

**No. 136. An act relating to miscellaneous consumer protection laws.**

(H.730)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. REDESIGNATION

The office of legislative council shall redesignate 9 V.S.A. chapter 65 as a new 9 V.S.A. chapter 60 and shall redesignate the sections located within the current 9 V.S.A. chapter 65, sections 2481–2492, as new sections 2381–2392 to be located within the new 9 V.S.A. chapter 60. All references in statute and in administrative rules adopted pursuant to authority granted in statute shall be redesignated to reflect the changes in this section.

Sec. 1a. 9 V.S.A. chapter 63 is amended to read:

CHAPTER 63. CONSUMER ~~FRAUD~~ PROTECTION

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§ 2453. PRACTICES PROHIBITED; ANTITRUST AND CONSUMER  
~~FRAUD~~ PROTECTION

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§ 2461e. REQUIREMENTS FOR GUARANTEED PRICE PLANS AND  
PREPAID CONTRACTS

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(d) Private right of action under consumer ~~fraud~~ protection act. In addition to the remedies set forth in sections 2458 and 2461 of this title, a home heating oil, kerosene, or liquefied petroleum gas dealer may bring an action against its

heating oil, kerosene, or liquefied petroleum gas suppliers for failing to honor its contract with the home heating oil, kerosene, or liquefied petroleum gas dealer. The home heating oil, kerosene, or liquefied petroleum gas dealer bringing the action may recover all remedies available to consumers under subsection 2461(b) of this title.

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#### § 2480q. PENALTIES

(a) The following penalties shall apply to violations of this subchapter:

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(3) A violation of section 2480p of this subchapter shall be deemed a violation of ~~chapter 63 section 2453~~ section 2453 of this title, ~~the Consumer Fraud Act~~. The attorney general has the same authority to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under subchapter 1 ~~of chapter 63~~ of this title chapter.

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#### Sec. 1b. REDESIGNATION OF TERM “CONSUMER FRAUD” TO READ “CONSUMER PROTECTION”

(a) The legislative council, under its statutory revision authority pursuant to 2 V.S.A. § 424, is directed to delete the term “consumer fraud” and to insert in lieu thereof the term “consumer protection” wherever it appears in each of the following sections: 7 V.S.A. § 1010; 8 V.S.A. §§ 2706, 2709, and 2764;

9 V.S.A. § 2471; 18 V.S.A. §§ 1511, 1512, 4086, 4631, 4633, 4634, and 9473; 20 V.S.A. § 2757; and 33 V.S.A. §§ 1923 and 2010; and in any other sections as appropriate.

(b) Notwithstanding the provisions of 3 V.S.A. chapter 25, the attorney general shall have the authority to delete the term “consumer fraud” and to insert in lieu thereof the term “consumer protection” wherever it appears in the attorney general’s rules, regulations, and procedures and shall exercise such authority upon passage of this act as he or she deems to be necessary, appropriate, and consistent with the purposes of this section.

Sec. 2. 9 V.S.A. chapter 63, subchapter 5 is added to read:

Subchapter 5. Cause-Related Marketing

§ 2481a. DEFINITIONS

In this chapter:

(1) “Charitable sales promotion” means an advertising or sales campaign conducted in this state by a commercial coventurer in which it is represented to the public that an amount per unit of goods or services purchased or used by the public or an amount based on aggregate purchases or use by the public will benefit a charitable organization or charitable purpose.

“Charitable sales promotion” does not include:

(A) A promotion in which 100 percent of the amount paid for the goods or services will benefit a charitable organization or charitable purpose;

(B) A promotion in which a commercial coventurer does not generate a net profit; or

(C) A promotion that does not involve the sale or lease of goods or services.

(2) “Commercial coventurer” means a person who for profit is regularly and primarily engaged in trade or commerce in this state other than in connection with the raising of funds for charitable purposes and who represents to the public that an amount per unit of goods or services purchased or used by the public or an amount based on aggregate purchases or use by the public will benefit a charitable organization or charitable purpose.

(3) “Representation” means an advertisement, commercial, or other communication to the public in any medium.

#### § 2481b. REQUIRED DISCLOSURES

Every commercial coventurer shall disclose the following information in a clear and conspicuous manner in close proximity to any representation, in connection with a charitable sales promotion, that an amount per unit of goods or services purchased or used by the public, or an amount based on aggregate purchases or use by the public, will benefit a charitable organization or charitable purpose:

(1) The name of the charitable organization or purpose which is to benefit from the charitable sales promotion;

(2) The amount per unit of goods or services purchased or used that will benefit the charitable organization or purpose or, if not known, the estimated amount, in either case expressed as a dollar amount or a percentage of the amount paid for the purchase or use, except that if the amount is based on aggregate purchases or use, that amount and how it will be calculated shall be disclosed; and

(3) Any maximum amount that will benefit the charitable organization or purpose.

§ 2481c. RECORD-KEEPING

A commercial coventurer shall maintain records that are sufficient to demonstrate compliance with the requirements of this chapter and the disclosed terms of a charitable sales promotion.

§ 2481d. VIOLATIONS

(a) A violation of this subchapter is deemed to be a violation of section 2453 of this title. This section shall not be construed to limit a commercial coventurer's liability under any other law.

(b) The attorney general has the same authority to make rules, conduct civil investigations, and bring civil actions with respect to the acts and practices of a commercial coventurer as is provided under subchapter 1 of this chapter.

Sec. 3. 9 V.S.A. § 2463 is amended to read:

§ 2463. CREDIT BILLING FOR CERTAIN HOME SOLICITATION  
SALES

In the case of any home solicitation sale solicited or consummated by a seller in whole or in part by telephone that is paid for by means of an open-end consumer credit plan within the meaning of the federal Truth-in-Lending Act, 15 U.S.C. § 1601 et seq., the issuer of the credit card on which the consumer has charged the purchase shall, for ~~three years~~ one year from the date of the sale, or within any other time period available under applicable network operating rules in effect at the time of the sale, whichever is greater, and for the purpose of a disputed charge and reimbursement to the consumer, be subject to the claim or defense that the seller failed to comply with the disclosure requirements of section 2454(b) of this chapter and engaged in a related unfair or deceptive act or practice under subsection 2453(a) of this title, regardless of the amount of the purchase, the location of the seller, or the amount, if any, already paid by the consumer. ~~The issuer of the credit card shall not be liable for amounts already paid by the consumer and not reimbursed by the seller or the seller's merchant bank.~~ Where a consumer has raised such a claim or defense, the issuer shall not report any negative information on the purchase to any consumer reporting agency as defined in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f), unless there is a judicial determination that the

consumer's defense or claim is without merit, except that the issuer may report that there is a dispute with respect to the charge.

Sec. 4. FINDINGS – REGULATION OF LEAD IN FOOD AND IN  
VITAMINS AND OTHER SUPPLEMENTS

The general assembly finds:

- (1) Lead is highly toxic to humans, particularly to young children.
- (2) Ingesting lead can cause irreversible damage that results in long-lasting, permanent neurological damage, such as a decrease in I.Q.
- (3) The effects of lead exposure are cumulative, and a child may be harmed by ingesting very small amounts of lead.
- (4) Over the years there have been public reports of lead in certain food products, including fruit juices, honey, candy, chocolate, and eggs.
- (5) The current statutory definition of “children’s products” includes food, vitamins, and supplements.
- (6) Although there is no single governmental limit on lead in food, such limits as do exist are much lower than the 100 parts per million (ppm) limit on lead in “children’s products” under Vermont law. For example, the federal Food and Drug Administration has set a 0.005 ppm limit on lead in bottled water and has recommended a 0.1 ppm limit on lead in candy.

Sec. 5. 9 V.S.A. § 2470e is amended to read:

§ 2470e. DEFINITIONS

As used in this subchapter:

(1) “Children’s product” means any consumer product marketed for use by children under the age of 12, or whose substantial use or handling by children under 12 years of age is reasonably foreseeable, including toys, furniture, jewelry, vitamins and other supplements, personal care products, clothing, food, and food containers and packaging.

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Sec. 6. 9 V.S.A. § 4401 is amended to read:

§ 4401. RIGHTS OF RECIPIENT OF ~~MERCHANDISE~~ UNSOLICITED  
GOODS OR SERVICES; DEFINITION; OBLIGATION OF  
BUSINESS RECIPIENT TO NOTIFY SELLER

~~(a) When personal property is mailed or caused to be delivered or when services are rendered to another by a person who knows the property or services to be unsolicited merchandise or services, the person to whom the merchandise is sent or delivered or for whom the services are rendered may refuse to accept delivery of the same, or he may deem it to be a gift and may use it or dispose of it in any manner without obligation to the person sending or delivering it.~~

~~(b) For purposes of this section, “unsolicited merchandise or services” shall mean any tangible personal property or services, not requested by the recipient, which is intended for personal, family or household use, and not for commercial, industrial, agricultural, or professional use.~~

(a) Except as provided in subsection (b) of this section, if a seller delivers unsolicited goods to a recipient, the recipient may:

(1) refuse the unsolicited goods; or

(2) deem the unsolicited goods to be a gift and dispose of them in any manner without obligation to the seller; provided that, in the case of a recipient who is not a natural person, before disposing of the goods, the recipient shall make a reasonable effort to notify the seller that it has received the unsolicited goods.

(b) If a seller delivers goods to a recipient in error and notifies the recipient of the error within 20 days, or before the recipient has used or disposed of the unsolicited goods, whichever is sooner, then:

(1) The seller shall provide, within 20 days of the notification of error, for the pick-up or return shipment of any remaining portion of the unsolicited goods at the seller’s expense and risk, during which time the recipient shall take reasonable care of the remaining unsolicited goods. The recipient need not tender the remaining goods at any place other than the place of delivery or the location of the remaining goods at the time of the notification of error and

shall have no further obligation to accommodate the seller's schedule for pick-up or return shipment or otherwise to facilitate the recovery of the item beyond the requirements of this section. If the recipient refuses to relinquish any remaining portion of the unsolicited goods to the seller, or agrees to relinquish the remaining unsolicited goods to the seller and fails to do so, the recipient shall be liable for the cost of the unsolicited goods not relinquished to the seller.

(2) The seller may discontinue services to the recipient. The recipient shall not be liable for any services delivered or used prior to the discontinuance of service.

(c) In this section:

(1) "Recipient" means a person who receives unsolicited goods, whether or not he or she was the intended recipient of them.

(2) "Seller" means a person who delivers, renders, or causes to be delivered or rendered unsolicited goods to a recipient, whether or not the seller intends to charge the recipient for the unsolicited goods.

(3) "Unsolicited goods" means any personal property or services delivered, rendered, or caused to be delivered or rendered by a seller to a recipient that are not requested by the recipient, whether or not the recipient and the seller have an existing business relationship.

Sec. 7. 8 V.S.A. chapter 81 is amended to read:

CHAPTER 81. GIFT CERTIFICATES

§ 2701. DEFINITIONS

As used in this chapter:

- (1) “Account” means a demand deposit or share draft (checking) account, savings account, or other comparable consumer asset account (other than an occasional or incidental credit balance in a credit plan) regularly maintained by the consumer at a financial institution or at a credit union.
- (2) “Financial institution” means an institution as defined in subdivision 11101(32) of this title.
- (3) “Gift certificate” means a record evidencing a promise made for consideration by the seller or issuer of the record that money, goods, or services will be provided to the holder of the record for the value shown in the record. A “gift certificate” includes, but is not limited to, a record that contains a microprocessor chip, magnetic strip, or other means for the storage of information that is prefunded and for which the value is decremented upon each use; a gift card; an electronic gift card; a stored-value card or certificate; a store card; or a similar record or card. A gift certificate does not include an access device such as a debit card, code, or other means of access to a consumer’s account regularly maintained at a financial institution or credit union that may be used by the consumer to access the funds in his or her

account to initiate a withdrawal or to initiate an electronic funds transfer from the consumer's account.

(4) "Loyalty, award, or promotional gift certificate" means a gift certificate that is issued on a prepaid basis primarily for personal, family, or household purposes to a consumer in connection with a loyalty, award, or promotional program and that is redeemable upon presentation to one or more merchants for goods or services or that is usable at automated teller machines.

(5) "Paid value" means the value of any money or other thing of value given in exchange for a gift certificate.

(6) "Promotional value" means any value shown on a gift certificate in excess of the paid value of the gift certificate.

#### § 2702. EXPIRATION DATE

A The paid value of a gift certificate sold or offered to be sold shall be valid for not less than ~~three~~ five years after its date of issuance or after the date funds were last loaded onto the gift certificate, whichever is later. The date of issuance and the expiration date shall be clearly identified on its face, or, if an electronic card with a banked dollar value, clearly printed upon a sales receipt transferred to the purchaser of the electronic card upon the completed transaction, or otherwise made available to the purchaser or holder of the electronic card through means of an ~~internet~~ Internet site or a toll free information telephone line. A gift certificate not clearly marked with an

expiration date or for which the expiration date is not otherwise made available as provided in this section shall be deemed to have no expiration date.

Following the expiration date of the gift certificate, the unused portion of the paid value of the gift certificate shall be returned to the holder of the gift certificate, if requested.

§ 2702a. LOYALTY, AWARD, OR PROMOTIONAL GIFT CERTIFICATE

A loyalty, award, or promotional gift certificate shall clearly and legibly set forth the following disclosures, as applicable:

(1) A statement indicating that the gift certificate is issued for loyalty, award, or promotional purposes, which shall be included on the front of the gift certificate;

(2) The expiration date for both the paid value of the gift certificate, if any, and the promotional value of the gift certificate, if any, which shall be included on the front of the gift certificate;

(3) The amount of any fees that may be imposed in connection with the gift certificate and the conditions under which they may be imposed, which shall be provided on or with the gift certificate; and

(4) If any fee is assessed against the gift certificate, a toll-free telephone number and, if one is maintained, a website address that a consumer may use to obtain fee information, which shall be included on the gift certificate.

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## § 2707. EXEMPTION

~~The~~ Except as provided in this section, the provisions of this chapter shall not apply to the following:

(1) A loyalty, award, or promotional gift certificate issued pursuant to an awards or loyalty program where no money or other thing of value is given in exchange for the gift certificate, provided that the expiration date is clearly and legibly disclosed on the gift certificate complies with section 2702a of this title.

(2) The promotional value of a loyalty, award, or promotional gift certificate issued in exchange for paid value, provided that the gift certificate complies with sections 2702 and 2702a of this title.

(3) A gift certificate donated to a charitable organization and used for fund-raising activities of a charitable organization, without any money or other thing of value being given in exchange for the gift certificate by the charitable organization, provided that the expiration date is clearly and legibly printed on the gift certificate.

~~(3)~~(4) Prepaid calling cards issued solely to provide an access number and authorization code for prepaid calling services.

~~(4)~~ A gift certificate for a food product, provided the expiration date is clearly and legibly printed on the front or the face of the gift certificate or printed on the back of the gift certificate in at least 10 point font.

(5) A season pass, a discount ski card, or a record sold for admission to any seasonal recreational activity.

(6) A payroll card account issued pursuant to and in full compliance with 21 V.S.A. § 342(c).

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Sec. 8. 9 V.S.A. chapter 63, subchapter 7 is added to read:

Subchapter 7. Unlicensed Loan Transactions

§ 2481w. UNLICENSED LOAN TRANSACTIONS

(a) In this subchapter:

(1) “Financial account” means a checking, savings, share, stored value, prepaid, payroll card, or other depository account.

(2) “Lender” means a person engaged in the business of making loans of money, credit, goods, or things in action and charging, contracting for, or receiving on any such loan interest, a finance charge, a discount, or consideration.

(3) “Process” or “processing” includes printing a check, draft, or other form of negotiable instrument drawn on or debited against a consumer’s financial account, formatting or transferring data for use in connection with the debiting of a consumer’s financial account by means of such an instrument or an electronic funds transfer, or arranging for such services to be provided to a lender.

(4) “Processor” means a person who engages in processing, as defined in subdivision (3) of this subsection.

(b) It is an unfair and deceptive act and practice in commerce for a lender directly or through an agent to solicit or make a loan to a consumer by any means unless the lender is in compliance with all provisions of 8 V.S.A. chapter 73 or is otherwise exempt from the requirements of 8 V.S.A. chapter 73.

(c) It is an unfair and deceptive act and practice in commerce for a processor, other than a federally insured depository institution, to process a check, draft, other form of negotiable instrument, or an electronic funds transfer from a consumer’s financial account in connection with a loan solicited or made by any means to a consumer unless the lender is in compliance with all provisions of 8 V.S.A. chapter 73 or is otherwise exempt from the requirements of 8 V.S.A. chapter 73.

(d) It is an unfair and deceptive act and practice in commerce for any person, including the lender’s financial institution as defined in 8 V.S.A. § 10202(5), but not including the consumer’s financial institution as defined in 8 V.S.A. § 10202(5), to provide substantial assistance to a lender or processor when the person or the person’s authorized agent receives notice from a regulatory, law enforcement, or similar governmental authority, or knows from its normal monitoring and compliance systems, or consciously avoids knowing

that the lender or processor is in violation of subsection (b) or (c) of this section or is engaging in an unfair or deceptive act or practice in commerce.

Sec. 9. 8 V.S.A. chapter 114 is added to read:

CHAPTER 114. PORTABLE ELECTRONICS INSURANCE

§ 4257. DEFINITIONS

As used in this chapter:

(1) “Portable electronics” means electronic devices that are portable in nature, their accessories, and services related to the use of such devices.

(2) “Portable electronics insurance” means insurance which may be offered on a month-to-month or other periodic basis as a group or master commercial inland marine policy that provides coverage for the repair or replacement of portable electronics against any one or more of the following causes of loss: loss, theft, inoperability due to mechanical failure, malfunction, damage, or other similar causes of loss. The term does not include a service contract governed by subchapter 4 of chapter 113 of this title, a policy of insurance covering a seller’s or a manufacturer’s obligations under a warranty, or a homeowner’s, renter’s, private passenger automobile, commercial multi-peril, or similar policy.

(3) “Portable electronics vendor” means a person in the business of selling or leasing portable electronics directly or indirectly.

§ 4258. PREMIUM BILLINGS

The charges for portable electronics insurance coverage may be billed and collected by a portable electronics vendor. Any charge to a customer for coverage that is not included in the cost associated with the purchase or lease of portable electronics shall be separately itemized on the customer's bill. If the portable electronics insurance coverage is included with the purchase or lease of portable electronics, a portable electronics vendor shall clearly and conspicuously disclose to the customer that the portable electronics insurance coverage is included with the portable electronics. A portable electronics vendor billing and collecting such charges shall not be required to maintain such funds in a segregated account, provided that the vendor is authorized by the insurer to hold such funds in an alternative manner and remits such amounts to the insurer or the producer appointed by the insurer to supervise the administration of a portable electronics insurance program within 60 days of receipt. All funds received by a portable electronics vendor from an enrolled customer for the sale of portable electronics insurance shall be considered funds held in trust by the vendor in a fiduciary capacity for the benefit of the insurer. Portable electronics vendors may receive compensation for billing and collection services.

§ 4259. TERMINATION AND MODIFICATION REQUIREMENTS

Notwithstanding any other provision of law, the terms for the termination or modification of a policy of portable electronics insurance shall be as set forth in the policy.

§ 4260. NOTICE REQUIREMENTS

(a) Whenever notice or correspondence with respect to a policy of portable electronics insurance is required pursuant to the policy or is otherwise required by law, it shall be in writing. Notwithstanding any other provision of law, notices and correspondence may be sent either by mail or by electronic means as set forth in this section. If the notice or correspondence is mailed, it shall be sent to the portable electronics vendor at the vendor's mailing address specified for such purpose and to its affected customers' last known mailing address on file with the insurer. The insurer or vendor of portable electronics shall maintain proof of mailing in a form authorized or accepted by the United States Postal Service or other commercial mail delivery service. If the notice or correspondence is sent by electronic means, it shall be sent to the portable electronics vendor at the vendor's electronic mail address specified for such purpose and to its affected customers' last known electronic mail address as provided by each customer to the insurer or vendor of portable electronics. A customer is deemed to consent to receive notice and correspondence by electronic means if the insurer or vendor first discloses to the customer that by

providing an electronic mail address the customer consents to receive electronic notice and correspondence at the address, and, the customer provides an electronic mail address. The insurer or vendor of portable electronics shall maintain proof that the notice or correspondence was sent.

(b) Notice or correspondence required pursuant to a policy of portable electronics insurance or otherwise required by law may be sent on behalf of the insurer or vendor by an insurance producer appointed by the insurer to supervise the administration of a portable electronics insurance program.

§ 4261. RULEMAKING; LICENSING; CLAIMS; SALES

The commissioner shall adopt rules establishing a business entity limited lines producer license for the sale of portable electronics insurance as well as requirements for the sale of portable electronics insurance by a vendor and its employees and authorized representatives and standards for the adjusting of claims under a policy of portable electronics insurance by a supervising entity.

Sec. 10. 8 V.S.A. § 4813a is amended to read:

§ 4813a. DEFINITIONS

For purposes of this subchapter:

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(10) “Portable electronics insurance” shall have the same meaning as in subdivision 4257(2) of this title.

(11) “Portable electronics vendor” shall have the same meaning as in subdivision 4257(3) of this title.

(12) “Sell” means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

~~(11)~~(13) “Solicit” means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular insurer.

~~(12)~~(14) “Terminate” means the cancellation of the relationship between an insurance producer and the insurer or the termination of a producer’s authority to transact insurance.

~~(13)~~(15) “Uniform Application” means the current version of the NAIC Uniform Application for resident and nonresident producer licensing.

~~(14)~~(16) “Uniform Business Entity Application” means the current version of the NAIC Uniform Business Entity Application for resident and nonresident business entities.

Sec. 11. 8 V.S.A. § 4813d is amended to read:

§ 4813d. EXCEPTIONS TO LICENSING

(a) Nothing in this subchapter shall be construed to require an insurer to obtain an insurance producer license. In this section, the term “insurer” does not include an insurer’s officers, directors, employees, subsidiaries, or affiliates.

(b) A license as an insurance producer shall not be required of the following:

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(8) A person selling or offering portable electronics insurance who is an employee or authorized representative of a portable electronics vendor licensed as a limited lines insurance producer to sell, solicit, or negotiate portable electronics insurance in accordance with rules adopted by the commissioner pursuant to section 4261 of this title.

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Sec. 12. PROTECTION OF OLDER CONSUMERS

On or before January 15, 2013, in collaboration with appropriate state agencies, including the department of disabilities, aging, and independent living; advocacy organizations; and other interested persons and commercial entities, the attorney general shall submit legislative and policy recommendations and rationales to the house committee on commerce and economic development on the advisability and appropriate age limits for establishing appropriate consumer protections to protect older Vermonters.

Sec. 13. 33 V.S.A. § 2607 is amended to read:

§ 2607. PAYMENTS TO FUEL SUPPLIERS

(a) The secretary of human services or designee shall certify fuel suppliers, excluding firewood and wood pellet suppliers, to be eligible to participate in

the home heating fuel assistance program. Beneficiaries may use their seasonal fuel assistance benefit to obtain home heating fuel or energy only from a fuel supplier certified by the director, except that beneficiaries who heat with firewood or wood pellets may obtain their firewood or wood pellets from any supplier they choose.

(b) Certified fuel suppliers shall agree to conduct reasonable efforts in order to inform and assist beneficiaries in their service areas, maintain records of amounts and costs of all fuel deliveries, send periodic statements to customers receiving home heating fuel assistance informing them of their account's credit or debit balance as of the last statement, deliveries or usage since that statement and the charges for such, payments made or applied, indicating their source, since that statement, and the ending credit or debit balance. Certified fuel suppliers shall also agree to provide the secretary of human services or designee such information deemed necessary for the efficient administration of the program, ~~including information required to pay the beneficiary's benefits to the certified supplier after fuel is delivered or, for metered fuel and regulated utilities, after the beneficiary's account has been billed.~~

(c) Certified fuel suppliers shall not disclose the beneficiary status of recipients of home heating fuel assistance benefits, the names of recipients, or other information pertaining to recipients to anyone, except for purposes

directly connected with administration of the home heating fuel assistance program or when required by law.

(d) Certified fuel suppliers shall also agree to enter into budget agreements with beneficiaries for annualized monthly payments for fuel supplies provided the beneficiary meets accepted industry credit standards, and shall grant program beneficiaries such cash discounts, preseason delivery savings, automatic fuel delivery agreements, and any other discounts granted to any other heating fuel customer or as the secretary of human services or designee may negotiate with certified fuel suppliers.

(e) The secretary of human services or designee shall provide each certified fuel supplier with a list of the households who are its customers and have been found eligible for annual home heating fuel assistance for the current year, the total amount of annual home heating fuel assistance that has been authorized for each household, and how the total amount has been allocated over the heating season. Each authorized amount shall function as a line of credit for each eligible household. The secretary or designee shall disburse authorized home heating fuel assistance benefits to certified fuel suppliers on behalf of eligible households ~~after fuel is delivered or, for metered fuel and regulated utilities, after the beneficiary's account has been billed.~~ Authorized benefits for oil, propane, kerosene, dyed diesel, and coal shall be paid after fuel is delivered and invoiced to the secretary or designee. Authorized benefits for

electricity and natural gas shall be paid in full and credited to the eligible household's account at the same time benefit notices are issued to the eligible household.

(f) The secretary of human services or designee shall negotiate with one or more certified fuel suppliers to obtain the most advantageous pricing and; payment terms, and delivery methods possible for eligible households.

(g)(1) The public service board shall require natural gas suppliers subject to regulation under 30 V.S.A § 203 to provide a discount program to customers with incomes no greater than 200 percent of the federal poverty level or who meet the department for children and families' means test of eligibility for LIHEAP crisis fuel assistance. Eligibility for the discount shall be verified by the department for children and families.

(2) In implementing the discount program, the board shall consider:

(A) Low income discount programs, rates, and cost structures of other Vermont regulated utilities.

(B) Low income discount programs, rates, and cost structures for gas customers in other states.

(C) Options for allocating the costs of the discount program that avoid or reduce the cost impact of the program on ineligible ratepayers, including consideration of each of the following:

(i) Use of any revenues collected from ratepayers that are in excess of the revenue requirement most recently determined by the board.

(ii) Use of revenues collected from ratepayers to fund system expansions that have not been placed in service.

(3) On or before January 15, 2013, the board shall:

(A) implement this subsection by order to each natural gas company subject to its jurisdiction; and

(B) report to the house committees on commerce and economic development and on human services, and to the senate committees on health and welfare and on economic development, housing and general affairs on its implementation of this subsection, including its consideration of the matters described in subdivision (2) of this subsection and the results of that consideration.

#### Sec. 13a. STUDY; RESIDENTIAL SPRINKLER SYSTEMS

The department of public safety, in consultation with the department of financial regulation, home builders, and insurance carriers, as well as other interested parties, shall study the costs of requiring sprinklers in new residential construction, including whether fire insurance carriers should be required to absorb all of the costs of sprinkler installation by offsetting premiums until the cost is paid in full and the reduction in premiums is not otherwise recovered in premiums charged to other insureds. The department

shall report its findings and any recommendations regarding the cost of installing and paying for residential sprinkler systems to the senate committee on economic development, housing and general affairs and the house committee on general, housing and military affairs on or before January 15, 2013.

Sec. 14. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 3 (credit billing for certain home solicitation sales) shall take effect one year from the date of passage.

Approved: May 18, 2012