$50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter.

Sec. 20. 18 V.S.A. § 4230h is amended to read:

§ 4230h. CHEMICAL EXTRACTION VIA BUTANE OR HEXANE
PROHIBITED

(a) No person shall manufacture concentrated cannabis by chemical extraction or chemical synthesis using butane or hexane ~~unless authorized as a dispensary pursuant to a registration issued by the Department of Public Safety pursuant to chapter 86 of this title.~~

* * *

Sec. 21. 2019 Acts and Resolves No. 164, Sec. 8(a)(1) is amended to read:

(a)(1) The cannabis plant, cannabis product, and useable cannabis possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86 shall no longer apply on and after February 1, 2022. A dispensary shall be permitted to cultivate cannabis and manufacture cannabis products for the purpose of transferring or selling such products to an integrated licensee on or after April 1, 2022 until October 1, 2022 and engaging in the activities permitted by 7 V.S.A. chapter 33.

Sec. 22. CANNABIS CONTROL BOARD; REPORT CANNABIS
CONCENTRATES

On or before December 1, 2022, the Cannabis Control Board shall report to the General Assembly with a summary of the regulated market share for solid concentrates above 60% THC and the status of the illicit market for those products in other states with a regulated adult-use cannabis market.

and by renumbering the remaining section to be numerically correct.

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

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

H. 727.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on House bill entitled:

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

Was taken up for immediate consideration.

Senator Perchlik, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 727. .An act relating to the exploration, formation, and organization of union school districts and unified union school districts.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

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

Subchapter ~~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 1 shall be the same for each “necessary” and “advisable” district voting on formation of the new district. Article II of the warning shall not include names of candidates for the union school district board.

WARNING

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

Article I. FORMATION OF UNION SCHOOL DISTRICT

Shall the _____ School District, which the proposed articles of agreement have identified as [“necessary” or “advisable”] to the formation of the proposed union school district, join with the school district[s] of _____ and _____, which are identified as “necessary” to formation, and potentially the school district[s] of _____ and _____, which are identified as “advisable” to formation, for the purpose of forming a union school district, as provided in Title 16, Vermont Statutes Annotated, upon the following conditions and agreements:

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) If the voters approve formation of a union school district pursuant to subsection (b) of this section, then upon receiving the certification of each clerk pursuant to subsection (a) of this section, but not sooner than 30 days

after the initial vote, the Secretary shall designate the newly formed district as a union school district. The Secretary shall certify that designation and send the certification together with the clerks' certifications to the Secretary of State, who shall record the certification.

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

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

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

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

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

(2) The Secretary shall calculate the total votes cast for each candidate and transmit those calculations to the clerks for verification. Ballots cast by

the voters of any “advisable” district that does not approve the proposal to form a new union school district shall not be included in the calculation.

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

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

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

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

(c) Oath of office; assumption of duties; election of chair and clerk. The superintendent of the supervisory union serving the new union school district shall cause the initial board members to be sworn in. Although the swearing-in may occur prior to the organizational meeting required by section 715 of this chapter, it shall not occur before the Secretary of State files the certified copy of the recorded certification with each clerk pursuant to subsection 713(e) of this chapter. The initial board members shall assume office upon being sworn in and shall meet to elect one of their number to serve as the board chair and one other of its number to serve as the board clerk, and to transact any other business within its jurisdiction; provided, however, such meeting shall not occur prior to the organizational meeting required by section 715.

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

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

(b) Notice.

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

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

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

(c) Business to be transacted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 716. TRANSITION TO FULL OPERATIONS

(a) Operational date. The operational date of a union school district is the July 1 next following the date on which the voters vote to approve formation

of the district, unless the voter-approved articles of agreement establish a different date.

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

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

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

(3) During the transitional period and continuing until the voters approve a budget for the initial fiscal year of operation, the board of the new union school district shall have the authority to borrow sufficient funds to meet pending obligations. The board shall vote whether to include the total sum borrowed under this subsection as education spending in the board's proposed budget for the initial fiscal year or to treat the sum as a deficit pursuant to 24 V.S.A. § 1523(b) (municipal and county government; duties of selectboards as to a deficit).

(c) Assets.

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

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

(3) Prohibition. A forming district shall not transfer ownership of an asset to any entity other than the union school district between the date on

which the vote occurs pursuant to section 710 (vote to form union school district) of this chapter and the operational date unless explicitly authorized in the voter-approved articles of agreement or approved by the voters of the union school district during the transitional period.

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

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

(d) Liabilities.

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

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

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

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

incurred by or on behalf of the union school district during the transitional period.

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

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

(b) Union Elementary and Union High School Districts.

(1) Reorganization of forming districts. On its operational date, a union elementary or union high school district shall supplant each forming district for the grades for which the union elementary or union high school district is organized (the supplanted grades). Each forming district shall cease to be organized to provide for education in the supplanted grades but shall continue to be responsible for the other grades for which it is organized; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the forming districts and their boards may continue to exist for the supplanted grades for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new union elementary or union high school district.

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

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

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

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

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

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

§ 719. SUPERVISORY UNION; SUPERVISORY DISTRICT

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

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

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

Article 3. Changes in Union District Membership and
Other Amendments to Articles of Agreement

§ 721. JOINING AN EXISTING UNION SCHOOL DISTRICT

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

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

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

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

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

(b) Action initiated by union school district.

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

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

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

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

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

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

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

§ 722. AMENDMENTS TO ARTICLES OF AGREEMENT

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

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

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

(d) Number of board members. Notwithstanding the provisions of subsections (a) (union school district voters) and (b) (union school district board) of this section, if membership on a union school district board is proportional to town population as set forth in subdivisions 711(d)(1) (proposed unified union school district) and (e)(1) (proposed union elementary or union high school district) of this chapter, and if the district's articles of agreement direct the board to adjust board membership when necessary to conform to each new decennial census, then the board shall amend the articles to adjust the apportionment of board seats without presenting the amendment to the voters for approval.

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

(f) Process. A vote by the voters of a union school district to amend the articles of agreement shall be by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–742 (vote by Australian ballot) of this chapter for unified union school districts and sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) for union elementary and

union high school districts. The warning shall contain each proposed amendment as a distinct question to be determined separately. The provisions of this subsection shall not apply to any issue to the extent that a different section of law provides a specific amendment procedure.

§ 723. DECISION TO VOTE BY AUSTRALIAN BALLOT

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

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

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

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

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

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

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

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

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

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

(b) Withdrawal study committee.

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

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

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

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

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

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth

in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) the proposed new school district; and

(B) the union district if withdrawal is approved;

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

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

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

(1) Report supporting withdrawal.

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

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

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

(I) support withdrawal; and

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

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

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

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

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

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

(C) Within 45 days following receipt of the withdrawal study committee report, the union district board shall invite the members of the

withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of its report and to answer any questions posed by the board. The board shall also invite the members of the liaison subcommittee to share any analysis and conclusions at the meeting. The withdrawal study committee has sole authority to determine the contents of its report.

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

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

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

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

(e) Secretary and State Board.

(1) Secretary. If the study committee voted to proceed pursuant to subdivision (d)(1) of this section, then within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, it shall deliver its report electronically to the Secretary for review. The liaison subcommittee may also submit a report outlining its analysis and conclusions. The Secretary shall submit the report or reports, with recommendations, to the State Board.

(2) State Board review. The State Board:

(A) shall consider the report or reports and the Secretary's recommendations;

(B) shall provide representatives of the withdrawal study committee and the liaison subcommittee an opportunity to be heard;

(C) may, in its discretion, take testimony from other individuals and entities;

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

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

(3) State Board action.

(A) Advisory opinion with positive recommendation. If the State Board finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts and aligns with the policy set forth in section 701 of this title, then within 90 days after receiving the report of the study committee the State Board shall:

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

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

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

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

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

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

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

(f) Vote of the electorate.

(1) Vote following positive recommendation of the State Board.

(A) Within 30 days after receipt of the State Board's written recommendation, the superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union district and the town clerk of each town within the union district.

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

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

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

(2) Vote following negative recommendation of the State Board.

(A) The superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union district and with the town clerk of each town within the union district.

(B) The union district voters residing in the petitioning town shall vote whether to withdraw from the union district pursuant to the terms set forth in the report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–741 (vote by Australian ballot) of this chapter.

(ii) The withdrawal proposal shall proceed to a vote in each of the other towns within the union district only if approved by a majority of the

union district voters residing in the petitioning town present and voting yes or no on the warned question. If a majority of the voters in the petitioning town do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(C) Within 45 days after the vote in subdivision (B) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of the petitioning town shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the petitioning town shall submit the certification regardless of whether the voters in the petitioning town approved withdrawal. The withdrawal study committee shall cease to exist upon submission of the certification.

(D) If the union district voters residing in the petitioning town approve the withdrawal proposal pursuant to subdivision (B) of this subdivision (f)(2), then, within 90 days after receiving notice of the certification as required in subdivision (C) of this subdivision (f)(2), the voters of the union district residing in each of the other towns shall vote on the same day whether to approve withdrawal of the petitioning town as set forth in the final report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–741 (vote by Australian ballot) of this chapter. The ballots shall not be commingled.

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

(E) Within 45 days after the vote in subdivision (D) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each of the other towns within the union district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that town approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(g) Election of potential board members. On the day on which they vote whether to approve withdrawal, the union district voters residing in the petitioning town shall also vote for three individual registered voters from the petitioning town to serve as the initial members of the proposed new school district's board if withdrawal is approved. The nomination and election of the initial members shall proceed pursuant to subdivision 730(a)(1) of this chapter (election of board members under the proportional to town model by Australian ballot). The term of office for each initial member shall be arranged so that one term expires on the day of the second annual meeting of the proposed new school district, one term expires on the day of the third annual meeting, and one term expires on the day of the fourth annual meeting.

(h) State Board's duties if withdrawal is approved. If the union district voters approve withdrawal pursuant to subsection (f) of this section, then upon receiving notice from the Secretary pursuant to subdivision (f)(1)(D) or (f)(2)(E) of this section, the State Board shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) Timing of action.

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

applicable, the operational date of a union district adjusted pursuant to subsection (i) of this section.

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

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

(a) Definitions. As used in this section:

(1) "Petitioning district" means:

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

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

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

(b) Withdrawal study committee.

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

by the subject district clerk, the board of the petitioning district shall append the individual petitions to the withdrawal petition it sends to the clerk of the union district.

(2) To initiate the process set forth in this section if the petitioning district does not have a town school district board, the voters residing in the petitioning district shall submit petitions to the clerk of the unified union school district indicating the petitioners' desire to withdraw the petitioning district from the union district. Individual petitions shall be signed by at least five percent of the voters residing in the petitioning district and five percent of the voters residing in each of the member districts within the union school district, with each district having its own petition. The petitioning district shall submit each petition to that district's clerk for verification of the voting registration status of the signors. On a form created by the Secretary of State's Office, and appended to each petition, shall be the names of three voters residing in the petitioning district to serve on a withdrawal study committee and a signed statement by each of the three named voters consenting to serve. Once each petition has been verified by the subject district clerk, the petitioning district shall submit the petitions to the clerk of the union school district.

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

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

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

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

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth

in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) the proposed new school district; and

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

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

(7) the potential source of supervisory union services for the proposed new district, including discussions with the board of any supervisory union to

which the report of the withdrawal study committee might propose assignment or the continuation of assignment.

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

(1) Report supporting withdrawal.

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

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

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

(I) support withdrawal; and

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

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

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

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

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

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

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

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

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

(e) Secretary and State Board.

(1) Secretary. If the study committee voted to proceed pursuant to subdivision (d)(1) of this section, then within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, it shall deliver its report electronically to the Secretary for review. The liaison subcommittee may also submit a report outlining its analysis and conclusions. The Secretary shall submit the report or reports, with recommendations, to the State Board.

(2) State Board review. The State Board:

(A) shall consider the report or reports and the Secretary's recommendations;

(B) shall provide representatives of the withdrawal study committee and the liaison subcommittee an opportunity to be heard;

(C) may, in its discretion, take testimony from other individuals and entities;

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

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

(3) State Board action.

(A) Advisory opinion with positive recommendation. If the State Board finds that the withdrawal proposal contained in the report is in the best interests of the State, the region, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then within 90 days after receiving the report of the study committee the State Board shall:

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

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

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

(B) Advisory opinion with negative recommendation. If the State Board finds that the withdrawal proposal contained in the report is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then within 90 days after receiving the report of the study committee, the State Board shall:

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

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

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

(f) Vote of the electorate.

(1) Vote following positive recommendation of the State Board.

(A) Within 30 days after receipt of the State Board's written recommendation, the superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union elementary or union high school district and the district clerk of each of the member districts within the union elementary or union high school district.

(B) Within 90 days after the clerk of the union district receiving the reports and recommendations described in subdivision (A) of this subdivision (f)(1), the voters of the union elementary or union high school district,

including those residing in the petitioning district, shall vote whether to approve withdrawal as set forth in the report. The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

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

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

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

(2) Vote following negative recommendation of the State Board.

(A) The superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union elementary or union high school district and the district clerk of each of the member districts within the union elementary or union high school district.

(B) The union district voters residing in the petitioning district shall vote whether to withdraw from the union elementary or union high school district pursuant to the terms set forth in the report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

(ii) The withdrawal proposal shall proceed to a vote in each of the other member districts within the union elementary or union high school district only if approved by a majority of the union district voters residing in the petitioning district present and voting yes or no on the warned question. If a majority of the voters in the petitioning district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(C) Within 45 days after the vote in subdivision (B) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of the petitioning district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union elementary or union high district, the clerks of each of the other member districts within the union district, and the Secretary of Education. The clerk of the petitioning district shall submit the certification regardless of whether the voters in the petitioning district approved withdrawal. The withdrawal study committee shall cease to exist upon submission of the certification.

(D) If the union elementary or union high school district voters residing in the petitioning district approve the withdrawal proposal pursuant to subdivision (B) of this subdivision (f)(2), then, within 90 days after receiving notice of the certification as required in subdivision (C) of this subdivision (f)(2), the voters of the union elementary or union high school district residing in each of the other member districts shall vote on the same day whether to approve withdrawal of the petitioning district as set forth in the final report.

(i) The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

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

(E) Within 45 days after the vote in subdivision (D) of this subdivision (f)(2) or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each of the other member districts within the union elementary or union high school district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that member district approved

withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

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

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

(h) State Board's duties if withdrawal is approved. If the union elementary or union high school district voters approve withdrawal pursuant to subsection (f) of this section, then upon receiving notice from the Secretary pursuant to subdivision (f)(1)(D) or (f)(2)(E) of this section, the State Board shall:

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

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

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

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

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

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

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

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

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

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

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

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

(j) Timing of action.

(1) The voters residing in any member district within a union elementary or union high school district shall not initiate the withdrawal process set forth in this section within the first year after the latter of the

operational date of a newly formed union elementary or union high school district or, if applicable, the operational date of a union elementary or union high school district adjusted pursuant to subsection (h) of this section.

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

Subchapter 3. Unified Union School Districts

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

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

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

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

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

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

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

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

(d) Weighted voting. If weighted voting is used to achieve constitutionally required proportionality for members elected under the "proportional to town

population” model described in subdivisions 711(d)(1) (proposed unified union school district; proportional to town population) and 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this chapter, then a number of members of the board holding a majority of the total number of weighted votes shall constitute a quorum, and a majority of the weighted votes cast shall be necessary and sufficient for board action.

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

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

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

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

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

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

(1) Proportional to town population.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

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

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

(3) At-large representation.

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

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

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

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

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

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

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

(C) The district clerk shall prepare the unified union school district ballot to include the name of each duly nominated candidate and shall transmit

the ballot to the town clerk of each town within the district to make available to the voters residing in the town.

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

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

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

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

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

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

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

§ 731. VACANCY ON UNIFIED UNION SCHOOL DISTRICT BOARD

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

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

district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

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

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

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

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

(c) Obligations and expenses.

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

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

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

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

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

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

§ 733. ANNUAL REPORT; DATA

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

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

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

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

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

(b) Election.

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

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

(c) Terms.

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

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

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

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

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

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

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

§ 736. OFFICERS; POWERS, DUTIES, AND LIABILITIES

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

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

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

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

§ 737. WARNINGS OF UNIFIED UNION SCHOOL DISTRICT MEETINGS

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

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

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

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

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

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

(1) The election shall be warned as follows:

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

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

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

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

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

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

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

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

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

(a) Not later than the close of business on the day before an annual or special meeting of a unified union school district, the town clerk of each town within the district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (elections; registration of voters). The checklist shall control for purposes of determining voter eligibility in the unified union school district.

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

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

§ 739. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

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

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

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

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

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

§ 740. PREPARATION AND FORM OF AUSTRALIAN BALLOT

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

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

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

§ 741. COUNTING OF AUSTRALIAN BALLOTS(a) Process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 743. BOND ISSUES; DEBT LIMIT

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

(b) The debt limit of the unified union school district shall be 10 times the total of the education grand lists of the towns within the unified union school district. The existing indebtedness of a unified union school district incurred to finance any project approved under sections 3447 to 3456 (State aid for capital construction costs) of this title shall not be considered a part of the indebtedness of the unified union school district for purposes of determining its debt limit for a new proposed bond issue.

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

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

§ 745. DEFINITIONS

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

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

(2) Town clerk.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

proceedings to the clerk of the union elementary or union high school district, who shall be responsible for maintaining a permanent record of board proceedings. In the board clerk's absence, another member of the school board shall assume the duties of the clerk.

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

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

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

(1) Proportional to town population.

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

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

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

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

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

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

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

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

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

union high school district board based on the population of the member district.

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

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

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

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

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

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

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

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

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

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

(3) At-large representation.

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

residing in any one or more of the member districts may file a petition nominating a candidate for at-large board membership. A petition is valid only if:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Obligations and expenses.

(1) Vacancy in majority. If there are vacancies in a majority of the members of a union elementary or union high school district board at the same

time, then the remaining member or members are authorized to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled pursuant to the provisions of this section.

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

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

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

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

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

§ 751. ANNUAL REPORT; DATA

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

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

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

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

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

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

(c) Terms.

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

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

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

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

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

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

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

§ 754. OFFICERS; POWERS, DUTIES, AND LIABILITIES

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

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

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

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

§ 755. WARNINGS OF UNION ELEMENTARY AND UNION HIGH SCHOOL DISTRICT MEETINGS

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

(b) Except as provided in subsection (f) of this section, not less than 30 nor more than 40 days before the meeting, the union district clerk shall warn a union elementary or union high school district meeting by posting a warning and notice to voters, signed by the chair of the union district board or the chair's designee, specifying the date, time, location, and business of the meeting, in the district clerk's office and at least one public place in each town within the union elementary or union high school district, and causing the same to be published once in a newspaper circulating in the union district at

least five days before the meeting. In the district clerk's absence, the chair of the board or the chair's designee shall warn the meeting pursuant to the provisions of this section.

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

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

(e) The warning shall be recorded in the office of the district clerk and shall be provided to the town clerk of each town in the unified elementary or union high school district before being posted.

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

(1) The election shall be warned as follows:

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

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

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

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

(3) If an annual meeting of a member district at which the union district board members are elected under this subsection is more than 30 days prior to the annual meeting of the union school district, then notwithstanding subsection 747(a) (board members of union elementary and union high school

districts) of this chapter, the newly elected board members shall assume office at the conclusion of the union school district's annual meeting.

(g) Notwithstanding any provision of this section to the contrary, a union elementary or union high school district:

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

(2) shall warn a meeting to consider a revised proposed budget pursuant to the provisions of subsection 750(b) (union elementary or union high school district revised proposed budget) of this chapter.

§ 756. UNION DISTRICT MEETINGS CONDUCTED FROM THE FLOOR

(a) Not later than the close of business on the day before the meeting, the town clerk of each member district of a union elementary or union high school district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (registration of voters). The checklist shall control for purposes of determining voter eligibility in the union elementary or union high school district.

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

(c) Votes cast at an annual or special meeting shall be commingled and shall not be counted according to the town in which a voter resides.

(d) The provisions of this section shall apply to all votes of the electorate in a union elementary or union high school district that do not proceed by Australian ballot; provided, however:

(1) They shall not apply if Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters.

(2) They shall not apply to a vote warned pursuant to subsection 755(f) (warnings of union elementary and union high school district meetings; members elected under proportional to town population model and by floor vote) of this chapter.

(e) If a person who resides in a member district and is otherwise eligible to vote at a union elementary or union high school district meeting has not maintained residence in the member district for the requisite number of days but resided in another member district of the union elementary or union high school district for the requisite number of days, then the town clerk of the

member district in which the person currently resides shall enter such person's name on the checklist of legal voters if the person presents to that town clerk a certificate signed by the town clerk of the member district in which the person formally resided confirming that the person lived within the union elementary or union high school district for the requisite number of days.

§ 757. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

In any vote that proceeds by Australian ballot in a union elementary or union high school district:

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

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

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

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

§ 758. PREPARATION AND FORM OF AUSTRALIAN BALLOT

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

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

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

§ 759. COUNTING AND REPORTING RESULTS OF VOTE BY AUSTRALIAN BALLOT

(a) Process if commingled. If the voters have approved the commingling of votes cast by Australian ballot for any or all categories of public questions, including elections and budget votes, or if Vermont law requires commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) At least two members of the board of civil authority of each town within a union elementary or union high school district, or two election officials appointed by the board of civil authority of that town, shall transport ballots cast in the member district in a sealed container to a central location designated by the clerk of the union elementary or union high school district.

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

(3) The union elementary or union high school district clerk or designee shall supervise representatives of the boards of civil authority to count ballots at the central location. The union elementary or union high school district clerk shall also have the authority to appoint current union elementary or union high school district board members who are not on the ballot to aid in the counting of ballots

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

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

(6) Ballots from all member districts shall be combined into a single group before counting and shall not be counted according to the member district or town in which a voter resides.

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

(8) The union district clerk shall report the commingled results of votes cast within the union elementary or union high school district to the public.

(b) Process if not commingled. If the voters have not approved the commingling of votes cast by Australian ballot for budgets, elections, or any other category of public question, and if Vermont law does not require commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) The board of civil authority of each town within the union elementary or union high school district shall count Australian ballots cast in the member district and report the results to the clerk of the union district.

(2) The clerk of the union district shall calculate total votes cast within the union district for any vote that requires approval by the electorate of the entire union elementary or union high school district, rather than approval by the voters in one member district or by the voters in each member district separately.

(3) The union district shall report to the public the results of total votes cast; provided, however, that both the union district clerk and the clerk of each member school district shall report the results of ballots cast to elect a union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 748(a)(1) of this chapter.

§ 760. BOND ISSUES; DEBT LIMIT

(a) A union elementary or union high school district may make improvements, as defined by 24 V.S.A. § 1751, and may incur indebtedness for the improvements as provided in 24 V.S.A. chapter 53, subchapter 1.

(b) The debt limit of the union elementary or union high school district shall be 10 times the total of the education grand lists of the member districts of the union school district. The existing indebtedness of a union elementary or union high school district incurred to finance any project approved under sections 3447 to 3456 of this title shall not be considered a part of the indebtedness of the union elementary or union high school district for purposes of determining its debt limit for a new proposed bond issue. An obligation incurred by a union elementary or union high school district pursuant to this chapter shall be the joint and several obligation of the union school district and each of its member districts. Any joint or several obligation incurred by a member district pursuant to this subsection shall not be considered in determining the debt limit for the separate purposes of the member district.

(c) Bond issues under this section shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary school district and union high school district meetings) and 757–759 (vote by Australian ballot) of this subchapter. Ballots shall be commingled before counting.

Subchapter 5. Districts Formed Pursuant to Prior Laws

§ 763. RATIFICATION; ARTICLES OF AGREEMENT; APPLICATION OF CHAPTER

(a) Each union school district in existence on July 1, 2022, is ratified and subject to the provisions of this chapter 11, regardless of whether the district was formed by an affirmative vote of the electorate or by the State Board as part of its “Final Report of Decisions and Order on Statewide School District

Merger Decisions Pursuant to [2015 Acts and Resolves No.] 46, Sections 8(b) and 10” dated November 28, 2018 (the Order).

(b) References in this chapter 11 to articles of agreement initially adopted by the voters shall also mean articles of agreement as issued by the State Board as part of the Order.

(c) Articles of agreement in effect on June 30, 2022, as initially adopted by the voters or subsequently amended, shall govern the district unless and until amended; provided, however, and notwithstanding the provisions of 1 V.S.A. § 214 or other laws to the contrary, the provisions of this chapter 11 shall govern in all matters not addressed in the articles of agreement and shall take precedence in the event of conflict with any article.

§ 764. SECRETARY OF STATE; RECORDING CERTIFICATES

(a) To ensure that documentary evidence relating to the creation of union school districts can be found in one location, the Secretary of Education shall forward to the Secretary of State copies of the certifications designating the existence of each new union school district created pursuant to the State Board’s “Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to 2015 Acts and Resolves No. 46, Sections 8(b) and 10” dated November 28, 2018 (the Order).

(b) The Secretary of State shall record the certifications and all subsequent amendments and addenda to the certifications.

(c) The Secretary of State shall file a certified copy of the recorded certification and any amendments or addenda with the elected clerk of each union school district created by the Order.

Sec. 4. WITHDRAWAL ACTIONS APPROVED BY STATE BOARD; NEW DISTRICTS WITH AN OPERATIONAL DATE ON OR AFTER JULY 1, 2023

(a) Application of this section. This section shall apply solely to a withdrawal action initiated pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724), if each of the following actions occurred prior to that effective date:

(1) the State Board of Education gave final approval to the voter-approved and voter-ratified proposal to withdraw from the union school district;

(2) the State Board declared a new school district to be reconstituted;

(3) the State Board established the new school district’s operational date as July 1, 2023 or after;

(4) the voters of the new school district elected school board members;

(5) the voters of the towns within the union district voted to approve the financial terms of withdrawal negotiated by the boards of the new school district and the union district; and

(6) the State Board charged the new school district and its board with performing the transitional activities necessary to assume sole responsibility for the education of resident students on the identified operational date.

(b) Vote of the board of the new school district; operational date. Before July 1, 2022, the board of the new school district shall vote whether to move forward with preparing for the operational date in effect on July 1, 2022 (current operational date) or whether to extend the operational date by one year. If the school board votes to extend the operational date, the operational date shall be extended to one year from the current operational date (new operational date). The board of the new school district shall notify the State Board and clerk of the union district of its decision and operational date on or before July 1, 2022. The State Board shall then review the preparedness of the new school district pursuant to subsection (d) of this section. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(c) Status report. On or before the regular July State Board meeting in the year in which the review will occur, the new school district shall submit a written status report to the Board detailing the actions the district has taken and will take to ensure that, as of its operational date, the district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services. The status report shall include a timeline indicating the date by which each action shall be complete.

(d) State Board review and findings.

(1) Review. The State Board shall consider the status report and provide the board of the new school district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities, including the union school district and the Agency of Education. The State Board shall issue a determination of preparedness based on the review and report on or before the September 1 of the year in which the review will occur.

(2) Preparedness deemed likely. If the State Board determines that it is likely the new school district will be prepared, on the identified operational date provided to the State Board pursuant to subsection (b), to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by

16 V.S.A. § 165, and to ensure the provision of supervisory union services, then the new school district, the union district, and, if applicable, the supervisory union or unions shall continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(3) Preparedness deemed unlikely.

(A) If the State Board determines there is a reasonable risk that the new district will not be able to be prepared, on the operational date provided to the State Board pursuant to subsection (b), to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then the Board shall issue a written advisory statement detailing the factors underlying its conclusion, which it shall post on its website and transmit electronically to the board of the new school district.

(B) Upon receipt of an advisory opinion pursuant to subdivision (d)(3)(A) of this section, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(C) Prior to the operational date and after public discussion and any board deliberations:

(i) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(ii) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(I) The question shall be decided by Australian ballot.

(II) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(D) If the new school district requests the State Board to take action under subdivision (3)(C) of this subsection (d), then:

(i) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(ii) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(I) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(II) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (d)(3)(D).

(e) Repeal. This section is repealed on July 1, 2024.

**Sec. 5. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD
HAS NOT TAKEN ACTION; ALTERNATIVE GOVERNANCE
PROPOSAL PREVIOUSLY PRESENTED**

(a) Application of this section.

(1) For purposes of this section and notwithstanding any provision of law to the contrary, the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) are deemed to authorize withdrawal from a unified union school district created by the State Board of Education in its “Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to Act 46, Secs. 8(b) and 10” dated November 28, 2018 (Order).

(2) This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the former 16 V.S.A. § 724 if each of the following actions occurred prior to the effective date of Sec. 3 of this act:

(A) the State Board created the union district in its Order;

(B) prior to issuance of the Order, the districts that merged to form the union district submitted a proposal to the Secretary of Education and the State Board setting forth the details of their self-evaluation and a proposal for

an alternative governance structure pursuant to 2015 Acts and Resolves No. 46, Sec. 9 (Section 9 proposal);

(C) the voters of the petitioning town approved a proposal to withdraw from the union district;

(D) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(E) the State Board of Education has not approved or taken action to approve the withdrawal proposal or to declare that a new school district is reconstituted.

(b) Report and plan. At any time after the effective date of this section, but on or before the regular September 2022 State Board meeting, the self-selected representatives of the petitioning town and the board of the union district shall submit to the State Board in writing:

(1) A report explaining the ways in which the current plan of the petitioning town and the union district for operation after withdrawal conforms to or differs from the Section 9 proposal.

(2) A plan, including a timeline, identifying the actions the petitioning town and the union district have taken and will take to transition to the proposed structure and to ensure that, as of an identified operational date, the proposed new school district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. At a minimum, the plan and timeline should include the actions identified in subsection (d) of this section.

(c) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and also whether it is likely or unlikely that supervisory union services will be available to both the proposed new school district and the union district on the operational date. If the State Board determines

preparedness is unlikely, it shall issue a written advisory statement detailing the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(d) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (c)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district, and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation of the proposed financial terms of withdrawal by the board of the new school district and the board of the union district in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including all actions necessary to address the collectively bargained rights of employees of the current employing entity.

(e) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion pursuant to subdivision (c)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (e)(4).

(f) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the five elements set forth in subdivisions (A)–(E) of subdivision (a)(2) are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (e) have the following meanings:

(A) “Petitioning town” means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) “Selectboard” means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) “Town within the union school district” means a member district of the union elementary or union high school district.

(g) Repeal. This section is repealed on July 1, 2024.

Sec. 6. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD
HAS NOT TAKEN ACTION; UNION DISTRICT CREATED BY
THE ELECTORATE

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) the voters of the petitioning town approved a proposal to withdraw from the union district;

(3) the voters of each of the other towns within the union district ratified the petitioning town’s proposal to withdraw; and

(4) the State Board of Education has not approved or taken action to approve the withdrawal proposal or to declare that a new school district is reconstituted.

(b) Decision regarding timing of State Board review. At any time before July 1, 2022, the self-selected representatives of the petitioning town shall decide whether to begin a State Board of Education review of their withdrawal proposal in July of 2022 or July of 2023 and shall transmit their decision and proposed operational date to the State Board of Education and the clerk of the union district. The State Board shall review the withdrawal proposal only once. If the review of the withdrawal proposal occurs in 2023, the State Board may ask for updates from the self-selected members of the petitioning town on preparedness efforts prior to the final withdrawal proposal review. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(c) Report and plan. On or before the second Wednesday of July in the year in which the review will occur, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident

students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

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

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (e) of this section.

(d) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities. The State Board shall issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than the September 1 of the year in

which the review will occur based on the decision the self-selected representatives of the petitioning town made pursuant to subsection (b) of this section.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and whether it is likely or unlikely that supervisory union services will be available to the proposed new school district on the operational date. If the State Board determines preparedness is unlikely, it shall issue a written advisory statement detailing the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (e) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(e) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (d)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(f) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion pursuant to subdivision (d)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (e)(4).

(g) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the four elements set forth in subdivisions (1)–(4) of subdivision (a) are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (d) of this section have the following meanings:

(A) “Petitioning town” means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) “Selectboard” means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) “Town within the union school district” means a member district of the union elementary or union high school district.

(h) Repeal. This section is repealed on July 1, 2025.

Sec. 7. WITHDRAWAL PROPOSALS; NO FINAL RATIFICATION
VOTES

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) a vote in the petitioning town to approve a withdrawal proposal was warned to occur on or before June 1, 2022; and

(3) the voters of each of the other towns within the union district have not voted whether to ratify the withdrawal proposal prior to the effective date of this section or they each voted but the votes are not final prior to the effective date.

(b) Vote of the other towns within the union district. If the voters in the petitioning town vote to approve withdrawal, then within 90 days after the town clerks in the other towns within the union district receive notice from the Secretary of State pursuant to the former 16 V.S.A. § 724(b) that the vote in the petitioning town is final, the voters of the other towns within the union district shall vote whether to ratify the withdrawal proposal. The question shall be determined by Australian ballot and shall proceed pursuant to Sec. 3, 16 V.S.A. § 737 (warnings of unified union school district meetings) and §§ 739–741 (vote by Australian ballot) of this act. The ballots shall not be commingled.

(1) Vote not to ratify withdrawal. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur. The voters residing in any town within the union district may initiate new withdrawal procedures pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(2) Vote in favor of withdrawal. If a majority of the voters in all towns within the union district vote in favor of withdrawal, then the withdrawal process shall proceed pursuant to subsections (c)–(g) of this section.

(c) Decision regarding timing of State Board review. Within 30 days after the ratification votes of the other towns within the union district are final, the self-selected representatives of the petitioning town shall decide whether to undergo a State Board of Education review of the withdrawal proposal in 2022 or 2023 and shall transmit their decision and proposed operational date to the State Board of Education and clerk of the union district. In accordance with the decision of the self-selected representatives of the petitioning town regarding the year in which the withdrawal proposal shall be reviewed, the State Board, in consultation with the self-selected representatives, shall determine the date the final withdrawal proposal review will begin and transmit the date to the self-selected representatives of the petitioning town and the clerk of the union school district. The State Board shall review the withdrawal proposal only once. If the review of the withdrawal proposal occurs in 2023, the State Board may ask for updates from the self-selected members of the petitioning town on preparedness efforts prior to the final withdrawal proposal review. The decision of the State Board shall be final regardless of whether it occurs in 2022 or 2023.

(d) Report and plan. On or before the date set by the State Board to begin the final withdrawal proposal review, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in

which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

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

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (f) of this section.

(e) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities. The State Board shall issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than 90 days after the date set by the State Board to begin the final withdrawal proposal review.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and whether it is likely or unlikely that supervisory union services will be available to the proposed new school district on the operational date. If the State Board determines preparedness is unlikely, it shall issue a written advisory statement detailing

the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (f) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(f) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (e)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(g) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion pursuant to subdivision (e)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (g)(4).

(h) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the four elements set forth in subdivisions (1)–(4) of subdivision (a) of this section are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (g) of this section have the following meanings:

(A) “Petitioning town” means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) “Selectboard” means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) “Town within the union school district” means a member district of the union elementary or union high school district.

(i) Repeal. This section is repealed on July 1, 2025.

Sec. 8. TEMPORARY MORATORIUM ON UNION SCHOOL DISTRICT
SCHOOL CLOSURES

(a) Notwithstanding any provision of law to the contrary, a union school district shall be prohibited from closing a school building within its district unless the school building closure has already been accounted for in the fiscal year 2023 school budget, the closure is necessary to protect the health and safety of students, the school district is unable to adequately staff the school building at issue, or the closure is approved by the district voters residing in the town in which the building is located. As used in this section, “closing a school building” means the district ceases to use the building to provide direct education for a majority of the grades operated within the building on or before July 1, 2022.

(b) This section is repealed on July 1, 2024.

Sec. 9. UNION SCHOOL DISTRICT CLOSURES; REPORT

On or before September 1, 2023, the Agency of Education shall issue a written report to the Senate and House Committees on Education on union school district school building closures. In preparing the report, the Agency shall consult with the State Board of Education, the Vermont School Boards Association, the Vermont Principals’ Association, the Vermont Superintendents Association, the Vermont National Education Association, and the Vermont League of Cities and Towns. The Agency shall also solicit and consider comments from the public. The report shall include:

(1) an examination of examples of recent school closures, or attempted school closures, within union school districts and identification of common trends and issues;

(2) an examination of the impact school closures have had or are anticipated to have on towns or member districts seeking to withdraw from a union school district;

(3) an examination of the issues leading a school board to consider closing a school building, the options to address the issue that could be employed instead of school closure, and the impact the inability to close a school building has had or is expected to have on the union school district or any of the towns or member districts within it;

(4) an examination of the factors that should be used to determine school viability and sustainability and how those factors relate to school closure decisions;

(5) an examination of the advantages and disadvantages of creating a consistent statewide process for union school district school closures and a common definition of what actions constitute a closure;

(6) recommendations on school closure standards and processes; and

(7) recommendations for legislative action, including recommended legislative language.

Sec. 10. UNION SCHOOL DISTRICT WITHDRAWAL; ANNUAL
REPORT

The Agency of Education shall make an annual report to the Senate and House Committees on Education on or before January 15. The report shall include a detailed analysis of each union school district withdrawal action the Agency reviewed during the preceding year. The report shall also include any recommendations for legislative action.

Sec. 11. 16 V.S.A. § 1804 is added to read:

§ 1804. EMPLOYMENT TRANSITION; NEW SCHOOL DISTRICT
CREATED UPON WITHDRAWAL FROM A UNION SCHOOL
DISTRICT

(a) Definitions. The definitions in section 1801 of this subchapter shall not apply to this section. As used in this section:

(1) "Expanded district" means a school district:

(A) that was responsible for the education of students residing in a single town for some, but not all, grades, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others; and

(B) that, as the result of its withdrawal from a union elementary or union high school district pursuant to section 725 of this title, is solely responsible for the education of its resident students in all grades prekindergarten through grade 12, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others.

(2) "New district" means:

(A) a school district created by withdrawal from a unified union school district pursuant to section 724 of this title that is responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others;

(B) a school district responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others, that was formed when another town's withdrawal from a unified union school district resulted in dissolution of the union district;

(C) an expanded district that did not operate any schools immediately prior to withdrawal and, after withdrawal, operates a school in one or more of the grades previously operated by the union district; or

(D) a school district created by withdrawal from a union elementary or union high school district pursuant to section 725 of this title if prior to withdrawal the withdrawing member was a member of both a union elementary school district and a union high school district, was not independently organized as a district responsible for the education of students in any grade, and did not have a town school district board.

(3) "Operational date" means the date on which a new district or an expanded district assumes full and sole responsibility for the education of its resident students in the grades for which the union district was previously responsible. "Initial operational year" and "second operational year" mean the year commencing on the operational date and the year immediately following the initial operational year, respectively.

(4) "Transitional period" means the period of time beginning on the day on which the State Board declares the creation and existence of the new district or the expanded district pursuant to subdivision 724(h)(2) or 725(h)(2) of this title and continuing until the new district's or newly expanded district's operational date.

(b) Negotiations council and recognized representatives of a new district. At its first meeting during the transitional period, the board of a new district shall:

(1) appoint a school board negotiations council for the new district for the purpose of negotiating with the representatives of future licensed and nonlicensed employees of the new district; and

(2) recognize the representative of the employees of the union school district as the recognized representative of the employees of the new district.

(c) Employment agreements for the initial and second operational years of a new district.

(1) After the new district's organizational meeting, the new district's school board negotiations council and the representative of the employees of the new district shall commence negotiations relating to the employment of

licensed and nonlicensed employees in the initial operational year. Negotiations shall be conducted pursuant to the provisions of chapter 57 of this title for teachers and administrators and 21 V.S.A. chapter 22 for other employees. The negotiations council or councils representing employees of the union school district shall represent the employees of the new district unless and until the exclusive representative for employees of the new district designates new representatives to a negotiations council.

(2) If the parties do not ratify a new agreement at least 90 days prior to the new district's operational date, then the new district and its employees shall be governed by the terms of the collectively bargained agreement in place for the union district for the year preceding the initial operational year unless and until the parties agree otherwise.

(d) Non-probationary employees; changes to seniority and other provisions. For each new district and its employees, whether governed by an agreement in the initial operational year pursuant to subdivision (c)(1) or (c)(2) of this section:

(1) an employee of the union district in the year preceding the initial operational year who was not a probationary employee of the union district at the conclusion of that year shall not be considered a probationary employee if employed by the new district in the initial operational year; and

(2) prior to the operational date, the board of the union district, the board of the new district, and the representative of the employees of the union district may negotiate a temporary memorandum of understanding to adjust provisions in the union district contract regarding seniority, reductions in force, layoff, and recall in order to assist the workforce needs of both the union district and the new district and the best interests of the licensed and nonlicensed employees they employ.

(e) Individual employment contracts not covered by a collective bargaining agreement. On its operational date, the new district shall assume the obligations of each existing individual employment contract, including accrued leave and associated benefits, of any union district employee not covered by a collective bargaining agreement who worked in the building located in the new district in the year preceding the initial operational year and who chooses to continue to work in the same capacity in that building in the initial operational year.

(f) Supervisory unions. If the State Board creates a new supervisory union to provide services to the new district and one or more other school districts, then the provisions of subsections (b) through (e) of this section shall apply to the transition of any employee who was employed by the union district in the

year prior to the initial operational year to provide services typically provided by a supervisory union employee, if the employee is employed by the new supervisory union in the initial operational year to provide the same services, with the board of the new supervisory union assuming the responsibilities of the board of the new district as outlined in subsections (b) through (e) of this section.

Sec. 12. APPLICATION OF EMPLOYMENT TRANSITION PROVISIONS

The provisions of Sec. 11 of this act shall also apply to any school district with an operational date of July 1, 2023 or later if the State Board of Education created the district as the result of a withdrawal action initiated pursuant to the terms of 16 V.S.A. § 721a or § 724 that were in effect on January 1, 2022.

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

BRIAN A. CAMPION
ANDREW J. PERCHLIK
JOSHUA TERENCEZINI

Committee on the part of the Senate

PETER C. CONLON
CASEY J. TOOF
ERIN BRADY

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Bills Immediate Consideration

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

H. 74, H. 244, H. 477, H. 559, H. 730.

Bills Passed in Concurrence

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

H. 74. An act relating to making miscellaneous changes concerning self-storage businesses.

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

H. 477. An act relating to leave for crime victims.

H. 559. An act relating to workers' compensation.

Bill Passed in Concurrence with Proposal of Amendment

H. 730.

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

An act relating to alcoholic beverages and the Department of Liquor and Lottery.

Rules Suspended; Bills Messaged

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

H. 74, H. 244, H. 477, H. 559, H. 727, H. 730.

Rules Suspended; Bill Delivered

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

S. 188.

Recess

On motion of Senator Balint the Senate recessed until 3:45 PM.

Called to Order

The Senate was called to order by the President.

Message from the House No. 78

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

Madam President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 11. An act relating to prohibiting robocalls.

And has adopted the same on its part.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 210. An act relating to rental housing health and safety and affordable housing.

And has adopted the same on its part.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 283. An act relating to miscellaneous changes to education laws.

And has adopted the same on its part.

Message from the Governor

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

Madam President:

I am directed by the Governor to inform the Senate that on the eleventh day of May, 2022 he did not approve and *allowed to become law without his signature* a bill originating in the Senate of the following title:

S. 197. An act relating to the provision of mental health supports.

Text of Communication from Governor

The text of the communication to the Senate from His Excellency, the Governor, setting for his reasons for refusing to sign and *allowing to become law without his signature*, **Senate Bill No. S. 197**, is as follows:

“May 11, 2022

Vermont General Assembly
115 State Street
Montpelier, VT 05633

Re: S. 197, An act relating to the provisions of mental health supports

Dear Legislators:

Today, I am letting S. 197, *An act relating to the provisions of mental health supports* go into law because, in the aftermath of remote learning and school masking policies of the last two years of the pandemic, our school staffs and our kids need resources and supports to address learning deficits and mental health needs which only became worse during COVID, particularly among Vermont’s most vulnerable kids. I thank the Legislature for appropriating \$3 million in federal funds for this purpose.

Unfortunately, while S. 197 will become law, it will be without my signature due to what I believe is a separation of powers issue related to executive privilege within the bill. In response to Section 5 of this bill, the

Task Force will release materials upon request only, and only to the extent I have made a determination in my discretion to waive the privilege. Letting this bill go into law without my signature does not constitute a waiver of my executive privilege.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”

Message from the Governor

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

Madam President:

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

S. 162. An act relating to the collective bargaining rights of teachers.

S. 206. An act relating to planning and support for individuals and families impacted by Alzheimer's Disease and related disorders.

Recess

On motion of Senator Balint the Senate recessed until 4:00 PM.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 11.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to prohibiting robocalls.

Was taken up for immediate consideration.

Senator Sirotkin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 11. An act relating to prohibiting robocalls.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its further proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. PURPOSE; IMPLEMENTATION

(a) The purpose of Secs. 1–45 of this act is to expand opportunities for workforce education, training, and development for Vermonters and to make meaningful investments to support and expand the workforce across the State.

(b) It is the intent of the General Assembly that each recipient of funding through Secs. 1–45 of this act shall conduct significant outreach to ensure that all Vermonters, and particularly populations that have experienced unequal access to public or private economic benefits due to geography, socioeconomic status, disability status, gender or gender identity, age, immigration or refugee status, or race, have the opportunity to benefit from the financial and programmatic benefits made available through this act.

**Sec. 2. IMMEDIATE STRATEGIES AND FUNDING FOR EXPANDING
THE LABOR FORCE; INCREASING THE NUMBER OF
PARTICIPANTS AND PARTICIPATION RATES;
APPROPRIATIONS**

(a) In fiscal year 2023, the following amounts are appropriated from the General Fund to the following recipients for the purposes specified:

(1) \$2,500,000.00 to the University of Vermont Office of Engagement, in consultation with the Vermont Student Assistance Corporation, to administer a statewide forgivable loan program of \$5,000.00 per graduate for recent college graduates across all Vermont higher education institutions who commit to work in Vermont for two years after graduation.

(2) \$387,000.00 to Vermont Technical College to develop a skilled meat cutter training and apprenticeship facility.

(b) In fiscal year 2023, the Agency of Human Services shall use the amount of \$500,000.00 that is appropriated to it in Sec. B.1100(a)(17) of the FY 2023 Budget Bill from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to provide grants, which may be administered through a performance-based contract, to refugee- or New American-focused programs working in Vermont to support increased immigration or retention of recent arrivals.

Sec. 3. [Deleted.]

Sec. 4. INVESTMENT IN THE UP-SKILLING OF PRIVATE SECTOR
EMPLOYERS TO SUPPORT THE EVOLUTION OF BUSINESS
AND ORGANIZATIONAL MODELS; APPROPRIATIONS

In fiscal year 2023, the amount of \$250,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for a performance-based contract to provide statewide delivery of business coaching and other forms of training to Black, Indigenous, and Persons of Color (BIPOC) business owners, networking and special convenings, and career fairs, workshops and paid internships, career guidance, and other support for BIPOC workers across the State.

Sec. 5. WORKFORCE EXPANSION AND DEVELOPMENT; SPECIAL
OVERSIGHT COMMITTEE; ACTION PLAN

(a) Findings. The General Assembly finds:

(1) Vermont is experiencing an acute labor shortage in 2022.

(2) According to the Employment and Labor Marketing Information Division of the Vermont Department of Labor:

(A) There are approximately 28,000 job openings in Vermont as of December 2021.

(B) 9,945 individuals meet the federal statistical definition of unemployed as of January 2022.

(C) 4,500 individuals are receiving unemployment insurance assistance as of March 2022.

(D) The workforce has shrunk by 26,000 individuals from 2019 to 2022, yet the unemployment rate is just three percent as of January 2022.

(E) The workforce participation rate has fallen from 66 percent to 60.6 percent.

(F) The total volume of hires made each year is approximately 200,000 nonunique individuals.

(3) The Department receives approximately 80 percent of its funding from federal sources, which constrains the Department and its employees from adjusting its work to meet immediate needs.

(4) The federal funding for field staff in the Workforce Development Division has declined significantly over the past 20 years, supporting 75 persons in 2022 as compared to 135 in 2003.

(5) Though Vermont has a small population, the unique characteristics of its region's employers, educational institutions, demographics, and socioeconomic conditions make it best to address efforts to connect individuals with training and job placement on a regional basis.

(6) Because most State agencies and departments touch the workforce system in some way, there is a need for more coordination and alignment across State government to serve both job seekers and employers.

(7) Vermont needs a statewide workforce development, training, and education system in which all Vermonters who want to work, and all employers who want workers, can connect.

(b) The Special Oversight Committee on Workforce Expansion and Development is created with the following members:

(1) a member appointed by the Governor;

(2) the Chair of the State Workforce Development Board;

(3) the State Director of Workforce Development;

(4) one member of the House Committee on Commerce and Economic Development, appointed by the Speaker of the House; and

(5) one member of the Senate Committee on Economic Development, Housing and General Affairs, appointed by the Senate Committee on Committees.

(c)(1) Members of the Special Oversight Committee may receive compensation pursuant to 32 V.S.A. § 1010 and 2 V.S.A. § 23 for not more than six meetings.

(2) The Agency of Administration shall provide administrative support to the Special Oversight Committee. The Special Oversight Committee may consult with the Office of Legislative Counsel and the Joint Fiscal Office when necessary to perform its work pursuant to this section.

(d) In fiscal year 2023, the amount of \$250,000.00 is appropriated from the General Fund to the Secretary of Administration, who shall use the funds pursuant to the direction of the Special Oversight Committee in the performance of its work, including to engage the services of one or more experts in the field of workforce development, organization management, or other relevant fields as necessary to assist the Committee in its work pursuant to this section.

(e) On or before January 15, 2023, the Committee shall deliver to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs an action

plan that:

(1) identifies the optimal organizational structure for the Vermont workforce development system, under which a single government entity, office, or executive position is charged with the authority and duty to coordinate workforce development efforts across State government, in close partnership and coordination with nongovernmental partners, and achieve the goals of the State of Vermont Strategic Plan; and

(2) identifies action steps, timelines, and resource needs to complete the transition to this new organizational structure.

(f) The Special Oversight Committee, in coordination with the Secretary of Administration and any experts retained with funding provided in this section, shall:

(1) review the statutory role of the Commissioner of Labor as the leader of workforce education and training in the State and the authority, responsibilities, and duties conferred on the Commissioner in 10 V.S.A. § 540;

(2) review the composition and size of the State Workforce Development Board created in 10 VSA § 541a and review the effectiveness of the Board in achieving the objectives outlined in that section;

(3) review the requirements of the Workforce Innovation Opportunity Act and Wagner-Peyser Act and determine if the needs of Vermont's employees and employers would be better served by pursuing a waiver for the requirements of those acts; and

(4) update the goals, metrics, and strategies for workforce development in the State of Vermont Strategic Plan 2018-2023 dated January 3, 2018 and propose a road map, staffing plan, and budget for an integrated State workforce plan that spans all workforce service delivery systems and all existing workforce related strategic plans.

Sec. 5a. REGIONAL WORKFORCE EXPANSION SYSTEM

(a) Regional Workforce Expansion System. The amount of \$1,500,000.00 is appropriated from the General Fund to the Department of Labor for a two-year pilot program to launch and lead a coordinated regional system, beginning in up to three regions of the State, to work toward accomplishing the following goals:

(1) increase local labor participation rate;

(2) decrease the number of open positions reported by local employers;

(3) increase the wages of workers as they transition to new jobs; and

(4) collect, organize, develop, and share information related to local career pathways with workforce development partners.

(b) Duties. In order to meet the goals specified in subsection (b) of this section, the Department shall:

(1) create new capacity to address and support State activities related to workforce development, expansion, and alignment;

(2) focus on the overarching goal of helping workers find jobs and employers find workers;

(3) support employers in communicating and tailoring their work requirements, conditions, and expectations to better access local workers; and

(4) collaborate with local education and training providers and regional workforce partners to create and regularly distribute data related to local labor force supply and demand.

(c) System infrastructure. The Department shall make investments that improve and expand regional capacity to strengthen networks who assist jobseekers, workers, and employers in connecting.

(1) The Department is authorized to create up to four classified, two-year limited-service positions, with funding allocated to perform the work described in this section, who shall report to the Workforce Development Division and of whom:

(A) up to three shall be Workforce Expansion Specialists assigned, one each, up to three different regions of the State; and

(B) one shall provide oversight and State-level coordination of activities.

(2)(A) The Department shall use funds allocated to develop systems for coordination, information sharing, and enhanced support to regional partners, host regional meetings, develop regional plans, and provide localized resources including labor market information, training and development opportunities, and support services.

(B) The Department shall develop labor market information reports to support discussion and decision making that will address local labor market challenges and opportunities and support a regional approach to solving local or unique labor supply challenges.

(d) Coordination.

(1) The Department shall convene regional meetings of education, training, business, and service provider partners; coordinate local workforce

information collection and distribution; and assist in developing localized career resources, such as information for career counseling, local job fairs, and career expos, that will be available to a wide range of stakeholders.

(2) Service provider partners shall include community partners who directly serve mature workers, youth, individuals with disabilities, individuals who have been involved with the correction system, Black, Indigenous, and Persons of Color Vermonters, New Americans, and other historically marginalized populations in efforts to align service delivery, share information, and achieve greater employment outcomes for Vermonters.

(e) Interim report. On or before January 15, 2023, the Department shall provide a narrative update on the progress made in hiring staff, establishing interagency agreements, developing regional information exchange systems, and supporting State-level work to expand the labor force to the House and Senate committees of jurisdiction.

(f) Implementation. The Department of Labor shall begin implementing the Regional Workforce Expansion System on or before July 1, 2022.

Sec. 6. INCARCERATED INDIVIDUALS; WORKFORCE DEVELOPMENT; PILOT PROGRAM

(a) Purpose. The purpose of this section is to facilitate the education and vocational training of incarcerated individuals so that they have a greater likelihood of obtaining gainful employment and positively contributing to society upon reintegration into the community.

(b) Policy; appropriations.

(1)(A) In fiscal year 2023, the amount of \$420,000.00 is appropriated from the General Fund to the Department of Corrections, in consultation with the Vermont Department of Labor, to address education and vocational enhancement needs. These funds shall not be allocated from any amounts budgeted for Justice Reinvestment II initiatives.

(B) The Department shall use the funds allocated for the development of education and vocational training for incarcerated individuals residing in a Vermont correctional facility prior to community reintegration. The Department may allocate the funds over three years, consistent with the following:

(i) \$270,000.00 for transition development, including equipment and mobile labs in one or more sites;

(ii) \$100,000.00 for training partner support; and

(iii) \$50,000.00 for curriculum development.

(2) In fiscal year 2023, the amount of \$300,000.00 is appropriated from the General Fund to the Department of Corrections, which may be allocated over not more than three years, to establish a community-based pilot reentry program at the Chittenden Regional Correctional Facility in consultation with the Vermont Department of Labor. The Department of Corrections shall designate a service provider to administer the pilot program's goals to:

(A) provide continuity of services for incarcerated individuals;

(B) expand current employment readiness programs within the facility by building pathways for coordinated transition to employment;

(C) focus on the first six months after individuals are released from the facility;

(D) coordinate with local community resources, parole and probation offices, and other supports to ensure successful transition into the community;

(E) assist individuals in successfully transitioning into new jobs; and

(F) work with employers to support successful hiring and best practices to support incarcerated individuals.

(c) Report. On or before January 15, 2023, the Department of Corrections shall create and submit a report on workforce and education training programs in correctional facilities to the Joint Legislative Justice Oversight Committee; the House Committees on Corrections and Institutions and on Commerce and Economic Development; and the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary. The report shall:

(1) identify program design, logistical needs, and policy changes to current Department of Corrections facility-based training and educational programs necessary to successfully enable incarcerated individuals' reintegration into their communities, including changes to programs that enhance individuals' skill development, knowledge, and other support needed to qualify for and secure a position in a critical occupation in Vermont;

(2) identify disparities of outcomes and recommend solutions for incarcerated Black, Indigenous, and Persons of Color concerning facility-based training, educational programming, and successful community reintegration;

(3) provide an update on the Department of Corrections' use of education and vocational enhancement funding in fiscal year 2023;

(4) provide recommendations on what aspects of the pilot program should be replicated in other correctional facilities in Vermont; and

(5) provide recommended legislation for the continuation of the pilot program or any changes.

Sec. 7. INTENT

It is the intent of the General Assembly to improve the recruitment and retention of correctional officers to ensure adequate staffing and safe working conditions in facilities operated by the Department of Corrections.

Sec. 8. IMPROVEMENT OF CORRECTIONAL OFFICER
RECRUITMENT AND RETENTION; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioners of Corrections and of Human Resources, shall submit a written report to the House Committees on Appropriations, on Commerce and Economic Development, on Corrections and Institutions, and on Government Operations and the Senate Committees on Appropriations, on Government Operations, and on Judiciary identifying conditions that pose an obstacle to the successful recruitment and retention of correctional officers and setting forth a plan to improve the recruitment and retention of correctional officers.

(b)(1) The report shall specifically analyze the impact of the following on the recruitment and retention of correctional officers:

(A) wages and benefits;

(B) terms and conditions of employment;

(C) working conditions in Department of Corrections facilities, including health and safety issues and the physical condition of the facilities; and

(D) staffing levels and overtime.

(2) The report shall, for each of the issues examined pursuant to subdivision (1) of this subsection, analyze how the following states compare to Vermont and shall identify any best practices in those states that could improve recruitment and retention of correctional officers in Vermont:

(A) Maine;

(B) New Hampshire;

(C) New York;

(D) Massachusetts;

(E) Rhode Island; and

(F) Connecticut.

(c) The report shall, as part of the plan to improve the recruitment and retention of correctional officers, identify specific administrative and

legislative actions that are necessary to successfully improve the recruitment and retention of correctional officers.

Sec. 9. ASSESSMENT OF RECRUITMENT AND RETENTION
INITIATIVES; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioner of Human Resources, shall submit to the House and Senate Committees on Appropriations a report regarding the use of funds appropriated pursuant to 2022 Acts and Resolves, No. 83:

(1) Sec. 14 for employee recruitment and retention at:

(A) the secure residential recovery facility; and

(B) the Vermont Psychiatric Care Hospital;

(2) Sec. 68 for employee retention with respect to:

(A) the Department of Corrections; and

(B) the Vermont Veteran's Home; and

(3) Sec. 72 for workforce recruitment and retention incentives with respect to designated and specialized service agencies, including shared living providers.

(b) The report shall assess how effective the appropriations identified pursuant to subsection (a) of this section were in addressing issues related to employee recruitment and retention; identify any ongoing or remaining employee recruitment and retention challenges that the recipients have; and identify any potential legislative, administrative, or programmatic changes that can address those ongoing or remaining employee retention issues.

(c) The report shall also include a recommendation as to whether and how to appropriate additional funds in the 2023 Budget Adjustment Act to address ongoing recruitment and retention challenges at:

(1) the Vermont Veteran's Home;

(2) the Vermont Psychiatric Care Hospital;

(3) the secure residential recovery facility;

(4) designated and specialized service agencies; and

(5) the Department of Corrections' facilities with respect to individuals employed as a Correctional Officer I or a Correctional Officer II.

Sec. 10. REPEALS

10 V.S.A. §§ 544 and 545 are repealed.

Sec. 11. 10 V.S.A. § 547 is added to read:

§ 547. WORK-BASED LEARNING AND TRAINING PROGRAM

(a) Vermont Work-Based Learning and Training Program. The Department of Labor shall develop the statewide Work-Based Learning and Training Program that serves transitioning secondary and postsecondary students and Vermonters seeking work-based experience as part of a career experience or change and is designed to:

(1) support Vermonters who are graduating from postsecondary education or a secondary CTE program or who are pursuing a career change with a paid on-the-job work experience lasting 12 weeks or fewer;

(2) establish a statewide platform available to all employers to list their internships, returnships, pre-apprenticeships, and registered apprenticeship opportunities and for jobseekers to view and access information about specific opportunities; and

(3) support employers by providing them with assistance in developing and implementing meaningful work-based learning and training opportunities.

(b) Definitions. As used in this section:

(1) “Internship” means a work-based learning experience with an employer where the participant may, but does not necessarily, receive academic credit.

(2) “Returnship” means an on-the-job learning experience for an individual who is returning to the workforce after an extended absence or is seeking a limited-duration on-the-job work experience in a different occupation or occupational setting as part of a career change.

(c) Activities. The Department may use funds appropriated to it for the Program to:

(1) build and administer the Program;

(2) develop an online platform that will connect students and jobseekers with work-based learning and training opportunities within Vermont;

(3) support work-based learning and training opportunities with public and private employers available to prospective workers located in or relocating to Vermont;

(4) promote work-based learning and training as a valuable component of a talent pipeline; and

(5) assist employers in developing meaningful work-based learning and training opportunities.

(d) Data. The Department shall collect the following data:

(1) the total number of participants served;

(2) the number of participants who received wage assistance or other financial assistance as part of this Program and their employment status one year after completion;

(3) the average wage of participants in subdivision (2) of this subsection at the start of the Program and the average wage of participants one year after completion;

(4) the number of work-based learning or training opportunities listed on the platform; and

(5) the number of employers who offered a work-based learning or training opportunity.

(e) State participation. The Department shall engage appropriate State agencies and departments to expand Program opportunities with State government and with entities awarded State contracts.

(f) Reporting. On or before February 15, 2023, the Department shall report Program data to the relevant committees of jurisdiction.

Sec. 12. WORK-BASED LEARNING AND TRAINING PROGRAM;
APPROPRIATION

In fiscal year 2023, the amount of \$1,500,000.00 is appropriated from the General Fund to the Department of Labor to implement the Vermont Work-Based Learning and Training Program created in Sec. 11 of this act. Of this amount, the Department may use not more than \$100,000.00 for the cost of administration.

Sec. 13. SECONDARY STUDENT INDUSTRY-RECOGNIZED
CREDENTIAL PILOT PROJECT

(a) Pilot Project creation. The Department of Labor, in consultation with the Agency of Education, shall design and implement the Secondary Student Industry-Recognized Credential Pilot Project to provide funding for an eligible secondary student to take an eligible adult career and technical education course.

(b) Eligible courses. A course is eligible for the Pilot Project if it is:

(1) offered at a regional CTE center, as defined in 16 V.S.A. § 1522(4), and qualifies as adult career technical education or postsecondary career technical education, as defined in 16 V.S.A. § 1522(11) and (12);

(2) offered during the summer, evening or weekend while secondary school is in session or during the summer; and

(3) included as an element of the student's personalized learning plan and reasonably related to the student's career goals.

(c) Eligible student. A student is eligible for the Pilot Project if:

(1) the student is a Vermont resident attending a Vermont public school or an independent secondary school that is eligible for public funding;

(2) the student has completed grade 11 and has not received a high school diploma; and

(3) the student's secondary school and the regional CTE center determine that the student:

(A) is prepared to succeed in the course;

(B) meets the prerequisites for the course; and

(C) has exhausted other sources of available funding prior to submitting an application.

(d) Administration.

(1) Not later than 30 days after the effective date of this section, the Department of Labor, in consultation with the Agency of Education, shall develop and make available an application for funding that includes:

(A) student's enrollment status;

(B) course information;

(C) a copy of the student's personalized learning plan;

(D) attestation that the secondary and adult career technical education programs find the program of study appropriate for the student;

(E) description of federal and local funding sources that were explored but insufficient or unavailable for use by the student; and

(F) other information the Department requires to determine eligibility.

(2) A student's secondary school shall timely complete and submit an application to the Department of Labor on behalf of the student.

(3) The Department of Labor shall:

(A) review the application and, if appropriate, meet with the student to determine eligibility for existing federal and State programs, including WIOA Title I Youth (in-school) and the Vermont Youth Employment Program;

and

(B) provide a copy of the application to the Agency of Education, which shall determine whether Agency funding is available and notify the Department of its determination within 10 business days.

(4) The Department shall provide funding for the tuition cost for one course to eligible students on a first-come, first-served basis:

(A) from State or federal sources that are available through the Department or Agency; or

(B) if funding is unavailable from those sources, from the amounts available in the Department's fiscal year 2023 budget, not to exceed \$100,000.00.

(5) For students who meet annual low-income qualifications under the Workforce Innovation and Opportunity Act, the Department may provide funds to purchase books, supplies, exam fees, and equipment.

(6) A regional CTE center shall not receive more than \$20,000.00 through the program in each fiscal year.

(e) Regional CTE center report. The Department of Labor shall require a report from each regional CTE center providing information to support the Department's reporting requirements in subsections (f) and (g) of this section.

(f) Interim Report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs on or before the January 15, 2023 regarding the use of funds, including data relating to student circumstances, levels of participation, and how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program.

(g) Final report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance within 45 days following the end of the fiscal year or exhaustion of funds, whichever comes first, regarding the use of funds, including data relating to the number of participants, student circumstances, levels of participation, what certifications were issued, how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program, and recommendations on how to address gaps in access and funding

for secondary students seeking professional certifications not offered through the secondary education system.

Sec. 14. THE VERMONT TRADES SCHOLARSHIP PROGRAM

(a) The Vermont Trades Scholarship Program is created and shall be administered by the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse initial licensing fees, exam fees, and tuition payments under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a scholarship under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled in an industry-recognized training and certification program that leads to initial employment or career advancement in a building, mechanical, industrial, or medical trade; emergency services, including paramedics; energy, including clean energy, energy efficiency, or weatherization; transportation, including clean transportation; broadband; robotics; or other high-demand sector;

(2) demonstrate financial need;

(3) register with the Vermont Department of Labor for the purpose of receiving relevant job referrals, if unemployed; and

(4) agree to work in their profession in Vermont for a minimum of one year following licensure or certification completion for each year of scholarship awarded.

(c)(1) The Corporation shall give preference to students attending a Vermont-based training program or, if one isn't available for their certification, an offer of employment or promotion from a Vermont employer upon completion.

(2) The Corporation shall give priority to applicants who have not received other assistance.

(d) There shall be no deadline to apply for a scholarship under this section. Scholarships shall be awarded on a rolling basis if funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Vermont Student Assistance Corporation in the following fiscal year to award additional scholarships as set forth in this section.

(e) In fiscal year 2023, the amount of \$3,000,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for scholarships for trade students under the Vermont Trades Scholarship Program.

Sec. 15. EMERGENCY MEDICAL SERVICES; OUTREACH

(a) The Department of Health, the Department of Labor, and the Vermont Student Assistance Corporation shall coordinate outreach efforts to ensure that emergency service personnel are aware of, and able to access, the opportunities for professional development available through programs in this act.

(b) On or before January 15, 2023, the Department of Health, in consultation with the Department of Labor, shall submit to the House Committees on Commerce and Economic Development, on Health Care, and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs, on Health and Welfare, and on Appropriations a proposal for a sustainable funding model to provide financial, education, and workforce development support to emergency medical service professionals.

Sec. 16. CTE CONSTRUCTION AND REHABILITATION

EXPERIENTIAL LEARNING PROGRAM; REVOLVING LOAN
FUND

(a) Purpose. This section authorizes and provides funding for the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund, the purposes of which are to:

(1) expand the experiential and educational opportunities for high school and adult CTE students to work directly on construction projects;

(2) build community partnerships among CTE centers, housing organizations, government, and private businesses;

(3) beautify communities and rehabilitate buildings that are underperforming assets;

(4) expand housing access to Vermonters in communities throughout the State; and

(5) improve property values while teaching high school and adult students trade skills.

(b) Appropriation; creation of fund; administration.

(1) In fiscal year 2023, the amount of \$15,000,000.00 is appropriated from the Education Fund to the Vermont Housing and Conservation Board to create and administer the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund pursuant to this section.

(2) The Board may use not more than five percent of the Fund for its costs of administration.

(c) Proposals; applications; funding.

(1) A regional CTE center, working in collaboration with one or more housing and community partners, private businesses, nonprofit organizations, or municipalities, shall identify construction projects that would be relevant and appropriate for CTE students enrolled in construction, electrical, plumbing, design, business management, or other CTE programs, including:

(A) rehabilitation of residential properties that are blighted or not code-compliant;

(B) new residential construction projects or improvements to land in cases of critical community need; and

(C) commercial construction projects that have substantial community benefit.

(2) Prior to or during the application process, a CTE center and its partners shall consult with the Board to identify and consider potential funding partners to leverage amounts available through the Fund.

(3) A CTE center and its partners shall apply to the Board for funding by submitting a project application that includes the information required by the Board and addresses the following:

(A) the educational benefits for students and fit with the CTE curriculum;

(B) the community benefits for the neighborhood, municipality, or region in which the project is located; and

(C) the partners with whom the CTE center is collaborating and the respective responsibility for the aspects of a project, including:

(i) educational instruction and academic credit;

(ii) project management;

(iii) insurance coverage for students and the property;

(iv) compensation and benefits, including compliance with labor laws, standards, and practices; and

(v) property acquisition, ownership, and transfer.

(4) A CTE center may use funding for, and shall specify in its application the allocation of costs associated with:

(A) acquisition, design, permitting, construction, marketing, and other building-related expenses; and

(B) costs for labor, including for student wages and for instructor compensation during the academic year as well as for summer or other work

that is not otherwise budgeted during the academic year.

(d) Eligibility; review; approval. The Board may approve an application that includes the information required by subsection (c) of this section and provide funding for a project that meets the following eligibility criteria:

(1) The project involves the rehabilitation of blighted or otherwise noncode compliant property, or new residential construction projects or improvements to land in cases of critical need, and results in a building with not more than four residential dwelling units.

(2) The project includes a weatherization component.

(3) Students working on the project receive academic credit, a competitive wage, or both.

(e) Affordability; flexibility. If appropriate in the circumstances, the Board shall condition funding for a project on the inclusion of one or mechanisms addressing the affordability of the property upon rent or sale.

(f) Funding; proceeds; revolving loans. The Board shall provide funding for projects from the amounts available in the Fund in the form of zero-interest loans, in an amount, for a period, and upon terms specified by the Board, including how CTE center costs, profits, and losses are accounted.

(g) Report. The Board shall address the implementation of this section in its annual report to the General Assembly.

Secs. 17–18. [Deleted.]

Sec. 19. HEALTH CARE WORKFORCE; LEGISLATIVE INTENT

(a) The General Assembly values all health care workers, at every level and in each component of the health care system. The General Assembly also acknowledges the many struggles faced by health care workers and that the pandemic has placed further strain on an already taxed system. Many health care workers have not had their pay adjusted over time to address increases in the cost of living, essentially amounting to pay cuts from year to year. Health care workers have experienced burnout, trauma, and moral injuries due to a history of underfunding and the present stress of the pandemic. In addition, the combination of the pandemic and continued health care workforce shortages has created an unsustainable reliance on traveling nurses that must be addressed.

(b) In order to retain and recruit health care workers in Vermont, it is the intent of the General Assembly to invest in multiple solutions aimed at reinforcing our health care workforce in the present and sustaining our health care workers into the future.

Sec. 20. EMERGENCY GRANTS TO SUPPORT NURSE FACULTY AND STAFF

(a) In fiscal year 2023, the amount of \$2,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health and shall carry forward for the purpose of providing emergency interim grants to Vermont’s nursing schools over three years to increase the compensation for their nurse faculty and staff, with equal amounts to be distributed in each of fiscal years 2023, 2024, and 2025 to increase the compensation for each full-time-equivalent (FTE) member of the clinical and didactic nurse faculty and staff. The Department shall distribute the funds among the nursing schools in Vermont equitably based on each school’s proportion of nursing faculty and staff to the total number of FTE nursing faculty and staff across all nursing schools statewide.

(b) If the nurse faculty or staff, or both, of a nursing school receiving a grant under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the nursing school for those faculty or staff, or both, shall be subject to impact bargaining between the nursing school and the collective bargaining representative of the nurse faculty or staff, or both, to the extent required by the applicable collective bargaining agreement.

Sec. 21. NURSE PRECEPTOR INCENTIVE GRANTS; HOSPITALS; WORKING GROUP; REPORT

(a)(1) In fiscal year 2023, the amount of \$400,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to provide incentive grants to nurses employed by critical access hospitals in Vermont for serving as preceptors for nursing students enrolled in Vermont nursing school programs. The Agency shall distribute the funds to critical access hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of \$5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds. The Agency shall prioritize funding for hospitals that provide matching funds for additional preceptor compensation or that commit to providing future compensation and support to expanding the number of preceptors.

(2) If nurse preceptors receiving compensation pursuant to a grant awarded to a hospital under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the hospital for the nurse preceptors shall be subject to impact bargaining between the hospital and the collective bargaining representative of the nurses to the extent required by the collective bargaining agreement.

(b)(1) The Director of Health Care Reform or designee in the Agency of Human Services shall convene a working group of stakeholders representing nursing schools, the Vermont Area Health Education Centers, long-term care facilities, designated and specialized service agencies, federally qualified health centers, home health agencies, primary care practices, hospitals, and other health care facilities to:

(A) identify ways to increase clinical placement opportunities across a variety of health care settings for nursing students enrolled in Vermont nursing school programs, including exploring opportunities for participation through remote means;

(B) establish sustainable funding models for compensating nurses serving as preceptors or for supporting the hiring of additional nurses to alleviate the pressures on nurse preceptors, or both; and

(C) develop an action plan for implementing the clinical placement expansion and sustainable funding models identified and established pursuant to subdivisions (A) and (B) of this subdivision (1), including addressing the need for student housing opportunities.

(2) On or before January 15, 2023, the Director of Health Care Reform shall provide the working group's action plan and any recommendations for legislative action to the House Committees on Health Care, on Commerce and Economic Development, and on Appropriations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Appropriations.

Sec. 22. HEALTH CARE EMPLOYER NURSING PIPELINE AND APPRENTICESHIP PROGRAM

(a) In fiscal year 2023, the amount of \$2,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services and shall carry forward for the purpose of providing grants to health care employers, including hospitals, long-term care facilities, designated and specialized service agencies, federally qualified health centers, and other health care providers, to establish or expand partnerships with Vermont nursing schools to create nursing pipeline or apprenticeship programs, or both, that will train members of the health care employers' existing staff, including personal care attendants, licensed nursing assistants, and licensed practical nurses, to become higher-level nursing professionals. Through a combination of scholarship awards, grants awarded to health care employers pursuant to this section, and the health care employer's contributions, the trainees' tuition and fees shall be covered in full, and trainees shall be provided with assistance in meeting their living costs,

such as housing and child care, while attending the program.

(b) In awarding grants pursuant to this section, the Agency of Human Services shall give priority to health care employer proposals based on the following criteria:

(1) the extent to which the health care employer proposes to participate financially in the program;

(2) the extent of the health care employer's commitment to sustaining the program financially, including providing financial support for nurse preceptors, to create ongoing opportunities for educational advancement in nursing;

(3) the ability of the health care employer's staff to leverage nursing scholarship opportunities to maximize the reach of the grant funds;

(4) the employer's demonstrated ability to retain nursing students in the Vermont nursing workforce;

(5) the employer's geographic location, in order to ensure access to pipeline and apprenticeship programs for nursing staff across Vermont; and

(6) the employer's commitment to advancing the professional development of individuals from marginalized communities, especially those that have been historically disadvantaged in accessing educational opportunities and career advancement in the health care professions.

(c)(1) The Agency of Human Services shall begin awarding grants under this section expeditiously in order to enable health care employer staff to begin enrolling in nursing school programs that commence in the fall of 2022.

(2) On or before September 15, 2022, the Agency of Human Services shall provide an update to the Health Reform Oversight Committee on the status of program implementation.

Sec. 23. 18 V.S.A. § 34 is added to read:

§ 34. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) “Forgivable loan” means a loan awarded under this section covering tuition, which may also include room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) “Program” means the Vermont Nursing Forgivable Loan Incentive Program created under this section.

(b) The Vermont Nursing Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a nurse in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at a nursing program at an eligible school;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) agree to work as a nurse in Vermont employed directly by a Vermont health care provider for a minimum of one year following licensure for each year of forgivable loan awarded;

(4) have executed a credit agreement or promissory note that will reduce the individual’s forgivable loan benefit, in whole or in part, pursuant to subsection (g) of this section, if the individual fails to complete the period of service required in this subsection;

(5) have completed the Program’s application form, the Free Application for Federal Student Aid (FAFSA), and the Vermont grant application each academic year of enrollment in accordance with a schedule determined by the Corporation; and

(6) have provided such other documentation as the Corporation may require.

(e)(1) First priority for forgivable loan funds shall be given to students pursuing a practical nursing certificate who will be eligible to sit for the NCLEX-PN examination upon completion of the certificate.

(2) Second priority for forgivable loan funds shall be given to students pursuing an associate’s degree in nursing who will be eligible to sit for the

NCLEX-RN examination upon graduation.

(3) Third priority for forgivable loan funds shall be given to students pursuing a bachelor of science degree in nursing.

(4) Fourth priority shall be given to students pursuing graduate nursing education.

(f) In addition to the priorities established in subsection (e) of this section, students attending an eligible school in Vermont shall receive first priority for forgivable loans.

(g)(1) If an eligible individual fails to serve as a nurse in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free credit agreement or promissory note signed by the individual at the time of entering the Program.

(2) Employment as a traveling nurse shall not be construed to satisfy the service commitment required for a forgivable loan under this section.

(h) There shall be no deadline to apply for a forgivable loan under this section. Forgivable loans shall be awarded on a rolling basis as long as funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Department of Health and the Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

(i) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, including maximum forgivable loan amounts.

Sec. 24. EDUCATIONAL ASSISTANCE FOR NURSING STUDENTS;
TRANSITION; REPEAL

(a) The Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act is intended to be the continuation of the program set forth in 2020 Acts and Resolves No. 155, Sec. 5 and the successor to the program originally established in 18 V.S.A. § 31.

(b) 18 V.S.A. § 31 (educational assistance; incentives; nurses) is repealed.

Sec. 25. VERMONT NURSING FORGIVABLE LOAN INCENTIVE
PROGRAM; APPROPRIATION

(a) In fiscal year 2023, the amount of \$227,169.00 in Global Commitment funds is appropriated to the Department of Health for forgivable loans for

nursing students under the Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act.

(b) In fiscal year 2023, the amount of \$100,00.00 is appropriated from the General Fund to the Agency of Human Services, Global Commitment appropriation for the State match for the Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act.

(c) In fiscal year 2023, \$127,169.00 in federal funds is appropriated to the Agency of Human Services, Global Commitment appropriation for the Vermont Nursing Forgivable Loan Incentive Program established in 18 V.S.A. § 34 by Sec. 23 of this act.

Sec. 26. 18 V.S.A. § 35 is added to read:

§ 35. VERMONT HEALTH CARE PROFESSIONAL LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) “AHEC” means the Vermont Area Health Education Centers program.

(2) “Eligible individual” means an individual who satisfies the eligibility requirements for loan repayment under this section.

(3) “Eligible school” means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) “Loan repayment” means the cancellation and repayment of loans under this section.

(5) “Loans” means education loans guaranteed, made, financed, serviced, or otherwise administered by an accredited educational lender for attendance at an eligible school.

(6) “Program” means the Vermont Health Care Professional Loan Repayment Program created under this section.

(b) The Vermont Health Care Professional Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with AHEC. The Program provides loan repayment on behalf of individuals who live and work in this State as a nurse, physician assistant, medical technician, child psychiatrist, or primary care provider and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by AHEC, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) have graduated from an eligible school where the individual was awarded a degree in nursing, physician assistant studies, medicine, osteopathic medicine, or naturopathic medicine, or a two- or four-year degree that qualifies the individual to be a medical technician;

(2) work in this State as a nurse, physician assistant, medical technician, child psychiatrist, or primary care provider; and

(3) be a resident of Vermont.

(e)(1) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a nurse, physician assistant, medical technician, child psychiatrist, or primary care provider in this State. Employment as a traveling nurse shall not be construed to satisfy the service commitment required for loan repayment under this section.

(2) AHEC shall award loan repayments in amounts that are sufficient to attract high-quality candidates while also making a meaningful increase in Vermont's health care professional workforce.

Sec. 27. VERMONT HEALTH CARE PROFESSIONAL LOAN
REPAYMENT PROGRAM; APPROPRIATION

(a) In fiscal year 2023, the amount of \$2,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for loan repayment for nurses and physician assistants under the Vermont Health Care Professional Loan Repayment Program established in Sec. 26 of this act.

(b) In fiscal year 2023, the amount of \$500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for loan repayment for medical technicians, child psychiatrists, and primary care providers under the Vermont Health Care Professional Loan Repayment Program established in Sec. 26 of this act. If any funds remain in the appropriation pursuant to subsection (a) of this section after the needs of all eligible nurse and physician assistant applicants have been met, the Department may use those funds in fiscal year 2023 for additional loan repayment for medical technicians, child psychiatrists, and primary care providers under the Program.

Sec. 28. 18 V.S.A. § 36 is added to read:

§ 36. NURSE FACULTY FORGIVABLE LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) “Corporation” means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) “Eligible individual” means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) “Eligible school” means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) “Forgivable loan” means a loan awarded under this section covering tuition, which may also cover room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) “Nurse faculty member” or “member of the nurse faculty” means an individual with a master’s or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(6) “Program” means the Nurse Faculty Forgivable Loan Program created under this section.

(b) The Nurse Faculty Forgivable Loan Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a member of the nurse faculty at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at an eligible school in a program that leads to a graduate degree in nursing;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) agree to work as a member of the nurse faculty at a nursing school in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded;

(4) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (e) of this section if the individual fails to complete the period of service required in subdivision (3) of this subsection;

(5) have completed the Program's application form and the Free Application for Federal Student Aid (FAFSA), in accordance with a schedule determined by the Corporation; and

(6) have provided such other documentation as the Corporation may require.

(e) If an eligible individual fails to serve as a nurse faculty member at a nursing school in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(f) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, including maximum forgivable loan amounts.

Sec. 29. NURSE FACULTY FORGIVABLE LOAN PROGRAM;
APPROPRIATION

In fiscal year 2023, the amount of \$500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for forgivable loans for nurse faculty members under the Nurse Faculty Forgivable Loan Program established in Sec. 28 of this act.

Sec. 29a. 18 V.S.A. § 37 is added to read:

§ 37. NURSE FACULTY LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) "AHEC" means the Vermont Area Health Education Centers program.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for loan repayment.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) “Loan repayment” means the cancellation and repayment of loans under this section.

(5) “Loans” means education loans guaranteed, made, financed, serviced, or otherwise administered by an accredited educational lender for attendance at an eligible school.

(6) “Nurse faculty member” or “member of the nurse faculty” means a nurse with a master’s or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(7) “Program” means the Nurse Faculty Loan Repayment Program created under this section.

(b) The Nurse Faculty Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with AHEC. The Program provides loan repayment on behalf of individuals who work as nurse faculty members at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by AHEC, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) graduated from an eligible school where the individual was awarded a graduate degree in nursing;

(2) work as a member of the nurse faculty at a nursing school in this State; and

(3) be a resident of Vermont.

(e) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a member of the nurse faculty at a nursing school in this State.

Sec. 29b. NURSE FACULTY LOAN REPAYMENT PROGRAM;
APPROPRIATION

In fiscal year 2023, the amount of \$500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for loan repayment for nurse faculty members under the Nurse Faculty Loan Repayment Program established in Sec. 29a of this act.

Sec. 29c. 18 V.S.A. § 38 is added to read:

§ 38. VERMONT MENTAL HEALTH PROFESSIONAL FORGIVABLE
LOAN INCENTIVE PROGRAM

(a) As used in this section:

(1) “Corporation” means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) “Eligible individual” means an individual who satisfies the eligibility requirements under this section for a forgivable loan.

(3) “Eligible school” means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) “Forgivable loan” means a loan awarded under this section covering tuition, which may also cover room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(5) “Program” means the Vermont Mental Health Professional Forgivable Loan Incentive Program created under this section.

(b) The Vermont Mental Health Professional Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in a master’s program at an eligible school who commit to working as a mental health professional in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(d) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at an eligible school in a program, whether through in-person or remote instruction, that leads to a master’s degree in a mental health field;

(2) maintain good standing at the eligible school at which the individual is enrolled;

(3) agree to work as a mental health professional in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded;

(4) have executed a credit agreement or promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, pursuant to subsection (e) of this section, if the individual fails to complete the period of service required in subdivision (3) of this subsection;

(5) have completed the Program's application form and the Free Application for Federal Student Aid (FAFSA), in accordance with a schedule determined by the Corporation; and

(6) have provided such other documentation as the Corporation may require.

(e)(1) First priority for forgivable loans shall be given to students attending an eligible school in the Vermont State Colleges System.

(2) Second priority for forgivable loans shall be given to students attending another eligible school in Vermont.

(f) If an eligible individual fails to serve as a mental health professional in this State in compliance with the Program for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(g) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, including maximum forgivable loan amounts.

Sec. 29d. VERMONT MENTAL HEALTH PROFESSIONAL
FORGIVABLE LOAN INCENTIVE PROGRAM;
APPROPRIATION

In fiscal year 2023, the amount of \$1,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for forgivable loans under the Vermont Mental Health Professional Forgivable Loan Incentive Program established in Sec. 29c of this act.

Sec. 29e. AGENCY OF HUMAN SERVICES; DESIGNATED AND
SPECIALIZED SERVICE AGENCIES; WORKFORCE
DEVELOPMENT

(a) In fiscal year 2023, the amount of \$1,250,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to be distributed to the designated and

specialized service agencies equitably based on each agency's proportion of full-time-equivalent (FTE) mental health and substance use disorder treatment staff to the total number of FTE mental health and substance use disorder treatment staff across all designated and specialized service agencies statewide. The designated and specialized service agencies shall use these funds for loan repayment and tuition assistance to promote the recruitment and retention of high-quality mental health and substance use disorder treatment professionals available to Vermont residents in need of their services, as set forth in subsection (b) of this section.

(b)(1) Each designated and specialized service agency shall make the funds received pursuant to subsection (a) of this section available to its current and prospective employees as set forth in subdivisions (A) and (B) of this subdivision (1) on a rolling basis in exchange for a one-year service obligation to provide mental health services or substance use disorder treatment services, or both, at a designated or specialized service agency in this State. The funds may be used for the following purposes:

(A) loan repayment for master's-level clinicians, bachelor's-level direct service staff, and nurses; and

(B) tuition assistance for individuals pursuing degrees to become master's-level clinicians, bachelor's-level direct service staff, and nurses.

(2) Loan repayment and tuition assistance funds shall be available to the current and prospective employees of designated and specialized service agencies in the form of forgivable loans, with the debt forgiven upon the employee's completion of the required service obligation.

(c) On or before March 1, 2023, the Agency of Human Services shall make a presentation available to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare on the use of the funds appropriated in this section.

Sec. 30. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

* * *

(10) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs; and

(11) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

(12) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; and

(13) consider the salaries for the hospital's executive and clinical leadership and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states.

* * *

Sec. 31. GREEN MOUNTAIN CARE BOARD; FISCAL YEAR 2023
HOSPITAL BUDGET REVIEW; NURSING WORKFORCE
DEVELOPMENT INITIATIVES

For hospital fiscal year 2023, the Green Mountain Care Board may exclude all or a portion of a hospital's investments in nursing workforce development initiatives from any otherwise applicable financial limitations on the hospital's budget or budget growth. Notwithstanding any provision of GMCB Rule 3.202, the Board may modify its hospital budget guidance for hospital fiscal year 2023 as needed to comply with this section.

Sec. 32. AGENCY OF HUMAN SERVICES; HEALTH CARE
WORKFORCE DATA CENTER

(a) In fiscal year 2023, the amount of \$750,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Office of Health Care Reform in the Agency of Human Services to enable the Agency to establish and operate the statewide Health Care Workforce Data Center. In order to enhance the State's public health data systems, respond to the COVID-19 public health emergency, and improve the State's COVID-19 mitigation and prevention efforts, the Center shall collect health care workforce data, shall collaborate with the Director of Health Care Reform to identify and propose solutions to address data gaps, and shall share the data with the Green Mountain Care Board as appropriate to inform the Board's Health Resource Allocation Plan responsibilities pursuant to 18 V.S.A. § 9405.

(b) The Center shall use existing statewide information to the extent practicable to avoid imposing administrative burdens on health care providers and to avoid duplication of efforts underway elsewhere in Vermont. The Center shall expand its data collection practices over two years to include all levels of the health care workforce, beginning with the highest-level licensed health care professionals.

(c) In order to ensure the Center has access to accurate and timely health care workforce data, the Center:

(1) shall have the cooperation of other State agencies and departments in responding to the Center's requests for information;

(2) may enter into data use agreements with institutions of higher education and other public and private entities, to the extent permitted under State and federal law; and

(3) may collect vacancy and turnover information from health care employers.

(d) One permanent classified Health Care Workforce Data Center Manager position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to manage the Health Care Workforce Data Center created pursuant to this section.

(e) The Agency of Human Services may include proposals for additional funding or data access, or both, for the Center as part of the Agency's fiscal year 2024 budget request.

Sec. 33. [Deleted.]

Sec. 34. AGENCY OF HUMAN SERVICES; POSITION;
APPROPRIATION

(a) One classified, three-year limited-service Health Care Workforce Coordinator position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to support the health care workforce initiatives set forth in this act and in the Health Care Workforce Development Strategic Plan. The Coordinator shall focus on building educational, clinical, and housing partnerships and support structures to increase and improve health care workforce training, recruitment, and retention.

(b) In fiscal year 2023, the amount of \$170,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services, Office of Health Care Reform for the Health Care Workforce Coordinator position, of which \$120,000.00 is for personal services and \$50,000.00 is for operating expenses.

Sec. 35. DEPARTMENT OF LABOR; GREEN MOUNTAIN CARE BOARD; SUPPLY AND DEMAND MODELING

On or before January 15, 2023, the Department of Labor, in collaboration with the Green Mountain Care Board, shall explore and recommend to the House Committees on Health Care, on Human Services, and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs a process, methodology, and necessary funding amounts to establish and maintain the capacity to perform health care supply and demand modeling based on information in the Health Care Workforce Data Center, for use by health care employers, health care educators, and policymakers.

Sec. 36. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to access clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.

Sec. 37. 33 V.S.A. § 3543 is amended to read:

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program for the purpose of providing student loan repayment assistance to any individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A)(i) work in a privately operated center-based child care program or in a family child care home that is regulated by the Division for at least an

average of 30 hours per week for 48 weeks of the year; or

(ii) if the individual is an employee of a Vermont Head Start program that operates fewer than 48 weeks per year, work a minimum of nine months of the year, inclusive of any employer-approved time off;

(B) receive an annual salary of not more than \$50,000.00 through the individual's work in regulated childcare; and

(C) have earned an associates or bachelor's degree with a major or concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

* * *

Sec. 38. [Deleted.]

Sec. 39. CREDENTIAL OF VALUE GOAL; PUBLIC-PRIVATE
PARTNERSHIP; APPROPRIATION

(a) Duties. In fiscal year 2023, the amount of \$150,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for a performance-based contract to perform the following duties, in coordination and alignment with State partners, in support of the State's goal articulated in 10 V.S.A. § 546 that 70 percent of working-age Vermonters hold a credential of value by 2025 (Goal):

(1) increase public awareness of the value of postsecondary education and training to help persons of any age make informed decisions about the value of education and training that would further their advancement in educational pathways and pursuit of career goals, through targeted outreach as outlined in subsection (b) of this section;

(2) promote a broad understanding of the public good and value in achieving the State's Goal and of actions stakeholders can take to increase attainment;

(3) assist or coordinate with stakeholders, such as educational, business, governmental, nonprofit, and philanthropic organizations, in activities that seek to align the delivery of high-quality education and training opportunities with career advancement and support the policy priorities outlined in 10 V.S.A. § 546;

(4) collect and display publicly available, nonconfidential information about postsecondary credentials available to Vermonters;

(5) facilitate conversations or provide information about the national best practices in aligning, recognizing, measuring, tracking, and promoting

postsecondary credentials of value to the Vermont Department of Labor, the Agency of Commerce and Community Development, the State Workforce Development Board, and the Agency of Education when requested;

(6) maintain web-based resources that provide information about opportunities to obtain a postsecondary credential of value, in coordination with State partners;

(7) support the Vermont Department of Labor and Agency of Education transition or integration of Advance Vermont's web-based resources and collected information referenced in subdivisions (4) and (6) of this subsection into a State-supported system in a coordinated way; and

(8) meet on a quarterly basis with the Vermont Department of Labor and Agency of Education about activities described in this subsection.

(b) Outreach. The contractor may use funds awarded by the State to:

(1) create and distribute public-facing communications and resources related to the duties described in this section; and

(2) offer support to career and education counselors, employment and training counselors, jobseekers and their families, and other stakeholders, consistent with best practice and State policy and programs, to help them better understand the postsecondary education and training landscape.

(c) Reports. The contractor shall provide written reports to:

(1) the Vermont Department of Labor and Agency of Education about anticipated work and activities using a simplified reporting template jointly developed by the contractor and the State entities on a quarterly basis; and

(2) on or before December 15, 2022, the House and Senate committees of jurisdiction regarding the use of funds, activities performed, and outcomes achieved pursuant to this section.

Sec. 40. VERMONT SERVE, LEARN, AND EARN PROGRAM;

APPROPRIATION

(a) In fiscal year 2023, the amount of \$1,800,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation to continue funding through the pilot project the Vermont Serve, Learn, and Earn Program, which supports workforce development goals through creating meaningful paid service and learning opportunities for young adults, through the Serve, Learn, and Earn Partnership made up of the Vermont Youth Conservation Corps, Vermont Audubon, Vermont Works for Women, and Resource VT. The Department shall enter into a grant agreement with the Partnership that specifies the required services and outcomes for the Program.

(b) The Department shall provide the legislative committees of jurisdiction interim Program reports on or before January 15, 2023 and 2024 and a final Program report on or before January 15, 2025.

Sec. 41. ADULT EDUCATION AND LITERACY; FINDINGS

The General Assembly finds:

(1) Adult education and literacy services are a key piece of the workforce development system and serve as the entryway into career readiness and workforce development for tens of thousands of our most vulnerable Vermonters, those with low literacy, under-education, or those simply in need of increased skills so that they can succeed.

(2) 36,000 adults in Vermont do not have a high school credential, and tens of thousands more lack the skills to matriculate into and be successful in college, in career training programs, or both. Adult education and literacy providers are the first stop on the path to the transformative opportunities that Vermont is offering for these individuals.

(3) Adult education and literacy services help people build the assets they need to move out of poverty successfully, as well as the confidence to continue to move toward success throughout their lives. Students are supported to identify concrete goals and then break those goals down into steps. Students set goals in the domains of:

(A) family and life;

(B) academics; and

(C) career and college readiness.

Sec. 42. FINDINGS; FOREST FUTURE STRATEGIC ROADMAP

The General Assembly finds for the purposes of this section and Secs. 43 to 45 of this act:

(1) Private and public forestlands:

(A) constitute unique and irreplaceable resources, benefits, and values of statewide importance;

(B) contribute to the protection and conservation of wildlife habitat, air, water, and soil resources of the State;

(C) mitigate the effects of climate change; and

(D) benefit the general health and welfare of the persons of the State.

(2) The forest products sector, including maple sap collection:

(A) is a major contributor to and is valuable to the State's economy by providing nearly 14,000 jobs for Vermonters, generating \$2.1 billion in annual sales, and supporting \$30.8 million in additional economic activity from trail uses and seasonal tourism;

(B) is essential to the manufacture of forest products that are used and enjoyed by the persons of the State; and

(C) benefits the general welfare of the persons of the State.

(3) Private and public forestlands are critical for and contribute significantly to the State's outdoor recreation and tourism economies.

(4) Eighty percent of Vermont's forestland is held in private ownership, of which 56 percent of private lands are enrolled in the forestland category of Vermont's Use Value Appraisal Program (UVA). UVA is Vermont's most important conservation program and contains the largest foundation of supply to support a vibrant forest-based rural economy.

(5) Economic realities and demand pressures for urban, commercial, and residential land uses throughout the State continue to challenge forest landowners trying to maintain intact forests. Forest fragmentation can adversely affect the natural environment and viable forest management. Addressing the economic and social needs of the forest products sector is paramount to keeping forests intact, viable, and healthy.

(6) The encouragement, development, improvement, and preservation of forestry operations will result in extant, intact, and functioning forests that will provide a general benefit to the health and welfare of the persons of the State and the State's economy.

(7) To strengthen, promote, and protect the Vermont forest products sector, the State should establish the Vermont Forest Future Strategic Roadmap.

Sec. 43. 10 V.S.A. chapter 82 is added to read:

CHAPTER 82. VERMONT FOREST FUTURE STRATEGIC ROADMAP

§ 2531. VERMONT FOREST FUTURE STRATEGIC ROADMAP

(a) Creation. The Commissioner of Forests, Parks and Recreation shall create the Vermont Forest Future Strategic Roadmap to strengthen, modernize, promote, and protect the forest products sector in Vermont. The Commissioner of Forests, Parks and Recreation may contract with a qualified contractor for the creation of the Vermont Forest Future Strategic Roadmap. During the contract proposal process, the Commissioner of Forests, Parks and Recreation shall seek a proposal to complete the Vermont Forest Future

Strategic Roadmap from the Vermont Sustainable Jobs Fund.

(b) Intended outcomes. The intended outcomes of the Vermont Forest Future Strategic Roadmap are to:

(1) increase sustainable economic development and jobs in Vermont's forest economy;

(2) promote ways to expand the workforce and strengthen forest product enterprises in order to strengthen, modernize, promote, and protect the Vermont forest economy into the future;

(3) promote the importance of healthy, resilient, and sustainably managed working forests that provide a diverse array of high-quality products now and in the future; and

(4) identify actionable strategies designed to strengthen, modernize, promote, and protect the forest products sector in Vermont, including opportunities for new product development, opening new markets for Vermont forest products, adopting modern manufacturing processes, and utilizing new ways to market Vermont forest products.

(c) Strategic Roadmap content. In developing the Vermont Forest Future Strategic Roadmap, the Commissioner of Forests, Parks and Recreation or the relevant contractor shall:

(1) review all existing data, plans, and industry-level research completed over the past 10 years, including the Working Lands Enterprise Fund's Forest Sector Systems Analysis, and identify any recommendations in those reports in order to build upon previous efforts;

(2) identify infrastructure investment and funding to support and promote Vermont forest products enterprises;

(3) identify regulatory barriers and propose policy recommendations to support and strengthen the Vermont forest economy;

(4) identify opportunities for all State agencies to engage with and enhance the Vermont forest products sector, including the Department of Buildings and General Services, the Agency of Commerce and Community Development, the Department of Tourism and Marketing, the Agency of Education, the Agency of Transportation, the Department of Public Service, the Agency of Natural Resources, the Department of Financial Regulation, and the Department of Labor;

(5) develop recommendations to support education and training of the current and future workforce of the Vermont forest products sector;

(6) propose alternatives for the modernization of transportation and regulation of Vermont forest products enterprises, including modernization of local and State permits;

(7) identify methods or programs that Vermont forest enterprises can utilize to access business assistance services;

(8) recommend how to maintain access by Vermont forest products enterprises to forestland and how to maintain the stewardship and conservation of Vermont forests as a whole;

(9) propose methods to enhance market development and manufacturing by Vermont forest products enterprises, including value chain coordination and regional partnerships;

(10) recommend consumer education and marketing initiatives; and

(11) recommend how to clarify the roles of various public entities and nongovernmental organizations that provide certain services to the forestry sector and to ensure coordination and alignment of those functions in order to advance and maximize the strength of the forest products industry.

(d) Process for development of Vermont Forest Future Strategic Roadmap.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall develop the Vermont Forest Future Strategic Roadmap and all subsequent revisions through the use of a public stakeholder process that includes and invites participation by interested parties representing all users of Vermont's forests, including representatives of forest products enterprises, State agencies, investors, forestland owners, recreational interests, loggers, foresters, truckers, sawmills, firewood processors, wood products manufacturers, education representatives, and others.

(2) The Commissioner of Forests, Parks and Recreation, in collaboration with forest products sector stakeholders, shall review the Strategic Roadmap periodically and shall update the Strategic Roadmap at least every 10 years.

(e) Advisory panel; administration.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall convene a Vermont Forest Future Strategic Roadmap advisory panel to review and counsel in the development and implementation of the Vermont Forest Future Strategic Roadmap. The advisory panel shall include representatives of forest products enterprises, State agencies, investors, forestland owners, foresters, loggers, truckers, wood products manufacturers, recreational specialists, education representatives, trade organizations, and other partners as deemed appropriate. The Commissioner of Forests, Parks

and Recreation shall select representatives to the advisory panel.

(2) The Commissioner of Forests, Parks and Recreation or relevant contractor may seek grants or other means of assistance to support the development and implementation of the Vermont Forest Future Strategic Roadmap.

Sec. 44. IMPLEMENTATION

(a) The Commissioner of Forests, Parks and Recreation or relevant contractor shall submit to the General Assembly:

(1) draft recommendations for the Vermont Forest Future Strategic Roadmap on or before July 1, 2023; and

(2) a final report and recommendations for the Vermont Forest Future Strategic Roadmap on or before January 1, 2024.

(b) Any recommendation submitted under this section shall include recommended appropriations sufficient to implement the recommendation or the Vermont Forest Future Strategic Roadmap as a whole.

Sec. 45. APPROPRIATIONS

In addition to any other funds appropriated to the Department of Forests, Parks and Recreation, in fiscal year 2023 the amount of \$250,000.00 is appropriated from the General Fund to the Department to enter a two-year contract in fiscal year 2023 for the purpose of contracting for the development of the Vermont Forest Future Strategic Roadmap required by 10 V.S.A. § 2531.

* * * Purpose * * *

Sec. 45a. PURPOSE

The purpose of Secs. 46–59b of this act is to address the negative economic impacts of COVID-19 on Vermont’s economy, employers, workers, and families while simultaneously leveraging opportunities to grow Vermont’s economy.

Sec. 46. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

Sec. H.18 CAPITAL INVESTMENT COMMUNITY RECOVERY AND REVITALIZATION GRANT PROGRAM

(a) Creation; purpose; regional outreach.

(1) The Agency of Commerce and Community Development shall use the \$10,580,000 appropriated to the Department of Economic Development in Sec. G.300(a)(12) of this act to design and implement a capital investment grant program the Community Recovery and Revitalization Grant Program

consistent with this section.

(2) The purpose of the ~~program~~ Program is to make funding available for transformational projects that will ~~provide each region of the State with the opportunity to attract businesses, retain existing businesses, create jobs, and invest in their communities by encouraging capital investments and economic growth~~ make investments to retain and expand existing businesses and nonprofit organizations, attract new businesses and nonprofit organizations, and create new jobs with a preference for projects located in regions and communities with declining or stagnant grand list values.

(3) The Agency shall collaborate with other State agencies, regional development corporations, regional planning commissions, and other community partners to identify potential regional applicants and projects to ensure the distribution of grants throughout the regions of the State.

(b) Eligible applicants.

~~(1) To be eligible for a grant, an applicant shall meet the following criteria:~~

~~(A) The applicant is located within this State.~~

~~(B) The applicant is:~~

~~(i)(I) a for-profit entity with not less than a 10 percent equity interest in the project; or~~

~~(II) a nonprofit entity; and~~

~~(ii) grant funding from the Program represents not more than 50 percent of the total project cost.~~

(1) To be eligible for a grant, the applicant must be located within the State and:

(A)(i) the applicant is a for-profit entity with not less than a 10 percent equity interest in the project, or a nonprofit entity, which has documented financial impacts from the COVID-19 pandemic; or

(ii) intends to utilize the funds for an enumerated use as defined in the U.S. Treasury Final Rule for Coronavirus State and Fiscal Recovery Funds;

(B)(i) the applicant is a municipality;

(ii) the municipality needs to make infrastructure improvements to incentivize community development; and

(iii) the proposed infrastructure improvements and the projected development or redevelopment are compatible with confirmed municipal and

regional development plans and the project has clear local significance for employment.

~~(C)~~(2) The applicant ~~demonstrates~~ must demonstrate:

~~(i)~~(A) community and regional support for the project;

~~(ii)~~(B) that grant funding is needed to complete the project;

~~(iii)~~(C) leveraging of additional sources of funding from local, State, or federal economic development programs; and

~~(iv)~~(D) an ability to manage the project, with requisite experience and a plan for fiscal viability.

~~(2)~~(3) The following are ineligible to apply for a grant:

(A) a State or local government-operated business;

(B) ~~a municipality~~;

~~(C)~~ a business that, together with any affiliated business, owns or operates more than 20 locations, regardless of whether those locations do business under the same name or within the same industry; and

~~(D)~~(C) ~~a publicly-traded~~ publicly traded company.

(c) Grant funds; eligible uses for municipalities. A municipality is only authorized to utilize program funding under this section if:

(1) the project clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures;

(2) the public improvements being requested are integral to the expected private development; and

(3) the project meets one of the following criteria:

(A) the development includes new or rehabilitated affordable housing, as defined in 24 V.S.A. § 4303;

(B) the development will include at least one entirely new business or business operation or expansion of an existing business within the project, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the Department of Labor; or

(C) the development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

(d) Grant Funds; eligible uses; private and nonprofit entities. A project of a business or nonprofit organization is eligible if:

- (1) the project had a COVID-19-related impact that delayed the project;
- (2) project costs have increased as a result of the COVID-19 pandemic;

or

(3) the project involves enumerated uses of funds, as defined by the U.S. Treasury Final Rule, and determined by the Agency of Commerce and Community Development.

~~(e)(c)~~ Awards; amount; eligible uses.

(1) An award shall not exceed the lesser of \$1,500,000.00 ~~\$1,000,000.00~~ or ~~the estimated net State fiscal impact of the project based on Agency modeling~~ 20 percent of the total project cost.

~~(2) A recipient may use grant funds for the acquisition of property and equipment, construction, renovation, and related capital expenses.~~

(3) A recipient may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same costs within the same project.

~~(4)~~(3) The Agency shall release grant funds upon determining that the applicant has met all Program conditions and requirements.

~~(5)~~(4) Nothing in this section is intended to prevent a grant recipient from applying for additional grant funds if future amounts are appropriated for the program.

~~(d) Data model; approval.~~

~~(1) The Agency shall collaborate with the Legislative Economist to design a data model and related methodology to assess the fiscal, economic, and societal impacts of proposals and prioritize them based on the results.~~

~~(2) The Agency shall present the model and related methodology to the Joint Fiscal Committee for its approval not later than September 1, 2021.~~

(f) Approval process.

(1) For an application submitted by a municipality pursuant to this section, the Vermont Economic Progress Council shall review each application to determine that the infrastructure improvements proposed to serve the project and the proposed development in the project would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the grant application funds.

(2) The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development for the project and the amount of additional cost that might be incurred if the project were to proceed without the grant funding;

(B) how the proposed project components and size would differ, if at all, including, if applicable to the project, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303, without grant funding; and

(C) the lack of new construction in the municipality, indicated by a stagnant or declining grand list value as determined by the Department of Taxes, considering both the total full listed value and the equalized education grand list value.

~~(e)(g)~~ Application process; decisions; awards.

~~(1)(A) The Agency shall accept applications on a rolling basis for three-month periods and shall review and consider for approval the group of applications it has received as of the conclusion of each three-month period. Under the grant program established in this section, a municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council pursuant to the process set forth in this section to use grant funding for a project.~~

~~(B) The Agency shall make application information available to the Legislative Economist and the Executive Economist in a timely manner. The Agency shall accept applications from for-profit or nonprofit entities on a rolling basis until Program funds are expended.~~

~~(2) Using the data model and methodology approved by the Joint Fiscal Committee, the Agency shall analyze the information provided in an application to estimate the net State fiscal impact of a project, including the following factors:~~

~~(A) increase to grand list value;~~

~~(B) improvements to supply chain;~~

~~(C) jobs impact, including the number and quality of jobs; and~~

~~(D) increase to State GDP. [Repealed.]~~

~~(3) The Secretary of Commerce and Community Development shall appoint an interagency team, which may include members from among the Department of Economic Development, the Department of Housing and Community Development, the Agency of Agriculture, Food and Markets, the Department of Public Service, the Agency of Natural Resources, or other State agencies and departments, which team shall review, analyze, and recommend projects for funding based on the estimated net State fiscal impact of a project~~

and on other contributing factors, including consistent with the guidelines the Agency develops in coordination with the Joint Fiscal Office and the following:

(A) ~~transformational nature of the project for the region;~~

(B) project readiness, quality, and demonstrated collaboration with stakeholders and other funding sources;

(C)(B) alignment and consistency with regional plans and priorities;
and

(D)(C) creation and retention of workforce opportunities.

(4) The Secretary of Commerce and Community Development shall consider the recommendations of the interagency team and shall give final approval to projects.

(f)(h) Grant agreements; post award monitoring.

(1) If selected by the Secretary, the applicant and the Agency shall execute a grant agreement that includes audit provisions and minimum requirements for the maintenance and accessibility of records that ensures that the Agency and the Auditor of Accounts have access and authority to monitor awards.

(2) The Agency shall publish on its website not later than 30 days after approving an award a brief project description the name of the grantee and the amount of a grant.

(g)(i) Report. On or before ~~December 15, 2021~~ February 15, 2023, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the implementation of the ~~program~~ Program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the ~~program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling~~ Program.

(j) Implementation.

(1) The Agency of Commerce and Community Development shall consult with the Joint Fiscal Office to develop guidelines and approval processes for the Program and shall submit the proposed guidelines and

processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for grants through the Program.

(2) When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency may designate one or more sectors for priority consideration through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

Sec. 47. VEDA SHORT-TERM FORGIVABLE LOANS

(a) Creation. The Vermont Economic Development Authority shall create a Short-Term Forgivable Loan Program to support Vermont businesses experiencing continued working capital shortfalls as a result of the COVID-19 public health emergency.

(b) Eligible business. An eligible borrower is a for-profit or nonprofit business:

(1) with fewer than 500 employees;

(2) located in Vermont;

(3) that was in operation or had taken substantial steps toward becoming operational as of March 13, 2020; and

(4) that can identify economic harm caused by or exacerbated by the pandemic.

(c) Economic harm.

(1) An applicant shall demonstrate economic harm from lost revenue, increased costs, challenges covering payroll, rent or mortgage interest, or other operating costs that threaten the current capacity of the business to weather financial hardships and result in ongoing financial insecurity due to the COVID-19 public health emergency.

(2) The Authority shall measure economic harm by a material decline in the applicant's annual adjusted net operating income before the COVID-19 public health emergency relative to its annual adjusted net operating income during the COVID-19 public health emergency.

(3) When assessing an applicant's adjusted net operating income, the Authority shall consider previous COVID-19 State and federal subsidies, reasonable owner's compensation, noncash expenses, extraordinary items, and other adjustments deemed appropriate. The Authority shall also consider whether other State or federal assistance is or may become available and appropriate for the business and shall not provide assistance for the same costs

that are covered by another program.

(4) To be eligible for a loan, the Authority shall determine that a business has experienced at least a 22.5 percent reduction in its adjusted net operating income in calendar years 2020 and 2021 combined as compared to 2019, or other appropriate basis of comparison where necessary.

(d) Maximum loan. The Authority shall determine the amount of a loan award pursuant to guidelines adopted pursuant to subsection (f) of this section, and shall award a loan to business in an amount that is based on its current, ongoing financial needs, provided that a loan shall not exceed the lesser of:

(1) \$350,000.00;

(2) six months' of eligible operating expenses; or

(3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021.

(e) Eligible use of loan; loan forgiveness.

(1) A loan recipient may use loan proceeds to pay for eligible operating expenses but shall not use the proceeds for capital expenditures.

(2) The Authority shall approve loan forgiveness based on documentation evidencing loan proceeds were used to pay for eligible operating expenses.

(f) Guidelines.

(1) The Vermont Economic Development Authority shall consult with the Joint Fiscal Office to develop guidelines and approval processes for the VEDA Short-Term Forgivable Loan Program, which shall address how the Authority will determine that a business has a current, ongoing need for financial support due to the COVID-19 pandemic and on what basis the Authority will adjust the amount of loans after considering the business's ongoing needs.

(2) The Authority shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for loans through the Program.

(g) Priority sectors. When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency of Commerce and Community Development may designate one or more sectors for priority funding through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

(h) Technical assistance. The Authority shall provide information to applicants on how to access technical assistance from the Small Business Development Center through the Community Navigator Pilot Program.

* * * Relocating Employee Incentives * * *

Sec. 47a. 10 V.S.A. § 4 is amended to read:

§ 4. NEW RELOCATING EMPLOYEE INCENTIVES

(a) The Agency of Commerce and Community Development shall design and implement a program to award incentive grants to relocating employees as provided in this section and subject to the policies and procedures the Agency adopts to implement the program.

(b) A relocating employee may be eligible for a grant under the program for qualifying expenses, subject to the following:

(1) A base grant shall not exceed \$5,000.00.

(2) The Agency may award an enhanced grant, which shall not exceed \$7,500.00, for a relocating employee who becomes a resident in a labor market area in this State in which:

(A) the average annual unemployment rate in the labor market area exceeds the average annual unemployment rate in the State; or

(B) the average annual wage in the State exceeds the annual average wage in the labor market area.

(c) The Agency shall:

(1) adopt procedures for implementing the program, which shall include a simple certification process to certify relocating employees and qualifying expenses;

(2) promote awareness of the program, including through coordination with relevant trade groups and by integration into the Agency's economic development marketing campaigns;

(3) award grants to relocating employees on a first-come, first-served basis beginning on July 1, 2021, subject to available funding adopt procedures to initially approve an applicant for a grant after verifying a relocating employee's eligibility and to make final payment of a grant after verifying that the relocating employee has completed relocation to this State; and

(4) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the program.

(d) ~~On~~ Annually, on or before January 15, ~~2022~~, the Agency shall submit a report to the House Committee on Commerce and Economic Development and

the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the policies and procedures adopted to implement the program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling.

(e) As used in this section:

(1) “Qualifying expenses” means the actual costs a relocating employee incurs for relocation expenses, which may include moving costs, closing costs for a primary residence, rental security deposit, one month’s rent payment, and other relocation expenses established in Agency guidelines.

(2) “Relocating employee” means an individual who meets the following criteria:

(A)(i) On or after July 1, 2021:

(I) the individual becomes a full-time resident of this State;

(II) the individual becomes a full-time employee at a Vermont location of a for-profit or nonprofit business organization domiciled or authorized to do business in this State, or of a State, municipal, or other public sector employer; and

(III) ~~the individual becomes employed in one of the “Occupations with the Most Openings” identified by the Vermont Department of Labor in its “Short Term Employment Projections 2020-2022”;~~ and

(IV) the employer attests to the Agency that, after reasonable time and effort, the employer was unable to fill the employee’s position from among Vermont applicants; or

(ii) on or after February 1, 2022:

(I) the individual becomes a full-time resident of this State; and

(II) the individual is a full-time employee of an out-of-state business and performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(B) The individual receives gross salary or wages that equal or exceed the Vermont livable wage rate calculated pursuant to 2 V.S.A. § 526.

(C) The individual is subject to Vermont income tax.

Sec. 48. WINDHAM COUNTY ECONOMIC DEVELOPMENT

(a) Findings.

(1) In 2014 Acts and Resolves No. 95, Sec. 80 created the Entergy Windham County Economic Development Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, for the deposit and management of funds that were received pursuant to the settlement agreement between the State of Vermont and Entergy Nuclear Vermont Yankee, LLC, dated December 23, 2013.

(2) Pursuant to 2015 Acts and Resolves No. 4, Sec. 69, as further amended by 2016 Acts and Resolves No. 68, Sec. 69, the Secretary of Commerce and Community Development is authorized to make grants, repayable grants, and loans in the Special Fund for the purpose of promoting economic development in Windham County.

(3) From the amounts available in the Special Fund, the Agency of Commerce and Community Development has provided grant funds, and the Vermont Economic Development Authority, working in coordination with the Agency, has provided loans and loan servicing, for economic development projects in Windham County.

(b) Purpose. The purpose of this section is to ensure all program and interest funds received from the revolved loans originating from the Entergy Windham County Economic County Special Fund provide future economic development benefits for Windham County.

(c) Authority; Program Creation. Decisions for the use of any remaining and future funds shall be made through local administration by the Brattleboro Development Credit Corporation.

(d) Agency of Commerce and Community Development; transfer. On or before June 30, 2022 the Agency of Commerce and Community Development shall transfer any amounts remaining in the Entergy Windham County Economic Development Special Fund to the Brattleboro Development Credit Corporation.

(e) Vermont Economic Development Authority; transfer. On or before June 30, 2022, the Vermont Economic Development Authority shall take any steps necessary to transfer to the Brattleboro Development Credit Corporation any loans, loan servicing, future loan payments, and other legal rights, duties, or obligations related to its activities undertaken with funding from the Entergy Windham County Economic Development Special Fund.

(f) Brattleboro Economic Development Corporation; use of funds. The Brattleboro Economic Development Corporation shall use the funds transferred pursuant to this section to provide grants and loans for projects that

provide economic development benefits to Windham County.

(g) Entergy Windham County Economic Development Special Fund; termination. The purpose of the Entergy Windham County Economic Development Special Fund has been fulfilled as determined by the General Assembly. Upon the completion of the transfers required in this section, and pursuant to 32 V.S.A. § 587(b) the Entergy Windham County Economic Development Special Fund is terminated.

Sec. 49. VERMONT FILM AND MEDIA INDUSTRY TASK FORCE;
STUDY; REPORT

(a) There is created the Vermont Film and Media Industry Task Force composed of the following members:

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Senate Committee on Committees;

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

(4) a member, appointed by the Vermont Arts Council, who shall serve as chair and shall convene meetings of the Task Force.

(b)(1) The Task Force may consult with the Office of Legislative Counsel and the Joint Fiscal Office if necessary to conduct its work.

(2) Members of the Task Force shall receive per diem compensation and reimbursement for expenses as provided in 32 V.S.A. § 1010 for not more than four meetings.

(c) On or before January 15, 2023, the Task Force shall consult relevant stakeholders in the film and media industry and shall study and submit a report to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs that reviews the history of State efforts to cultivate the film and media industry in Vermont and what financial and other support the State may provide in the future to revitalize the industry following the COVID-19 pandemic and to invigorate the industry in the future, including:

(1) successes and failures of past State involvement;

(2) opportunities to invigorate the industry, attract filmmakers and media entrepreneurs, and promote Vermont as an attractive destination for tourism and for business development;

(3) how Vermont can differentiate and compete with other jurisdictions that also seek to cultivate a more expansive film and media industry;

(4) a survey of which entities, in State government and in the private sector, provide outreach and support to businesses in the industry;

(5) opportunities for employing federal COVID-19 relief funds to revive the industry; and

(6) a cost-benefit analysis of establishing new State financial, administrative, or other supports for the industry.

* * * Department of Labor Access to Tax Information * * *

Sec. 50. 2021 Acts and Resolves No. 3, Sec. 64(c) is amended to read:

(c) Sec. 62 (32 V.S.A. § 3102 (e)(8)) shall take effect on July 1, 2022-2024.

* * * COVID-19-Related Paid Leave Grant Program * * *

Sec. 51. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) COVID-19 has caused increased employee absences due to illness, quarantine, and school and daycare closures.

(2) Many employees do not have sufficient paid time off to cover all of their COVID-19-related absences from work.

(3) Some employers have provided their employees with additional paid time off for COVID-19-related purposes.

(4) The surge in COVID-19 cases caused by the Omicron variant of the virus has made it financially difficult or impossible for employers to provide additional paid time off to their employees for COVID-19-related purposes.

(5) Providing grants to employers to reimburse the cost of providing paid time off to employees for COVID-19-related purposes will:

(A) help to mitigate some negative economic impacts of the COVID-19 pandemic on employers;

(B) improve employee retention;

(C) prevent the spread of COVID-19 in the workplace; and

(D) provide crucial income to employees and their families.

(6) The Front-Line Employees Hazard Pay Grant Program established pursuant to 2020 Acts and Resolves No. 136, Sec. 6 and expanded pursuant to 2020 Acts and Resolves No. 168, Sec. 1 successfully directed millions of dollars in hazard pay to front-line workers during the first year of the COVID-

19 pandemic. By utilizing grants to employers, who in turn provided the hazard pay to their employees, the Program enabled employers to retain employees and reward them for their hard work during the uncertainty of the early months of the COVID-19 pandemic.

(b) It is the intent of the General Assembly that the COVID-19-Related Paid Leave Grant Program created pursuant to Sec. 54a of this act shall be modeled on the Front-Line Employees Hazard Pay Grant Program and shall assist employers in providing paid leave to their employees for COVID-19-related absences.

Sec. 51a. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

(a) Establishment and appropriation.

(1) There is established in the Department of Financial Regulation the COVID-19-Related Paid Leave Grant Program to administer and award grants to employers to reimburse the cost of providing COVID-19-related paid leave to employees.

(2) The sum of \$15,180,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Financial Regulation for fiscal years 2023 and 2024 for the provision of grants to reimburse employers for the cost of providing COVID-19-related paid leave. Not more than seven percent of the amount appropriated pursuant to this subdivision may be used for expenses related to Program administration and outreach.

(b) Definitions. As used in this section:

(1) “Commissioner” means the Commissioner of Financial Regulation.

(2) “COVID-19-related reason” means the employee is:

(A) self-isolating because the employee has been diagnosed with COVID-19 or tested positive for COVID-19;

(B) self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because the employee has been exposed to COVID-19 or the employee is experiencing symptoms of COVID-19;

(C) caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child, because:

(i) the school or place of care where that individual is normally located during the employee’s workday is closed due to COVID-19;

(ii) that individual has been requested not to attend the school or

the place of care where that individual is normally located during the employee's workday due to COVID-19;

(iii) that individual has been diagnosed with or tested positive for COVID-19; or

(iv) that individual is self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because that individual has been exposed to or is experiencing symptoms of COVID-19;

(D) attending an appointment for the employee or the employee's parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child to receive a vaccine or a vaccine booster for protection against COVID-19; or

(E) experiencing symptoms, or caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child who is experiencing symptoms, related to a vaccine or a vaccine booster for protection against COVID-19.

(3) "Department" means the Department of Financial Regulation.

(4) "Employee" means an individual who, in consideration of direct or indirect gain or profit, is employed by an employer to perform services in Vermont.

(5) "Employer" means any person that has one or more employees performing services for it in Vermont. "Employer" does not include the State or the United States.

(6) "Program" means the COVID-19-Related Paid Leave Grant Program established pursuant to this section.

(7) "Program period" means the period beginning on July 1, 2022 and ending on June 30, 2023.

(8) "Spouse" includes a civil union partner or a domestic partner, as that term is defined pursuant to 17 V.S.A. § 2414.

(c) Grant program.

(1) An employer may apply to the Commissioner for quarterly grants to reimburse the employer for the cost of paid leave provided to its employees for COVID-19-related reasons during the Program period.

(2) An employer's grant amount may include reimbursement for retroactively provided COVID-19-related paid leave to employees who took unpaid leave for a COVID-19-related reason during the Program period

because the employee did not have sufficient accrued paid leave available at the time that the employee took the leave.

(3) Employers may submit applications for grants during the period beginning on October 1, 2022 and ending on September 30, 2023 and may submit an application not more than once each calendar quarter during that period. Grant applications shall be submitted for paid leave provided during the preceding calendar quarter.

(4) An employer may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same instance of paid leave provided to its employees for COVID-19-related reasons. As used in this subdivision, an “instance” means a calendar day in which the employee was absent from work for a COVID-19-related reason.

(5) For the sole purpose of administering grants related to paid leave provided to independent direct support providers for COVID-19-related reasons, ARIS Solutions, as the fiscal agent for the employers of the independent direct support providers, shall have the authority to apply for grants in the same manner as any employer.

(6) Grants shall be awarded to eligible employers on a first-come, first-served basis, subject to available funding.

(d) Commissioner’s powers and duties.

(1) The Commissioner shall:

(A) adopt procedures for implementing the Program, which shall include a simple grant application process, a process to allow employers to certify the amount of paid leave provided for COVID-19-related reasons, and a process to allow employers to report on their use of the grant funds awarded pursuant to this section;

(B) establish deadlines for the submission of quarterly grant applications;

(C) promote awareness of the Program to employers;

(D) provide information to employers regarding Program and application requirements;

(E) award grants to employers on a first-come, first-served basis, subject to available funding; and

(F) develop and implement an audit strategy to assess grant utilization, the performance of the Program, and compliance with Program requirements.

(2)(A) The Commissioner may, with the approval of the Secretary of Administration, delegate administration of one or more aspects of the Program to other agencies and departments of the State.

(B) The Commissioner may enter into agreements, memoranda of understanding, or contracts with private entities as necessary to implement or administer the Program and, notwithstanding any provision of law to the contrary, shall not be required to competitively bid any contracts entered into pursuant to this subdivision (2)(B). For the purposes of the Program, the ongoing public health risk posed by COVID-19 shall be deemed to be an emergency situation that justifies the execution of sole source contracts pursuant to Bulletin 3.5, the State's Procurement and Contracting Procedures.

(e) Amount of grants.

(1) Employers may apply for grants to either reimburse the cost of COVID-19-related paid leave provided to employees or to provide funds to be used to pay the cost to retroactively provide paid leave to employees who took unpaid leave for COVID-19-related reasons.

(A) For reimbursement of COVID-19-related paid leave that was already provided, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal to the number of hours of COVID-19-related paid leave provided to each employee multiplied by the greater of either the minimum wage established pursuant to 21 V.S.A. § 384 or the employee's regular hourly wage.

(B) For COVID-19-related paid leave that will be provided retroactively to employees who took unpaid leave for COVID-19-related reasons, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal to the number of hours of COVID-19-related paid leave to be provided to each employee multiplied by the greater of either the minimum wage established pursuant to 21 V.S.A. § 384 or the employee's regular hourly wage.

(2)(A) An employer may only apply for a grant in relation to COVID-19-related leave that was taken by an employee during the Program period.

(B) The maximum number of hours of COVID-19-related leave for each employee that an employer may seek grant funding for through the Program shall equal the lesser of 40 hours or the employee's average weekly hours worked for the employer during the six months preceding the date on which the employee first took COVID-19-related leave during the Program period.

(C) The maximum amount that an employer shall be eligible to receive for COVID-19-related paid leave for each employee shall be not more

than \$21.25 per hour of leave, with an aggregate maximum of \$850.00 per employee during the Program period.

(f) Grant conditions. As a condition of being eligible to receive a grant through the Program, each employer shall be required to certify:

(1) that the employer is not seeking funds in relation to any amounts of paid leave that were deducted from the employee's accrued paid leave balance at the time the COVID-19-related leave was taken unless those amounts have been restored to the employee's accrued paid leave balance;

(2) grant funds shall only be used in relation to the payment of an employee's wages for the period when the employee was absent from work for a COVID-19-related reason; and

(3) employees receiving paid leave funded by a grant shall not be required to pay an administrative fee or other charge in relation to the employer requesting the grant.

(g) Report and return of unspent funds. Each employer that receives a grant shall, not later than October 31, 2023, report to the Department on a form provided by the Commissioner the amount of grant funds used to provide paid leave to employees and the amount of any remaining grant funds that were not spent. All unspent grant funds shall be returned to the Department pursuant to a procedure adopted by the Commissioner.

(h) Confidentiality. Any personally identifiable information that is collected by the Program, any entity of State government performing a function of the Program, or any entity that the Commissioner contracts with to perform a function of the Program shall be kept confidential and shall be exempt from inspection and copying under the Public Records Act.

* * * Unemployment Insurance Benefits * * *

Sec. 52. FINDINGS

The General Assembly finds that:

(1) The COVID-19 pandemic caused significant disruption to Vermont's economy and resulted in unprecedented levels of unemployment.

(2) Unemployment insurance benefits provide only partial wage replacement, making it hard for unemployed individuals to afford basic necessities and living expenses.

(3) Significant inflation caused by supply chain, economic, and workforce disruptions related to the COVID-19 pandemic are making it increasingly difficult for unemployed individuals to afford basic necessities and living expenses.

(4) Temporarily increasing the maximum weekly unemployment insurance benefit amount for unemployed individuals will help to mitigate the impact of the COVID-19 pandemic on the unemployed individuals' ability to afford basic necessities and living expenses.

(5) The General Assembly previously enacted a \$25.00 supplemental increase to the weekly unemployment insurance benefit amount in 2021 Acts and Resolves No. 51, Sec. 11. However, the terms of that supplemental increase did not conform to federal requirements, and it never took effect. Enacting a \$60.00 increase in the maximum weekly unemployment insurance benefit that will later be replaced by a temporary \$25.00 increase in the weekly unemployment insurance benefit amount will fulfill the commitment made by the General Assembly in 2021 Acts and Resolves No. 51, Sec. 11.

Sec. 52a. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

(4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect ~~upon the payment of a cumulative total of \$100,000,000.00 in supplemental benefits pursuant to 21 V.S.A. § 1338(e)(2) on October 7, 2021~~ and shall apply prospectively to all benefit payments in the next week and each subsequent week.

Sec. 52b. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of \$60.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52c. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to ~~the sum of \$60.00 plus~~ 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52d. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding \$25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of ~~\$60.00~~ \$25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52e. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding \$25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of \$25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 52f. UNEMPLOYMENT INSURANCE; INFORMATION
TECHNOLOGY MODERNIZATION; ANNUAL REPORT;
INDEPENDENT VERIFICATION

(a)(1) The Secretary of Digital Services and the Commissioner of Labor shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is ready and able to implement on or before July 1, 2025 the changes to the unemployment

insurance weekly benefit amount set forth in Secs. 52d and 52e of this act.

(2) The Secretary of Digital Services and the Commissioner of Labor shall plan and carry out the development and implementation of the modernized information technology system for the unemployment insurance program so that the modernized system is capable of:

(A) implementing the weekly benefit increase set forth in Secs. 52d and 52e of this act;

(B) adapting to the evolving needs of the unemployment insurance program in the future;

(C) incorporating future advances in information technology;

(D) implementing future legislative changes to all aspects of the unemployment insurance program, including:

(i) benefits;

(ii) eligibility;

(iii) taxes;

(iv) fraud prevention, detection, and mitigation;

(v) penalties; and

(vi) recovery of overpayments; and

(E) implementing short-term changes that respond to specific indicators of economic health.

(b) The Secretary of Digital Services and the Commissioner of Labor shall, on or before January 15, 2023 and January 15, 2024, submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Legislative Information Technology Consultant retained by the Joint Fiscal Office detailing the actions taken and progress made in carrying out the requirements of subsection (a) of this section, the anticipated timeline for being able to implement the changes to the unemployment insurance weekly benefit amount set forth in Secs. 52d and 52e of this act, including whether the Commissioner has determined to implement the provisions of Sec. 52d or 52e before July 1, 2025, and potential implementation risks identified during the development process.

(c) The Legislative Information Technology Consultant shall, on or before February 15, 2023 and February 15, 2024, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a review of the report

submitted pursuant to subsection (b) of this section. The review shall include an assessment of whether the Agency of Digital Services and the Department of Labor will be able to implement the changes to the unemployment insurance weekly benefit amount set forth in Secs. 52d and 52e of this act by July 1, 2025, or an earlier date determined by the Commissioner, and shall identify any potential risks or concerns related to implementation that are not addressed in the report submitted pursuant to subsection (b) of this section.

Sec. 52g. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 ~~and adding \$25.00 to the resulting quotient~~, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to ~~the sum of \$25.00 plus~~ 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 53. APPROPRIATIONS

(a) Reversion. In fiscal year 2022, of the amounts appropriated in 2021 Acts and Resolves No. 74, Sec. G. 300(a)(13), from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Economic Recovery Grant Program, \$25,500,000.00 shall revert to the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds.

(b) COVID-19 business support. In fiscal year 2022, the amount of \$28,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) VEDA Short-Term Forgivable Loan Program. The amount of \$19,000,000.00 is appropriated to the Vermont Economic Development Authority for the VEDA Short-Term Forgivable Loan Program.

(2) Creative economy grants. The amount of \$9,000,000.00 is appropriated to the Vermont Arts Council to provide grants for monthly operating costs, including rent, mortgage, utilities, and insurance, to creative

economy businesses and nonprofits that have sustained substantial losses due to the pandemic.

(c) Community Recovery and Revitalization Grant Program.

(1) Appropriation. In fiscal year 2023, the amount of \$10,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Community Recovery and Revitalization Grant Program.

(2) Implementation.

(A) The amounts appropriated and the substantive provisions adopted in 2021 Acts and Resolves No. 74, Sec. H.18 apply to projects for which a final grant application has been submitted before July 1, 2022.

(B) The amounts appropriated in this subsection (c) and the substantive provisions adopted in Sec. 46 of this act apply to projects for which a grant application is filed on or after July 1, 2022.

(d) Recruitment. In fiscal year 2023, the amount of \$3,093,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for the relocated and remote worker program.

(e) Everyone Eats. In fiscal year 2023, the amount of \$1,300,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to grant to Southeastern Vermont Community Action for the Restaurants and Farmers Feeding the Hungry Program, known as Everyone Eats, to provide State funds to match Federal Emergency Management Agency (FEMA) funds available for the Program. The Agency and Southeastern Vermont Community Action shall take steps to ensure that program funds and benefits are targeted to food-insecure Vermonters.

Sec. 54. APPROPRIATION; DOWNTOWN AND VILLAGE CENTER TAX CREDIT PROGRAM

There is appropriated the sum of \$2,450,000.00 from the General Fund to the Vermont Downtown and Village Center Tax Credit Program to be used in fiscal years 2023 and 2024. Notwithstanding 32 V.S.A. § 5930ee, the funds shall be used to increase the amount of tax credits that may be awarded to qualified projects. Of those tax credits awarded in fiscal years 2023 and 2024, up to \$2,000,000.00 may be awarded to qualified projects located in designated neighborhood development areas.

* * * Sports Betting Study Committee * * *

Sec. 55. SPORTS BETTING; FINDINGS

The General Assembly finds that:

(1) An estimated 28 percent of adults in the United States bet on sports and 46 percent of adults say that they have an interest in betting on sports.

(2) Based on current participation rates and expected growth, it is estimated that Vermont could generate from \$640,000.00 to \$4.8 million in the first year of sports betting revenue taxes and \$1.3 million to \$10.3 million in the second year, depending on the regulatory model chosen by the General Assembly.

(3) As of March 2022, 31 states and the District of Columbia have some form of active legal sports betting operations while an additional three states have enacted laws or adopted ballot measures to permit legal sports betting.

(4) Legislation has also been introduced in at least 14 of the states without a legal sports betting market, including Vermont, to legalize, regulate, and tax sports betting.

(5) Given the widespread participation in sports betting, the General Assembly finds that careful examination of whether and how best to regulate sports betting in Vermont and protect Vermonters involved in sports betting is necessary.

Sec. 56. SPORTS BETTING; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Sports Betting Study Committee to examine whether and how to regulate sports betting in Vermont.

(b) Membership. The Study Committee shall be composed of the following members:

(1) the Attorney General or designee;

(2) the Commissioner of Liquor and Lottery or designee;

(3) the Commissioner of Taxes or designee;

(4) the Secretary of State or designee;

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

(6) two current members of the Senate, who shall be appointed by the Committee on Committees; and

(7) two current members of the House, who shall be appointed by the Speaker of the House.

(c) Powers and duties. The Study Committee shall examine the sports betting study conducted by the Office of Legislative Counsel and Joint Fiscal Office and shall study various models for legalizing, taxing, and regulating sports betting, including the following issues:

(1) studies carried out by other states concerning the legalization, taxation, and regulation of sports betting;

(2) laws enacted by other states to legalize, tax, and regulate sports betting;

(3) potential models for legalizing and regulating sports betting in Vermont, including any advantages or drawbacks to each model;

(4) potential models for legalizing and regulating online sports betting, including any advantages or drawbacks to each model;

(5) potential tax and fee structures for sports betting activities;

(6) potential restrictions or limitations on the types of sports that may be bet on, including whether and to what extent restrictions should be imposed with respect to the participant age, amateur status, and location of sporting events that may be bet on; and

(7) potential impacts on various socioeconomic and demographic groups and on problem gambling and the resources necessary to address the identified impacts.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before December 15, 2022, the Study Committee shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs with its findings, recommendations for legislative action, and a draft of proposed legislation.

(f) Meetings.

(1) The Attorney General or designee shall call the first meeting of the Committee to occur on or before September 1, 2022.

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

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

(4) The Committee shall cease to exist on December 30, 2022.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee serving in their capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than four meetings. These payments shall be made from monies

appropriated to the General Assembly.

Sec. 57. 9 V.S.A. § 2464e is added to read:

§ 2464e. ROBOCALLS; PROHIBITION; PENALTY

(a) Intent. It is the intent of the General Assembly in adopting this section to create State law prohibition on the placement of robocalls to Vermont consumers that is coextensive with the federal limitations created in the Telephone Consumer Protection Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, the regulations adopted under those Acts, and the judicial construction of these laws.

(b) Prohibition. A person shall not initiate an automatically dialed or pre-recorded telephone call to a Vermont consumer in violation of the federal Telephone Consumer Protection Act, 47 U.S.C. § 227, the federal Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6101–6108, and the regulations adopted pursuant to those Acts, as amended.

(c) Civil violation.

(1) A violation of this section constitutes a violation of section 2453 of this title.

(2) Each prohibited telephone call constitutes a separate violation under this subsection.

(3)(A) A person who receives a telephone call in violation of this section may bring an action in Superior Court for damages or a civil penalty, injunctive relief, punitive damages in the case of a willful violation, and reasonable costs and attorney's fees.

(B) The court may issue an award for the greater of a person's damages or a civil penalty of \$500.00 for a first violation and \$1,000.00 for each subsequent violation.

(d) Criminal penalties.

(1) A person who commits a knowing and willful violation of this section shall be imprisoned for not more than 90 days or fined not more than \$1,000.00 per violation, or both.

(2) Each telephone call constitutes a separate violation under this subsection.

(e) The Attorney General shall exercise his or her authority and discretion to work cooperatively with other state and federal government entities to identify callers who initiate robocalls to consumers in violation of this section

and to enforce the provisions of this section regardless of the location of the caller.

Sec. 58. ATTORNEY GENERAL; REPORT

On or before January 15, 2023, the Office of the Attorney General shall review and consider the federal law and judicial construction concerning robocalls and their relationship to 9 V.S.A. § 2464e as adopted in Sec. 57 of this act and shall report to the House Committees on Commerce and Economic Development and on Judiciary and to the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary with any findings and recommendations for necessary legislative action, if any.

Sec. 59. EFFECTIVE DATES

(a) This act shall take effect on July 1, 2022, except that:

(1) Sec. 13 (Secondary Student Industry Recognized Credential Pilot Project) shall take effect on passage.

(2) Sec. 30 (18 V.S.A. § 9456) shall take effect on January 1, 2023 and shall apply to hospital fiscal years 2024 and after.

(3) Sec. 48 (Windham County Economic Development) shall take effect on passage.

(4) Sec. 50 (Pandemic Unemployment Assistance Program extension) shall take effect on passage.

(b)(1) Notwithstanding 1 V.S.A. § 214, Sec. 52a (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

(2) Sec. 52b (temporary increase in unemployment insurance maximum weekly benefit) shall take effect on July 1, 2022 and shall apply to benefit weeks beginning after that date.

(3)(A) Sec. 52c (prospective repeal of temporary increase in unemployment insurance maximum weekly benefit) shall take effect upon the payment of a cumulative total of \$8,000,000.00 in additional benefits pursuant to 21 V.S.A. § 1338(f)(1) compared to the amount that would have been paid out pursuant to the provisions of 21 V.S.A. § 1338(f)(1) on June 30, 2022 and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52c shall not take effect at all if Sec. 52d takes effect before the conditions of subdivision (A) of this subdivision (b)(3) are satisfied.

(4)(A) Sec. 52d (amendment of temporary increase in unemployment insurance maximum weekly benefit) shall take effect on July 1, 2025 or the date on which the Commissioner of Labor determines that the Department of Labor is able to implement the provisions of that section as set forth in subdivision 52f(b), whichever is earlier, and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52d shall not take effect at all if Sec. 52c takes effect before the conditions of subdivision (A) of this subdivision (b)(4) are satisfied.

(5)(A) Sec. 52e (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, 2025 and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52e shall not take effect at all if either

(i) Sec. 52d takes effect before July 1, 2025; or

(ii) Sec. 52c has not taken effect before July 1, 2025.

(6) Sec. 52g (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a cumulative total of additional benefits pursuant to 21 V.S.A. § 1338(e) when compared to the rate at which benefits would have been paid under the formula set forth in 21 V.S.A. § 1338(e) on June 30, 2025 equal to \$92,000,000.00 plus the difference between \$8,000,000.00 and the amount of additional benefits paid out pursuant to section 52b, if any, and shall apply to benefit weeks beginning after that date.

(7) Sec. 52f (report on implementation of change to unemployment insurance weekly benefit) shall take effect on passage.

(c) Sec. 57 (robocalls) shall take effect on July 1, 2023.

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

An act relating to economic and workforce development.

MICHAEL D. SIROTKIN

ALISON CLARKSON

RANDOLPH D. BROCK

Committee on the part of the Senate

MICHAEL J. MARCOTTE

CHARLES A. KIMBELL

STEPHANIE Z. JEROME

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

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

S. 210.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

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

Was taken up for immediate consideration.

Senator Sirotkin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 210. An act relating to rental housing health and safety and affordable housing.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its further proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Department of Public Safety; Authority for Rental Housing
Health and Safety * * *

Sec. 1. 20 V.S.A. chapter 172 is added to read:

CHAPTER 172. RENTAL HOUSING HEALTH AND SAFETY

§ 2676. DEFINITION

As used in this chapter, "rental housing" means:

(1) a "premises" as defined in 9 V.S.A. § 4451 that is subject to 9 V.S.A. chapter 137 (residential rental agreements); and

(2) a "short-term rental" as defined in 18 V.S.A. § 4301 and subject to 18 V.S.A. chapter 85, subchapter 7.

§ 2677. RENTAL HOUSING; RULES; INSPECTIONS; PENALTY

(a) Rules. The Commissioner of Public Safety may adopt rules to prescribe standards for the health, safety, sanitation, and fitness for habitation

of rental housing that the Commissioner determines are necessary to protect the public, property owners, and property against harm.

(b) Inspections.

(1) After adopting rules pursuant to subsection (a) of this section, the Commissioner shall design and implement a complaint-driven system to conduct inspections of rental housing.

(2) When conducting an inspection, the Commissioner shall:

(A) issue a written inspection report on the unit or building that:

(i) contains findings of fact that serve as the basis of one or more violations;

(ii) specifies the requirements and timelines necessary to correct a violation;

(iii) provides notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and

(iv) provides notice in plain language that the landlord or agents of the landlord must have access to the rental unit to make repairs as ordered by the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

(B) provide a copy of the inspection report to the landlord, to the person who requested the inspection, and to any tenants who are affected by a violation:

(i) electronically, if the Department has an electronic mailing address for the person; or

(ii) by first-class mail, if the Department does not have an electronic mailing address for the person;

(C) if an entire building is affected by a violation, provide a notice of inspection directly to the individual tenants, and may also post the notice in a common area, that specifies:

(i) the date of the inspection;

(ii) that violations were found and must be corrected by a certain date;

(iii) how to obtain a copy of the inspection electronically or by first-class mail; and

(iv) if the notice is posted in a common area, that the notice shall not be removed until authorized by the Commissioner; and

(D) make the inspection report available as a public record.

(c) Penalties. If the person responsible for a violation does not comply with the requirements and timelines specified in an inspection report issued pursuant to subsection (b) of this section, the Commissioner may impose an administrative penalty that is reasonably related to the severity of the violation, not to exceed \$1,000.00 per violation.

* * * Positions Authorized * * *

Sec. 2. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

(a) The Department of Public Safety is authorized to create five full-time classified Inspector positions in order to conduct rental housing health and safety inspections and enforcement pursuant to 20 V.S.A. chapter 172.

(b) The Department may hire the Inspectors authorized by this section with funds appropriated for that purpose in this act.

* * * Conforming Changes to Current Law Governing the Department of Health, State Board of Health, and Local Health Officials * * *

Sec. 3. 18 V.S.A. chapter 11 is amended to read:

CHAPTER 11. LOCAL HEALTH OFFICIALS

* * *

§ 602a. DUTIES OF LOCAL HEALTH OFFICERS

(a) A local health officer, within his or her jurisdiction, shall:

(1) ~~upon request of a landlord or tenant, or~~ upon receipt of information regarding a condition that may be a public health hazard, conduct an investigation;

(2) enforce the provisions of this title, the rules promulgated, and permits issued thereunder;

(3) prevent, remove, or destroy any public health hazard; or mitigate any significant public health risk in accordance with the provisions of this title;

(4) in consultation with the Department, take the steps necessary to enforce all orders issued pursuant to chapter 3 of this title; and

(5) have the authority to assist the Department of Public Safety in inspecting rental housing pursuant to 20 V.S.A. chapter 172, provided that if the local health officer inspects a rental property without an inspector from the Division, the officer shall issue an inspection report in compliance with 20 V.S.A. § 2677(b)(2).

(b) Upon discovery of violation or a public health hazard or public health risk that involves a public water system, a food or lodging establishment, or

any other matter regulated by Department rule, the local health officer shall immediately notify the Division of Environmental Health. Upon discovery of any other violation, public health hazard, or public health risk, the local health officer shall notify the Division of Environmental Health within 48 hours of discovery of such violation or hazard and of any action taken by the officer.

§ 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS

~~(a)(1) When conducting an investigation of rental housing, a local health officer shall issue a written inspection report on the rental property using the protocols for implementing the Rental Housing Health Code of the Department or the municipality, in the case of a municipality that has established a code enforcement office.~~

~~(2) A written inspection report shall:~~

~~(A) contain findings of fact that serve as the basis of one or more violations;~~

~~(B) specify the requirements and timelines necessary to correct a violation;~~

~~(C) provide notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and~~

~~(D) provide notice in plain language that the landlord and agents of the landlord must have access to the rental unit to make repairs as ordered by the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

~~(3) A local health officer shall:~~

~~(A) provide a copy of the inspection report to the landlord and any tenants affected by a violation by delivering the report electronically, in person, by first class mail, or by leaving a copy at each unit affected by the deficiency; and~~

~~(B)(i) if a municipality has established a code enforcement office, provide information on each inspection according to a schedule and in a format adopted by the Department in consultation with municipalities that have established code enforcement offices; or~~

~~(ii) if a municipality has not established a code enforcement office, provide information on each inspection to the Department within seven days of issuing the report using an electronic system designed for that purpose, or within 14 days by mail if the municipality is unable to utilize the electronic system.~~

~~(4) If an entire property is affected by a violation, the local health officer shall post a copy of the inspection report in a common area of the~~

~~property and include a prominent notice that the report shall not be removed until authorized by the local health officer.~~

~~(5) A municipality shall make an inspection report available as a public record.~~

~~(b)(1) A local health officer may impose a civil penalty of not more than \$200.00 per day for each violation that is not corrected by the date provided in the written inspection report, or when a unit is re-rented to a new tenant prior to the correction of a violation.~~

~~(2)(A) If the cumulative amount of penalties imposed pursuant to this subsection is \$800.00 or less, the local health officer, Department of Health, or State's Attorney may bring a civil enforcement action in the Judicial Bureau pursuant to 4 V.S.A. chapter 29.~~

~~(B) The waiver penalty for a violation in an action brought pursuant to this subsection is 50 percent of the full penalty amount.~~

~~(3) If the cumulative amount of penalties imposed pursuant to this subsection is more than \$800.00, or if injunctive relief is sought, the local health officer, Department of Health, or State's Attorney may commence an action in the Civil Division of the Superior Court for the county in which a violation occurred.~~

~~(e) If a local health officer fails to conduct an investigation pursuant to section 602a of this title or fails to issue an inspection report pursuant to this section, a landlord or tenant may request that the Department, at its discretion, conduct an investigation or contact the local board of health to take action.~~

~~[Repealed.]~~

* * *

* * * Transition Provisions * * *

Sec. 4. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION PROVISIONS

(a) Notwithstanding any provision of law to the contrary:

(1) Until the Commissioner of Public Safety adopts rules governing rental housing health and safety pursuant to 20 V.S.A. § 2677, the Department of Health, local officials authorized by law, and the Department of Public Safety have concurrent authority to enforce the Vermont Rental Housing Health Code adopted by the Department of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

(2) The Commissioner of Public Safety may immediately adopt a rule incorporating the Rental Housing Health Code without following the procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

(3) Except as provided in subdivision (2) of this subsection, the Commissioner of Public Safety shall comply with the requirements for general rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental housing health and safety.

(b) Upon the adoption of rules governing rental housing health and safety pursuant to the authority in 20 V.S.A. § 2677:

(1) the Department of Public Safety is the State government entity with primary authority to enforce State laws governing rental housing health and safety;

(2) the Department of Public Safety and local officials have concurrent authority to enforce State and local laws governing rental housing health and safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 172, subchapter 2; 24 V.S.A. chapters 83 and 123; and applicable municipal law; and

(3) the Department of Health, the State Board of Health, and local health officials have concurrent authority to enforce State and local laws governing public health hazards and public health risks, as those terms are defined in 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

* * * Vermont Housing Investments * * *

Sec. 5. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM;
PURPOSE

(a) Recognizing that Vermont's rental housing stock is some of the oldest in the country and that much of it needs to be updated to meet code requirements and other standards, the Vermont Rental Housing Improvement Program is intended to incentivize private apartment owners to make significant improvements to both housing quality and weatherization by providing grants and forgivable loans that are matched in part by the property owner.

(b) The Program seeks to take the lessons learned from the successful Re-housing Recovery Program established with funds provided by the Federal CARES Act and implement them in a State-funded program.

Sec. 6. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of program.

(1) The Department of Housing and Community Development shall design and implement a Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) New accessory dwelling. The unit will be a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed \$50,000.00 per unit. In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and whether the unit is being rehabilitated or newly created.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(e) Program requirements applicable to grants. For a grant awarded under subdivision (b)(1) of this section for a unit that is non-code compliant, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under subdivision (b)(1) of this section for a unit that is non-code

compliant, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Requirements for an accessory dwelling unit.

(1) For a grant or forgivable loan awarded under subdivision (b)(2) of this section for a unit that is a new accessory dwelling unit, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) A landlord shall not offer an accessory dwelling unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301.

(h) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 7. REPORT

On or before February 15, 2023, the Department of Housing and Community Development shall report to the General Assembly concerning the design, implementation, and outcomes of the Vermont Rental Housing Improvement Program, including findings and any recommendations related to the amount of grant awards.

Sec. 8. APPROPRIATIONS

(a) Purpose. The purpose of the appropriations in this section are:

(1) to respond to the far-reaching public health and negative economic impacts of the COVID-19 pandemic; and

(2) to ensure that Vermonters and Vermont communities have an adequate supply of safe, affordable housing.

(b) In fiscal year 2022, the amount of \$20,400,000.00 is appropriated from the America Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) \$400,000.00 to the Department of Public Safety to hire one or more Inspector positions authorized pursuant to this act.

(2) \$20,000,000.00 to the Department of Housing and Community Development to implement the Vermont Rental Housing Investment Program created in 10 V.S.A. § 699, provided that the Department shall allocate 20 percent of the funds for new accessory dwellings as follows:

(A) the Department may use not more than 20 percent of the funding available for new accessory dwellings to facilitate a statewide education and navigation system to assist homeowners with designing, financing, permitting, and constructing new accessory dwellings; and

(B) the Department shall use any remaining funds for new accessory dwellings for financial incentives or other financial supports to homeowners developing accessory dwelling units.

Sec. 9. EFFECTIVE DATES

This section and the following sections shall take effect on passage:

(1) Sec. 1 (DPS authority for rental housing health and safety; rental housing registration).

(2) Sec. 2 (DPS positions).

(3) Sec. 3 (conforming changes to Department of Health statutes).

(4) Sec. 4 (DPS rulemaking authority and transition provisions).

(5) Secs. 5–7 (Vermont Rental Housing Improvement Program).

(6) Sec. 8 (ARPA appropriations).

*MICHAEL D. SIROTKIN
ALISON CLARKSON
RANDOLPH D. BROCK*

Committee on the part of the Senate

*THOMAS S. STEVENS
JOHN R. KILLACKY
TOMMY J. WALZ*

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

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

S. 283.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to miscellaneous changes to education laws.

Was taken up for immediate consideration.

Senator Chittenden, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 283. An act relating to making miscellaneous changes in education law.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment and that the House proposal be further amended as follows:

First: In Sec. 8, 2021 Acts and Resolves No. 74; Sec. E.709.1, Environmental Contingency Fund; Polychlorinated Biphenyls (PCBS) testing in schools, in subsection (a), by striking out “July 1, 2024 2026” and inserting in lieu thereof July 1, 2024 2025

Second: In Sec. 10, 2021 Acts and Resolves No. 72, Sec. 12, radon testing; school facilities, in subsection (a), by striking out “June 30, 2023 2026” and inserting in lieu thereof June 30, 2024 2025

*BRIAN A. CAMPION
THOMAS CHITTENDEN
CHERYL M. HOOKER*

Committee on the part of the Senate

*KATHRYN L. WEBB
PETER C. CONLON
LAWRENCE P. CUPOLI*

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Bills Delivered

On motion of Senator Balint, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 11, S. 210, S.283.

Rules Not Suspended; Bill Not Messaged

Senator Balint moved the rules be suspended, and the following bill:

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

Be messaged to the House forthwith which was disagreed to on a roll call, Yeas 20, Nays 9 (the necessary three-quarters vote of the Senate membership *not* having been attained.)

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

Roll Call

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

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

The Senator absent and not voting was: Kitchel.

Message from the House No. 79

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

Madam President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

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

And has adopted the same on its part.

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

H. 512. An act relating to modernizing land records and notarial acts law.

H. 518. An act relating to municipal energy resilience initiatives.

H. 533. An act relating to converting civil forfeiture of property in drug-related prosecutions into a criminal process.

And has severally concurred therein.

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

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

And has severally concurred therein with further amendments in the passage of which the concurrence of the Senate is requested.

Senate Concurrent Resolutions

The following joint concurrent resolutions, having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were severally adopted on the part of the Senate:

By Senators Campion and Sears,

By Reps. Corcoran and others,

S.C.R. 22.

Senate concurrent resolution congratulating Jay and Joan Zwynenburg on the 50th anniversary of Jay's Art Shop & Frame Gallery and for their roles as exemplary downtown Bennington entrepreneurs.

By Senators Brock, Clarkson, Benning, Collamore, Ingalls and Westman,

S.C.R. 23.

Senate concurrent resolution celebrating the State Partnership Program recently established between the Vermont National Guard and Austria.

House Concurrent Resolutions

The following joint concurrent resolutions having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were severally adopted in concurrence:

By Reps. Smith and others,

H.C.R. 170.

House concurrent resolution in memory of former Representative, Commissioner of State Buildings, and Labor Relations Board member John J. Zampieri of Ryegate.

By Reps. Partridge and others,

H.C.R. 171.

House concurrent resolution congratulating Jayne Barber of Bellows Falls on her 2022 induction into the Vermont Sports Hall of Fame.

Adjournment

On motion of Senator Balint, the Senate adjourned until nine o'clock in the morning.