Journal of the Senate

THURSDAY, MAY 18, 2017

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

The President then led the members of the Senate in the pledge of allegiance.

Recess

On motion of Senator Balint the Senate recessed until 2:30 P.M.

Called to Order

The Senate was called to order by the President.

Recess

The Chair declared a recess until the fall of the gavel.

Called to Order

The Senate was called to order by the President.

Recess

The Chair declared a recess 4:00 P.M.

Called to Order

The Senate was called to order by the President.

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:

Mr. President:

I am directed by the Governor to inform the Senate that on the seventeenth day of May, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 14. An act relating to expanding the Vermont Practitioner Recovery Network.

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S. 96. An act relating to a news media privilege.

Message from the House No. 79

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

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on May 17, 2017, he approved and signed bills originating in the House of the following title:

H. 50. An act relating to the telecommunications siting law.

H. 58. An act relating to permanent licenses for persons 66 years of age or older.

H. 184. An act relating to evaluation of suicide profiles.

H. 230. An act relating to consent by minors for mental health treatment related to sexual orientation and gender identity.

H. 241. An act relating to the charter of the Central Vermont Solid Waste Management District.

H. 312. An act relating to retirement and pensions.

H. 327. An act relating to the charter of the Northeast Kingdom Solid Waste Management District.

H. 462. An act relating to social media privacy for employees.

H. 494. An act relating to the Transportation Program and miscellaneous changes to transportation-related law.

H. 520. An act relating to approval of amendments to the charter of the Town of Stowe.

H. 524. An act relating to approval of amendments to the charter of the Town of Hartford.

H. 536. An act relating to approval of amendments to the charter of the Town of Colchester.

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 nominations of

Gobeille, Al of Shelburne - Secretary, Agency of Human Services - January 5, 2017, to February 28, 2017.

Gobeille, Al of Shelburne - Secretary, Agency of Human Services - March 1, 2017, to February 28, 2019.

Were collectively agreed to on a roll call Yeas 25, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Ayer, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, Mazza, McCormack, Mullin, Nitka, Pollina, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Ashe, Balint, MacDonald, Pearson, Rodgers.

The nomination of

Fenster, David of Middlebury - Superior Judge - December 28, 2016, to March 31, 2022.

Was confirmed on a roll call Yeas 26, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Ayer, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pollina, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Ashe, Balint, Pearson, Rodgers.

The nomination of

Mann, Elizabeth of Norwich - Superior Judge - December 28, 2016, to March 31, 2019.

Was confirmed by the Senate on a roll call Yeas 26, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Ayer, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pollina, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Ashe, Balint, Pearson, Rodgers.

The nominations of

Flynn, Joe of South Hero - Secretary, Transportation, Agency of – January 5, 2017, to February 28, 2017.

Flynn, Joe of South Hero - Secretary, Transportation, Agency of – March 1, 2017, to February 28, 2019.

Were collectively agreed to on a roll call Yeas 25, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Ayer, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pollina, Sears, Sirotkin, Starr, Westman.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Ashe, Balint, Pearson, Rodgers, White.

The nomination of

Holcombe, Rebecca of Norwich - Secretary, Agency of Education - March 1, 2017, to February 28, 2019.

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

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

Roll Call

Those Senators who voted in the affirmative were: Ayer, Balint, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pearson, Pollina, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Ashe, Rodgers.

The nomination of

Quinn, John of Northfield - Secretary, Agency of Digital Services – April 24, 2017, to February 28, 2019.

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: Ayer, Balint, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pearson, Pollina, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Ashe, Rodgers.

Recess

The Chair declared a recess to the fall of the gavel.

Called to Order

The Senate was called to order by the President.

Message from the House No. 80

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

Mr. 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. 135. An act relating to promoting economic development.

And has adopted the same on its part.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 135.

Pending entry on the Calendar for notice, on motion of Senator Mullin, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to promoting economic development.

Was taken up for immediate consideration.

Senator Mullin, 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. 135. An act relating to promoting economic development.

Respectfully reports that it has met and considered the same and recommends that the House 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:

* * * Vermont Employment Growth Incentive Program * * *

Sec. A.1. 32 V.S.A. chapter 105 is amended to read:

CHAPTER 105. VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

* * *

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

(1) A business may apply for an incentive in one or more years of an award period by submitting an application to the Council in the format the Council specifies for that purpose.

(2) For each award year the business applies for an incentive, the business shall:

(A) specify a payroll performance requirement;

(B) specify a jobs performance requirement or a capital investment performance requirement, or both; and

(C) provide any other information the Council requires to evaluate the application under this subchapter.

(b) Mandatory criteria. The Council shall not approve an application unless it finds:

(1) Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title, the new revenue the proposed activity ~~generates~~ would generate to the State ~~exceeds~~ would exceed the costs of the activity to the State.

(2) The host municipality welcomes the new business.

(3) ~~The~~ Pursuant to a self-certification or other documentation the Council requires by rule or procedure, the business attests to the best of its knowledge:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree;

(B) the business complies with applicable State laws and regulations; and

(C) the proposed economic activity ~~conforms~~ would conform to applicable town and regional plans and with applicable State laws and regulations.

(4) If the business proposes to expand within a limited local market, an incentive would not give the business an unfair competitive advantage over other Vermont businesses in the same or similar line of business and in the same limited local market.

(5) But for the incentive, the proposed economic activity:

(A) would not occur; or

(B) would occur in a significantly different manner that is significantly less desirable to the State.

* * *

§ 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING LABOR MARKET AREA

(a) The Council may increase the value of an incentive for a business that is located in a labor market area in which:

(1) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or

(2) the average annual wage is less than the average annual wage for the State.

(b) In each calendar year, the amount by which the Council may increase the value of all incentives pursuant to this section is:

(1) $1,500,000.00 for one or more initial approvals; and

(2) $1,000,000.00 for one or more final approvals.

(c) The Council may increase the cap imposed in subdivision (b)(2) of this section by not more than $500,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(d) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(e) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

(f) The purpose of the enhanced incentive for a business in a qualifying labor market area is to increase job growth in economically disadvantaged regions of the State, as provided in subsection (a) of this section.

§ 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL TECHNOLOGY BUSINESS

(a) As used in this section, an "environmental technology business" means a business that:

(1) is subject to income taxation in Vermont; and

(2) seeks an incentive for economic activity in Vermont that the Secretary of Commerce and Community Development certifies is primarily research, design, engineering, development, or manufacturing related to one or more of the following:

(A) waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation;

(B) natural resource protection and management, including water and wastewater purification and treatment, air pollution control and prevention or remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation;

(C) energy efficiency or conservation;

(D) clean energy, including solar, wind, wave, hydro, geothermal, hydrogen, fuel cells, waste-to-energy, or biomass.

(b) The Council shall consider and administer an application from an environmental technology business pursuant to the provisions of this subchapter, except that:

(1) the business's potential share of new revenue growth shall be 90 percent; and

(2) to calculate qualifying payroll, the Council shall:

(A) determine the background growth rate in payroll for the applicable business sector in the award year;

(B) multiply the business's full-time payroll for the award year by 20 percent of the background growth rate; and

(C) subtract the product from the payroll performance requirement for the award year.

(c) The purpose of the enhanced incentive for an environmental technology business is to promote the growth of businesses in Vermont that both create and sustain high quality jobs and improve the natural environment.

* * *

§ 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH DEPARTMENT OF TAXES

(a) On or before April 30 following each year of the utilization period, a business with an approved application shall submit an incentive claim to the Department of Taxes.

(b) A business shall include:

(1) the information the Department requires, including the information required in section 5842 of this title and other documentation concerning payroll, jobs, and capital investment necessary to determine whether the business earned the incentive specified for an award year and any installment payment for which the business is eligible; and

(2) a self-certification or other documentation the Department requires by rule or procedure, by which the business attests to the best of its knowledge that:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree; and

(B) the business complies with applicable State laws and regulations.

(c) The Department may consider an incomplete claim to be timely filed if the business files a complete claim within the additional time allowed by the Department in its discretion.

(d) Upon finalizing its review of a complete claim, the Department shall:

(1) notify the business and the Council whether the business is entitled to an installment payment for the applicable year; and

(2) make an installment payment to which the business is entitled.

(e) The Department shall not pay interest on any amounts it holds or pays for an incentive or installment payment pursuant to this subchapter.

§ 3339. RECAPTURE; REDUCTION; REPAYMENT

(a) Recapture.

(1) The Department of Taxes may recapture the value of one or more installment payments a business has claimed, with interest, if:

(A) the business fails to file a claim as required in section 3338 of this title; ~~or~~

(B) during the utilization period, the business experiences:

(i) a 90 percent or greater reduction from base employment; or

(ii) if it had no jobs at the time of application, a 90 percent or greater reduction from the sum of its job performance requirements; or

(C) the Department determines that during the application or claims process the business knowingly made a false attestation that the business:

(i) was not a named party to, or was in compliance with, an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State: or

(ii) was in compliance with State laws and regulations.

(2) If the Department determines that a business is subject to recapture under subdivision (1) of this subsection, the business becomes ineligible to earn or claim an additional incentive or installment payment for the remainder of the utilization period.

(3) Notwithstanding any other statute of limitations, the Department may commence a proceeding to recapture amounts under subdivision (1) of this subsection as follows:

(A) under subdivision (1)(A) of this subsection, no later than three years from the last day of the utilization period; and

(B) under subdivision (1)(B) of this subsection, no later than three years from date the business experiences the reduction from base employment, or three years from the last day of the utilization period, whichever occurs first.

(b) Reduction; recapture. If a business fails to make capital investments that equal or exceed the sum of its capital investment performance requirements by the end of the award period:

(1) The Department shall:

(A) calculate a reduced incentive by multiplying the combined value of the business's award period incentives by the same proportion that the business's total actual capital investments bear to the sum of its capital investment performance requirements; and

(B) reduce the value of any remaining installment payments for which the business is eligible by the same proportion.

(2) If the value of the installment payments the business has already received exceeds the value of the reduced incentive, then:

(A) the business becomes ineligible to claim any additional installment payments for the award period; and

(B) the Department shall recapture the amount by which the value of the installment payments the business has already received exceeds the value of the reduced incentive.

(c) Tax liability.

(1) A person who has the duty and authority to remit taxes under this title shall be personally liable for an installment payment that is subject to recapture under this section.

(2) For purposes of this section, the Department of Taxes may use any enforcement or collection action available for taxes owed pursuant to chapter 151 of this title.

* * *

* * * VEGI; Confidentiality * * *

Sec. A.2. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not

an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than $1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, he or she shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

* * *

(d) The Commissioner shall disclose a return or return information:

* * *

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B;

(6) to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed is reasonably necessary for the Council to perform its duties under that subchapter.

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Joint Fiscal Office or its agent to perform the duties authorized by the Joint Fiscal Committee or a standing committee of the General Assembly under that subchapter; to the Auditor of Accounts for the performance of duties under section 163 of this title; and to the Department of Economic Development for the purposes of subsection 5922(f) of this title~~; and to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Council to perform its duties under that subchapter~~.

* * *

Sec. A.3. VERMONT EMPLOYMENT GROWTH INCENTIVE; WAGE REPORTING; RECOMMENDATION

On or before January 15, 2018, the Agency of Commerce and Community Development, in collaboration with the Department of Labor, shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a report concerning the Vermont Employment Growth Incentive Program specifying means by which the Vermont Economic Progress Council can report aggregate information on the wages and benefits for jobs created through the Program.

* * * Rural Economic Development Infrastructure Districts * * *

Sec. B.1. 24 V.S.A. chapter 138 is added to read:

CHAPTER 138. RURAL ECONOMIC DEVELOPMENT INFRASTRUCTURE DISTRICTS

§ 5701. PURPOSE

The purpose of this chapter is to enable formation of special municipal districts to finance, own, and maintain infrastructure that provides economic development opportunities in rural and underresourced areas of the State, including areas within one or more municipalities. Specifically, this chapter provides mechanisms for public and private partnerships, including opportunities for tax-incentivized financing and voluntary citizen engagement, to help overcome density and economic hardship.

§ 5702. ESTABLISHMENT; GENERAL PROVISIONS

(a) Establishment. Upon written application by 20 or more voters within a proposed district or upon its own motion, the legislative body of a municipality may establish a rural economic development infrastructure district. The application shall describe the infrastructure to be built or acquired; the plan for financing its acquisition; the anticipated economic benefit; the source of revenues for loan, bond, or lease payments; and plans for retention and disbursement of excess revenues, if any. The application also shall clearly state that the proposed district shall not have authority to levy taxes upon the grand list and may not levy service charges or fees upon any underlying municipality except for services used by such municipality, its own officers, and employees in the operation of municipal functions. Notice of establishment of a district shall be recorded as provided in subsection (e) of this section, posted in at least three public places within the municipality for at least 30 days, and published in a newspaper of general circulation within the municipality not more than 10 days from the date of establishment by the legislative body. Following 40 days from the later of the date of establishment

by the legislative body of the municipality or an affirmative vote under subdivision (d)(1) or (2) of this section, the district shall be deemed to be a body politic and corporate, capable of exercising those powers and prerogatives explicitly granted by the legislative body of the municipality in accordance with this chapter and the district's establishment application.

(b) Districts involving more than one municipality. Where the limits of a proposed district include two or more municipalities, or portions of two or more municipalities, the application required by this section shall be made to and considered by the legislative body of each such municipality.

(c) Alteration of district limits. The legislative body of a municipality in which a district is located may alter the limits of a district upon application to the governing board of the district, provided the governing board gives prior written consent. A district expansion need not involve contiguous property. Notice of an alteration of the limits of a district shall be recorded as provided in subsection (e) of this section, posted in at least three public places within the municipality for at least 30 days, and published in a newspaper of general circulation within the municipality not more than 10 days from the date of the legislative body's decision to alter the limits of a district.

(d)(1) Contestability. If a petition signed by five percent of the voters of the municipality objecting to the proposed establishment or alteration of limits of a district is presented to the municipal clerk within 30 days of the date of posting and publication of the notice required by subsection (a) or (c) of this section, as applicable, the legislative body of the municipality shall cause the question of whether the municipality shall establish or alter the limits of the district to be considered at a meeting called for that purpose. The district shall be established in accordance with the application or the limits altered unless a majority of the voters of the municipality present and voting votes to disapprove such establishment or alteration of limits.

(2) If a petition signed by five percent of the voters of the municipality objecting to a legislative body's decision denying the establishment or the alteration of limits of a district is presented to the municipal clerk within 30 days of the legislative body's decision, the legislative body shall cause the question of whether the municipality shall establish or alter the limits of the district to be considered at an annual or special meeting called for that purpose.

(e) Recording. A record of the establishment of a district and any alteration of district limits made by a legislative body shall be filed with the clerk of each municipality in which the district is located, and shall be recorded with the Secretary of State.

§ 5703. LIMITATIONS; TAXES; INDEBTEDNESS; EMINENT DOMAIN

Notwithstanding any grant of authority in this chapter to the contrary:

(1) A district shall not accept funds generated by the taxing or assessment power of any municipality in which it is located.

(2) A district shall not have the power to levy, assess, apportion, or collect any tax upon property within the district, nor upon any of its underlying municipalities, without specific authorization of the General Assembly.

(3) All obligations of the district, including financing leases, shall be secured by and payable only out of the assets of or revenues or monies in the district, including revenue generated by an enterprise owned or operated by the district.

(4) A district shall not have powers of eminent domain.

§ 5704. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

(a) Governing board. The legislative power and authority of a district and the administration and the general supervision of all fiscal, prudential, and governmental affairs of a district shall be vested in a governing board, except as otherwise specifically provided in this chapter.

(b) Composition. The first governing board of the district shall consist of four to eight members appointed in equal numbers by the legislative bodies of the underlying municipalities. It shall draft the district's bylaws specifying the size, composition, quorum requirements, and manner of appointing members to the permanent governing board. The bylaws shall require that a majority of the board shall be appointed annually by the legislative bodies of the underlying municipalities. Board members shall serve staggered, three-year terms, and shall be eligible to serve successive terms. The legislative bodies of the municipalities in which the district is located shall fill board vacancies, and may remove board members at will. Any bylaws developed by the governing board under this subsection shall be submitted for approval to the legislative bodies of the municipalities within the district and shall be considered duly adopted 45 days from the date of submission, provided none of the legislative bodies disapprove of the bylaws.

(c) First meeting. The first meeting of the district shall be called upon 30 days' posted and published notice by a presiding officer of a legislative body in which the district is located. Voters within a municipality in which the district is located are eligible to vote at annual and special district meetings. At the first meeting of the district, and at each subsequent annual meeting, there shall be elected from among board members a chair, vice chair, clerk,

and treasurer who shall assume their respective offices upon election. At the first meeting, the fiscal year of the district shall be established and rules of parliamentary procedure shall be adopted. Prior to assuming their offices, officers may be required to post bond in such amounts as determined by resolution of the board. The cost of such bond shall be borne by the district.

(d) Annual and special meetings. Unless otherwise established by the voters, the annual district meeting shall be held on the second Monday in January and shall be warned by the clerk or, in the clerk's absence or neglect, by a member of the board. Special meetings shall be warned in the same manner on application in writing by five percent of the voters of the district. A warning for a district meeting shall state the business to be transacted. The time and place of holding the meeting shall be posted in two or more public places in the district not more than 40 days nor less than 30 days before the meeting and recorded in the office of the clerk before the same is posted.

(e) Annual report. The district shall report annually to the legislative bodies and the citizens of the municipalities in which the district is located on the results of its activities in support of economic growth, job creation, improved community efficiency, and any other benefits incident to its activities.

§ 5705. OFFICERS

(a) Generally. The district shall elect at its first meeting and at each annual meeting thereafter a chair, vice chair, clerk, and treasurer, who shall hold office until the next annual meeting and until others are elected. The board may fill a vacancy in any office.

(b) Chair. The chair shall preside at all meetings of the board and make and sign all contracts on behalf of the district upon approval by the board. The chair shall perform all duties incident to the position and office as required by the general laws of the State.

(c) Vice chair. During the absence of or inability of the chair to render or perform his or her duties or exercise his or her powers, the same shall be performed and exercised by the vice chair and when so acting, the vice chair shall have all the powers and be subject to all the responsibilities given to or imposed upon the chair. During the absence or inability of the vice chair to render or perform his or her duties or exercise his or her powers, the board shall elect from among its members an acting vice chair who shall have the powers and be subject to all the responsibilities given or imposed upon the vice chair.

(d) Clerk. The clerk shall keep a record of the meetings, votes, and proceedings of the district for the inspection of its inhabitants.

(e) Treasurer. The treasurer of the district shall be appointed by the board, and shall serve at its pleasure. The treasurer shall have the exclusive charge and custody of the funds of the district and shall be the disbursing officer of the district. When warrants are authorized by the board, the treasurer may sign, make, or endorse in the name of the district all checks and orders for the payment of money and pay out and disburse the same and receipt therefor. The treasurer shall keep a record of every obligation issued and contract entered into by the district and of every payment made. The treasurer shall keep correct books of account of all the business and transactions of the district and such other books and accounts as the board may require. The treasurer shall render a statement of the condition of the finances of the district at each regular meeting of the board and at such other times as required of the treasurer. The treasurer shall prepare the annual financial statement and the budget of the district for distribution, upon approval of the board, to the legislative bodies of district members. Upon the treasurer's termination from office by virtue of removal or resignation, the treasurer shall immediately pay over to his or her successor all of the funds belonging to the district and at the same time deliver to the successor all official books and papers.

§ 5706. AUDIT

Once the district becomes operational, the board shall cause an audit of the financial condition of the district to be performed annually by an independent professional accounting firm. The results of the audit shall be provided to the governing board and to the legislative bodies of the municipalities in which the district is located.

§ 5707. COMMITTEES

The board has authority to establish one or more committees and grant and delegate to them such powers as it deems necessary. Members of an executive committee shall serve staggered terms and shall be board members. Membership on other committees established by the board is not restricted to board members.

§ 5708. DISTRICT POWERS

A district created under this chapter has the power to:

(1) exercise independently and in concert with other municipalities any other powers which are necessary or desirable for the installation, ownership, operation, maintenance, and disposition of infrastructure promoting economic development in rural areas and matters of mutual concern and that are exercised or are capable of exercise by any of its members;

(2) enter into municipal financing agreements as provided by sections 1789 and 1821–1828 of this title, or other provisions authorizing the pledge of

district assets or net revenue, or alternative means of financing capital improvements and operations;

(3) purchase, sell, lease, own, acquire, convey, mortgage, improve, and use real and personal property in connection with its purpose;

(4) enter into contracts for any term or duration;

(5) operate, cause to be operated, or contract for the construction, ownership, management, financing, and operation of an enterprise which a municipal corporation is authorized by law to undertake;

(6) hire employees and fix the compensation and terms of employment;

(7) contract with individuals, corporations, associations, authorities, and agencies for services and property, including the assumption of the liabilities and assets thereof, provided that no assumed liability shall be a general obligation of a municipality in which the district is located;

(8) contract with the State of Vermont, the United States of America, or any subdivision or agency thereof for services, assistance, and joint ventures;

(9) contract with any municipality for the services of any officers or employees of that municipality useful to it;

(10) promote cooperative arrangements and coordinated action among its members and other public and private entities;

(11) make recommendations for review and action to its members and other public agencies that perform functions within the region in which its members are located;

(12) sue and be sued; provided, however, that the property and assets of the district, other than such property as may be pledged as security for a district obligation, shall not be subject to levy, execution, or attachment;

(13) appropriate and expend monies; provided, however, that no appropriation shall be funded or made in reliance upon any taxing authority of the district;

(14) establish sinking and reserve funds for retiring and securing its obligations;

(15) establish capital reserve funds and make deposits in them;

(16) solicit, accept, and administer gifts, grants, and bequests in trust or otherwise for its purpose;

(17) enter into an interstate compact consistent with the purposes of this chapter, subject to the approval of the Vermont General Assembly and the U. S. Congress;

(18) develop a public sewer or water project, provided the legislative body and the planning commission for the municipality in which the sewer or water project is proposed to be located confirm in writing that such project conforms with any duly adopted municipal plan, and the regional planning commission confirms in writing that such project conforms with the duly adopted regional plan;

(19) exercise all powers incident to a public corporation, but only to the extent permitted in this chapter;

(20) adopt a name under which it shall be known and shall conduct business; and

(21) make, establish, alter, amend, or repeal ordinances, regulations, and bylaws relating to matters contained in this chapter and not inconsistent with law.

§ 5709. DISSOLUTION

(a) If the board by resolution approved by a two-thirds vote determines that it is in the best interests of the public, the district members, and the district that such district be dissolved, and if the district then has no outstanding obligations under pledges of district assets or revenue, long-term contracts, or contracts subject to annual appropriation, or will have no such debt or obligation upon completion of the plan of dissolution, it shall prepare a plan of dissolution and thereafter adopt a resolution directing that the question of such dissolution and the plan of dissolution be submitted to the voters of the district at a special meeting thereof duly warned for such purpose. If a majority of the voters of the district present and voting at such special meeting shall vote to dissolve the district and approve the plan of dissolution, the district shall cease to conduct its affairs except insofar as may be necessary for the winding up of them. The board shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the district and to the Secretary of State and shall proceed to collect the assets of the district and apply and distribute them in accordance with the plan of dissolution.

(b) The plan of dissolution shall:

(1) identify and value all unencumbered assets;

(2) identify and value all encumbered assets;

(3) identify all creditors and the nature or amount of all liabilities and obligations;

(4) identify all obligations under long-term contracts and contracts subject to annual appropriation;

(5) specify the means by which assets of the district shall be liquidated and all liabilities and obligations paid and discharged, or adequate provision made for the satisfaction of them;

(6) specify the means by which any assets remaining after discharge of all liabilities shall be liquidated if necessary; and

(7) specify that any assets remaining after payment of all liabilities shall be apportioned and distributed among the district members according to a formula based upon population.

(c) When the plan of dissolution has been implemented, the board shall adopt a resolution certifying that fact to the district members whereupon the district shall be terminated, and notice thereof shall be delivered to the Secretary of the Senate and the Clerk of the House of Representatives in anticipation of confirmation of dissolution by the General Assembly.

* * * Public Retirement * * *

Sec. C.1. THE GREEN MOUNTAIN SECURE RETIREMENT PLAN

(a) The State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the "Green Mountain Secure Retirement Plan."

(b) The Plan shall be designed and implemented based upon the following guiding principles:

(1) Simplicity: the Plan should be easy for participants to understand.

(2) Affordability: the Plan should be administered to maximize cost effectiveness and efficiency.

(3) Ease of access: the Plan should be easy to join.

(4) Trustworthy oversight: the Plan should be administered by an organization with unimpeachable credentials.

(5) Protection from exploitation: the Plan should protect its participants, particularly the elderly, from unscrupulous business practices and individuals.

(6) Portability: the Plan should not depend upon employment with a specific firm or organization.

(7) Choice: the Plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce analysis paralysis.

(8) Voluntary: the Plan should not be mandatory but autoenrollment should be used to increase participation.

(9) Financial education and financial literacy: the Plan should assist the individual in understanding his or her financial situation.

(10) Sufficient savings: the Plan should encourage adequate savings in retirement combined with existing pension savings and Social Security.

(11) Additive not duplicative: the Plan should not compete with existing private sector solutions.

(12) Use of pretax dollars: contributions to the Plan should be made using pretax dollars.

(c) The Plan shall:

(1) be available on a voluntary basis to:

(A) employers:

(i) with 50 employees or fewer; and

(ii) that do not currently offer a retirement plan to their employees; and

(B) self-employed individuals;

(2) automatically enroll all employees of employers that choose to participate in the MEP;

(3) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(4) be funded by employee contributions with an option for future voluntary employer contributions; and

(5) be overseen by a board:

(A) that shall:

(i) set program terms;

(ii) prepare and design plan documents; and

(iii) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services; and

(B) that shall be composed of seven members as follows:

(i) an individual with investment experience, to be appointed by the Governor;

(ii) an individual with private sector retirement plan experience, to be appointed by the Governor;

(iii) an individual with investment experience, to be appointed by the State Treasurer;

(iv) an individual who is an employee or retiree, to be appointed by the State Treasurer;

(v) an individual who is an employee advocate or consumer advocate, to be appointed by the Speaker of the House;

(vi) an individual who is an employer with 50 employees or fewer and who does not offer a retirement plan to his or her employees, to be appointed by the Committee on Committees; and

(vii) the State Treasurer, who shall serve as chair.

(C) that shall, on or before January 15, 2020 and every year thereafter, report to the House and Senate Committees on Government Operations concerning the Green Mountain Secure Retirement Plan, including:

(i) the number of employers and self-employed individuals participating in the plan;

(ii) the total number of individuals participating in the plan;

(iii) the number of employers and self-employed individuals who are eligible to participate in the plan but who do not participate;

(iv) the number of employers and self-employed individuals, and the number of employees of participating employers. who have ended their participation during the preceding 12 months;

(v) the total amount of funds contributed to the Plan during the preceding 12 months;

(vi) the total amount of funds withdrawn from the Plan during the preceding 12 months;

(vii) the total funds or assets under management by the Plan;

(viii) the average return during the preceding 12 months;

(ix) the costs of administering the Plan;

(x) the Board's assessment concerning whether the Plan is sustainable and viable;

(xi) once the marketplace is established:

(I) the number of individuals participating;

(II) the number and nature of plans offered; and

(III) the Board's process and criteria for vetting plans; and

(xii) any other information the Board considers relevant, or that the Committee requests.

(D) for attendance at meetings, members of the Board who are not employees of the State of Vermont, and who are not otherwise compensated by their employer or other organization, shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

(d) The State of Vermont shall implement the "Green Mountain Secure Retirement Plan" on or before January 15, 2019, based on the recommendations of the Public Retirement Plan Study Committee as set forth in 2016 Acts and Resolves No. 157, Sec. F.1.

Sec. C.2. 2016 Acts and Resolves No. 157, Sec. F.1 is amended to read:

Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF ESTABLISHING A PUBLIC RETIREMENT PLAN

(a) Creation of Committee.

(1) There is created ~~a~~ the Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan.

(2) It is the intent of the General Assembly that the Committee continue the work of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop specific recommendations concerning the design, creation, and implementation of the Multiple Employer Plan (MEP), pursuant to Sec. C.1 of S.135 (2017) as enacted and as set forth in the January 6, 2017 report issued by the Committee.

(b) Membership.

(1) The Public Retirement Plan Study Committee shall be composed of eight members as follows:

(A) the State Treasurer or designee;

(B) the Commissioner of Labor or designee;

(C) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(D) an individual with private sector experience in the area of providing retirement products and financial services to small businesses, to be appointed by the Speaker;

(E) an individual with experience or expertise in the area of the financial needs of an aging population, to be appointed by the Committee on Committees;

(F) an individual with experience or expertise in the area of the financial needs of Vermont youth or young working adults, to be appointed by the Treasurer;

(G) a representative of employers, to be appointed by the Speaker; and

(H) a representative of employees who currently lack access to employer-sponsored retirement plans, to be appointed by the Committee on Committees.

(2) Unless another appointee is specified pursuant to the authority granted under subdivision (1) of this subsection, the members of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, shall serve as the members of the Committee created pursuant to this section.

(c) Powers and duties.

(1)(A) The Committee shall ~~study the feasibility of establishing a~~ develop specific recommendations concerning the design, creation, and implementation time line of the Multiple Employer Plan (MEP) public retirement plan~~, including the following~~ pursuant to Sec. C.1 of S.135 (2017) as enacted, which shall:

(i) ~~the access Vermont residents currently have to employer-sponsored retirement plans and the types of employer-sponsored retirement plans;~~

~~(ii) data and estimates on the amount of savings and resources Vermont residents will need for a financially secure retirement;~~

~~(iii) data and estimates on the actual amount of savings and resources Vermont residents will have for retirement, and whether those savings and resources will be sufficient for a financially secure retirement;~~

~~(iv) current incentives to encourage retirement savings, and the effectiveness of those incentives;~~

~~(v) whether other states have created a public retirement plan and the experience of those states;~~

~~(vi) whether there is a need for a public retirement plan in Vermont;~~

~~(vii) whether a public retirement plan would be feasible and effective in providing for a financially secure retirement for Vermont residents;~~

~~(viii) other programs or incentives the State could pursue in combination with a public retirement plan, or instead of such a plan, in order to encourage residents to save and prepare for retirement; and~~ be available on a voluntary basis to:

(I) employers:

(aa) with 50 employees or fewer; and

(bb) that do not currently offer a retirement plan to their employees; and

(II) self-employed individuals;

(ii) automatically enroll all employees of employers that choose to participate in the MEP;

(iii) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(iv) be funded by employee contributions with an option for future voluntary employer contributions; and

(v) be overseen by a board that shall:

(I) set programs terms;

(II) prepare and design plan documents; and

(III) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services.

(B) ~~if the Committee determines that a public retirement plan is necessary, feasible, and effective, the Committee shall study:~~

~~(i) potential models for the structure, management, organization, administration, and funding of such a plan;~~

~~(ii) how to ensure that the plan is available to private sector employees who are not covered by an alternative retirement plan;~~

~~(iii) how to build enrollment to a level where enrollee costs can be lowered;~~

~~(iv) whether such a plan should impose any obligation or liability upon private sector employers;~~ The Committee, and thereafter the board that will oversee the MEP, shall study and make specific recommendations concerning:

(i) options to provide access to retirement plans to individuals who are not eligible to participate in, or choose not to participate in, the MEP public retirement plan, including alternative plans and options vetted by the board that shall oversee the MEP, and which private sector plans and options shall be provided through a marketplace implemented no earlier than one year after the MEP begins;

(ii) options for paying for the costs of administering the MEP for the period during which program costs may exceed revenues, including allowing financial service providers to subsidize costs in exchange for longer term contracts;

(iii) if after three years there remain significant numbers of Vermonters who are not covered by a retirement plan, methods to increase participation in the MEP; and

(iv) any other issue the Committee deems relevant.

(2) The Committee shall:

(A) continue monitoring U.S. Department of Labor guidance concerning State Savings Programs for Non-Governmental Employees regarding ERISA rules and other pertinent areas of analysis;

(B) further analyze the relationship between the role of states and the federal government; and

(C) continue its collaboration with educational institutions, other states, and national stakeholders.

(3) The Committee shall have the assistance of the staff of the Office of the Treasurer, the Department of Labor, and the Department of Disabilities, Aging, and Independent Living.

(d) Report. On or before January 15, 2018, the Committee shall report to the General Assembly its findings and ~~any~~ recommendations ~~for legislative action~~. In its report, the Committee shall state its findings as to every factor set forth in ~~subdivision~~ subdivisions (c)(1)(A) ~~of this section, whether it recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the Committee's report shall include specific recommendations as to the factors listed in subdivision~~ and (c)(1)(B) of this section.

(e) Meetings; term of Committee; Chair. The Committee may meet as frequently as necessary to perform its work and shall cease to exist on January 15, 2018. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

(f) Reimbursement. For attendance at meetings, members of the Committee who are not employees of the State of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

* * * Workers' Compensation; VOSHA * * *

Sec. D.1. 21 V.S.A. § 210 is amended to read:

§ 210. PENALTIES

(a) Upon issuance of a citation under this chapter, the Review Board is authorized to assess civil penalties for grounds provided in this subsection. In assessing civil penalties, the Review Board shall follow to the degree practicable the federal procedures prescribed in rules ~~promulgated~~ adopted under the Act. The Review Board shall give due consideration to the appropriateness of the penalty with respect to the size of the business or operation of the employer being assessed, the gravity of the violation, the good faith of the employer, and the history of previous violations. Civil penalties shall be paid to the Commissioner for deposit with the State Treasurer, and may be recovered in a civil action in the name of the State of Vermont brought in any court of competent jurisdiction. The Commissioner shall not reduce the assessed penalties in any fiscal year by more than 50 percent.

(1) Any employer ~~who~~ that willfully or repeatedly violates the requirements of this Code or any standard~~,~~ or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or regulations prescribed pursuant to this Code~~ may be assessed a civil penalty of not more than ~~$70,000.00~~ $126,749.00 for each violation, but not less than $5,000.00 for each willful violation.

(2) Any employer ~~who~~ that has received a citation for a serious violation of the requirements of this Code, or any standard~~,~~ or rule adopted, or order ~~promulgated~~ issued pursuant to this Code~~, or of any regulations prescribed pursuant to this Code~~, shall be assessed a civil penalty of up to ~~$7,000.00~~ $12,675.00 for each violation.

(3) Any employer ~~who~~ that has received a citation for a violation of the requirements of this Code, or any standard~~,~~ or rule adopted, or order ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant to this Code~~, ~~and such violation~~ if the violation is specifically determined not to be of a serious nature, may be assessed a civil penalty of up to ~~$7,000.00~~ $12,675.00 for each such violation.

(4) Any employer ~~who~~ that fails to correct a violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the date of the final order of the Review

Board, in the case of any review proceeding under section 226 of this title initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a civil penalty of not more than ~~$7,000.00~~ $12,675.00 for each day during which the failure or violation continues.

(5) Any employer ~~who~~ that willfully violates any standard~~,~~ or rule adopted, or order ~~promulgated~~ issued pursuant to this Code, and that violation caused death to any employee, shall, upon conviction, be punished by a fine of not more than ~~$20,000.00~~ $126,749.00 or by imprisonment for not more than one year, or by both.

* * *

(8) Any employer ~~who~~ that violates any of the posting requirements, as prescribed under the provisions of this Code, shall be assessed a civil penalty of up to ~~$7,000.00~~ $12,675.00 for each violation.

(9)(A) As provided under the federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and the Act, the penalties provided in subdivisions (1), (2), (3), (4), (5), and (8) of this subsection shall annually, on January 1, be adjusted to reflect the increase in the Consumer Price Index, CPI-U, U.S. City Average, not seasonally adjusted, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous December 1.

(B) The Commissioner shall calculate and publish the adjustment to the penalties on or before January 1 of each year, and the penalties shall apply to fines imposed on or after that date.

* * *

Sec. D.2. 21 V.S.A. § 711 is amended to read:

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

(a) A Workers' Compensation Administration Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the administration of the workers' compensation and occupational disease programs. The Fund shall consist of contributions from employers made at a rate of ~~1.75~~ 1.4 percent of the direct calendar year premium for workers' compensation insurance, one percent of self-insured workers' compensation losses, and one percent of workers' compensation losses of corporations approved under this chapter. Disbursements from the Fund shall be on warrants drawn by the Commissioner of Finance and Management in anticipation of receipts authorized by this section.

* * *

* * * Workforce Development; Career Technical Education * * *

Sec. E.1. STATE WORKFORCE DEVELOPMENT SYSTEM; REPORT

(a) Under 10 V.S.A. § 540, as the leader of workforce education and training in the State of Vermont, the Commissioner of Labor, in collaboration with the State Workforce Development Board, has the duty to:

(1) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;

(2) create and maintain an inventory of all existing workforce education and training programs and activities in the State;

(3) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;

(4) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;

(5) ensure coordination and nonduplication of workforce education and training activities;

(6) identify best practices and gaps in the delivery of workforce education and training programs;

(7) design and implement criteria and performance measures for workforce education and training activities; and

(8) establish goals for the integrated workforce education and training system.

(b) Consistent with these duties, the Commissioner of Labor and the State Workforce Development shall convene a working group on State workforce development composed of the following:

(1) the Commissioner of Labor or Deputy;

(2) a subgroup of at least seven members of the State Workforce Development Board who are appointed by the Board, and who shall serve in addition to the Commissioner and the Secretaries specified in this subsection, or their deputies if applicable, and shall include:

(A) the Chair of the State Workforce Development Board, who shall serve as the Chair of the working group; and

(B) at least one member who represents the interests of organized labor and employees;

(3) the Secretary of Commerce and Community Development or Deputy;

(4) the Secretary of Education or Deputy.

(5) the Secretary of Human Services or Deputy;

(6) a member of the Vermont Senate who is a member of the State Workforce Development Board, designated by the Senate Committee on Committees; and

(7) a member of the Vermont House of Representatives who is a member of the State Workforce Development Board, designated by the Speaker of the House.

(c) The working group, in collaboration with relevant State agencies, stakeholders, and workforce education and training providers, shall:

(1) assess Vermont's current workforce education, development, and training program and resource allocations;

(2) identify efficiencies and delivery models that more effectively allocate, reallocate, redirect, and deploy these resources to more dynamically serve the needs of Vermonters and Vermont employers; and

(3) design two or more options, at least one of which is not primarily based upon restructuring State agencies and departments, for a State workforce development system that:

(A) aligns State efforts to train, employ, and improve the wages of Vermont's workforce and ensure collaboration and sustainable interagency partnerships within government;

(B) coordinates within and across State government a comprehensive workforce development strategy that grows the workforce, recruits new workers to the State, and meets employers' workforce needs;

(C) aligns to the needs of employers and current or prospective employees through systematic and ongoing engagement and partnership;

(D) serves two customers with equal energy: the current or prospective employee and the employer;

(E) is engaged at the State and local levels with employers on an ongoing basis to ensure alignment with the workforce needs of employers; and

(F) expands access and accelerate Career and Technical Education to Vermont students in grades 9–12 and to Vermont adults.

(d)(1) The working group shall have the administrative support of the State Workforce Development Board, which shall organize and convene meetings of the group.

(2) The working group shall have the technical support and related subject matter expertise of the Department of Labor and the Agencies of Commerce and Community Development, of Education, and of Human Services.

(3) The working group shall have the legal and fiscal support of the Office of Legislative Council and the Joint Fiscal Office as is necessary for the purposes of preparing proposed legislation for submission to the General Assembly.

(e) In order to perform its duties pursuant to this act, the working group shall have the authority to request and gather data and information as it determines is necessary from entities that conduct workforce education and training programs and activities, including agencies, departments, and programs within the Executive Branch, and from nongovernmental entities that receive State-controlled funding. Unless otherwise exempt from public disclosure pursuant to State or federal law, a workforce education and training provider shall provide the data and information requested by the working group within a reasonable time.

(f) For attendance at meetings during adjournment of the General Assembly, legislative members of the working group shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than five meetings, provided this limitation shall not apply to a meeting of the working group that occurs on the same date as a meeting of the full State Workforce Development Board for which the member is receiving compensation.

(g) On or before November 15, 2017, the Commissioner of Labor and the working group on State workforce development shall report to the Senate Committee on Economic Development, Housing and General Affairs and to the House Committee on Commerce and Economic Development on the implementation of this section and any recommendations for legislative action.

Sec. E.2. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

(a) Creation. There is created ~~a~~ the Workforce Education and Training Fund in the Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The Department shall use the Fund for the following purposes:

(1) training for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another;

(2) internships to provide students with work-based learning opportunities with Vermont employers;

(3) apprenticeship, preapprenticeship, and industry-recognized credential training; and

(4) other workforce development initiatives related to current and future job opportunities in Vermont as determined by the Commissioner of Labor.

(c) Administrative and other support. The Department of Labor shall provide administrative support for the grant award process. When appropriate and reasonable, the State Workforce ~~Investment~~ Development Board and all other public entities involved in economic development and workforce education and training shall provide other support in the process.

(d) Eligible activities.

(1) The Department, in collaboration with the Agency of Education when applicable, shall grant awards from the Fund to employers and entities, including private, public, and nonprofit entities, institutions of higher education, high schools, K–12 school districts, supervisory unions, technical centers, and workforce education and training programs that:

(A) create jobs, offer education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, career planning, or work-based learning activities, or any combination;

(B) employ student-oriented approaches to workforce education and training; and

(C) link workforce education and economic development strategies.

(2) The Department may fund programs or projects that demonstrate actual increased income and economic opportunity for employees and employers for more than one year.

(3) The Department may fund student internships and training programs that involve the same employer in multiple years, with approval of the Commissioner.

(e) [Repealed].

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Development Board, shall develop award criteria and may grant awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities, including employers and education and training providers, for existing or new training programs that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available training funded with public money;

(iii) provide a project timeline, including performance goals, and identify how the effectiveness and outcomes of the program will be measured, including for the individual participants, the employers, and the program as a whole; and

(iv) articulate the need for the training and the direct connection between the training and the job.

(B) The Department shall grant awards under this subdivision (1) to programs or projects that:

(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or any combination of these;

(ii) address the needs of workers who are unemployed, underemployed, or ~~are~~ at risk of becoming unemployed, and workers who are in transition from one job or career to another;

(iii) address the needs of employers to hire new employees~~,~~ or retrain incumbent workers, when the employer has demonstrated a need not within the normal course of business, with priority to training that results in new or existing job openings for which the employer intends to hire; or

(iv) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.

(2) Vermont Strong Internship Program. Funding for eligible internship programs and activities under the Vermont Strong Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

(4) Career Focus and Planning programs. In collaboration with the Agency of Education, funding for one or more programs that institute career training and planning for young Vermonters, beginning in middle school.

Sec. E.3. CAREER PATHWAYS COORDINATOR

(a) Notwithstanding any provision of law to the contrary, the Secretary of Administration shall have the authority to create a two-year limited service position, subject to available funding, of Career Pathways Coordinator within the Agency of Education.

(b) The Career Pathways Coordinator shall work under the direction of the State Director for Career Technical Education, and his or her duties shall include the following:

(1) serve as the interagency point person for the development of a State-approved Career Pathways System;

(2) convene stakeholders across the Department of Labor, the Agency of Commerce and Community Development, Agency of Education, Agency of Human Services, the Statewide Workforce Development Board, Career Technical Education, employers, postsecondary partners and related entities in order to create a series Career Pathways;

(3) curriculum development, stakeholder engagement, process documentation, and identification of key performance indicators, outcomes collection and reporting;

(4) engage statewide education, employer, and workforce organizations to co-develop statewide career pathways models and exemplars;

(5) identify target populations and entry points;

(6) review and develop competency models, required skill sets, and appropriate credentials at each step of a career pathway, in partnership with business and industry representatives;

(7) coordinate employer validation of competencies and pathways;

(8) develop targeted career ladders and lattices, including stackable skills and industry-recognized credentials;

(9) work with CTE Directors to design and endorse elements of Career Pathways;

(10) use labor market information and other relevant data to identify critical Career Pathways for the State; and

(11) advise the Career Technical Education Director on the funding, governance, and access to career technical education in Vermont.

* * * Heating Fuel and Service Workforce Training Pilot Project * * *

Sec. E.4. HEATING FUEL AND SERVICE WORKFORCE TRAINING PILOT PROJECT

(a) Findings and purpose.

(1) Vermont's heating fuel and service companies provide high-skill, high-demand jobs, many of which do not require a college degree but pay over $20.00 per hour and include benefits.

(2) Vermont's heating fuel and service companies have a significant need for new employees. More than two-thirds of these companies report that there is a lack of qualified applicants for heating technician jobs, and more than half report a lack of qualified drivers.

(3) The purpose of this section is to create a partnership between the State and the industry to identify prospective employees, provide them with training and skills necessary for currently available jobs, and provide employers with a skilled workforce.

(b) The Department of Labor, in collaboration with the regional Career Technical Education and Training Centers and the Vermont Fuel Dealers Association, shall establish a Heating Fuel and Service Workforce Training Pilot Project, consistent with the following:

(1) The Department, CTE Centers, Adult Technical Education Providers, and the Association shall:

(A) advertise the availability of workforce training in the field of heating fuel and service;

(B) organize informational sessions, meetings, and other group and individual opportunities for prospective trainees and interested heating and fuel service companies to connect; and

(C) coordinate matches between trainees and employers.

(2) In the event of a successful match, the Department shall facilitate the negotiation and execution of training and employment agreements, pursuant to which:

(A) a prospective trainee agrees to pursue specified training, education, or certification necessary to meet the employer's workforce need;

(B) the Department agrees to provide educational and administrative support to the trainee and 50 percent of the cost of training; and

(C) the employer agrees to provide 50 percent of the cost of training and to employ the trainee upon the successful completion of training, passage

of an examination, attainment of a required certification, or a combination of these.

(3) The Association, in collaboration with the CTE Centers and subject to approval by the Department, shall provide education and training that meet the needs of trainees and employers.

(c) The Department shall have the authority to use available private, State, and federal funding to implement the provisions of this section.

(d) On or before January 15, 2018, the Department shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development addressing the implementation of this section, the profile of trainees and employers that participated, and any recommendations for further action.

* * * CTE Dual Enrollment * * *

Sec. E.5. CTE DUAL ENROLLMENT MEMORANDA OF UNDERSTANDING

(a) Pursuant to 16 V.S.A. § 944(e), the Agency of Education shall assist the University of Vermont and the Vermont State Colleges in developing memoranda of understanding with each regional CTE center and each comprehensive high school, as defined in 16 V.S.A. § 1522, to facilitate dual enrollment under section 944.

(b) The University of Vermont and the Vermont State Colleges shall enter into memoranda of understanding, as developed with the Agency, with each regional CTE center.

(c) On or before January 15, 2018, the Secretary of Education shall provide a progress report on the status of the memoranda of understanding 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.

* * * Minimum Wage and Benefits Cliff * * *

Sec. F.1. MINIMUM WAGE AND BENEFITS CLIFF STUDY

(a) Creation. There is created a Minimum Wage Study Committee.

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

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall study the following issues:

(1) the minimum wage in Vermont and livable wage in Vermont in relation to real cost of living;

(2) the economic effects of small to large increases in the Vermont minimum wage, including in relation to the minimum wage in neighboring states;

(3) how the potential for improving economic prosperity for Vermonters with low and middle income through the Vermont Earned Income Tax Credit might interact with raising the minimum wage;

(4) working in direct collaboration with the Department for Children and Families and the Joint Fiscal Office, the State's public benefit structure and recommended methods for mitigating or eliminating the benefit cliffs experienced by working Vermonters receiving public assistance or earning below the livable wage, or both, to enhance work incentives;

(5) the effects of potential reductions in federal transfer payments as the minimum wage increases, and impacts of possible reductions in federal benefits due to changes in federal law;

(6) ways to offset losses in State and federal benefits through State benefit programs or State tax policy; and

(7) further research to better understand the maximum beneficial minimum wage level in Vermont.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Joint Fiscal Office, the Office of Legislative Council, the Department of Labor, the Department of Taxes, and the Agency of Human Services.

(e) Report. On or before December 1, 2017, the Committee shall submit a written report with its findings and any recommendations for legislative action to the Senate Committee on Economic Development, Housing and General Affairs, and the House Committee on General, Housing and Military Affairs.

(f) Meetings.

(1) The Joint Fiscal Office shall convene the first meeting of the Committee on or before July 15, 2017.

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

(3) The members of the Committee shall select a chair at its first meeting.

(4) The Committee shall cease to exist on December 1, 2017.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than five meetings.

* * * Financial Technology * * *

Sec. G.1. FINANCIAL TECHNOLOGY

(a) The General Assembly finds:

(1) The field of financial technology is rapidly expanding in scope and application.

(2) These developments present both opportunities and challenges.

(3) On the opportunity side, Vermont has been a leader in previous innovations in finance in contexts such as captive insurance.

(4) The existing Vermont legislation on blockchain technology and other aspects of e-finance have given Vermont the potential for leadership in this new era of innovation as well, with the possibility of expanded economic activity in the financial technology sector that would provide opportunities for employment, tax revenues, and other benefits.

(5) Furthermore, it is important for Vermonters that these developments proceed in ways that do not create avoidable risks for individuals and enterprises in the new e-economy.

(6) The legislative and regulatory response in Vermont will be critical to our ability to embrace the benefits of financial technology and to avoid challenges it may create.

(b)(1) In order to permit the legislature to respond to these developing opportunities and concerns on an informed basis, on or before November 30, 2017, the Center for Legal Innovation at Vermont Law School, in consultation with the Commissioner of Financial Regulation, the Secretary of Commerce and Community Development, and the Attorney General, shall submit a report to the General Assembly that includes:

(A) findings and recommendations on the potential opportunities and risks presented by developments in financial technology;

(B) suggestions for an overall policy direction and proposals for legislative and regulatory action that would effectively implement that policy direction; and

(C) measurable goals and outcomes that would indicate success in the implementation of such a policy.

(2) In developing the background for this report, the Center, Commissioner, Secretary, and Attorney General may consult such other constituencies and stakeholders within and outside the State as they may determine will be helpful to their considerations.

* * * Municipal Outreach; Sewerage and Water Service Connections * * *

Sec. H.1. AGENCY OF NATURAL RESOURCES; EDUCATION AND OUTREACH; DELEGATION; SEWERAGE AND WATER SERVICE CONNECTIONS

(a) The Secretary of Natural Resources, after consultation with the Vermont League of Cities and Towns, shall conduct outreach and education for municipalities regarding the ability of a municipality under 10 V.S.A. § 1976 to be delegated the authority to permit the connection of a municipal sewer or water service line to subdivided land, a building, or a campground.

(b) The education and outreach shall specify the conditions or requirements for delegation, how a municipality can seek delegation, and contact information or other resource to provide additional information regarding delegation. The education and outreach may include educational materials, workshops, or classes regarding the ability of a municipality to be delegated under 10 V.S.A. § 1976 the permitting of sewer and water service connection.

(c) On or before January 15, 2018, the Secretary of Natural Resources shall submit a report to the Senate Committees on Natural Resources and Energy and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife and on Commerce and Economic Development summarizing the education and outreach conducted or planned by the Secretary under the requirements of this section and whether any municipality has sought delegation of sewer and water service connection permitting under 10 V.S.A. § 1976 since the effective date of this act.

* * * Municipal Land Use and Development; Affordable Housing * * *

Sec. H.2. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

(1) "Affordable housing" means either of the following:

(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income.~~ Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(B) ~~Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income.~~ Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Act 250; Priority Housing Projects * * *

Sec. H.3. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

* * *

(3)(A) "Development" means each of the following:

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land, and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) ~~275 or more, in a municipality with a population of 15,000 or more;~~ [Repealed.]

(bb) ~~150 or more, in a municipality with a population of 10,000 or more but less than 15,000;~~ [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000~~;~~.

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000~~;~~.

(ee) 25 or more, in a municipality with a population of less than 3,000~~; and~~.

(ff) ~~notwithstanding~~ Notwithstanding subdivisions ~~(aa)~~(cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

(II) The determination of jurisdiction over a priority housing project shall count only the housing units included in that discrete project.

(III) Housing units in a priority housing project shall not count toward determining jurisdiction over any other project.

* * *

(D) The word "development" does not include:

* * *

(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.

(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

* * *

(27) "Mixed income housing" means a housing project in which the following apply:

(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:

(i) at least 15 percent of the housing units have a purchase price ~~which~~ that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or

(ii) at least 20 percent of the housing units have a purchase price ~~which~~ that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency~~;~~.

(B) Rental ~~Housing~~ housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of ~~no~~ not less than ~~20~~ 15 years.

(28) "Mixed use" means construction of both mixed income housing and construction of space for any combination of retail, office, services, artisan, and recreational and community facilities, provided at least 40 percent of the gross floor area of the buildings involved is mixed income housing. "Mixed use" does not include industrial use.

(29) "Affordable housing" means either of the following:

(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income.~~ Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(B) ~~Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income.~~ Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

(35) "Priority housing project" means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated village center that is also a designated neighborhood development area under 24 V.S.A. chapter 76A; or

(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.

* * *

Sec. H.4. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

(a) No person shall sell or offer for sale any interest in any subdivision located in this State, or commence construction on a subdivision or development, or commence development without a permit. This section shall not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all, of a subdivision unless the sale, mortgage, or transfer is accomplished to circumvent the purposes of this chapter.

* * *

(o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A. ~~§ 2793~~ chapter 76A is removed, subsection (a) of this section shall apply to any subsequent substantial change to a priority housing project that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the basis of that designation.

(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after the effective date of this subsection, remain below ~~the~~ any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a

priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

* * *

Sec. H.5. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS, COMMENCEMENT OF REVIEW

* * *

(f) This subsection concerns an application for a new permit amendment to change the conditions of an existing permit or existing permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.

(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the existing permit or existing permit amendment, which contains the condition or conditions proposed to be changed, or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party obtained party status.

(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions in the existing permit or permit amendment proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings to be made under subsection 6086(a) and are authorized under subsection 6086(c) of this title.

Sec. H.6. 30 V.S.A. § 55 is added to read:

§ 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

A priority housing project as defined in 10 V.S.A. § 6001 shall meet or exceed the stretch codes established under this subchapter by the Department of Public Service.

* * * ACCD; Publication of Median Household Income and Qualifying Costs for Affordable Housing * * *

Sec. H.7. 3 V.S.A. § 2472 is amended to read:

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

(a) The Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The Department shall:

* * *

(5) In conjunction with the Vermont Housing Finance Agency, annually publish data and information to enable the public to determine income levels and costs for owner-occupied and rental housing to qualify as affordable housing, as defined in 24 V.S.A. § 4303 and 10 V.S.A. § 6001(29), including:

(A) the median income for each Vermont county, as defined by the U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income for each municipality located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Downtown Tax Credits * * *

Sec. H.8. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~$2,200,000.00~~ $2,400,000.00;

* * *

Sec. H.9. 32 V.S.A. § 5930bb(a) is amended to read:

(a) Qualified applicants may apply to the State Board to obtain the tax credits provided by this subchapter for a qualified project at any time before ~~one year after~~ the completion of the qualified project.

* * * Tax Credit for Affordable Housing; Captive Insurance Companies * * *

Sec. H.10. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

* * *

(5) "Credit certificate" means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer's individual or corporate income tax, or franchise, captive insurance premium, or insurance premium tax liability as provided in this subchapter.

* * *

(c) Amount of credit. A taxpayer who makes an eligible cash contribution shall be entitled to claim against the taxpayer's individual income, corporate, franchise, captive insurance premium, or insurance premium tax liability a credit in an amount specified on the taxpayer's credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

* * *

* * * Vermont State Housing Authority; Powers * * *

Sec. H.11. 24 V.S.A. § 4005 is amended to read:

§ 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT, MEMBERS, POWERS

* * *

(e) Notwithstanding any provision of law, no person~~, domestic or foreign,~~ shall be authorized to administer allocations of money under 42 U.S.C.A. § 1437a or 1437f or other federal statute authorizing rental subsidies for the benefit of persons of low or moderate income, except:

(1) ~~a subcontractor of~~ the State Authority; ~~or~~

(2) a State public body authorized by law to administer such allocations;

(3) a person authorized to administer such allocations pursuant to an agreement with the State Authority; or

(4) an organization, of which the State Authority is a promoter, member, associate, owner, or manager, that is authorized by a federal agency to administer such allocations in this State.

(f) In addition to the powers granted by this chapter, the State Authority shall have all the powers necessary or convenient for the administration of federal monies pursuant to subsection (e) of this section, including the power:

(1) to enter into one or more agreements for the administration of federal monies;

(2) to be a promoter, partner, member, associate, owner, or manager of any partnership, limited liability company, joint venture, association, trust, or other organization;

(3) to conduct its activities, locate offices, and exercise the powers granted by this title within or outside this State;

(4) to carry on a business in the furtherance of its purposes; and

(5) to do all things necessary or convenient, consistent with law, to further the activities and affairs of the Authority.

* * * Repeal of Sunset on Sales and Use Tax Exemption; Airplanes and Airplane Parts * * *

Sec. I.1. REPEALS

The following are repealed:

(1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax exemption for aircraft parts) and 7b (effective date).

(2) 2008 Acts and Resolve No. 190, Sec. 43 (effective date).

* * * Tax Increment Financing Districts * * *

Sec. J.1. TAX INCREMENT FINANCING; FINDINGS

The General Assembly finds that the State of Vermont has an important role to play in creating the infrastructure necessary to support downtown development and revitalization, particularly in distressed communities.

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

§ 1892. CREATION OF DISTRICT

(a) Upon a finding that such action will serve the public purposes of this subchapter and subject to subsection (d) of this section, the legislative body of any municipality may create within its jurisdiction a special district to be known as a tax increment financing district. The district shall be described by its boundaries and the properties therein and the district boundary shall be shown on a plan entitled "Proposed Tax Increment Financing District (municipal name), Vermont." The legislative body shall hold one or more public hearings, after public notice, on the proposed plan.

* * *

(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district~~, and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter~~:

(1) the City of Burlington, Downtown;

(2) the City of Burlington, Waterfront;

(3) the Town of Milton, North and South;

(4) the City of Newport;

(5) the City of Winooski;

(6) the Town of Colchester;

(7) the Town of Hartford;

(8) the City of St. Albans;

(9) the City of Barre; ~~and~~

(10) the Town of Milton, Town Core; and

(11) the City of South Burlington.

(e) On or before January 15, 2018, the Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, the State Auditor, and the Agency of Commerce and Community Development in consultation with the Vermont Economic Progress Council, shall examine and report to the General Assembly on the use of both tax increment financing districts and other policy options for State assistance to municipalities for funding infrastructure in support of economic development and the capacity of Vermont to utilize TIF districts moving forward.

(f) The report shall include:

(1) a recommendation for a sustainable statewide capacity level for TIFs or comparable economic development tools and relevant permitting criteria;

(2) the positive and negative impacts on the State's fiscal health of TIFs and other tools, including the General Fund and Education Fund;

(3) the economic development impacts on the State of TIFs and other tools, both positive and negative;

(4) the mechanics for ensuring geographic diversity of TIFs or other tools throughout the State; and

(5) the parameters of TIFs and other tools in other states.

(g) Beginning in 2019 and annually thereafter, on or before January 15 of each year, the Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, and the Agency of Commerce and Community Development in consultation with the Vermont Economic Progress Council, shall examine the recommendations and

conclusions of the tax increment financing capacity study and report created pursuant to subsection (e) of this section, and shall submit to the Emergency Board and to the House Committees on Commerce and Economic Development and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance an updated summary report that includes:

(1) an assessment of any material changes from the initial report concerning TIFs and other tools and an assessment of the health and sustainability of the tax increment financing system in Vermont;

(2) short-term and long-term projections on the positive and negative fiscal impacts of the TIF districts or other tools, as applicable, that are currently active or authorized in the State;

(3) a review of the size and affordability of the net indebtedness for TIF districts and an estimate of the maximum amount of new long-term net debt that prudently may be authorized for TIF districts or other tools in the next fiscal year.

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

Sec. J.3. 24 V.S.A. § 1894 is amended to read:

§ 1894. POWER AND LIFE OF DISTRICT

* * *

(b) Use of the education property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, up to ~~75~~ 70 percent of the education tax increment may be retained for up to 20 years, beginning with the education tax increment generated the year in which the first debt incurred for improvements financed in whole or in part with incremental education property tax revenue. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the 20-year retention period of education tax increment.

(c) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, not less than ~~an equal share~~ 85

percent of the municipal tax increment ~~pursuant to subsection (f) of this section~~ shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.

* * *

(f) ~~Equal share required~~ Required share of increment. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), ~~no~~ not more than ~~75~~ 70 percent of the State property tax increment and ~~no~~ not less than ~~an equal percent~~ 85 percent of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.

* * *

Sec. J.4. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT FINANCING DISTRICTS

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply ~~up to 75~~ not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, ~~as defined in 24 V.S.A. § 1896~~ to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval

but, if approved, would exceed the six-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the six-district limit.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (3)(A) of this subsection, the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

* * *

(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

(1)(A) Review each application to determine that the ~~new real property~~ infrastructure improvements proposed to serve the tax increment financing district and the proposed development in the district would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the incremental tax revenues.

(B) The review shall take into account:

~~(A)~~(i) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

~~(B)~~(ii) how the proposed development components and size would differ, if at all, including, if applicable to the development, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303, without education property tax increment financing; and

~~(C)~~(iii)(I) the amount of additional revenue expected to be generated as a result of the proposed development;

(II) the percentage of that revenue that shall be paid to the ~~education fund~~ Education Fund;

(III) the percentage that shall be paid to the municipality; and

(IV) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.

* * *

(3) Location criteria. Determine that each application meets ~~one~~ at least two of the following three criteria:

(A) The development ~~or redevelopment~~ is:

(i) compact~~,~~;

(ii) high density~~,~~; ~~and~~ or

(iii) located in or near existing industrial areas.

(B) The proposed district is within an approved growth center, designated downtown, designated village center, ~~or~~ new town center, or neighborhood development area.

(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the ~~area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values~~ municipality in which the area is located has at least one of the following:

(i) a median family income that is not more than 80 percent of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data are available;

(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or

(iii) a median sales price for residential properties under six acres that is not more than 80 percent of the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three of the following five criteria:

(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.

(B) The development includes new or rehabilitated affordable housing ~~that is affordable to the majority of the residents living within the~~

~~municipality and is developed at a higher density than at the time of application. "Affordable" has the same meaning as in 10 V.S.A. § 6001(29),~~ as defined in 24 V.S.A. § 4303.

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, "brownfield" means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

(D) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, 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~~ Department of Labor.

(E) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

Sec. J.5. IMPLEMENTATION

Secs. J.1– J.4 of this act shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.

Sec. J.6. 24 V.S.A. chapter 53, subchapter 5 is redesignated to read:

Subchapter 5. Statewide Tax Increment Financing

Sec. J.7. 24 V.S.A. chapter 53, subchapter 6 is added to read:

Subchapter 6. Municipal Tax Increment Financing

§ 1903. DEFINITIONS

As used in this subchapter:

(1) "District" or "TIF" means a tax increment financing district.

(2) "Improvements" means the installation, new construction, or reconstruction of infrastructure to benefit a municipal tax increment financing district, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation.

(3) "Legislative body" means the mayor and alderboard, the city council, the selectboard, or the president and trustees of an incorporated village, as appropriate.

(4) "Municipality" means a city, town, or incorporated village.

(5) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district as of the creation date as set forth in section 1904 of this subchapter, provided that no parcel within the district shall be divided or bisected by the district boundary.

(6) "Related costs" means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of a municipal tax increment financing district, including reimbursement of sums previously advanced by the municipality for those purposes, direct municipal expenses such as departmental or personnel costs related to creating or administering the project, and audit costs allocable to the district.

§ 1904. MUNICIPAL TAX INCREMENT FINANCING DISTRICT

(a) General authority. Notwithstanding any provision of subchapter 5 of this chapter or 32 V.S.A. § 5404a to the contrary, upon approval of the legislative body of any municipality, a municipality may create a municipal tax increment financing district, and may incur debt to provide funding for improvements and related costs for the district.

(b) Municipal approval; voter approval.

(1) The legislative body of the municipality shall hold one or more public hearings to consider a municipal tax increment financing plan. Following public notice, hearing, and opportunity to comment, the legislative body of the municipality may grant approval of the plan.

(2) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on April 1 of the calendar year so voted by the municipal legislative body.

(3) The municipality may only incur debt for the project if the voters of the municipality approve the debt obligation by a majority vote at a regular or special meeting for which voting upon the debt obligation was properly warned.

(4) Following final voter approval, the municipality has up to five years to incur debt pursuant to the financing plan.

(c) Life of district.

(1) A municipality may incur indebtedness against revenues of the municipal tax increment financing district over any period authorized by the legislative body of the municipality.

(2) Any indebtedness incurred under subdivision (1) of this subsection may be retired over any period authorized by the legislative body of the municipality.

(3) The district shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, after the period authorized by the legislative body of the municipality to incur indebtedness.

(d) Financing. During the life of an active district, the following apply, notwithstanding any provision of law to the contrary:

(1) Valuation.

(A) Within 30 days of voter approval pursuant to subsection (b) of this section, the lister or assessor for a municipality shall certify to the legislative body of the municipality the original taxable value of a tax increment financing district as of the date the voters approved the debt obligation.

(B) On or before June 30 following voter approval and annually thereafter, the lister or assessor shall assess and certify to the legislative body the current value of a project parcel.

(2) Tax rate.

(A) The lister or assessor shall use the original taxable value of a project parcel when computing the municipal tax rate.

(B) When calculating the amount of tax due on a project parcel, the treasurer shall apply the municipal tax rate to the current assessed value, rather than the original taxable value.

(3) Tax increment.

(A) The "tax increment" is the amount of tax paid on a project parcel, as calculated pursuant to subdivision (2)(B) of this subsection (d) using the current assessed value, that exceeds the amount of tax that would have been due if the tax rate were applied to the original taxable value.

(B) The municipality may retain any share of the municipal tax increment to service the debt, beginning the first year in which debt is incurred.

(C) A municipal tax increment financing district created pursuant to this subchapter is not authorized to retain any education property tax increment.

(D) A municipality shall segregate the tax increment in a special account and in its official books and records.

(4) Use of tax increment.

(A) As of each date the municipality receives a tax payment and retains a portion of the tax increment pursuant to this section, the municipality shall use the portion of the municipal tax increment that is necessary to pay costs actually incurred as of that date for debt service and related costs.

(B) If, after paying for improvements and related costs, there remains any excess portion of the tax increment, the municipality may retain the increment to prepay principal and interest on the financing, use for future financing payments, or use for defeasance of the financing.

(e) Annual audit.

(1) The municipality shall ensure that the segregated account for the tax increment financing district required by this section is subject to the annual audit requirements prescribed in sections 1681 and 1690 of this title.

(2) Any audit procedures shall include verification of the original taxable value and current assessed value, expenditures for project debt service and related costs, annual and total tax increment funds generated, and allocation of tax increment funds.

Secs. K.1–K.3. [Deleted.]

* * * Opportunity Economy * * *

Sec. L.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS; APPROPRIATION

(a) Findings. The General Assembly finds:

(1) Since 1989, the Microbusiness Development Program has provided free business technical assistance, including training and counseling, as well as access to capital to Vermonters with low income.

(2) The Vermont Community Action Agencies work in conjunction with many partners, including other service providers, State agencies, business technical assistance providers, and both traditional and alternative lenders.

(3) Each year the Program:

(A) enables the creation or expansion of an average of 145 businesses across Vermont;

(B) supports the creation of 84 new jobs; and

(C) provides access to more than $1,100,000.00 in capital.

(4) The average cost per job created through the Program is less than $3,600.00.

(b) Intent. It is the intent of the General Assembly to provide additional funding, subject to available resources, for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

* * * Funding Priorities * * *

Sec. M.1. SMALL BUSINESS DEVELOPMENT CENTER

In fiscal year 2018, it is the intent of the General Assembly to provide funding, subject to available resources, to the Vermont Small Business Development Center for the purpose of increasing the number of business advisors, with priority to underserved regions of the State.

Sec. M.2. ECONOMIC DEVELOPMENT MARKETING

(a) The Agency of Commerce and Community Development shall have the authority, and may use available funds, to:

(1) implement the Department of Economic Development's economic development marketing plan to attract and retain residents and businesses to Vermont, highlighting the many positive features that make Vermont a great place to live, work, and do business; and

(2) prioritize marketing tactics with the potential to shift most efficiently and effectively perceptions about Vermont as a place to live and work, and that will form a set of marketing assets and strategic framework to sustain Department of Economic Development activities beyond initial implementation.

(b) Funds available to implement this section may be matched with federal funds, special funds, grants, donations, and private funds. To increase the amount and effectiveness of marketing activities conducted, the Agency shall collaborate with private sector partners to maximize State marketing resources and to enable Vermont businesses to align their own brand identities with the Vermont brand, enhancing the reputations of both the business and the State.

(c) Prior to taking any action pursuant to subsection (a) of this section, including issuing any requests for proposals for contracts or grants to partner with the Department in implementing this section, the Secretary of Commerce and Community Development shall adopt relevant outcomes, performance measures, and indicators in order to:

(1) clearly articulate the goals and expectations for the State's economic development marketing plan and its implementation, for any contracts or grants with the Department, and for the activities of the Department and its partners; and

(2) enable the General Assembly to evaluate the performance and effectiveness of the plan and its implementation and of the activities of the Department and its partners undertaken pursuant to this section.

* * * Effective Dates * * *

Sec. N.1. EFFECTIVE DATES

(a) This section and Secs C.1–C.2 (public retirement); D.1–D.2 (VOSHA and workers' compensation); E.1 (workforce development system); F.1 (minimum wage and benefits cliff study); and H.11 (Vermont State Housing Authority) shall take effect on passage.

(b) The remaining provisions of this act shall take effect on the date of enactment of the fiscal year 2018 annual budget bill.

KEVIN J. MULLIN
REBECCA A. BALINT
MICHAEL D. SIROTKIN

Committee on the part of the Senate

WILLIAM G. F. BOTZOW
MICHAEL J. MARCOTTE
JAMES O. CONDON

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 29, Nays 0.

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

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Benning, Branagan, Bray, Brooks, Campion, Clarkson, Collamore, Cummings, Degree, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Mullin, Nitka, Pearson, Pollina, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: None.

The Senator absent and not voting was: Rodgers.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged

H. 516.

Pending entry on the Calendar for notice, on motion of Senator Cummings, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to miscellaneous tax changes.

Was taken up for immediate consideration.

Senator Cummings, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 516. An act relating to miscellaneous tax changes.

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:

* * * Administrative and Technical Provisions * * *

Sec. 1. 7 V.S.A. § 423(a) is amended to read:

(a) The ~~Commissioner of Taxes and the~~ Liquor Control Board shall adopt such rules as ~~they deem~~ it deems necessary for the proper administration and collection of the tax imposed under section 422 of this title.

Sec. 2. 24 V.S.A. § 1168 is amended to read:

§ 1168. RETURN OF NAMES OF LISTERS TO DIRECTOR OF THE DIVISION OF PROPERTY VALUATION AND REVIEW

After each annual meeting, a town clerk shall report forthwith ~~in writing~~ electronically to the Director of the Division of Property Valuation and Review the name of each lister therein, his or her post office address, and the length of his or her term of office. In like manner, ~~such~~ a town clerk shall notify the Director of the Division of Property Valuation and Review of any lister appointed to fill a vacancy.

Sec. 3. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than $1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, he or she shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

(b) The following definitions shall apply for purposes of this ~~section~~ chapter:

(1) "Person" shall include any individual, firm, partnership, association, joint stock company, corporation, trust, estate, or other entity.

(2) "Return" means any tax return, declaration of estimated tax, license application, report, or similar document, including attachments, schedules, and transmittals, filed with the Department of Taxes.

(3) "Return information" includes a person's name, address, date of birth, Social Security or federal identification number or any other identifying number; information as to whether or not a return was filed or required to be filed; the nature, source or amount of a person's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liabilities, tax payments, deficiencies or over-assessments; and any other data, from any source, furnished to or prepared or collected by the Department of Taxes with respect to any person.

(4) "Tax administration" means the verification of a tax return or claim for credit, rebate or refund; the investigation, assessment, determination, litigation or collection of a tax liability of any person; the investigation or prosecution of a tax-related crime; or the enforcement of a tax statute.

(5) "Commissioner" means the Commissioner of Taxes appointed under section 3101 of this title or any officer, employee or agent of the Department of Taxes authorized by the Commissioner (directly or indirectly by one or more redelegations of authority) to perform any function of the Commissioner.

(6) "State" means any sovereign body politic, including the United States, any state or territory thereof, and any foreign country or state or province thereof.

(7) "Authorized representative" means any person who would be considered a designee of the taxpayer under 26 U.S.C. § 6103(c). The

signature of a notary public shall not be required for a person to be considered an "authorized representative."

* * *

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(17) To the Department of Financial Regulation, if such return or return information relates to the tax on premiums of captive insurance companies contained in 8 V.S.A. chapter 141, to the tax on surplus lines under 8 V.S.A. § 5035, to the tax on the direct placement of insurance under 8 V.S.A. § 5036, or to the tax on insurance premiums under section 8551 of this title.

(18) To the Agency of Natural Resources, if such return or return information relates to the tax on hazardous waste under chapter 237 of this title, or to the franchise tax on waste facilities under subchapter 13 of chapter 151 of this title.

(19) To the Vermont Student Assistance Corporation if such return or return information is necessary to verify eligibility for the matching allocation required by 16 V.S.A. § 2880d(c).

* * *

Sec. 4. 32 V.S.A. § 5914(a) is amended to read:

(a) An S corporation which engages in activities in Vermont which would subject a C corporation to the requirement to file a return under section 5862 of this title shall file with the Commissioner an annual return, in the form prescribed by the Commissioner, on or before the due date prescribed for the filing of ~~C corporation returns under section 5862~~ S corporation returns under subsection 6072(b) of the Internal Revenue Code. The return shall set forth the name, address, and Social Security or federal identification number of each shareholder; the income attributable to Vermont and income not attributable to Vermont with respect to each shareholder as determined under this subchapter; and such other information as the Commissioner may by regulation prescribe. The S corporation shall, on or before the day on which such return is filed, furnish to each person who was a shareholder during the year a copy of such information shown on the return as the Commissioner may by regulation prescribe.

Sec. 5. 32 V.S.A. § 9243(a) is amended to read:

(a) Where the meals and rooms tax liability under this chapter for the immediately preceding full calendar year has been (or would have been in cases when the business was not operating for the entire year) $500.00 or less, the gross receipts taxes imposed by this chapter shall be due and payable in quarterly installments on or before the 25th day of the calendar month succeeding the quarter ending the last day of March, June, September, and December of each year. In all other cases, the gross receipts tax imposed by this chapter shall be due and payable monthly on or before the 25th (23rd of February) day of the month following the month for which the tax is due. The Commissioner may authorize payment of the tax due by electronic funds transfer. The Commissioner may require payment by electronic funds transfer from any taxpayer who is required by federal tax law to pay any federal tax in that manner, or from any taxpayer who has submitted to the Department of Taxes two or more protested or otherwise uncollectible checks with regard to any State tax payment in the prior two years. Each operator shall make out and sign under the pains and penalties of perjury a return for each quarter or month. The return shall be filed with the Commissioner on a form prescribed by the Commissioner. The Commissioner shall distribute return forms to the operators, upon request, but no operator shall be excused from liability for failure to file a return or pay the tax because he or she has failed to receive a form. A remittance for the amount of taxes shall accompany each quarterly or monthly return. Returns shall be made on forms provided by the Commissioner. Payment of taxes by electronic funds transfer does not affect the requirement to file returns.

Sec. 6. 32 V.S.A. § 9606(e) is amended to read:

(e) The Commissioner of Taxes is authorized to disclose to any person any information appearing on a property transfer tax return, including statistical information derived therefrom, and such information derived from research into information appearing on property transfer tax returns as is necessary to determine if the property being transferred is subject to 10 V.S.A. chapter 151, except the Commissioner shall not disclose the Social Security number, federal identification number, e-mail address, or telephone number of any person pursuant to this subsection.

Sec. 7. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2015~~ 2016, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 8. 32 V.S.A. § 7442a(c) is added to read:

(c) All values shall be as finally determined for federal estate tax purposes.

Sec. 9. 33 V.S.A. § 1959(a) is amended to read:

(a)(1) The annual assessment for each ambulance agency shall be 3.3 percent of the ambulance agency's annual net patient revenues for services delivered to patients in Vermont during the most recent annual fiscal period. As used in this section, "net patient revenues" means the total amount of payments an ambulance agency received during the fiscal period from Medicaid, Medicare, commercial insurance, and all other payers as payment for services rendered. The term does not include municipal appropriations, donations from any source, or any other funding unrelated to the delivery of health care services.

(2) The Department shall determine the appropriate fiscal period as necessary to ensure compliance with federal law.

(3) Ambulance agencies shall remit the assessment amount to the Department annually on or before March 31, beginning with March 31, 2017.

Sec. 10. 32 V.S.A. § 5400(i) is added to read:

(i) The statutory purpose of subdivision 5401(10)(D) of this title is to support Vermont's ski industry and to encourage personal property investments and improvements at ski resorts.

Sec. 11. 3 V.S.A. chapter 10 is added to read:

CHAPTER 10. FEDERAL TAX INFORMATION

§ 241. BACKGROUND INVESTIGATIONS

(a) "Federal tax information" or "FTI" means returns and return information as defined in 26 U.S.C. § 6103(b) that are received directly from the Internal Revenue Service or obtained through an IRS-authorized secondary source, that are in the Recipient's possession or control, and that are subject to the confidentiality protections and safeguarding requirements of the Internal Revenue Code and corresponding federal regulations and guidance.

(b) As used in this chapter, "Recipient" means the following authorities of the Executive Branch of State government that receive FTI:

(1) Agency of Human Services, including:

(A) Department for Children and Families;

(B) Department of Health;

(C) Department of Mental Health; and

(D) Department of Vermont Health Access.

(2) Department of Labor.

(3) Department of Motor Vehicles.

(4) Department of Taxes.

(c) The Recipient shall conduct an initial background investigation of any prospective employee, volunteer, contractor, or subcontractor, to whom the Recipient will permit access to FTI for the purpose of assessing the individual's fitness to be permitted access to FTI.

(d) The Recipient shall request and obtain from the Vermont Crime Information Center (VCIC) the Federal Bureau of Investigation and State and local law enforcement criminal history records based on fingerprints for the purpose of conducting a background investigation under this section.

(e) The Recipient shall sign and keep a user agreement with the VCIC.

(f) A request made under subsection (d) of this section shall be accompanied by a release signed by the individual on a form provided by the VCIC, a set of the individual's fingerprints, and a fee established by the VCIC that shall reflect the cost of obtaining the record. The fee for a current or prospective employee shall be paid by the Recipient. The release form to be signed by the individual shall include a statement informing the individual of:

(1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Recipient's policy regarding background investigations and the maintenance and destruction of records.

(g) Upon completion of a criminal history record check under subsection (d) of this section, the VCIC shall send to the Recipient either a notice that no record exists or a copy of the record. If a copy of a criminal history record is received, the Recipient shall forward it to the individual and shall inform the individual in writing of:

(1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Recipient's policy regarding background investigations and the maintenance and destruction of records.

(h) Criminal history records and information received under this chapter are exempt from public inspection and copying under the Public Records Act and shall be kept confidential by the Recipient, except to the extent that federal or State law authorizes disclosure of such records or information to specifically designated persons.

(i) The Recipient shall adopt policies in consultation with the Department of Human Resources to carry out this chapter and to guide decisions based on the results of any background investigation conducted under this chapter.

* * * Property Taxes; Reporting Education Fund Impact of TIFs * * *

Sec. 11a. 32 V.S.A. § 305b is added to read:

§ 305b. EDUCATION PROPERTY TAX INCREMENT; EMERGENCY BOARD ESTIMATE

Annually, at the January meeting of the Emergency Board held pursuant to section 305a of this title, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board a consensus estimate of the impact on the Education Fund resulting from tax increment financing districts authorized pursuant to 24 V.S.A. chapter 53 and section 5404a of this title. The estimate shall be for the succeeding fiscal year. The Emergency Board shall adopt an official estimate of the impact on the Education Fund at the January meeting.

* * * Games of Chance * * *

Sec. 12. 13 V.S.A. § 2143 is amended to read:

§ 2143. NONPROFIT ORGANIZATIONS

(a) Notwithstanding the provisions of this chapter, a nonprofit organization, as defined in ~~32 V.S.A. § 10201(5)~~ 31 V.S.A. § 1201(5), may organize and execute, and an individual may participate in lotteries, raffles or other games of chance for the purpose of raising funds to be used in charitable, religious, educational, and civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated. Except as provided in subsection (d) of this section, gambling machines and other mechanical devices described in section 2135 of this title shall not be utilized under authority of this section.

* * *

(d) Casino events shall be limited as follows:

* * *

(2) A location that is owned by a nonprofit, as defined in ~~32 V.S.A. § 10201(5)~~ 31 V.S.A. § 1201(5), may be the site of no more than three casino events in any calendar quarter and no more than 12 casino events in any calendar year as long as there are at least 15 days between each event.

(3) A nonprofit organization, as defined in ~~32 V.S.A. § 10201(5)~~ 31 V.S.A. § 1201(5), may organize and execute no more than:

(A) one casino event in any calendar quarter; or

(B) three casino events in any calendar year, as long as there are at least 15 days between each event.

* * *

(e) Games of chance shall be limited as follows:

* * *

(6) A nonprofit organization shall not organize and execute games of chance on more than two days in any calendar week, nor shall games of chance be organized and executed at any location on more than two days in any calendar week, except that:

(A) Casino events may be conducted only as permitted under subsection (d) of this section.

(B) Break-open tickets may be purchased and distributed only as provided in ~~32 V.S.A. chapter 239~~ 31 V.S.A. chapter 23.

(C) A nonprofit organization may organize and execute games of chance on three consecutive days not more than twice in any calendar year as long as there are at least 90 days between each event.

(D) Agricultural fairs qualified to receive a State stipend pursuant to 31 V.S.A. § 617 may organize and execute games of chance for not more than 12 consecutive days during the fair once each calendar year.

(E) A nonprofit organization may organize and execute games of chance at a location used by another nonprofit organization which results in the location being used on more than two days a week if all the nonprofit organizations using the location were in existence as of January 1, 1994, and are not affiliated with each other or under common control.

* * *

Sec. 13. 31 V.S.A. chapter 23 is added to read:

CHAPTER 23. GAMES OF CHANCE

§ 1201. DEFINITIONS

As used in this chapter:

(1) "Break-open ticket" means a lottery utilizing a card or ticket of the so-called pickle card, jar ticket, or break-open variety commonly bearing the name "Lucky 7," "Nevada Club," "Victory Bar," "Texas Poker," "Triple Bingo," or any other name.

(2) "Commissioner" means the Commissioner of Liquor Control.

(3)(A) "Distributor" means a person that purchases break-open tickets from a manufacturer and sells or distributes break-open tickets at wholesale in Vermont. "Distributor" shall include any officer, employee, or agent of a corporation or dissolved corporation that has a duty to act for the corporation in complying with the requirements of this chapter.

(B) "Distributor" shall not include a person who distributes only jar tickets that are used only for merchandise prizes.

(4) "Manufacturer" means a person that designs, assembles, fabricates, produces, constructs, or who otherwise prepares a break-open ticket for sale to a distributor.

(5) "Nonprofit organization" means a nonprofit corporation that is qualified for tax exempt status under I.R.C. § 501(c), as amended, and that has engaged, in good faith, in charitable, religious, educational, or civic activities in Vermont on a regular basis during the preceding year. "Nonprofit organization" also includes churches, schools, fire departments, municipalities, fraternal organizations, and organizations that operate agricultural fairs or field days, and that have engaged, in good faith, in charitable, religious, educational, or civic activities in Vermont on a regular basis during the preceding year. An organization shall be considered a nonprofit organization under this subdivision only if it certifies annually, on a form with whatever information is required by the Commissioner, how it meets the definition under this subdivision.

§ 1202. LICENSE REQUIRED

(a) Manufacture. Break-open tickets sold in Vermont shall be manufactured only by a person licensed by the Commissioner. A licensed manufacturer shall sell break-open tickets only to distributors licensed under this chapter. A distributor licensed under this chapter shall purchase break-open tickets only from a manufacturer licensed under this chapter.

(b) Distribution. A distributor who sells or distributes break-open tickets for resale in Vermont shall be licensed by the Commissioner, and shall also be:

(1) a natural person who is a resident of Vermont;

(2) a partnership in which the majority of partners are residents of Vermont;

(3) a corporation incorporated under the laws of Vermont, provided that a majority of the ownership interest is held by residents of Vermont; or

(4) a person who is not a resident of Vermont and whose state of residence allows residents or corporations of Vermont to distribute break-open tickets in that state under similar terms and conditions as provided under this chapter.

§ 1203. DISTRIBUTION; RETAIL PURCHASE AND SALE

(a) Only nonprofit organizations may purchase break-open tickets from a distributor licensed under this chapter.

(b) No person, other than a licensed distributor or a nonprofit organization acting under subsection (f) of this section, shall distribute a box of break-open tickets. No person shall distribute a box of break-open tickets unless the box bears indicia as required by the Commissioner. No person shall distribute or sell a break-open ticket at retail unless the ticket bears a unique serial number.

(c) A distributor licensed under this chapter may sell break-open tickets only to nonprofit organizations as defined in subdivision 1201(5) of this chapter, except that a person other than a licensed distributor may sell such tickets to a licensed distributor upon written approval of the Commissioner.

(d) Only nonprofit organizations may sell break-open tickets at retail.

(e) Break-open tickets shall not be sold at premises licensed to sell alcoholic beverages except:

(1) at clubs as defined in 7 V.S.A. § 2(7); or

(2) a nonprofit organization may sell break-open tickets at premises licensed to sell alcoholic beverages if, notwithstanding 13 V.S.A. § 2143(e) of this chapter, all proceeds from the sale of break-open tickets are used by the nonprofit organization exclusively for charitable, religious, educational, and civic undertakings, with only the following costs deducted from the proceeds:

(A) actual cost of the break-open tickets;

(B) the prizes awarded;

(C) reasonable legal fees necessary to organize the nonprofit organization and to ensure compliance with all legal requirements; and

(D) reasonable accounting fees necessary to account for the proceeds from the sale of break-open tickets.

(f) A nonprofit organization that sells break-open tickets, other than a club as defined in 7 V.S.A. § 2(7), shall report to the Department of Liquor Control on a quarterly basis the number of tickets purchased and distributed, and the corresponding serial numbers of those tickets, the amount of revenue realized by the nonprofit organization, and the amounts accounted for under

subdivisions (e)(2)(A)–(D) of this section. The nonprofit organization shall also identify an individual from the organization responsible for the reporting requirements under this subsection. If the Department of Liquor Control determines that a nonprofit organization has failed to comply with the requirements of this subsection, the Department of Liquor Control shall notify the nonprofit organization and any licensed distributors of this failure, and any licensed distributor that continues to sell break-open tickets to that nonprofit organization after notice shall be considered in violation of the requirements of this chapter, until the Department of Liquor Control has determined the nonprofit organization is back in compliance with this subsection.

(g) The provisions of this chapter regarding sales and purchases of break-open tickets also apply to transfers of break-open tickets for no charge.

§ 1204. LICENSE REQUIREMENTS; FEES

(a) Upon application and payment of the fee, the Commissioner may issue the following licenses to qualified applicants:

(1) Manufacturer annual license: $3,000.00

(2) Distributor annual license: $2,000.00

(b) A license shall not be granted to an individual who has been convicted of a felony within five years of the license application nor to an entity in which any partner, officer, or director has been convicted of a felony within five years of the application.

(c) Licenses issued under this section may be renewed annually on October 1, upon reapplication and payment of the licensing fee.

(d) All fees collected pursuant to this section shall be deposited into the Liquor Control Enterprise Fund.

§ 1205. RECORDS; REPORT

(a) Each distributor and manufacturer licensed under this chapter shall maintain records and books relating to the distribution and sale of break-open tickets and to any other expenditure required by the Commissioner. A licensee shall make its records and books available to the Commissioner for auditing.

(b) Each licensed distributor shall file with the Commissioner on the same schedule as the distributor files sales tax returns the following information for the preceding reporting period:

(1) The names of organizations to which boxes of break-open tickets were sold.

(2) The number of boxes of break-open tickets sold to each organization.

(3) The ticket denomination and serial numbers of tickets for each box.

(c) Records and reports filed under this section shall be designated confidential unless, under State or federal law or regulation, the record or information may be disclosed to specifically designated persons.

(d) Notwithstanding subsection (c) of this section, the Commissioner of Liquor Control shall provide the records and reports filed under this section to the Attorney General, upon request.

§ 1206. ENFORCEMENT

(a) Any person who intentionally violates section 1203 of this chapter shall be fined not more than $500.00.

(b) Any person who intentionally violates section 1202, 1204, or 1205 of this title shall be fined not more than $10,000.00 for the first offense and fined not more than $20,000.00 or imprisoned not more than one year, or both, for each subsequent offense.

(c) In addition to the criminal penalties provided under subsections (a) and (b) of this section, any person who violates a provision of this chapter shall be subject to one or more of the following penalties:

(1) Revocation or suspension by the Commissioner of a license granted pursuant to this chapter.

(2) Confiscation of break-open tickets or confiscation of the revenues derived from the sale of those tickets, or both.

§ 1207. APPEALS

Any licensee aggrieved by an action taken under subsection 1206(c) of this chapter and any person aggrieved by the Commissioner's refusal to issue or renew a license under this chapter may appeal in writing to the Commissioner for review of such action. The Commissioner shall thereafter grant a hearing subject to the provisions of 3 V.S.A. chapter 25 upon the matter and notify the aggrieved person in writing of his or her determination. The Commissioner's determination may be appealed within 30 days to the Washington Superior Court or the Superior Court of the county in which the taxpayer resides or has a place of business.

§ 1208. RULEMAKING

The Department of Liquor Control may regulate the licensing and reporting requirements of manufacturers and distributors of break-open tickets under this chapter. The Commissioner of Liquor Control may adopt rules for licensure and indicia for boxes of break-open tickets, for record keeping relating to the distribution and sale of break-open tickets, and the remittance of net proceeds from sales of break-open tickets to the intended eligible charitable recipients. The rules shall permit no proceeds to be retained by the operators of for-profit bars, except for:

(1) the actual cost of the break-open tickets;

(2) the prizes awarded; and

(3) any sales tax due on the sale of break-open tickets under 32 V.S.A. chapter 233.

* * * Income Tax; Adjusted Gross Income * * *

Sec. 13a. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context requires otherwise:

(21) "Taxable income" means, in the case of an individual, federal ~~taxable~~ adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations; and

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations;

~~(iii) the amount of State and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and~~

~~(iv) the amount of total itemized deductions, other than deductions for State and local income taxes, medical and dental expenses, or charitable contributions, deducted from federal adjusted gross income for the taxable year, that is in excess of two and one-half times the standard deduction allowable to the taxpayer;~~ and

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from U.S. government obligations;

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income; or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income; and

(iii) recapture of State and local income tax deductions not taken against Vermont income tax; and

(C) Decreased by the following exemptions and deductions:

(i) the amount of personal exemptions taken at the federal level;

(ii) for taxpayers who do not itemize at the federal level, the amount of the standard deduction taken at the federal level; and

(iii) for taxpayers who itemize at the federal level:

(I) the amount of federally itemized deductions for medical and dental expenses and charitable contributions;

(II) the total amount of federally itemized deductions, other than deductions for State and local income taxes, medical and dental expenses, and charitable contributions, deducted from federal adjusted gross income for the taxable year, but in no event shall the amount under this subdivision exceed two and one-half times the federal standard deduction allowable to the taxpayer; and

(III) in no event shall the total amount of deductions allowed under subdivisions (I) and (II) of this subdivision (21)(C)(iii) reduce the total amount of itemized deductions below the federal standard deduction allowable to the taxpayer.

* * *

(27)(A) For the purposes of ~~subdivision~~ subdivisions (21)(B)(ii)(I), (21)(B)(ii)(II), (28)(B)(ii)(I), and (28)(B)(ii)(II) of this section, the sale of a farm shall mean the disposition of real and personal property owned by a farmer as that term is defined in subsection 3752(7) of this title and used by the farmer in the business of farming as that term is defined in 26 C.F.R. § 1.175-3.

(B) For the purposes of ~~subdivision (21)(B)(ii)(I)~~ subdivisions (21)(B)(ii)(II) and (28)(B)(ii)(II) of this section, the sale of standing timber shall mean the disposition of standing timber by an owner of timber that would give rise to the owner recognizing a capital gain or loss as defined in 26 U.S.C. § 631(b).

(28) "Taxable income" means, in the case of an estate or a trust, federal taxable income determined without regard to 26 U.S.C. § 168(k) and:

(A) increased by the following items of income:

(i) interest income from non-Vermont state and local obligations;

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount of State and local income taxes deducted from federal gross income for the taxable year; and

(B) decreased by the following items of income:

(i) income from U.S. government obligations;

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h), reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income; or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (28)(B)(ii) shall not exceed 40 percent of federal taxable income; and

(iii) recapture of State and local income tax deductions not taken against Vermont income tax.

* * * Health Care Provisions; Health IT-Fund * * *

Sec. 14. 2013 Acts and Resolves No. 73, Sec. 60(10) is amended to read:

(10) Secs. 48-51 (health claims tax) shall take effect on July 1, 2013 and 52 and 53 (health claims sunset) shall take effect on July 1, ~~2017~~ 2018.

Sec. 15. HEALTH INFORMATION TECHNOLOGY REPORT

(a) The Secretaries of Administration and of Human Services shall conduct a comprehensive review of the State's Health-IT Fund established by 32 V.S.A. § 10301, Health Information Technology Plan established by 18 V.S.A. § 9351, and Vermont Information Technology Leaders administered pursuant to 18 V.S.A. § 9352.

(b) The report shall:

(1) review the need for a State-sponsored Health-IT Fund;

(2) review how past payments from the Fund have or have not promoted the advancement of health information technology adoption and utilization in Vermont;

(3) review the past development, approval process, and use of the Vermont Health Information Technology Plan;

(4) review the Vermont Information Technology Leaders (VITL) organization, including:

(A) its maintenance and operation of Vermont's Health Information Exchange (VHIE);

(B) the organization's ability to support current and future health care reform goals;

(C) defining VITL's core mission;

(D) identifying the level of staffing necessary to support VITL in carrying out its core mission; and

(E) examining VITL's use of its staff for activities outside its core mission;

(5) recommend whether to continue the Health-IT Fund, including with its current revenue source as set forth in 32 V.S.A § 10402;

(6) recommend any changes to the structure of VITL, including whether it should be a public or private entity, and any other proposed modifications to 18 V.S.A § 9352;

(7) review property and ownership of the VHIE, including identifying all specific tangible and intangible assets that comprise or support the VHIE (especially in regards to VITL's current and previous agreements with the State), and the funding sources used to create this property;

(8) evaluate approaches to health information exchange in other states, including Maine and Michigan, in order to identify opportunities for reducing duplication in Vermont's health information exchange infrastructure; and

(9) recommend any accounting or financial actions the State should take regarding State-owned tangible and intangible assets that comprise or support the VHIE.

(c) On or before November 15, 2017, the Secretaries of Administration and of Human Services shall submit this report to the House Committees on Health Care, on Appropriations, on Energy and Technology, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance.

* * * Health Care Provisions; GMCB Bill Backs * * *

Sec. 15a. GREEN MOUNTAIN CARE BOARD; FISCAL YEAR 2018 BILL BACK ALLOCATION

(a) Notwithstanding any provision of 18 V.S.A. § 9374(h) to the contrary and except as otherwise provided in subsection (b) of this section, for fiscal year 2018 only, expenses incurred by the Green Mountain Care Board to obtain information, analyze expenditures, review hospital budgets, and for any other contracts authorized by the Board shall be borne as follows:

(1) 40 percent by the State from State monies;

(2) 15 percent by the hospitals; and

(3) 45 percent by nonprofit hospital and medical service corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance companies licensed under 8 V.S.A. chapter 101, and health maintenance organizations licensed under 8 V.S.A. chapter 139.

(b) The Board may determine the scope of the incurred expenses to be allocated pursuant to the formula set forth in subsection (a) of this section if, in the Board's discretion, the expenses to be allocated are in the best interests of the regulated entities and of the State.

(c) Expenses under subdivision (a)(3) of this section shall be billed to persons licensed under Title 8 based on premiums paid for health care coverage, which for the purposes of this section shall include major medical, comprehensive medical, hospital or surgical coverage, and comprehensive

health care services plans, but shall not include long-term care or limited benefits, disability, credit or stop loss, or excess loss insurance coverage.

* * * Health Care Provisions; Employer Assessment * * *

Sec. 16. 32 V.S.A. chapter 245 is added to read:

CHAPTER 245. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

§ 10501. PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this State, an employers' health care fund contribution is established to provide a fair and reasonable method for sharing health care costs with employers that do not offer their employees health care coverage and employers that offer insurance but whose employees enroll in Medicaid.

§ 10502. DEFINITIONS

As used in this chapter:

(1) "Employee" means an individual who is:

(A) 18 years of age or older for all of a calendar quarter,

(B) employed full-time or part-time, and

(C) reported by an employer for purposes of complying with Vermont unemployment compensation law pursuant to 21 V.S.A. chapter 17.

(2) "Employer" means a person who is required to furnish unemployment insurance coverage pursuant to 21 V.S.A. chapter 17.

(3)(A) "Full-time equivalent" or "FTE" means the number of employees expressed as the number of employee hours worked during a calendar quarter divided by 520. The FTE calculation shall be based on a 40-hour work week. No more than one FTE may be assessed against an individual employee, regardless of the actual number of hours worked by that employee during the calendar quarter.

(B) The hours worked during a calendar quarter means hours worked during all pay periods in that quarter for which gross wages were reported and paid. Unworked hours, such as vacation or sick time, may be excluded from the FTE calculation.

(C) "Full-time equivalent" shall not include any employee hours attributable to a seasonal employee or part-time employee of an employer who offers health care coverage to all of its regular full-time employees, provided that the seasonal employee or part-time employee has health care coverage under either a private plan or any public plan except Medicaid.

(4) "Health care coverage" shall mean any private or public plan that includes both hospital and physician services.

(5) "Part-time employee" shall mean an employee who works for an employer for fewer than 30 hours a week or fewer than 390 hours in a calendar quarter.

(6) "Seasonal employee" means an employee who:

(A) works for an employer for 20 weeks or fewer in a calendar year; and

(B) works in a job scheduled to last 20 weeks or fewer.

(7) "Uncovered employee" means:

(A) an employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees;

(B) an employee who is not eligible for health care coverage offered by an employer to any other employees; or

(C) an employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and:

(i) is enrolled in Medicaid;

(ii) has no other health care coverage under either a private or public plan except Medicaid; or

(iii) has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.

§ 10503. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

(a) The Commissioner of Taxes shall assess and an employer shall pay a quarterly Health Care Fund contribution for each full-time equivalent uncovered employee employed during that quarter in excess of four full-time equivalent employees.

(b) The amount of the contribution shall be $158.77 for each full-time equivalent employee in excess of four. Starting in calendar year 2018, the amount of the contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest-cost silver-level plan in the Vermont Health Benefit Exchange.

(c) Health Care Fund contribution assessments under this chapter shall be determined on a calendar quarter basis, due and payable on or before the 25th day of the calendar month succeeding the close of each quarter. All administrative provisions of chapter 151 of this title shall apply to this chapter, except penalty and interest shall apply according to chapter 103 of this title.

(d) Revenues from the Health Care Fund contributions collected shall be deposited into the State Health Care Resources Fund established under 33 V.S.A. § 1901d.

(e)(1) Notwithstanding any provision of law to the contrary, the Department of Taxes shall provide the Joint Fiscal Office with all returns or return information relating to the Health Care Fund contribution assessment except information that would identify a taxpayer. The information sharing required by this subsection shall occur quarterly within a reasonable time following the return due date for each quarter.

(2) When handling information shared pursuant to this subsection, the Joint Fiscal Office shall be subject to the same requirements and penalties as employees of the Department of Taxes under section 3102 of this title. It shall be considered an unauthorized disclosure for an officer, employee, or agent of the Joint Fiscal Office to disclose returns or return information provided pursuant to this subsection that does not combine a taxpayer's information with at least nine other taxpayers.

§ 10504. HOURS WORKED BY UNCOVERED EMPLOYEES; CALCULATION AND REPORTING

(a) Employers shall report to the Department of Taxes the number of hours worked by each uncovered employee on a return provided by the Department. The return shall be filed at the same time payment is required under subsection 10503(c) of this chapter, shall be filed electronically, and shall include any information required by the Commissioner.

(b) Quarterly health care contributions shall be calculated in the following manner:

(1) An employer shall divide the total hours worked by all uncovered employees during a quarter by 520, to represent one full-time equivalent employee. The employer shall then round the resulting number down to the nearest whole number and subtract four. The employer shall then multiply the resulting number by the amount established under subsection 10503(b) of this chapter to determine the amount of assessment due for the quarter.

(A) For full-time salaried employees, employers shall use 520 hours a quarter for the total hours worked.

(B) For all employees who worked more than 520 hours in a quarter, employers shall use 520 hours a quarter for the total hours worked.

(2) The Commissioner shall provide an electronic declaration of health care coverage form for employers to collect the health coverage statuses of their employees for purposes of this assessment. The form shall preserve the

confidentiality of the type of coverage possessed by the employee and the employer shall only use the form for purposes of this assessment.

(A) An employer shall annually obtain a declaration of health care coverage from every employee who is not enrolled in a plan offered by the employer.

(B) An employer shall maintain declarations of health care coverage for a minimum of three years in a manner reasonably available for review and audit.

(C) Employees for whom no declaration of coverage is obtained shall be treated as uncovered.

(c) In the case of an employee leasing agreement, leased employees shall be considered employees of a client company and not employees of an employee leasing company.

§ 10505. HEALTH BENEFIT COSTS

(a) Employers shall provide their employees with an annual statement indicating:

(1) the total monthly premium cost paid for any employer-sponsored health benefit plan;

(2) the employer's share and the employee's share of the total monthly premium; and

(3) any amount the employer contributes toward the employee's cost-sharing requirement or other out-of-pocket expenses.

(b) Notwithstanding the provisions of subsection (a) of this section, an employer who reports the cost of coverage under an employer-sponsored health benefit plan as required by 26 U.S.C. § 6051(a)(14) shall be deemed to be in full compliance with the requirements of this section.

Sec. 17. 32 V.S.A. § 3102(d) is amended to read:

(d) The Commissioner shall disclose a return or return information:

* * *

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B; and

(6) to the Joint Fiscal Office pursuant to 32 V.S.A. § 10503(e) and subject to the conditions and limitations specified in that subsection.

* * * Health Care Provisions; Home Health Agency Provider Tax * * *

Sec. 18. 33 V.S.A. § 1951 is amended to read:

§ 1951. DEFINITIONS

As used in this subchapter:

(1) "Assessment" means a tax levied on a health care provider pursuant to this chapter.

(2)(A) "~~Core home~~ Home health ~~care~~ services" means any of the following:

(i) those medically necessary, intermittent, skilled ~~nursing, home health aide, therapeutic, and personal care attendant services, provided exclusively in the home by home health agencies. Core home health services do not include private duty nursing, hospice, homemaker, or physician services, or services provided under early periodic screening, diagnosis, and treatment (EPSDT), traumatic brain injury (TBI), high technology programs, or services provided by a home for persons who are terminally ill as defined in subdivision 7102(3) of this title~~ home health services provided by Medicare-certified home health agencies of the type covered under Title XVIII (Medicare) or XIX (Medicaid) of the Social Security Act;

(ii) services covered under the adult and pediatric High Technology Home Care programs as of January 1, 2015;

(iii) personal care, respite care, and companion care services provided through the Choices for Care program contained within Vermont's Global Commitment to Health Section 1115 demonstration; and

(iv) hospice services.

(B) The term "home health services" shall not include any other service provided by a home health agency, including:

(i) private duty services;

(ii) case management services, except to the extent that such services are performed in order to establish an individual's eligibility for services described in subdivision (A) of this subdivision (2);

(iii) homemaker services;

(iv) adult day services;

(v) group-directed attendant care services;

(vi) primary care services;

(vii) nursing home room and board when a hospice patient is in a nursing home; and

(viii) health clinics, including occupational health, travel, and flu clinics.

(C) The term "home health services" shall not include any services provided by a home health agency under any other program or initiative unless the services fall into one or more of the categories described in subdivision (A) of this subdivision (2). Other programs and initiatives include:

(i) the Flexible Choices or Assistive Devices options under the Choices for Care program contained within Vermont's Global Commitment to Health Section 1115 demonstration;

(ii) services provided to children under the early and periodic screening, diagnostic, and treatment Medicaid benefit;

(iii) services provided pursuant to the Money Follows the Person demonstration project;

(iv) services provided pursuant to the Traumatic Brain Injury Program; and

(v) maternal-child wellness services, including services provided through the Nurse Family Partnership program.

* * *

(10) "Net ~~operating~~ patient revenues" means a provider's gross charges related to patient care services less any deductions for bad debts, charity care, contractual allowances, and other payer discounts.

* * *

Sec. 18a. 33 V.S.A. § 1955a is amended to read:

§ 1955a. HOME HEALTH AGENCY ASSESSMENT

(a)(1) ~~Beginning October 1, 2011, each~~ Each home health agency's assessment shall be ~~19.30~~ 4.25 percent of its net ~~operating~~ patient revenues from ~~core~~ home health ~~care~~ services~~, excluding revenues for services provided under Title XVIII of the federal Social Security Act; provided, however, that each home health agency's annual assessment shall be limited to no more than six percent of its annual net patient revenue~~ provided exclusively in Vermont.

(2) On or before May 1 of each year, each home health agency shall provide to the Department a copy of its most recent audited financial statement prepared in accordance with generally accepted accounting principles. The amount of the tax shall be determined by the Commissioner based on the home

health net patient revenue attributable to services reported on the agency's ~~most recent audited~~ financial ~~statements~~ statement ~~at the time of submission, a copy of which shall be provided on or before May 1 of each year to the Department~~.

(3) For providers who ~~begin~~ began operations as a home health agency after January 1, 2005, the tax shall be assessed as follows:

~~(1)~~(A) Until such time as the home health agency submits audited financial statements for its first full year of operation as a home health agency, the Commissioner, in consultation with the home health agency, shall annually estimate the amount of tax payable and shall prescribe a schedule for interim payments.

~~(2)~~(B) At such time as the full-year audited financial statement is filed, the final assessment shall be determined, and the home health agency shall pay any underpayment or the Department shall refund any overpayment. The assessment for the State fiscal year in which a provider commences operations as a home health agency shall be prorated for the proportion of the State fiscal year in which the new home health agency was in operation.

* * *

Sec. 18b. 2016 Acts and Resolves No. 134, Sec. 32 is amended to read:

Sec. 32. HOME HEALTH AGENCY ASSESSMENT FOR FISCAL ~~YEARS~~ YEAR 2017 ~~AND 2018~~

Notwithstanding any provision of 33 V.S.A. § 1955a(a) to the contrary, for fiscal ~~years~~ year 2017 ~~and 2018~~ only, the amount of the home health agency assessment under 33 V.S.A. § 1955a for each home health agency shall be 3.63 percent of its annual net patient revenue.

Sec. 18c. TRANSITIONAL PROVISION FOR FISCAL YEAR 2018

Notwithstanding any provision of 33 V.S.A. § 1955a(a)(2) to the contrary, for fiscal year 2018 only, the Commissioner of Vermont Health Access may determine the amount of a home health agency's provider tax based on such documentation as the Commissioner deems acceptable.

Sec. 18d. REPEAL

33 V.S.A. § 1955a (home health agency assessment) is repealed on July 1, 2019.

* * * Sales and Use Tax; Aircraft * * *

Sec. 19. 32 V.S.A. § 9741(29) is amended to read:

(29) Aircraft, but not drones, sold to a person which holds itself out to the general public as engaging in air commerce, for use primarily in the

carriage of persons or property for compensation or hire; and parts, machinery, and equipment to be installed in any aircraft, other than drones.

* * * Strategies for Increased Collections * * *

Sec. 20. 32 V.S.A. § 5870 is amended to read:

§ 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX RETURNS

(a) The Commissioner of Taxes shall provide that individuals report use tax on their State individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability under chapter 233 of this title for the period of the tax return. Alternatively, they may elect to report an amount that is a percentage of their ~~Vermont~~ adjusted gross income ~~indexed annually~~ determined under subsection (b) of this section, as shown on a table published by the Commissioner of Taxes; and use tax liability arising from the purchase of each item with a purchase price in excess of $1,000.00 shall be added to the table amount.

(b) The amount of use tax a taxpayer may elect to report under subsection (a) of this section shall be ~~0.20~~ 0.10 percent of their ~~Vermont~~ adjusted gross income ~~in tax year 2016, increased for each subsequent tax year by a percentage that is twice the change in the annual national Consumer Price Index for goods and services published by the U.S. Bureau of Labor Statistics, from tax year 2016 to the tax year in which the indexing calculation is being made~~; provided however, that a taxpayer shall not be required to pay more than $500.00 for use tax liability under this subsection, arising from total purchases of items with a purchase price of $1,000.00 or less.

Sec. 21. INCREASING USE TAX COMPLIANCE

32 V.S.A. § 5870 provides that the Commissioner of Taxes "shall provide that individuals report use tax on their State individual income tax returns." In an effort to increase the level of use tax compliance, the Department of Taxes shall conduct an outreach and education campaign designed to highlight the use tax liability for taxpayers on their income tax forms, and to increase ease of compliance. These efforts shall be in addition to any current compliance and enforcement efforts.

Sec. 22. 32 V.S.A. § 5862d is amended to read:

§ 5862d. FILING OF FEDERAL FORM 1099

(a) Any individual or business required to file a federal form 1099 with respect to a nonresident who performed services within the State during the taxable year shall file a copy of the form with the Department. The Commissioner may authorize electronic filing of the form.

(b) Any ~~individual or business~~ person required to file information returns pursuant to 26 U.S.C. § 6050W shall within 30 days of the date the filing is due to the Internal Revenue Service file with the Commissioner a duplicate of such information returns on which the recipient has a Vermont address. In addition, at the same time the information in this subsection is required, third-party settlement organizations shall report to the Department of Taxes, and to any participating payee with a Vermont address, any information required by 26 U.S.C. § 6050W with respect to third-party network transactions related to that participating payee, as if the de minimis limitations of 26 U.S.C. § 6050W(e) did not apply, but that the de minimis limitations of 26 U.S.C. § 6041(a) did apply. The Commissioner may adopt rules and authorize electronic filing of the ~~form~~ information required by this subsection.

(c) A failure to provide the information required by subsections (a) and (b) of this section shall be considered a failure to provide a return or return information required by this chapter, for the purposes of sections 3202, 5863, and 5864 of this title.

Sec. 23. 32 V.S.A. § 9712 is amended to read:

§ 9712. NOTICE REQUIREMENTS FOR NONCOLLECTING VENDORS

* * *

(c) Each noncollecting vendor shall file a copy of the notice required by subsection (b) with the Department of Taxes on or before January 31 of each year. The notice required by this subsection only apply to noncollecting vendors who made $100,000.00 or more of sales into Vermont in the previous calendar year. Failure to file a copy of the notice required by this subsection shall subject the noncollecting vendor to a penalty of $10.00 for each failure, unless the noncollecting vendor shows reasonable cause.

(d) The Commissioner is authorized to adopt rules or procedures or to create forms necessary to implement this section. Penalties imposed under this section shall be subject to the same administrative and appeal provisions of this chapter as if imposed under section 3202 of this title.

Sec. 24. TAX COLLECTIONS

The General Assembly finds that there is a gap between the amount of taxes paid in this State and the amount of taxes due. Therefore, the General Assembly directs the Department of Taxes to use new and existing strategies for collections to close the tax gap during the State fiscal year 2018. The Department of Taxes shall redeploy resources to focus on these strategies with the goal of increasing current collections by $3,175,000.00 in fiscal year 2018.

Sec. 24a. SMALL BUSINESS TAXPAYER OUTREACH AND EDUCATION WORKING GROUP

The Taxpayer Advocate at the Department of Taxes shall convene a working group of interested stakeholders to examine the ways the Department can improve outreach and education to small business taxpayers. On or before November 15, 2017, the Taxpayer Advocate shall report to the House Committee on Ways and Means and the Senate Committee on Finance recommendations to improve the relationship between the Department and small businesses. In considering the recommendations, the Taxpayer Advocate shall examine the following:

(1) identifying complex areas of the law that could be simplified to enhance voluntary compliance;

(2) compiling a list of common issues on which the Department may focus its outreach and education efforts;

(3) considering how the Department can maximize its existing resources to provide additional guidance targeted to small businesses;

(4) directing the Department to identify existing organizations and resources for small businesses and how to provide tax guidance through those organizations;

(5) providing for a plan to contact and provide direction to new small businesses in Vermont within one year of their operation in the State;

(6) recommending guidelines to forgive tax penalties and interest under certain circumstances; and

(7) making other recommendations as appropriate.

* * * Clean Water * * *

Sec. 25. STATE TREASURER; PUBLIC GOOD PAYMENTS; WATER QUALITY REVENUE BOND

On or before January 15, 2018, the State Treasurer shall recommend to the House Committees on Ways and Means and on Corrections and Institutions and the Senate Committees on Finance and on Institutions whether public good benefits payments made to the State for water quality as a condition of a certificate of public good issued by the Public Service Board provide sufficient revenue to leverage the issuance of a revenue bond to fund water quality improvements in the State through the Clean Water Fund. In developing a recommendation, the State Treasurer shall review all final and proposed public good payments for water quality required by the Public Service Board, including all payments for pollution abatement in, restoration of, and

enhancement of State waters and what is necessary to ensure their deposit in the Clean Water Fund.

Sec. 26. WORKING GROUP ON WATER QUALITY FUNDING

(a) Establishment. There is established the Working Group on Water Quality Funding to develop recommendations for equitable and effective long-term funding methods to support clean water efforts in Vermont.

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

(1) the Secretary of Natural Resources or designee;

(2) one member from the Vermont League of Cities and Towns, appointed by the Board of Directors of that organization;

(3) the Secretary of Agriculture, Food and Markets or designee;

(4) a representative of the Vermont Center for Geographic Information;

(5) the Commissioner of Taxes or designee;

(6) one member representing commercial or industrial business interests in the State, to be appointed by the Governor, after consultation with other business groups in the State;

(c) Advisory Council. The Working Group shall be assisted by an Advisory Council to be made up of:

(1) the State Treasurer or designee;

(2) the Secretary of Transportation or designee;

(3) one member from the Vermont Municipal Clerks and Treasurers Association appointed by the Executive Board of that organization;

(4) one member from the Vermont Mayors Coalition appointed by that organization;

(5) a representative of an environmental advocacy group appointed by the Speaker of the House;

(6) a representative of the agricultural community appointed by the Vermont Association of Conservation Districts; and

(7) a representative of University of Vermont Extension appointed by the President Pro Tempore of the Senate.

(d) Powers and duties. The Working Group on Water Quality Funding shall recommend to the General Assembly draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont.

(e) Consultation with Advisory Council. The Working Group shall meet at least three times with the Advisory Council for input on the report to be submitted to the General Assembly under subsection (f) of this section. The Advisory Council's comments shall be included in the final report.

(f) Report. On or before November 15, 2017, the Working Group on Water Quality Funding shall submit to the General Assembly a summary of its activities, an evaluation of existing sources of funding, and draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont.

(g) Meetings.

(1) The Secretary of Natural Resources shall call the first meeting of the Working Group to occur on or before July 1, 2017.

(2) The Secretary of Natural Resources shall be the Chair of the Working Group.

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

(4) The Working Group shall cease to exist on March 1, 2018.

(5) No specific state appropriations shall be used to support the working group or advisory council.

(h) Assistance. The Working Group on Water Quality Funding shall have the administrative, technical, and legal assistance of the Agency of Natural Resources and the Department of Taxes. The Working Group on Water Quality Funding shall have the technical assistance of the Vermont Center for Geographic Information or designee.

* * * Property Tax Appeals * * *

Sec. 27. 32 V.S.A. § 5412 is amended to read:

§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF EDUCATION TAX LIABILITY

(a)(1) If a listed value is reduced as the result of an appeal or court action~~, and if the municipality files a written request with the Commissioner within 30 days after the date of the determination, entry of the final order, or settlement agreement if the Commissioner determines that the settlement value is the fair market value of the parcel, the Commissioner~~ made pursuant to section 4461 of this title, a municipality may submit a request for the Director of Property Valuation and Review to recalculate its education property tax liability for the education grand list value lost due to a determination, declaratory judgment, or settlement. The Director shall recalculate the municipality's education property tax liability for ~~the~~ each year at issue, in accord with the reduced valuation, provided that:

(A) ~~the~~ The reduction in valuation is the result of an appeal under chapter 131 of this title to the Director of Property Valuation and Review or to a court, with no further appeal available with regard to that valuation, or any judicial decision with no further right of appeal, or a settlement of either an appeal or court action if the ~~Commissioner~~ Director determines that the settlement value is the fair market value of the parcel~~;~~.

(B) ~~the~~ The municipality ~~notified the Commissioner of the appeal or court action, in writing, within 10 days after notice of the appeal was filed under section 4461 of this title or after the complaint was served; and~~ submits the request on or before January 15 for a request involving an appeal or court action resolved within the previous calendar year.

(C) ~~as a result of the valuation reduction of the parcel, the value of the municipality's grand list is reduced at least one percent.~~ [Repealed.]

(D) The Director determines that the municipality's actions were consistent with best practices published by the Property Valuation and Review in consultation with the Vermont Assessors and Listers Association. The municipality shall have the burden of showing that its actions were consistent with the Director's best practices.

(2) A determination of the Director made under subdivision (1) of this subsection may be appealed within 30 days by an aggrieved municipality to the Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–813. The Commissioner's determination may be further appealed to Superior Court, which shall review the Commissioner's determination using the record that was before the Commissioner. The Commissioner's determination may only be overturned for abuse of discretion.

(3) ~~The municipality's~~ Upon the Director's request, a municipality submitting a request under subdivision (1) of this subsection shall include a copy of the agreement, determination or final order, and any other documentation necessary to show the existence of these conditions.

(b) To the extent that the municipality has paid that liability, the ~~Commissioner~~ Director shall allow a credit for any reduction in education tax liability against the next ensuing year's education tax liability ~~or, at the request of the municipality, may refund to the municipality an amount equal to the reduction in education tax liability~~.

(c) If a listed value is increased as the result of an appeal under chapter 131 of this title or court action, whether adjudicated or settled and the ~~Commissioner~~ Director determines that the settlement value is the fair market value of the parcel, with no further appeal available with regard to that valuation, the ~~Commissioner~~ Director shall recalculate the municipality's

education property tax for each year at issue, in accord with the increased valuation, and shall assess the municipality for the additional tax at the same time the ~~Commissioner~~ Director assesses the municipality's education tax liability for the next ensuing year, unless the resulting assessment would be less than $300.00. Payment under this section shall be due with the municipality's education tax liability for the next ensuing year.

(d) Recalculation of education property tax under this section shall have no effect other than to reimburse or assess a municipality for education property tax changes ~~which~~ that result from property revaluation.

(e) A reduction made under this section shall be an amount equal to the loss in education grand list value multiplied by the tax rate applicable to the subject property in the year the request is submitted. However, the total amount for all reductions made under this section in one year shall not exceed $100,000.00. If total reductions for a calendar year would exceed this amount, the Director shall instead prorate the reductions proportionally among all municipalities eligible for a reduction so that total reductions equal $100,00.00.

(f) Prior to the issuance of a final administrative determination or judicial order, a municipality may request that the Director certify that best practices were followed for purposes of meeting the requirements of subdivision (a)(1)(D) of this section. The Director may choose to grant certification, deny certification, or refrain from a decision until a request is submitted under subdivision (a)(1) of this section. The Director shall consider the potential impact on the Education Fund, the unique character of the subject property or properties, and any extraordinary circumstances when deciding whether to grant certification under this subsection. The Director shall be bound by a decision to grant certification unless the municipality agrees to a settlement after such certification was made.

Sec. 28. GRAND LIST LITIGATION ASSISTANCE; STUDY

(a) The Attorney General, in consultation with the Vermont League of Cities and Towns, property owners, and other interested stakeholders, shall study approaches to assisting municipalities with expenses incurred during litigation pursuant to 32 V.S.A. chapter 131, including assigning an Assistant Attorney General to the Division of Property Valuation and Review to support municipalities litigating complex matters.

(b) On or before December 1, 2017, the Attorney General shall submit a report to the Senate Committee on Finance and the House Committee on Ways and Means on the findings of the study described in subsection (a) of this section. The report shall include recommendations for legislative action based on the findings of the study.

Sec. 29. REIMBURSEMENT OF EDUCATION TAX LIABILITY; REPORT

(a) On or before December 1, 2019, the Director of Property Valuation and Review shall submit a report to the Senate Committee on Finance and the House Committee on Ways and Means on the reimbursement of education tax liabilities to municipalities pursuant to Sec. 27 of this act.

(b) The report shall include:

(1) the annual number of reductions to the education grand list;

(2) the annual amount reimbursed to municipalities from the Education Fund; and

(3) the annual increase, if any, to the education grand list.

Sec. 29a. COMPENSATION FOR OVERPAYMENT

Notwithstanding any other provision of law, the sum of $56,791.80 shall be transferred from the Education Fund to the Town of Georgia in fiscal year 2018 to compensate the town for an overpayment of education taxes in fiscal year 2017 due to an erroneous classification of certain property.

* * * Property and Debt of Merging Districts * * *

Sec. 29b. TRANSFER OF PROPERTY AND DEBT OF MERGED DISTRICTS

(a) Notwithstanding any other provision of law, under 16 V.S.A. § 706b(6)–(8), a study committee report may provide terms for transferring the ownership of capital assets, and the liability for any associated debt, from the merging districts to the towns within the merging district where those assets are fixed. A study committee report may also provide terms for leases governing the management of these same capital assets.

(b) A transfer of assets included in a study committee report under this section and approved under 16 V.S.A. chapter 11 shall not be considered a sale for the purpose of the refund upon sale requirement of 16 V.S.A. § 3448(b).

(c) As used in this section, a union school district established under 16 V.S.A. chapter 11 includes a school district voluntarily created pursuant to 2015 Acts and Revolves No. 46, Sec. 6 or 7, or a regional education district, or any other district eligible to receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and 2013 Acts and Resolves No. 56.

* * * Calculation of Certain Rates; Five Percent Hold Harmless Rule * * *

Sec. 29c. CALCULATION OF TAX RATES FOR MEMBER TOWNS IN VOLUNTARY SCHOOL GOVERNANCE MERGERS.

(a) Definitions. As used in this section:

(1) "Five percent provision" means collectively the provisions in 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No.156, and 2015 Acts and Resolves No. 46, limiting a town's equalized homestead property tax rate increase or decrease, and related household income percentage adjustments to five percent in a single year during the years in which the corresponding tax rate reductions apply to a new union school district's equalized unified homestead property rate.

(2) "Tax rate reductions" means collectively the equalized homestead property tax rate reductions, and related household income percentage reductions, provided for voluntary school governance mergers in 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, and 2015 Acts and Resolves No. 46.

(3) "Education spending in the prior fiscal year" means the total education spending of all merging districts in the year prior to merger, divided by the total number of equalized pupils of all the merging districts in the year prior to merger.

(4) "Tax rate of a member town" means collectively the equalized homestead property tax rate, and related household income percentage reductions, for the referenced town.

(b) Tax rate reduction review.

(1) In a fiscal year in which the tax rate reductions are applied to a new union school district, if the district's education spending per equalized pupil increases by four percent or less over its education spending per equalized pupil in the prior fiscal year, then it shall be presumed to not trigger Tax Rate Reduction Review.

(2) In a fiscal year in which the tax rate reductions are applied to a new union school district, if the district's education spending per equalized pupil increases by more than four percent over its education spending per equalized pupil in the prior fiscal year, then it shall be subject to a Tax Rate Reduction Review.

(3) Upon the request of the Secretary, a union school district shall submit its budget to Tax Rate Reduction Review to determine whether its increase in education spending per equalized pupil was beyond the school district's control or for other good cause. In conducting the Review, the

Secretary will select three business managers and three superintendents to serve in an advisory role in the Review. The Review shall consider at least the following factors:

(A) the extent to which the increase in education spending per equalized pupil is caused by declining enrollment in the union school district;

(B) the extent to which the increase in education spending per equalized pupil is caused by unifying employee contracts in the course of the union school district formation process; and

(C) the extent to which the increase in education spending per equalized pupil is caused by increases in tuition paid by the union school district.

(4) If, at the conclusion of the Review, the Secretary determines that the union school district's budget contains excessive increases in educational spending per equalized pupil that are within the district's control and are not supported by good cause, then union school district rates for the fiscal year will be determined as follows:

(A) The tax rate of a member town that would otherwise be increased by no more than five percent shall be increased by no more than five percent plus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district's education spending per equalized pupil.

(B) The tax rate of a member town that would otherwise be decreased by no more than five percent shall be decreased by no more than five percent minus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district's education spending per equalized pupil.

* * * Premium Tax Credit; Captive Insurance Companies * * *

Sec. 30. 8 V.S.A. § 6014(k) is amended to read:

(k) A captive insurance company first licensed under this chapter on or after January 1, ~~2011~~ 2017 shall receive a nonrefundable credit of ~~$7,500.00~~ $5,000.00 applied against the aggregate taxes owed for the first two taxable ~~year~~ years for which the company has liability under this section.

* * * Repeals * * *

Sec. 31. REPEALS

The following are repealed:

(1) 32 V.S.A. chapter 239 (games of chance).

(2) 32 V.S.A. § 10010(c) (requirement that form for payment of land gains tax set out penalties in large type).

(3) 2007 Acts and Resolves No. 81, Secs. 7a (amendment to sales tax exemption for aircraft parts) and 7b (effective date).

(4) 2008 Acts and Resolves No. 190, Sec. 43 (extension of sales tax exemption for aircraft parts).

(5) 21 V.S.A. chapter 25 (Employer Assessment).

* * * Effective Dates * * *

Sec. 32. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 7 (annual update of income tax link to the IRC) shall take effect retroactively on January 1, 2016 and apply to taxable years beginning on and after January 1, 2016.

(2) Notwithstanding 1 V.S.A. § 214, Sec. 8 (estate tax) shall take effect retroactively on January 1, 2016.

(3) Sec. 11 (background checks) shall take effect on passage.

(4) Secs. 12–13 (break-open tickets) and Sec. 31(1) (repeal) shall take effect on September 1, 2017, except the first quarter for which nonprofit organizations shall be required to comply with 31 V.S.A. § 1203(f) shall be the fourth quarter of 2017.

(5) Sec. 13a (adjusted gross income) shall take effect on January 1, 2018 and apply to taxable year 2018 and after.

(6) Sec. 15a (Green Mountain Care Board bill backs) shall take effect on July 1, 2017.

(7) Secs. 16 and 17 (transferring employer assessment from the Department of Labor to the Department of Taxes) and Sec. 31(5) (repeal) shall take effect on January 1, 2018 with the return of the fourth quarter of 2017 being due on January 25, 2018.

(8) Sec. 19 (sales tax exemption for aircraft) shall take effect on September 1, 2017.

(9) Notwithstanding 1 V.S.A. § 214, Sec. 20 (use tax reporting) shall take effect retroactively on January 1, 2017 and apply to returns filed for tax year 2017 and after.

(10) Notwithstanding 1 V.S.A. § 214, Sec. 22 (third party settlement network reporting requirements) shall take effect retroactively on January 1, 2017 and apply to taxable year 2017 and after.

(11) Sec. 23 (additional noncollecting vendor reporting requirements) shall take effect on July 1, 2017.

(12) Sec. 30 (premium tax credit) shall take effect on July 1, 2017.

ANN E. CUMMINGS
MARK A. MACDONALD
DUSTIN ALLARD DEGREE

Committee on the part of the Senate

JANET ANCEL
SAMUEL R. YOUNG
FRED K. BASER

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Thereupon, on motion of Senator Ashe, the rules were suspended and the bill was ordered messaged to the House forthwith.

Recess

On motion of Senator Ashe the Senate recessed until 7:00 P.M.

Called to Order

The Senate was called to order by the President.

Message from the House No. 81

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

Mr. 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. 516. An act relating to miscellaneous tax changes.

And has adopted the same on its part.

Recess

The Chair declared a recess until 7:30 P.M.

Called to Order

The Senate was called to order by the President.

Joint Senate Resolution Adopted on the Part of the Senate

J.R.S. 33.

Joint Senate Resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senators Ashe, Balint and Degree,

J.R.S. 33. Joint resolution relating to compensation of Members of the General Assembly during the remainder of the 2017 Session.

Whereas, in order that the 2017 Session of the General Assembly may achieve an orderly adjournment, provide reasonable compensation to Members of the General Assembly for their services, and to preserve the funds of the state, *now therefore be it*

Resolved by the Senate and House of Representatives:

That notwithstanding the provisions of 32 V.S.A. §§ 1051(a)(1) and 1052(a)(1) providing for a weekly rate of compensation, commencing May 8, 2017, Members of the General Assembly shall be entitled to compensation for services equal to a daily rate of one-fourth of the annually adjusted weekly compensation set forth in sections 1051(a)(1) and 1052(a)(1) and reimbursement for expenses at the daily rate established in sections 1051(a)(3) and 1052(b) of Title 32 for each day on which their respective houses shall sit and the member attends for the remainder of the 2017 Session, except that no member shall receive compensation for more than four days in any week.

Joint Senate Resolution Adopted on the Part of the Senate

J.R.S. 34.

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Ashe,

J.R.S. 34. Joint resolution relating to final adjournment of the General Assembly 2017.

Resolved by the Senate and House of Representatives

That when the President of the Senate and the Speaker of the House of Representatives adjourn their respective houses on the eighteenth or nineteenth day of May, 2017 they shall do so to reconvene on the twenty-first day of

June, 2017, at ten o'clock in the forenoon if the Governor should fail to approve and sign any bill and should he return it to the house of origin with his objections in writing after such adjournment, or to reconvene on the twenty-third day of October, 2017, at ten o'clock in the forenoon on the joint call of the President *pro tempore* of the Senate and the Speaker of the House, or on the third day of January, 2018, at ten o'clock in the forenoon, if not so jointly called and if the Governor should *not* so return any bill to either house.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 509.

Pending entry on the Calendar for notice, on motion of Senator Cummings, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to calculating statewide education tax rates.

Was taken up for immediate consideration.

Senator Cummings, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 509. An act relating to calculating statewide education tax rates.

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:

* * * Yields and Nonresidential Tax Rate * * *

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2018

Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2018 only:

(1) the property dollar equivalent yield is $10,160.00; and

(2) the income dollar equivalent yield is $11,990.00.

Sec. 2. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR 2018

For fiscal year 2018 only, the nonresidential education property tax imposed under 32 V.S.A. § 5402(a)(2) shall be reduced from the rate of $1.59 and instead be $1.555 per $100.00.

* * * Education Fund Allocation; Sales and Use Tax * * *

Sec. 3. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(6) ~~Thirty-five~~ Thirty-six percent of the revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233.

* * *

Sec. 4. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(11) ~~65~~ 64 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

* * *

* * * Health Benefits Commission* * *

Sec. 5. VERMONT EDUCATIONAL HEALTH BENEFITS COMMISSION

(a) The Vermont Educational Health Benefits Commission is created to determine whether and how to establish a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts.

(b) The Commission shall comprise the following 10 members:

(1) four members of the labor organization representing the majority of teachers, administrators, and other employees of supervisory unions and school districts, appointed by its membership;

(2) one member on behalf of all other labor organizations representing teachers, administrators, and other employees of supervisory unions and school districts, jointly appointed by their membership;

(3) three members of the nonprofit organization representing Vermont's school boards, appointed by that organization's members; and

(4) two members of the nonprofit organization representing Vermont's superintendents, appointed by that organization's members.

(c) The Commission shall determine the advantages and disadvantages of establishing a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, including considering transition issues, potential savings from avoided negotiation expenses, whether to use income-sensitized premiums, ways to address benefit disparities between bargaining units, ways to address disparities between districts, property tax implications, and issues related to uninsured school employees.

(d) On or before November 15, 2017, the Commission shall provide its findings and recommendations, along with any necessary proposed legislation regarding the establishment of a statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, to the House Committees on Education, on General, Housing and Military Affairs, and on Ways and Means and the Senate Committees on Education, on Economic Development, Housing and General Affairs, and on Finance.

(e) As used in this section, the terms "supervisory union" and "school district" shall have the same meaning as in 16 V.S.A. § 11.

* * * Health Care Benefits and Coverage * * *

Sec. 6. HEALTH CARE BENEFITS AND COVERAGE FOR TEACHERS, ADMINISTRATORS, AND OTHER EMPLOYEES OF SUPERVISORY UNIONS AND SCHOOL DISTRICTS

(a) The health care benefit and coverage provisions of a collective bargaining agreement between a supervisory union or school district and its teachers, administrators, or other employees shall expire on or before September 1, 2019.

(b) As used in this section, the terms "supervisory union" and "school district" shall have the same meaning as in 16 V.S.A. § 11.

(c) This section shall not apply to collective bargaining agreements that were, prior to July 1, 2017, either executed or agreed to by a school board negotiations council and employee organization negotiations council pending ratification by the school board and by the bargaining unit or members of the employee organization.

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Secs. 1 (yields) and 2 (nonresidential rate) shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

(c) Secs. 3 and 4 (sales tax allocation) shall take effect on July 1, 2018 and apply to fiscal year 2019 and after.

(d) Sec. 5 (Vermont Educational Health Benefits Commission) shall take effect on passage, with the first meeting of the Commission to occur on or before July 1, 2017.

(e) Sec. 6 (health care benefits and coverage) shall take effect on July 1, 2017.

ANN E. CUMMINGS
M. JANE KITCHEL

Committee on the part of the Senate

JANET ANCEL
HELEN J. HEAD
DAVID D. SHARPE

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 20, Nays 8.

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

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Bray, Brooks, Campion, Clarkson, Cummings, Ingram, Kitchel, Lyons, MacDonald, McCormack, Nitka, Pearson, Pollina, Sears, Sirotkin, Starr, White.

Those Senators who voted in the negative were: Benning, Branagan, Collamore, Degree, Flory, Mazza, Mullin, Westman.

Those Senators absent and not voting were: Baruth, Rodgers.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 518.

Pending entry on the Calendar for notice, on motion of Senator Kitchel, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to making appropriations for the support of government.

Was taken up for immediate consideration.

Senator Kitchel, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 518. An act relating to making appropriations for the support of government.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2018 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2018. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2017. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2018 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serve as the primary source and reference for appropriations for fiscal year 2018.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the Commissioner of Finance and Management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2018.

Sec. A.103 DEFINITIONS

(a) As used in this act:

(1) "Encumbrances" means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The Commissioner of Finance and Management shall make final decisions on the appropriateness of encumbrances.

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the State for services or supplies and means cash or other direct assistance, including pension contributions.

(3) "Operating expenses" means property management, repair and maintenance, rental expenses, insurance, postage, travel, energy and utilities, office and other supplies, equipment, including motor vehicles, highway materials, and construction, expenditures for the purchase of land and construction of new buildings and permanent improvements, and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, contracted third-party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the State appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2018, the Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2018, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2017 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new

title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to Legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2018 except for new positions authorized by the 2017 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, and by 2016 Acts and Resolves No. 172, Sec. E.100.2, and as further amended by Sec. E.100.1 of this act.

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

B.100–B.199 and E.100–E.199	General Government
B.200–B.299 and E.200–E.299	Protection to Persons and Property
B.300–B.399 and E.300–E.399	Human Services
B.400–B.499 and E.400–E.499	Labor
B.500–B.599 and E.500–E.599	General Education
B.600–B.699 and E.600–E.699	Higher Education
B.700–B.799 and E.700–E.799	Natural Resources
B.800–B.899 and E.800–E.899	Commerce and Community Development
B.900–B.999 and E.900–E.999	Transportation
B.1000–B.1099 and E.1000–E.1099	Debt Service

B.1100–B.1199 and E.1100–E.1199 One-time and other appropriation actions

(b) The C sections contain any amendments to the current fiscal year, the D sections contain fund transfers and reserve allocations for the upcoming budget year, the F sections contain miscellaneous technical statute corrections, and the I sections contain housing bond authorization.

Sec. B.100 Secretary of administration - secretary's office

Personal services	777,092
Operating expenses	150,120
Total	927,212
Source of funds	
General fund	927,212
Total	927,212

Sec. B.101 Secretary of administration - finance

Personal services	1,187,190
Operating expenses	153,789
Total	1,340,979
Source of funds	
Interdepartmental transfers	1,340,979
Total	1,340,979

Sec. B.102 Secretary of administration - workers' compensation insurance

Personal services	566,009
Operating expenses	226,235
Total	792,244
Source of funds	
Internal service funds	792,244
Total	792,244

Sec. B.103 Secretary of administration - general liability insurance

Personal services	445,807
Operating expenses	43,958
Total	489,765
Source of funds	
Internal service funds	489,765
Total	489,765

Sec. B.104 Secretary of administration - all other insurance

Personal services	22,513
Operating expenses	11,382

Total	33,895
Source of funds	
Internal service funds	33,895
Total	33,895

Sec. B.105 Information and innovation - communications and information technology

Personal services	24,540,424
Operating expenses	15,675,832
Total	40,216,256
Source of funds	
Internal service funds	40,216,256
Total	40,216,256

Sec. B.106 Finance and management - budget and management

Personal services	1,471,321
Operating expenses	202,003
Total	1,673,324
Source of funds	
General fund	1,309,469
Interdepartmental transfers	363,855
Total	1,673,324

Sec. B.107 Finance and management - financial operations

Personal services	2,374,631
Operating expenses	619,703
Total	2,994,334
Source of funds	
Internal service funds	2,994,334
Total	2,994,334

Sec. B.108 Human resources - operations

Personal services	7,612,746
Operating expenses	1,377,239
Total	8,989,985
Source of funds	
General fund	1,968,777
Special funds	277,462
Internal service funds	6,206,438
Interdepartmental transfers	537,308
Total	8,989,985

Sec. B.108.1 Human Resources - VTHR Operations

Personal services	1,802,885
Operating expenses	765,629
Total	2,568,514
Source of funds	
Internal service funds	2,568,514
Total	2,568,514

Sec. B.109 Human resources - employee benefits & wellness

Personal services	1,070,140
Operating expenses	581,803
Total	1,651,943
Source of funds	
Internal service funds	1,651,943
Total	1,651,943

Sec. B.110 Libraries

Personal services	1,759,682
Operating expenses	1,463,407
Grants	148,400
Total	3,371,489
Source of funds	
General fund	2,329,975
Special funds	123,998
Federal funds	820,514
Interdepartmental transfers	97,002
Total	3,371,489

Sec. B.111 Tax - administration/collection

Personal services	14,471,939
Operating expenses	5,117,491
Total	19,589,430
Source of funds	
General fund	18,075,976
Special funds	1,370,888
Interdepartmental transfers	142,566
Total	19,589,430

Sec. B.112 Buildings and general services - administration

Personal services	659,538
Operating expenses	103,275
Total	762,813

Source of funds	
Interdepartmental transfers	762,813
Total	762,813

Sec. B.113 Buildings and general services - engineering

Personal services	2,725,021
Operating expenses	812,504
Total	3,537,525
Source of funds	
General fund	0
Interdepartmental transfers	3,537,525
Total	3,537,525

Sec. B.114 Buildings and general services - information centers

Personal services	3,247,710
Operating expenses	1,560,479
Grants	35,750
Total	4,843,939
Source of funds	
General fund	632,642
Transportation fund	3,886,230
Special funds	325,067
Total	4,843,939

Sec. B.115 Buildings and general services - purchasing

Personal services	1,052,452
Operating expenses	197,598
Total	1,250,050
Source of funds	
General fund	1,250,050
Total	1,250,050

Sec. B.116 Buildings and general services - postal services

Personal services	741,125
Operating expenses	116,121
Total	857,246
Source of funds	
General fund	85,063
Internal service funds	772,183
Total	857,246

Sec. B.117 Buildings and general services - copy center

Personal services	708,890
Operating expenses	162,809
Total	871,699
Source of funds	
Internal service funds	871,699
Total	871,699

Sec. B.118 Buildings and general services - fleet management services

Personal services	759,471
Operating expenses	239,611
Total	999,082
Source of funds	
Internal service funds	999,082
Total	999,082

Sec. B.119 Buildings and general services - federal surplus property

Personal services	32,667
Operating expenses	5,760
Total	38,427
Source of funds	
Enterprise funds	38,427
Total	38,427

Sec. B.120 Buildings and general services - state surplus property

Personal services	142,751
Operating expenses	109,881
Total	252,632
Source of funds	
Internal service funds	252,632
Total	252,632

Sec. B.121 Buildings and general services - property management

Personal services	1,025,441
Operating expenses	864,228
Total	1,889,669
Source of funds	
Internal service funds	1,889,669
Total	1,889,669

Sec. B.122 Buildings and general services - fee for space

Personal services	15,282,330
Operating expenses	14,081,331
Total	29,363,661
Source of funds	
Internal service funds	29,363,661
Total	29,363,661

Sec. B.124 Executive office - governor's office

Personal services	1,412,803
Operating expenses	468,873
Total	1,881,676
Source of funds	
General fund	1,695,176
Interdepartmental transfers	186,500
Total	1,881,676

Sec. B.125 Legislative council

Personal services	3,812,245
Operating expenses	866,666
Total	4,678,911
Source of funds	
General fund	4,678,911
Total	4,678,911

Sec. B.126 Legislature

Personal services	3,932,539
Operating expenses	3,649,343
Total	7,581,882
Source of funds	
General fund	7,581,882
Total	7,581,882

Sec. B.127 Joint fiscal committee

Personal services	1,603,075
Operating expenses	154,661
Total	1,757,736
Source of funds	
General fund	1,757,736
Total	1,757,736

Sec. B.128 Sergeant at arms

Personal services	667,093
Operating expenses	74,252
Total	741,345
Source of funds	
General fund	741,345
Total	741,345

Sec. B.129 Lieutenant governor

Personal services	208,858
Operating expenses	30,097
Total	238,955
Source of funds	
General fund	238,955
Total	238,955

Sec. B.130 Auditor of accounts

Personal services	3,689,915
Operating expenses	158,765
Total	3,848,680
Source of funds	
General fund	400,371
Special funds	53,145
Internal service funds	3,395,164
Total	3,848,680

Sec. B.131 State treasurer

Personal services	3,443,785
Operating expenses	267,689
Total	3,711,474
Source of funds	
General fund	1,006,452
Special funds	2,604,257
Interdepartmental transfers	100,765
Total	3,711,474

Sec. B.132 State treasurer - unclaimed property

Personal services	827,048
Operating expenses	298,653
Total	1,125,701

Source of funds	
Private purpose trust funds	1,125,701
Total	1,125,701

Sec. B.133 Vermont state retirement system

Personal services	5,984,464
Operating expenses	1,314,760
Total	7,299,224
Source of funds	
Pension trust funds	7,299,224
Total	7,299,224

Sec. B.134 Municipal employees' retirement system

Personal services	2,096,238
Operating expenses	751,569
Total	2,847,807
Source of funds	
Pension trust funds	2,847,807
Total	2,847,807

Sec. B.135 State labor relations board

Personal services	208,856
Operating expenses	47,734
Total	256,590
Source of funds	
General fund	247,014
Special funds	6,788
Interdepartmental transfers	2,788
Total	256,590

Sec. B.136 VOSHA review board

Personal services	74,662
Operating expenses	13,543
Total	88,205
Source of funds	
General fund	44,103
Interdepartmental transfers	44,102
Total	88,205

Sec. B.137 Homeowner rebate

Grants	16,600,000
Total	16,600,000

Source of funds	
General fund	16,600,000
Total	16,600,000

Sec. B.138 Renter rebate

Grants	10,500,000
Total	10,500,000
Source of funds	
General fund	3,150,000
Education fund	7,350,000
Total	10,500,000

Sec. B.139 Tax department - reappraisal and listing payments

Grants	3,460,000
Total	3,460,000
Source of funds	
Education fund	3,460,000
Total	3,460,000

Sec. B.140 Municipal current use

Grants	15,283,643
Total	15,283,643
Source of funds	
General fund	15,283,643
Total	15,283,643

Sec. B.141 Lottery commission

Personal services	1,950,778
Operating expenses	1,321,236
Grants	150,000
Total	3,422,014
Source of funds	
Enterprise funds	3,422,014
Total	3,422,014

Sec. B.142 Payments in lieu of taxes

Grants	7,600,000
Total	7,600,000
Source of funds	
Special funds	7,600,000
Total	7,600,000

Sec. B.143 Payments in lieu of taxes - Montpelier

Grants	184,000
Total	184,000
Source of funds	
Special funds	184,000
Total	184,000

Sec. B.144 Payments in lieu of taxes - correctional facilities

Grants	40,000
Total	40,000
Source of funds	
Special funds	40,000
Total	40,000

Sec. B.145 Total general government

Source of funds	
General fund	80,004,752
Transportation fund	3,886,230
Special funds	12,585,605
Education fund	10,810,000
Federal funds	820,514
Internal service funds	92,497,479
Interdepartmental transfers	7,116,203
Enterprise funds	3,460,441
Pension trust funds	10,147,031
Private purpose trust funds	1,125,701
Total	222,453,956

Sec. B.200 Attorney general

Personal services	9,260,374
Operating expenses	1,382,078
Grants	26,894
Total	10,669,346
Source of funds	
General fund	4,876,409
Special funds	1,774,350
Tobacco fund	348,000
Federal funds	1,113,091
Interdepartmental transfers	2,557,496
Total	10,669,346

Sec. B.201 Vermont court diversion

Personal services	823,550
Operating expenses	500
Grants	1,996,483
Total	2,820,533
Source of funds	
General fund	2,156,486
Special funds	664,047
Total	2,820,533

Sec. B.202 Defender general - public defense

Personal services	10,815,479
Operating expenses	1,058,134
Total	11,873,613
Source of funds	
General fund	11,283,960
Special funds	589,653
Total	11,873,613

Sec. B.203 Defender general - assigned counsel

Personal services	5,631,235
Operating expenses	49,819
Total	5,681,054
Source of funds	
General fund	5,681,054
Total	5,681,054

Sec. B.204 Judiciary

Personal services	38,277,720
Operating expenses	9,358,344
Grants	76,030
Total	47,712,094
Source of funds	
General fund	42,162,907
Special funds	2,667,460
Federal funds	556,455
Interdepartmental transfers	2,325,272
Total	47,712,094

Sec. B.205 State's attorneys

Personal services	12,440,142
Operating expenses	2,158,949
Total	14,599,091

Source of funds	
General fund	11,733,829
Special funds	123,480
Federal funds	31,000
Interdepartmental transfers	2,710,782
Total	14,599,091

Sec. B.206 Special investigative unit

Personal services	85,000
Operating expenses	1,100
Grants	1,913,000
Total	1,999,100
Source of funds	
General fund	1,999,100
Total	1,999,100

Sec. B.207 Sheriffs

Personal services	4,061,398
Operating expenses	433,009
Total	4,494,407
Source of funds	
General fund	4,494,407
Total	4,494,407

Sec. B.208 Public safety - administration

Personal services	2,624,989
Operating expenses	2,661,095
Total	5,286,084
Source of funds	
General fund	2,896,171
Federal funds	279,160
Interdepartmental transfers	2,110,753
Total	5,286,084

Sec. B.209 Public safety - state police

Personal services	52,941,680
Operating expenses	9,656,601
Grants	759,635
Total	63,357,916
Source of funds	
General fund	35,799,847
Transportation fund	20,250,000
Special funds	3,190,202

Federal funds	2,334,001
Interdepartmental transfers	1,783,866
Total	63,357,916

Sec. B.210 Public safety - criminal justice services

Personal services	9,015,234
Operating expenses	2,346,270
Grants	191,650
Total	11,553,154
Source of funds	
General fund	7,006,967
Special funds	2,134,552
Federal funds	1,516,096
Interdepartmental transfers	895,539
Total	11,553,154

Sec. B.211 Public safety - emergency management and homeland security

Personal services	3,398,216
Operating expenses	1,401,401
Grants	10,100,000
Total	14,899,617
Source of funds	
General fund	516,797
Special funds	300,000
Federal funds	13,798,597
Interdepartmental transfers	284,223
Total	14,899,617

Sec. B.212 Public safety - fire safety

Personal services	6,442,511
Operating expenses	3,083,185
Grants	107,000
Total	9,632,696
Source of funds	
General fund	426,712
Special funds	8,309,126
Federal funds	851,858
Interdepartmental transfers	45,000
Total	9,632,696

Sec. B.215 Military - administration

Personal services	712,974
Operating expenses	359,195

Grants	100,000
Total	1,172,169
Source of funds	
General fund	1,172,169
Total	1,172,169

Sec. B.216 Military - air service contract

Personal services	5,527,805
Operating expenses	1,073,275
Total	6,601,080
Source of funds	
General fund	583,733
Federal funds	6,017,347
Total	6,601,080

Sec. B.217 Military - army service contract

Personal services	7,325,373
Operating expenses	6,008,750
Total	13,334,123
Source of funds	
Federal funds	13,334,123
Total	13,334,123

Sec. B.218 Military - building maintenance

Personal services	884,161
Operating expenses	696,659
Total	1,580,820
Source of funds	
General fund	1,520,820
Special funds	60,000
Total	1,580,820

Sec. B.219 Military - veterans' affairs

Personal services	762,092
Operating expenses	163,245
Grants	94,380
Total	1,019,717
Source of funds	
General fund	794,678
Special funds	125,310
Federal funds	99,729
Total	1,019,717

Sec. B.220 Center for crime victim services

Personal services	1,788,731
Operating expenses	312,067
Grants	11,663,697
Total	13,764,495
Source of funds	
General fund	1,264,140
Special funds	5,132,559
Federal funds	7,367,796
Total	13,764,495

Sec. B.221 Criminal justice training council

Personal services	1,061,527
Operating expenses	1,277,414
Total	2,338,941
Source of funds	
General fund	2,298,555
Interdepartmental transfers	40,386
Total	2,338,941

Sec. B.222 Agriculture, food and markets - administration

Personal services	1,654,766
Operating expenses	288,742
Grants	272,972
Total	2,216,480
Source of funds	
General fund	1,098,695
Special funds	630,066
Federal funds	487,719
Total	2,216,480

Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	3,939,183
Operating expenses	726,671
Grants	2,750,000
Total	7,415,854
Source of funds	
General fund	2,661,332
Special funds	3,672,807
Federal funds	1,074,715
Interdepartmental transfers	7,000
Total	7,415,854

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	1,640,008
Operating expenses	1,016,357
Grants	1,170,875
Total	3,827,240
Source of funds	
General fund	1,928,127
Special funds	625,830
Federal funds	1,233,783
Interdepartmental transfers	39,500
Total	3,827,240

Sec. B.225 Agriculture, food and markets - agricultural resource management and environmental stewardship

Personal services	3,344,918
Operating expenses	563,044
Grants	587,000
Total	4,494,962
Source of funds	
General fund	1,852,119
Special funds	1,958,384
Federal funds	477,028
Interdepartmental transfers	207,431
Total	4,494,962

Sec. B.225.1 Agriculture, food and markets - Vermont Agriculture and Environmental Lab

Personal services	1,356,637
Operating expenses	757,396
Total	2,114,033
Source of funds	
General fund	848,119
Special funds	1,207,787
Interdepartmental transfers	58,127
Total	2,114,033

Sec. B.225.2 Agriculture, Food and Markets - Clean Water

Personal services	1,070,182
Operating expenses	266,190
Grants	850,000
Total	2,186,372

Source of funds	
Special funds	2,186,372
Total	2,186,372

Sec. B.226 Financial regulation - administration

Personal services	1,998,578
Operating expenses	198,577
Total	2,197,155
Source of funds	
Special funds	2,197,155
Total	2,197,155

Sec. B.227 Financial regulation - banking

Personal services	1,668,222
Operating expenses	394,337
Total	2,062,559
Source of funds	
Special funds	2,062,559
Total	2,062,559

Sec. B.228 Financial regulation - insurance

Personal services	4,436,994
Operating expenses	555,765
Total	4,992,759
Source of funds	
Special funds	4,921,496
Interdepartmental transfers	71,263
Total	4,992,759

Sec. B.229 Financial regulation - captive insurance

Personal services	4,476,171
Operating expenses	566,984
Total	5,043,155
Source of funds	
Special funds	5,043,155
Total	5,043,155

Sec. B.230 Financial regulation - securities

Personal services	863,956
Operating expenses	185,402
Total	1,049,358
Source of funds	
Special funds	1,049,358
Total	1,049,358

Sec. B.232 Secretary of state

Personal services	9,750,435
Operating expenses	2,538,565
Total	12,289,000
Source of funds	
Special funds	11,007,000
Federal funds	1,207,000
Interdepartmental transfers	75,000
Total	12,289,000

Sec. B.233 Public service - regulation and energy

Personal services	10,273,714
Operating expenses	2,111,355
Grants	3,883,867
Total	16,268,936
Source of funds	
Special funds	13,856,417
Federal funds	1,234,279
ARRA funds	1,120,000
Interdepartmental transfers	41,667
Enterprise funds	16,573
Total	16,268,936

Sec. B.234 Public service board

Personal services	3,166,727
Operating expenses	481,111
Total	3,647,838
Source of funds	
Special funds	3,647,838
Total	3,647,838

Sec. B.235 Enhanced 9-1-1 Board

Personal services	3,759,427
Operating expenses	362,937
Grants	720,000
Total	4,842,364
Source of funds	
Special funds	4,842,364
Total	4,842,364

Sec. B.236 Human rights commission

Personal services	481,533
Operating expenses	79,095
Total	560,628
Source of funds	
General fund	490,527
Federal funds	70,101
Total	560,628

Sec. B.237 Liquor control - administration

Personal services	3,864,134
Operating expenses	600,485
Total	4,464,619
Source of funds	
Enterprise funds	4,464,619
Total	4,464,619

Sec. B.238 Liquor control - enforcement and licensing

Personal services	2,660,717
Operating expenses	560,506
Total	3,221,223
Source of funds	
Special funds	20,000
Tobacco fund	213,843
Federal funds	312,503
Enterprise funds	2,674,877
Total	3,221,223

Sec. B.239 Liquor control - warehousing and distribution

Personal services	990,624
Operating expenses	422,578
Total	1,413,202
Source of funds	
Enterprise funds	1,413,202
Total	1,413,202

Sec. B.240 Total protection to persons and property

Source of funds	
General fund	147,547,660
Transportation fund	20,250,000
Special funds	83,999,327
Tobacco fund	561,843

Federal funds	53,396,381
ARRA funds	1,120,000
Interdepartmental transfers	13,253,305
Enterprise funds	8,569,271
Total	328,697,787

Sec. B.300 Human services - agency of human services - secretary's office

Personal services	19,186,112
Operating expenses	5,427,146
Grants	7,444,843
Total	32,058,101
Source of funds	
General fund	10,014,889
Special funds	91,017
Tobacco fund	25,000
Federal funds	19,149,640
Global Commitment fund	453,000
Interdepartmental transfers	2,324,555
Total	32,058,101

Sec. B.301 Secretary's office - global commitment

Operating expenses	846,057
Grants	1,582,497,210
Total	1,583,343,267
Source of funds	
General fund	265,834,181
Special funds	29,496,422
Tobacco fund	21,269,352
State health care resources fund	293,176,780
Federal funds	955,526,532
Interdepartmental transfers	18,040,000
Total	1,583,343,267

Sec. B.302 Rate setting

Personal services	864,718
Operating expenses	97,142
Total	961,860
Source of funds	
General fund	480,930
Federal funds	480,930
Total	961,860

Sec. B.303 Developmental disabilities council

Personal services	290,325
Operating expenses	67,012
Grants	248,388
Total	605,725
Source of funds	
Federal funds	605,725
Total	605,725

Sec. B.304 Human services board

Personal services	682,525
Operating expenses	88,308
Total	770,833
Source of funds	
General fund	409,989
Federal funds	314,044
Interdepartmental transfers	46,800
Total	770,833

Sec. B.305 AHS - administrative fund

Personal services	350,000
Operating expenses	10,150,000
Total	10,500,000
Source of funds	
Interdepartmental transfers	10,500,000
Total	10,500,000

Sec. B.306 Department of Vermont health access - administration

Personal services	177,240,484
Operating expenses	5,542,033
Grants	7,264,742
Total	190,047,259
Source of funds	
General fund	31,518,780
Special funds	3,577,938
Federal funds	139,552,196
Global Commitment fund	7,915,736
Interdepartmental transfers	7,482,609
Total	190,047,259

Sec. B.307 Department of Vermont health access - Medicaid program - global commitment

Grants	752,459,668
Total	752,459,668
Source of funds	
Global Commitment fund	752,459,668
Total	752,459,668

Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver

Grants	196,483,201
Total	196,483,201
Source of funds	
General fund	753,720
Federal funds	896,280
Global Commitment fund	194,833,201
Total	196,483,201

Sec. B.309 Department of Vermont health access - Medicaid program - state only

Grants	50,175,082
Total	50,175,082
Source of funds	
General fund	40,507,054
Global Commitment fund	9,668,028
Total	50,175,082

Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched

Grants	37,213,898
Total	37,213,898
Source of funds	
General fund	13,685,694
Federal funds	23,528,204
Total	37,213,898

Sec. B.311 Health - administration and support

Personal services	7,692,836
Operating expenses	2,999,965
Grants	3,725,000
Total	14,417,801

Source of funds	
General fund	2,646,995
Special funds	1,640,781
Federal funds	6,606,306
Global Commitment fund	3,478,719
Interdepartmental transfers	45,000
Total	14,417,801

Sec. B.312 Health - public health

Personal services	41,822,394
Operating expenses	7,579,809
Grants	36,081,485
Total	85,483,688
Source of funds	
General fund	8,567,428
Special funds	17,443,570
Tobacco fund	1,063,918
Federal funds	44,857,697
Global Commitment fund	12,551,629
Interdepartmental transfers	974,446
Permanent trust funds	25,000
Total	85,483,688

Sec. B.313 Health - alcohol and drug abuse programs

Personal services	3,763,900
Operating expenses	208,810
Grants	49,363,212
Total	53,335,922
Source of funds	
General fund	2,908,535
Special funds	1,084,761
Tobacco fund	949,917
Federal funds	13,197,694
Global Commitment fund	35,195,015
Total	53,335,922

Sec. B.314 Mental health - mental health

Personal services	29,838,587
Operating expenses	3,666,056
Grants	198,309,782
Total	231,814,425

Source of funds	
General fund	4,864,021
Special funds	434,904
Federal funds	6,691,092
Global Commitment fund	219,804,408
Interdepartmental transfers	20,000
Total	231,814,425

Sec. B.316 Department for children and families - administration & support services

Personal services	41,307,378
Operating expenses	10,464,802
Grants	3,678,688
Total	55,450,868
Source of funds	
General fund	30,639,729
Special funds	655,548
Federal funds	23,274,906
Global Commitment fund	664,660
Interdepartmental transfers	216,025
Total	55,450,868

Sec. B.317 Department for children and families - family services

Personal services	31,887,814
Operating expenses	4,723,500
Grants	75,838,377
Total	112,449,691
Source of funds	
General fund	33,280,421
Special funds	1,691,637
Federal funds	26,151,771
Global Commitment fund	51,191,608
Interdepartmental transfers	134,254
Total	112,449,691

Sec. B.318 Department for children and families - child development

Personal services	6,405,300
Operating expenses	802,146
Grants	76,955,662
Total	84,163,108
Source of funds	
General fund	34,716,782

Special funds	1,820,000
Federal funds	36,142,431
Global Commitment fund	11,483,895
Total	84,163,108

Sec. B.319 Department for children and families - office of child support

Personal services	10,242,836
Operating expenses	3,632,098
Total	13,874,934
Source of funds	
General fund	3,478,675
Special funds	455,719
Federal funds	9,552,940
Interdepartmental transfers	387,600
Total	13,874,934

Sec. B.320 Department for children and families - aid to aged, blind and disabled

Personal services	2,182,805
Grants	11,367,424
Total	13,550,229
Source of funds	
General fund	9,649,899
Global Commitment fund	3,900,330
Total	13,550,229

Sec. B.321 Department for children and families - general assistance

Grants	6,927,360
Total	6,927,360
Source of funds	
General fund	5,530,025
Federal funds	1,111,320
Global Commitment fund	286,015
Total	6,927,360

Sec. B.322 Department for children and families - 3SquaresVT

Grants	29,827,906
Total	29,827,906
Source of funds	
Federal funds	29,827,906
Total	29,827,906

Sec. B.323 Department for children and families - reach up

Operating expenses	95,202
Grants	33,735,219
Total	33,830,421
Source of funds	
General fund	6,717,098
Special funds	21,806,288
Federal funds	2,674,594
Global Commitment fund	2,632,441
Total	33,830,421

Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP

Grants	17,351,664
Total	17,351,664
Source of funds	
Federal funds	17,351,664
Total	17,351,664

Sec. B.325 Department for children and families - office of economic opportunity

Personal services	452,430
Operating expenses	33,444
Grants	9,673,747
Total	10,159,621
Source of funds	
General fund	4,483,212
Special funds	57,990
Federal funds	4,350,903
Global Commitment fund	1,267,516
Total	10,159,621

Sec. B.326 Department for children and families - OEO - weatherization assistance

Personal services	333,097
Operating expenses	56,878
Grants	10,529,067
Total	10,919,042
Source of funds	
Special funds	9,690,895
Federal funds	1,228,147
Total	10,919,042

Sec. B.327 Department for children and families - Woodside rehabilitation center

Personal services	5,515,892
Operating expenses	697,584
Total	6,213,476
Source of funds	
General fund	1,142,720
Global Commitment fund	4,973,756
Interdepartmental transfers	97,000
Total	6,213,476

Sec. B.328 Department for children and families - disability determination services

Personal services	6,023,192
Operating expenses	507,294
Total	6,530,486
Source of funds	
General fund	82,500
Federal funds	6,338,219
Global Commitment fund	109,767
Total	6,530,486

Sec. B.329 Disabilities, aging, and independent living - administration & support

Personal services	31,147,704
Operating expenses	5,194,746
Total	36,342,450
Source of funds	
General fund	15,894,860
Special funds	1,390,457
Federal funds	17,990,849
Interdepartmental transfers	1,066,284
Total	36,342,450

Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants

Grants	21,162,885
Total	21,162,885
Source of funds	
General fund	8,403,232
Federal funds	7,148,466

Global Commitment fund	5,611,187
Total	21,162,885

Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired

Grants	1,451,457
Total	1,451,457
Source of funds	
General fund	389,154
Special funds	223,450
Federal funds	593,853
Global Commitment fund	245,000
Total	1,451,457

Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation

Grants	8,972,255
Total	8,972,255
Source of funds	
General fund	1,371,845
Special funds	70,000
Federal funds	4,552,523
Global Commitment fund	7,500
Interdepartmental transfers	2,970,387
Total	8,972,255

Sec. B.333 Disabilities, aging, and independent living - developmental services

Grants	208,837,426
Total	208,837,426
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857
Global Commitment fund	208,306,981
Total	208,837,426

Sec. B.334 Disabilities, aging, and independent living - TBI home and community based waiver

Grants	5,647,336
Total	5,647,336
Source of funds	
Global Commitment fund	5,647,336
Total	5,647,336

Sec. B.335 Corrections - administration

Personal services	2,761,226
Operating expenses	238,644
Total	2,999,870
Source of funds	
General fund	2,999,870
Total	2,999,870

Sec. B.336 Corrections - parole board

Personal services	259,000
Operating expenses	81,081
Total	340,081
Source of funds	
General fund	340,081
Total	340,081

Sec. B.337 Corrections - correctional education

Personal services	2,827,819
Operating expenses	510,128
Total	3,337,947
Source of funds	
Education fund	3,189,163
Interdepartmental transfers	148,784
Total	3,337,947

Sec. B.338 Corrections - correctional services

Personal services	108,272,207
Operating expenses	22,048,934
Grants	9,426,638
Total	139,747,779
Source of funds	
General fund	132,862,670
Special funds	629,963
Federal funds	470,962
Global Commitment fund	5,387,869
Interdepartmental transfers	396,315
Total	139,747,779

Sec. B.339 Corrections - Correctional services-out of state beds

Personal services	7,410,632
Total	7,410,632

Source of funds	
General fund	7,410,632
Total	7,410,632

Sec. B.340 Corrections - correctional facilities - recreation

Personal services	447,785
Operating expenses	455,845
Total	903,630
Source of funds	
Special funds	903,630
Total	903,630

Sec. B.341 Corrections - Vermont offender work program

Personal services	1,375,777
Operating expenses	565,784
Total	1,941,561
Source of funds	
Internal service funds	1,941,561
Total	1,941,561

Sec. B.342 Vermont veterans' home - care and support services

Personal services	18,740,073
Operating expenses	4,687,334
Total	23,427,407
Source of funds	
General fund	6,365,116
Special funds	8,474,443
Federal funds	8,176,862
Global Commitment fund	410,986
Total	23,427,407

Sec. B.343 Commission on women

Personal services	300,078
Operating expenses	70,983
Total	371,061
Source of funds	
General fund	371,061
Total	371,061

Sec. B.344 Retired senior volunteer program

Grants	151,096
Total	151,096

Source of funds	
General fund	151,096
Total	151,096

Sec. B.345 Green Mountain Care Board

Personal services	7,312,099
Operating expenses	1,407,428
Total	8,719,527
Source of funds	
General fund	2,119,482
Special funds	3,587,883
Federal funds	226,574
Global Commitment fund	2,567,518
Interdepartmental transfers	218,070
Total	8,719,527

Sec. B.346 Total human services

Source of funds	
General fund	690,747,501
Special funds	105,242,759
Tobacco fund	23,308,187
State health care resources fund	293,176,780
Education fund	3,189,163
Federal funds	1,408,931,087
Global Commitment fund	1,541,053,769
Internal service funds	1,941,561
Interdepartmental transfers	45,068,129
Permanent trust funds	25,000
Total	4,112,683,936

Sec. B.400 Labor - programs

Personal services	30,803,543
Operating expenses	8,195,159
Grants	1,500,000
Total	40,498,702
Source of funds	
General fund	3,282,129
Special funds	3,616,477
Federal funds	31,891,593
Interdepartmental transfers	1,708,503
Total	40,498,702

Sec. B.401 Total labor

Source of funds	
General fund	3,282,129
Special funds	3,616,477
Federal funds	31,891,593
Interdepartmental transfers	1,708,503
Total	40,498,702

Sec. B.500 Education - finance and administration

Personal services	8,878,194
Operating expenses	2,475,753
Grants	17,087,879
Total	28,441,826
Source of funds	
General fund	3,475,789
Special funds	18,430,173
Education fund	1,015,606
Federal funds	2,714,811
Global Commitment fund	260,000
Interdepartmental transfers	2,545,447
Total	28,441,826

Sec. B.501 Education - education services

Personal services	18,581,101
Operating expenses	1,604,659
Grants	125,444,492
Total	145,630,252
Source of funds	
General fund	5,530,968
Special funds	3,808,374
Tobacco fund	750,388
Federal funds	133,477,859
Interdepartmental transfers	2,062,663
Total	145,630,252

Sec. B.502 Education - special education: formula grants

Grants	180,749,796
Total	180,749,796
Source of funds	
Education fund	180,749,796
Total	180,749,796

Sec. B.503 Education - state-placed students

Grants	16,700,000
Total	16,700,000
Source of funds	
Education fund	16,700,000
Total	16,700,000

Sec. B.504 Education - adult education and literacy

Grants	4,254,045
Total	4,254,045
Source of funds	
General fund	787,995
Education fund	2,700,000
Federal funds	766,050
Total	4,254,045

Sec. B.504.1 Education - Flexible Pathways

Grants	7,200,000
Total	7,200,000
Source of funds	
Education fund	7,200,000
Total	7,200,000

Sec. B.505 Education - adjusted education payment

Grants	1,352,200,000
Total	1,352,200,000
Source of funds	
Education fund	1,352,200,000
Total	1,352,200,000

Sec. B.506 Education - transportation

Grants	18,745,381
Total	18,745,381
Source of funds	
Education fund	18,745,381
Total	18,745,381

Sec. B.507 Education - small school grants

Grants	7,600,000
Total	7,600,000
Source of funds	

Education fund	7,600,000
Total	7,600,000

Sec. B.508 Education - capital debt service aid

Grants	25,000
Total	25,000
Source of funds	
Education fund	25,000
Total	25,000

Sec. B.510 Education - essential early education grant

Grants	6,442,927
Total	6,442,927
Source of funds	
Education fund	6,442,927
Total	6,442,927

Sec. B.511 Education - technical education

Grants	13,613,512
Total	13,613,512
Source of funds	
Education fund	13,613,512
Total	13,613,512

Sec. B.513 Appropriation and transfer to education fund

Grants	314,695,753
Total	314,695,753
Source of funds	
General fund	314,695,753
Total	314,695,753

Sec. B.514 State teachers' retirement system

Grants	83,809,437
Total	83,809,437
Source of funds	
General fund	75,912,816
Education fund	7,896,621
Total	83,809,437

Sec. B.514.1 State teachers' retirement system

Personal services	6,192,879
Operating expenses	1,494,552
Total	7,687,431

Source of funds	
Pension trust funds	7,687,431
Total	7,687,431

Sec. B.515 Retired teachers' health care and medical benefits

Grants	27,560,966
Total	27,560,966
Source of funds	
General fund	27,560,966
Education fund	0
Total	27,560,966

Sec. B.516 Total general education

Source of funds	
General fund	427,964,287
Special funds	22,238,547
Tobacco fund	750,388
Education fund	1,614,888,843
Federal funds	136,958,720
Global Commitment fund	260,000
Interdepartmental transfers	4,608,110
Pension trust funds	7,687,431
Total	2,215,356,326

Sec. B.600 University of Vermont

Grants	42,509,093
Total	42,509,093
Source of funds	
General fund	38,462,876
Education fund	0
Global Commitment fund	4,046,217
Total	42,509,093

Sec. B.601 Vermont Public Television

Grants	1
Total	1
Source of funds	
General fund	1
Total	1

Sec. B.602 Vermont state colleges

Grants	27,300,464
Total	27,300,464

Source of funds	
General fund	27,300,464
Education fund	0
Total	27,300,464

Sec. B.602.1 Vermont state colleges - Supplemental Aid

Grants	700,000
Total	700,000
Source of funds	
General fund	700,000
Education fund	0
Total	700,000

Sec. B.603 Vermont state colleges - allied health

Grants	1,157,775
Total	1,157,775
Source of funds	
General fund	748,314
Education fund	0
Global Commitment fund	409,461
Total	1,157,775

Sec. B.605 Vermont student assistance corporation

Grants	19,414,588
Total	19,414,588
Source of funds	
General fund	19,414,588
Education fund	0
Total	19,414,588

Sec. B.606 New England higher education compact

Grants	84,000
Total	84,000
Source of funds	
General fund	84,000
Education fund	0
Total	84,000

Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	1
Total	1
Source of funds	

General fund	1
Total	1

Sec. B.608 Total higher education

Source of funds	
General fund	86,710,244
Education fund	0
Global Commitment fund	4,455,678
Total	91,165,922

Sec. B.700 Natural resources - agency of natural resources - administration

Personal services	3,930,773
Operating expenses	1,090,586
Grants	34,960
Total	5,056,319
Source of funds	
General fund	4,231,479
Special funds	554,112
Federal funds	15,000
Interdepartmental transfers	255,728
Total	5,056,319

Sec. B.701 Natural resources - state land local property tax assessment

Operating expenses	2,493,229
Total	2,493,229
Source of funds	
General fund	2,071,729
Interdepartmental transfers	421,500
Total	2,493,229

Sec. B.702 Fish and wildlife - support and field services

Personal services	16,627,558
Operating expenses	5,223,271
Grants	860,000
Total	22,710,829
Source of funds	
General fund	5,120,337
Special funds	266,350
Fish and wildlife fund	9,329,826
Federal funds	7,865,515
Interdepartmental transfers	127,801
Permanent trust funds	1,000
Total	22,710,829

Sec. B.703 Forests, parks and recreation - administration

Personal services	1,353,932
Operating expenses	785,612
Grants	2,061,750
Total	4,201,294
Source of funds	
General fund	1,480,709
Special funds	1,447,050
Federal funds	1,263,535
Interdepartmental transfers	10,000
Total	4,201,294

Sec. B.704 Forests, parks and recreation - forestry

Personal services	5,345,642
Operating expenses	772,756
Grants	500,000
Total	6,618,398
Source of funds	
General fund	4,638,604
Special funds	347,174
Federal funds	1,362,000
Interdepartmental transfers	195,999
Permanent trust funds	74,621
Total	6,618,398

Sec. B.705 Forests, parks and recreation - state parks

Personal services	7,999,465
Operating expenses	2,603,498
Total	10,602,963
Source of funds	
General fund	555,654
Special funds	10,047,309
Total	10,602,963

Sec. B.706 Forests, parks and recreation - lands administration

Personal services	536,620
Operating expenses	1,201,508
Total	1,738,128
Source of funds	
General fund	501,609
Special funds	144,769
Federal funds	1,073,000

Interdepartmental transfers	18,750
Total	1,738,128

Sec. B.707 Forests, parks and recreation - youth conservation corps

Grants	326,689
Total	326,689
Source of funds	
General fund	48,307
Special funds	188,382
Interdepartmental transfers	90,000
Total	326,689

Sec. B.708 Forests, parks and recreation - forest highway maintenance

Personal services	94,000
Operating expenses	85,925
Total	179,925
Source of funds	
General fund	179,925
Total	179,925

Sec. B.709 Environmental conservation - management and support services

Personal services	5,671,296
Operating expenses	1,510,008
Grants	187,442
Total	7,368,746
Source of funds	
General fund	931,187
Special funds	351,935
Federal funds	702,230
Interdepartmental transfers	5,383,394
Total	7,368,746

Sec. B.710 Environmental conservation - air and waste management

Personal services	12,163,522
Operating expenses	8,258,175
Grants	2,061,047
Total	22,482,744
Source of funds	
General fund	95,050
Special funds	18,252,862
Federal funds	3,944,591
Interdepartmental transfers	190,241
Total	22,482,744

Sec. B.711 Environmental conservation - office of water programs

Personal services	18,132,902
Operating expenses	5,531,907
Grants	24,284,028
Total	47,948,837
Source of funds	
General fund	7,564,123
Special funds	10,876,060
Federal funds	28,447,666
Interdepartmental transfers	1,060,988
Total	47,948,837

Sec. B.713 Natural resources board

Personal services	2,556,391
Operating expenses	410,259
Grants	100,000
Total	3,066,650
Source of funds	
General fund	607,606
Special funds	2,459,044
Total	3,066,650

Sec. B.714 Total natural resources

Source of funds	
General fund	28,026,319
Special funds	44,935,047
Fish and wildlife fund	9,329,826
Federal funds	44,673,537
Interdepartmental transfers	7,754,401
Permanent trust funds	75,621
Total	134,794,751

Sec. B.800 Commerce and community development - agency of commerce and community development - administration

Personal services	3,175,456
Operating expenses	1,206,988
Grants	3,537,627
Total	7,920,071
Source of funds	
General fund	3,707,045
Special funds	4,059,800

Interdepartmental transfers	153,226
Total	7,920,071

Sec. B.801 Economic development

Personal services	2,295,552
Operating expenses	820,188
Grants	3,679,403
Total	6,795,143
Source of funds	
General fund	4,602,224
Special funds	610,350
Federal funds	1,582,569
Total	6,795,143

Sec. B.802 Housing & community development

Personal services	3,643,631
Operating expenses	786,231
Grants	4,258,021
Total	8,687,883
Source of funds	
General fund	2,627,105
Special funds	4,490,916
Federal funds	1,468,739
Interdepartmental transfers	101,123
Total	8,687,883

Sec. B.804 Community development block grants

Grants	6,326,320
Total	6,326,320
Source of funds	
Federal funds	6,326,320
Total	6,326,320

Sec. B.805 Downtown transportation and capital improvement fund

Personal services	98,581
Grants	335,151
Total	433,732
Source of funds	
Special funds	433,732
Total	433,732

Sec. B.806 Tourism and marketing

Personal services	1,191,303
Operating expenses	1,792,070
Grants	121,880
Total	3,105,253
Source of funds	
General fund	3,075,253
Interdepartmental transfers	30,000
Total	3,105,253

Sec. B.807 Vermont life

Personal services	715,174
Operating expenses	47,849
Total	763,023
Source of funds	
Enterprise funds	763,023
Total	763,023

Sec. B.808 Vermont council on the arts

Grants	675,307
Total	675,307
Source of funds	
General fund	675,307
Total	675,307

Sec. B.809 Vermont symphony orchestra

Grants	141,214
Total	141,214
Source of funds	
General fund	141,214
Total	141,214

Sec. B.810 Vermont historical society

Grants	996,945
Total	996,945
Source of funds	
General fund	996,945
Total	996,945

Sec. B.811 Vermont housing and conservation board

Grants	30,839,032
Total	30,839,032

Source of funds	
Special funds	12,150,447
Federal funds	18,688,585
Total	30,839,032

Sec. B.812 Vermont humanities council

Grants	217,959
Total	217,959
Source of funds	
General fund	217,959
Total	217,959

Sec. B.813 Total commerce and community development

Source of funds	
General fund	16,043,052
Special funds	21,745,245
Federal funds	28,066,213
Interdepartmental transfers	284,349
Enterprise funds	763,023
Total	66,901,882

Sec. B.900 Transportation - finance and administration

Personal services	11,835,039
Operating expenses	2,732,631
Grants	55,000
Total	14,622,670
Source of funds	
Transportation fund	13,520,910
Federal funds	1,101,760
Total	14,622,670

Sec. B.901 Transportation - aviation

Personal services	3,502,776
Operating expenses	14,029,319
Grants	204,000
Total	17,736,095
Source of funds	
Transportation fund	4,929,552
Federal funds	12,806,543
Total	17,736,095

Sec. B.902 Transportation - buildings

Operating expenses	1,900,000
Total	1,900,000
Source of funds	
Transportation fund	1,900,000
Total	1,900,000

Sec. B.903 Transportation - program development

Personal services	53,313,749
Operating expenses	193,926,320
Grants	40,242,156
Total	287,482,225
Source of funds	
Transportation fund	39,895,056
TIB fund	8,198,136
Federal funds	238,291,275
Interdepartmental transfers	239,345
Local match	858,413
Total	287,482,225

Sec. B.904 Transportation - rest areas construction

Personal services	42,274
Operating expenses	620,726
Total	663,000
Source of funds	
Transportation fund	79,774
Federal funds	583,226
Total	663,000

Sec. B.905 Transportation - maintenance state system

Personal services	43,638,652
Operating expenses	45,265,393
Grants	421,780
Total	89,325,825
Source of funds	
Transportation fund	87,376,083
Federal funds	1,849,742
Interdepartmental transfers	100,000
Total	89,325,825

Sec. B.906 Transportation - policy and planning

Personal services	3,804,950
Operating expenses	707,135
Grants	6,084,347
Total	10,596,432
Source of funds	
Transportation fund	2,706,491
Federal funds	7,755,912
Interdepartmental transfers	134,029
Total	10,596,432

Sec. B.907 Transportation - rail

Personal services	6,410,380
Operating expenses	30,670,870
Total	37,081,250
Source of funds	
Transportation fund	18,935,869
TIB fund	2,840,249
Federal funds	15,269,507
Interdepartmental transfers	35,625
Total	37,081,250

Sec. B.908 Transportation - public transit

Personal services	1,137,749
Operating expenses	120,263
Grants	30,874,145
Total	32,132,157
Source of funds	
Transportation fund	7,955,199
Federal funds	24,176,958
Total	32,132,157

Sec. B.909 Transportation - central garage

Personal services	4,459,194
Operating expenses	15,595,717
Total	20,054,911
Source of funds	
Internal service funds	20,054,911
Total	20,054,911

Sec. B.910 Department of motor vehicles

Personal services	18,395,579
Operating expenses	10,906,337
Total	29,301,916
Source of funds	
Transportation fund	27,773,478
Federal funds	1,423,438
Interdepartmental transfers	105,000
Total	29,301,916

Sec. B.911 Transportation - town highway structures

Grants	6,333,500
Total	6,333,500
Source of funds	
Transportation fund	6,333,500
Total	6,333,500

Sec. B.912 Transportation - town highway local technical assistance program

Operating expenses	71,627
Grants	329,066
Total	400,693
Source of funds	
Transportation fund	100,693
Federal funds	300,000
Total	400,693

Sec. B.913 Transportation - town highway class 2 roadway

Grants	7,848,750
Total	7,848,750
Source of funds	
Transportation fund	7,848,750
Total	7,848,750

Sec. B.914 Transportation - town highway bridges

Personal services	3,349,613
Operating expenses	13,074,396
Grants	100,000
Total	16,524,009
Source of funds	
Transportation fund	1,111,449
TIB fund	1,156,927
Federal funds	13,488,269

Local match	767,364
Total	16,524,009

Sec. B.915 Transportation - town highway aid program

Grants	25,982,744
Total	25,982,744
Source of funds	
Transportation fund	25,982,744
Total	25,982,744

Sec. B.916 Transportation - town highway class 1 supplemental grants

Grants	128,750
Total	128,750
Source of funds	
Transportation fund	128,750
Total	128,750

Sec. B.917 Transportation - town highway: state aid for nonfederal disasters

Grants	1,150,000
Total	1,150,000
Source of funds	
Transportation fund	1,150,000
Total	1,150,000

Sec. B.918 Transportation - town highway: state aid for federal disasters

Grants	180,000
Total	180,000
Source of funds	
Transportation fund	20,000
Federal funds	160,000
Total	180,000

Sec. B.919 Transportation - municipal mitigation assistance program

Operating expenses	150,000
Grants	7,632,342
Total	7,782,342
Source of funds	
Transportation fund	1,240,000
Special funds	1,100,000
Federal funds	5,442,342
Total	7,782,342

Sec. B.920 Transportation - public assistance grant program

Operating expenses	640,000
Grants	5,000,000
Total	5,640,000
Source of funds	
Transportation fund	160,000
Special funds	2,000,000
Federal funds	3,000,000
Interdepartmental transfers	480,000
Total	5,640,000

Sec. B.921 Transportation board

Personal services	205,657
Operating expenses	28,093
Total	233,750
Source of funds	
Transportation fund	233,750
Total	233,750

Sec. B.922 Total transportation

Source of funds	
Transportation fund	249,382,048
TIB fund	12,195,312
Special funds	3,100,000
Federal funds	325,648,972
Internal service funds	20,054,911
Interdepartmental transfers	1,093,999
Local match	1,625,777
Total	613,101,019

Sec. B.1000 Debt service

Operating expenses	79,333,039
Total	79,333,039
Source of funds	
General fund	73,989,703
Transportation fund	1,709,452
ARRA funds	1,130,146
TIB debt service fund	2,503,738
Total	79,333,039

Sec. B.1001 Total debt service

Source of funds	
General fund	73,989,703
Transportation fund	1,709,452
ARRA funds	1,130,146
TIB debt service fund	2,503,738
Total	79,333,039

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2018, $2,909,900 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of $1,605,400 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of $1,045,400 is transferred to the Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, $350,000 shall be allocated for competitive grants for internships through the Vermont Strong Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Career Technical Education Programs. The amount of $360,000 is appropriated to the Department of Labor in consultation with the State Workforce Development Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to provide adult career technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of $200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of $30,000 as follows:

(A) Large animal veterinarians' loan forgiveness. The amount of $30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan repayment program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of $1,274,500 as follows:

(A) Nondegree VSAC grants. The amount of $494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed $3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of $150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs and need-based stipend. The amount of $600,000 is appropriated to the Agency of Education for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and $30,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need-based stipends pursuant to Sec. E.605.1 of this act.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2019 NEXT GENERATION FUND DISTRIBUTION

(a) The Department of Labor, in coordination with the Agencies of Commerce and Community Development, of Human Services, and of Education, and in consultation with the State Workforce Development Board, shall recommend to the Governor on or before December 1, 2017 how $2,909,900 from the Next Generation Initiative Fund should be allocated or appropriated in fiscal year 2019 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

Sec. B.1101 FISCAL YEAR 2018 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) Department for Children and Families: The sum of $600,000 in general funds is appropriated to the Department for Children and Families to be used to facilitate the development of two seasonal warming shelters, one in the Rutland district office service area and one in the Barre district office service

area to be in place for the 2017-2018 heating season. The Department for Children and Families and the local continuums of care in the Rutland and Barre districts shall report on or before September 15 and November 15, 2017 to the Legislative Joint Fiscal Committee on the progress of the siting and development of seasonal warming shelters in these two areas of the State. The Secretary of Human Services and the Commissioner for Children and Families shall work with hospitals and community organizations to access additional funding, matching funds, and in-kind contributions, and to facilitate siting to expand shelter availability throughout other regions of the State. A report on projected shelter availability for the 2017-2018 heating season shall be submitted to the Legislative Joint Fiscal Committee on or before November 15, 2017.

(b) Agency of Agriculture, Food and Markets: The sum of $25,000 in general funds is appropriated to the Agency of Agriculture, Food and Markets to support the Farms 2+2 Program.

(c) Agency of Agriculture, Food and Markets: The sum of $75,000 in general funds is appropriated to the Agency of Agriculture, Food and Markets for a grant to the Vermont Housing and Conservation Board for federal rural development grant writing assistance.

Sec. B.1102 FISCAL YEAR 2018 MANAGEMENT SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2018 appropriations and make transfers to the General Fund for a total of $5,000,000. The Administration is not limited to the following proposals to achieve this target, but shall analyze the following for fiscal year 2018 budgetary savings:

(1) the elimination of exempt positions;

(2) savings identified through improved business processes and administrative efficiencies;

(3) administrative or contractual reductions, including savings from improved systems of procurement;

(4) savings in State employee health care costs through increased price awareness;

(5) the Agency of Human Services shall review and quantify savings from improved oversight and fiscal controls in order to prevent fraud and overpayment related to personal care services reimbursed by the departments of the Agency;

(6) review of statewide operating expenses that include:

(A) physical space needs statewide for potential reduction of leased space or divestment of owned real estate where appropriate;

(B) examination of the alignment of the cost control incentives or disincentives in the State's largest internal service fund programs, including fee for space, and innovation and information charges; and

(C) telecommunication services, postage equipment, and other equipment rentals.

(b) The Department of Corrections shall be held harmless from the savings target in subsection (a) of this section due to Corrections-specific existing savings targets contained elsewhere in this act.

(c) Savings identified by the Administration to meet the target in subsection (a) of this section shall be multiyear in nature to the greatest extent possible. The Administration shall provide in the report required in subsection (d) of this section the fully annualized savings for any reductions and transfers that require more time to be fully implemented.

(d) The Secretary shall submit a written report of the appropriations reductions and transfers to the Joint Fiscal Committee in November 2017. The report shall include:

(1) the budgetary changes by agency and department and funding source;

(2) the short- and long-term implications to individuals, organizations, or State systems of each change;

(3) if any identified savings are only one-time in nature, the associated longer term actions that the Secretary recommends to make the savings continue into future years or become permanent; and

(4) if any reductions or transfers require specific statutory changes, these shall be summarized in the report and presented in full to the House and Senate Committees on Appropriations and other relevant standing committees during the 2018 legislative session.

Sec. B.1103 [DELETED]

Sec. B.1104 [DELETED]

Sec. B.1105 [DELETED]

Sec. B.1106 [DELETED]

Sec. B.1107 [DELETED]

Sec. C.100 FISCAL YEAR 2017 ONE-TIME APPROPRIATIONS

(a) In fiscal year 2017, the sum of $1,930,000 in general funds is appropriated to the Secretary of Administration to be carried forward into fiscal year 2018 for distribution to departments to provide funding for changes in employee classification occurring in fiscal year 2017 that are approved in accordance with the collective bargaining agreements.

(b) In fiscal year 2017, the sum of $323,826 in general funds is appropriated to the Judiciary for retroactive docket clerk reclassification.

(c) In fiscal year 2017, the sum of $245,246 in general funds is appropriated to the Attorney General to be carried forward into fiscal year 2018 for tobacco master settlement arbitration or litigation.

(d) In fiscal year 2017, the sum of $100,000 in general funds is appropriated to the Agency of Agriculture, Food and Markets to be carried forward for fiscal year 2018 one-time expenditure by the Vermont Working Lands Enterprise Board established in 6 V.S.A. § 4606 for investments in food and forest system businesses and service providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

(e) In fiscal year 2017, the sum of $1,250,000 in general funds is appropriated to the Department of Public Safety to purchase police cruiser and body cameras, including equipment, maintenance, and warranty costs. The first priority for the use of these funds shall be for the State match in fiscal years 2018 and 2019 for federal NHTSA/GHSP funds for cruiser cameras pending a waiver to meet "buy American" federal requirements. Second priority is for cruiser cameras if a waiver is denied. Body cameras may be purchased with any remaining funds.

(f) In fiscal year 2017, the sum of $200,000 in general funds is appropriated to the Department of Buildings and General Services to be used in combination with available capital appropriations for activities to reuse the Southeast State Correctional Facility located in Windsor, Vermont subsequent to a plan specified in Sec. E.335.1 of this act.

(g) In fiscal year 2017, the sum of $250,000 in general funds is appropriated to the Agency of Administration for a one-time grant to the Vermont Law School. This grant will provide a State match toward the $5,000,000 hybrid residential and online program designed to attract new groups of national and international students to enroll in Vermont-based programs at the law school.

(h) In fiscal year 2017, the sum of $260,000 in general funds is appropriated to the Office of the Attorney General to pay costs or liabilities

incurred by the Attorney General representing Vermont consumers in pending matters relating to VW and the efficacy of a dietary supplement.

(i) In fiscal year 2017, the sum of $880,000 in general funds is appropriated to the Vermont State Colleges to pay the second of three installments to support the unification of Johnson and Lyndon State Colleges into the new Northern Vermont University.

(j) In fiscal year 2017, the sum of $27,000 in general funds is appropriated to the Department of Buildings and General Services to support the operating expenses of the Bennington Welcome Center. For subsequent fiscal years, operating expenses of the Bennington Welcome Center shall not be supported with supplemental appropriations in addition to the amounts requested by the Department of Buildings and General Services and approved by the General Assembly in the annual appropriations bill.

(k) In fiscal year 2017, the sum of $150,000 in general funds is appropriated to the Agency of Commerce and Community Development for the Vermont Small Business Development Center for the purpose of increasing the number of business advisors in the State, with priority for underserved regions.

(l) In fiscal year 2017, the sum of $100,000 in general funds is appropriated to the Office of Economic Opportunity in the Department for Children and Families for pass-through grants to the Community Action Agencies to provide funding for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

Sec. C.100.1 ECONOMIC DEVELOPMENT MARKETING

(a) In fiscal year 2017, the Agency of Commerce and Community Development is authorized to transfer and carry forward $250,000 of general funds appropriated for the Vermont Training Program to:

(1) implement the Department of Economic Development's economic development marketing plan to attract and retain residents and businesses to Vermont, highlighting the many positive features that make Vermont a great place to live, work, and do business; and

(2) prioritize marketing tactics with the potential to shift most efficiently and effectively perceptions about Vermont as a place to live and work, and that will form a set of marketing assets and strategic framework to sustain Department of Economic Development activities beyond initial implementation.

(b) Funds available to implement this section may be matched with federal funds, special funds, grants, donations, and private funds. To increase the

amount and effectiveness of marketing activities conducted, the Agency shall collaborate with private sector partners to maximize State marketing resources and to enable Vermont businesses to align their own brand identities with the Vermont brand, enhancing the reputations of both the business and the State.

(c) Prior to taking any action pursuant to subsection (a) of this section, including issuing any requests for proposals for contracts or grants to partner with the Department in implementing this section, the Secretary of Commerce and Community Development shall adopt relevant outcomes, performance measures, and indicators in order to:

(1) clearly articulate the goals and expectations for the State's economic development marketing plan and its implementation, any contracts or grants with the Department, and for the activities of the Department and its partners; and

(2) enable the General Assembly to evaluate the performance and effectiveness of the plan and its implementation, and of the activities of the Department and its partners undertaken pursuant to this section.

Sec. C.100.2 MEDICAID CARRY FORWARD REQUIREMENT

(a) In fiscal year 2017, the Agency of Human Services shall reserve and carry forward to fiscal year 2018 $1,250,000 of the general funds appropriated in 2016 Acts and Resolves No. 172, Sec. B.301 as amended by 2017 Acts and Resolves No. 3, Sec. 18. The Commissioner of Finance and Management is authorized to adjust fiscal year 2017 Federal Fund and Global Commitment Fund appropriations in the Agency of Human Services and Department of Vermont Health Access to comport with this requirement.

Sec. C.101 2017 Acts and Resolves No. 3, Sec. 60 is amended to read

Sec. 60. FUND TRANSFERS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2017:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

21054	Misc. Fines & Penalties	442,849.77
21065	Financial Institute Supervision	728,499.86
21405	Bond Investment Earnings Fund	161,100.90
21550	Land & Facilities Trust Fund	450,000.00
21641	AG – Administrative Special Fund	30,848.02
21638	AG – Fees & Reimbursements -Court Order	(est.) 2,400,000.00
22005	AHS Central Office earned federal receipts	28,040,542.00
50300	Liquor Control Fund	955,000.00

Caledonia Fair	5,000.00
North Country Hospital Loan	24,250.00

(2) All or a portion of the unencumbered balances in the Insurance Regulatory and Supervision Fund (Fund Number 21075), the Captive Insurance Regulatory and Supervision Fund (Fund Number 21085), and the Securities Regulatory and Supervision Fund (Fund Number 21080) expected to be approximately ~~$22,452,018~~ $22,732,018 shall be transferred to the General Fund, provided that on or before July 1, 2017, the Commissioner of Financial Regulation certifies to the Joint Fiscal Committee that the transfer of such balances, or any smaller portion deemed proper by the Commissioner, will not impair the ability of the Department in fiscal year 2018 to provide thorough, competent, fair, and effective regulatory services, or maintain accreditation by the National Association of Insurance Commissioners; and that the Joint Fiscal Committee does not reject such certification.

(3) The following amounts shall be transferred from the General Fund to the funds indicated:

~~21275~~	~~Environmental Contingency Fund~~		~~500,000.00~~
21555	Emergency Relief and Assistance Fund	~~1,176,226.00~~	2,632,014.00
59500	Single Audit Revolving Fund		196,169.00

* * *

Sec. C.102 VOLKSWAGEN SETTLEMENT

(a) The estimated $4,242,401 multistate settlement from Volkswagen to be received by the State of Vermont in fiscal year 2017 or fiscal year 2018 shall be deposited into the Environmental Contingency Fund (fund 21275). In fiscal year 2018, $1,000,000 shall be transferred to the General Fund, and the balance shall remain in the Environmental Contingency Fund (fund 21275).

Sec. C.103 2017 Acts and Resolves No. 3, Sec. 62 is amended to read:

Sec. 62. EXPENDITURE OF HUMAN SERVICES CASELOAD MANAGEMENT RESERVE

~~(a) In fiscal year 2017, $3,738,117 from the General Fund is appropriated to the Commissioner of Finance and Management for transfer to the Agency of Human Services – Global Commitment to ensure sufficient funding for Global Commitment during fiscal year 2017. Prior to the close of fiscal year 2017, the Commissioner shall determine the amount needed for transfer, and shall provide a written report to the Joint Fiscal Committee of the determination and the amount transferred. Any funds remaining in this appropriation and not transferred shall revert to the General Fund in fiscal year 2017.~~

~~(b) The amount of funds appropriated in subsection (a) of this section shall be unreserved from the Human Services Caseload Reserve established in 32 V.S.A. § 308b. The funds reverted in subsection (a) of this section shall be reserved in the Human Services Caseload Reserve.~~

(a) The amount of $3,738,117 in general funds shall be unreserved from the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

(b) At the close of fiscal year 2017 and after meeting the requirements of Sec. C.100.2 of H.518 of the 2017 session, an amount up to $3,738,117 of any unencumbered General Fund appropriation in 2016 Acts and Resolves No. 172, Sec. B.301 as amended by 2017 Acts and Resolves No. 3, Sec. 18, and as further amended by Sec. C.107 of H.518 of the 2017 session, that would otherwise be authorized to carry forward shall revert to the General Fund and be reserved in the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

Sec. C.104 FISCAL YEAR 2017 27/53 RESERVE FUNDING SOURCE TRANSFER

(a) Notwithstanding 2016 Acts and Resolves No. 172, Sec. B.1104 or any other provision of law to the contrary, any General Fund amount reserved in fiscal year 2017 in the 27/53 Reserve created in 32 V.S.A. § 308e shall be unreserved.

(b) In fiscal year 2017, $5,287,591 shall be transferred from the Global Commitment Fund to the General Fund to be reserved in the 27/53 Reserve created in 32 V.S.A. § 308e.

Sec. C.105 2016 Acts and Resolves No. 172, Sec. B.200 as amended by 2017 Acts and Resolves No. 3, Sec. 9 is further amended to read:

Sec. B.200 Attorney general

Personal services	~~9,160,530~~	8,900,530
Operating expenses	1,386,540	1,386,540
Grants	26,894	26,894
Total	~~10,573,964~~	10,313,964
Source of funds		
General fund	~~4,598,420~~	4,338,420
Special funds	2,150,198	2,150,198
Tobacco fund	348,000	348,000
Federal funds	1,067,909	1,067,909
Interdepartmental transfers	2,409,437	2,409,437
Total	~~10,573,964~~	10,313,964

Sec. C.106 2016 Acts and Resolves No. 172, Sec. B.240 as amended by 2017 Acts and Resolves No. 3, Sec. 16 is further amended to read:

Sec. B.240 Total protection to persons and property

Source of funds		
General fund	~~140,870,696~~	140,610,696
Transportation fund	21,150,000	21,150,000
Special funds	83,106,552	83,106,552
Tobacco fund	600,874	600,874
Federal funds	64,642,371	64,642,371
ARRA funds	650,000	650,000
Global Commitment fund	90,278	90,278
Interdepartmental transfers	12,737,631	12,737,631
Enterprise funds	8,032,560	8,032,560
Total	~~331,880,962~~	331,620,962

Sec. C.107 2016 Acts and Resolves No. 172, Sec. B.301 as amended by 2017 Acts and Resolves No. 3, Sec. 18 is further amended to read:

Sec. B.301 Secretary's office - global commitment

Operating expenses	5,529,495	5,529,495
Grants	~~1,596,194,550~~	1,599,932,667
Total	~~1,601,724,045~~	1,605,462,162
Source of funds		
General fund	~~284,257,664~~	287,995781
Special funds	28,263,866	28,263,866
Tobacco fund	29,716,875	29,716,875
State health care resources fund	297,599,293	297,599,293
Federal funds	961,846,347	961,846,347
Interdepartmental transfers	40,000	40,000
Total	~~1,601,724,045~~	1,605,462,162

Sec. C.108 2016 Acts and Resolves No. 172, Sec. B.345 as amended by 2017 Acts and Resolves No. 3, Sec. 45 is further amended to read:

Sec. B.345 Green Mountain Care Board

Personal services	~~8,736,409~~	9,131,409
Operating expenses	~~1,230,995~~	835,995
Total	9,967,404	9,967,404
Source of funds		
General fund	1,401,276	1,401,276
Special funds	2,342,927	2,342,927
Federal funds	448,808	448,808
Global Commitment fund	4,281,832	4,281,832

Interdepartmental transfers	1,492,561	1,492,561
Total	9,967,404	9,967,404

Sec. C.109 2016 Acts and Resolves No. 172, Sec. B.346 as amended by 2017 Acts and Resolves No. 3, Sec. 46 is further amended to read:

Sec. B.346 Total human services

Source of funds		
General fund	~~693,886,463~~	697,624,580
Special funds	99,545,755	99,545,755
Tobacco fund	33,550,914	33,550,914
State health care resources fund	297,599,293	297,599,293
Education fund	3,109,463	3,109,463
Federal funds	1,391,826,777	1,391,826,777
Global Commitment fund	1,540,769,628	1,540,769,628
Internal service funds	1,908,035	1,908,035
Interdepartmental transfers	24,664,768	24,664,768
Permanent trust funds	25,000	25,000
Total	~~4,086,886,096~~	4,090,624,213

Sec. C.110 2016 Acts and Resolves No. 172, Sec. B.1000 as amended by 2017 Acts and Resolves No. 3, Sec. 58 is further amended to read:

Sec. B.1000 Debt service

Operating expenses	76,991,491	76,991,491
Total	76,991,491	76,991,491
Source of funds		
General fund	71,120,080	71,120,080
Transportation fund	1,884,089	1,884,089
Special funds	336,000	336,000
ARRA funds	~~1,149,919~~	1,149,909
TIB debt service fund	2,501,413	2,501,413
Total	76,991,491	76,991,491

Sec. C.111 2016 Acts and Resolves No. 172, Sec. B.1001 as amended by 2017 Acts and Resolves No. 3, Sec. 59 is further amended to read:

Sec. B.1001 Total debt service

Source of funds		
General fund	71,120,080	71,120,080
Transportation fund	1,884,089	1,884,089
Special funds	336,000	336,000
ARRA funds	~~1,149,919~~	1,149,909

TIB debt service fund	2,501,413	2,501,413
Total	76,991,491	76,991,491

Sec. C.112 2016 Acts and Resolves No. 172, Sec. B.514 is amended to read:

Sec. B.514 State teachers' retirement system

Grants	~~78,959,576~~	78,659,576
Total	~~78,959,576~~	78,659,576
Source of funds		
General fund	~~78,959,576~~	78,659,576
Total	~~78,959,576~~	78,659,576

Sec. C.113 2016 Acts and Resolves No. 172, Sec. B.515 is amended to read:

Sec. B.515 Retired teachers' health care and medical benefits

Grants	~~22,022,584~~	22,322,584
Total	~~22,022,584~~	22,322,584
Source of funds		
General fund	~~22,022,584~~	22,322,584
Total	~~22,022,584~~	22,322,584

Sec. C.114 2016 Acts and Resolves No. 172, Sec. E.514 is amended to read:

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be $82,659,576, of which ~~$78,959,576~~ $78,659,576 shall be the State's contribution and ~~$3,700,000~~ $4,000,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

***

Sec. C.115 2016 Acts and Resolves No. 172, Sec. E.515 is amended to read:

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), ~~$22,022,584~~ $22,322,584 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

Sec. C.116 32 V.S.A. § 131 is amended to read:

§ 131. COMPOSITION

There shall be an Emergency Board to consist of the Governor, the Chair of the Senate Committee on Finance, the Chair of the Senate Committee on Appropriations, the Chair of the House Committee on Ways and Means, and the Chair of the House Committee on Appropriations; but the Chair of any one of such committees may designate a member of his or her committee who shall

be a member of such Board in lieu of the Chair. The Board shall meet at the call of the Governor or a majority of the legislative members of the Board.

Sec. C.117 32 V.S.A. § 306 is amended to read:

§ 306. BUDGET REPORT

(a) The Governor shall submit to the General Assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the State Treasury. In the first year of the biennium, the budget shall relate to the two succeeding fiscal years. In the second year of the biennium, it shall relate to the succeeding fiscal year. The budget shall be based upon the official State revenue estimates, including the Medicaid estimated caseloads and per-member per-month expenditures, adopted by the Emergency Board pursuant to section 305a of this title.

* * *

Sec. C.118 2017 Acts and Resolves No. 3, Sec. 68(a) is amended to read:

(a) Notwithstanding any other provisions of law and subject to the approval of the Secretary of Administration, General, Transportation, Transportation Infrastructure Bond, ~~and~~ Education Fund, Clean Water Fund (Fund 21932), and Agricultural Water Quality Fund (Fund 21933) appropriations remaining unexpended on June 30, 2017 in the Executive Branch of State government shall be carried forward and shall be designated for expenditure.

Sec. C.119 2016 Acts and Resolves No. 172, Sec. B.1106(b) as amended by 2017 Acts and Resolves No. 3, Sec. 70 is further amended to read:

(b) The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund for a total of $343,369. Savings in the amount of $206,631 are included in the fiscal year 2017 budget adjustment for a total savings of $550,000. The remaining appropriations and transfers for savings ~~associated with positions abolished in subsection (a) of this section~~ shall be made prior to close out of fiscal year 2017 and be reported to the Joint Fiscal Committee at the July 2017 meeting.

Sec. C.120 GENERAL FUND YEAR END CLOSE OUT

(a) In fiscal years 2017 and 2018, after satisfying the requirements of 32 V.S.A. § 308, and after other reserve requirements have been met, the provisions of 32 V.S.A. § 308c(a)(1)-(3) shall not be applied, and any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve established in 32 V.S.A. § 308c.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of $518,000 is appropriated from the Current Use Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above $518,000 from the property transfer tax that are deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of $11,304,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above $11,304,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(3) The sum of $3,760,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above $3,760,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The $3,760,599 shall be allocated as follows:

(A) $2,924,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) $457,482 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) $378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information, established in 10 V.S.A. § 122.

Sec. D.100.1 REPEAL

(a) 2011 Acts and Resolves No. 45, Secs. 35 (repeal of change in allocation of property transfer tax revenue) and 37(10), as amended by 2016 Acts and Resolves No. 172, Sec. D.100.1 (effective date of change in allocation of property transfer tax revenue) are repealed.

Sec. D.100.2 [DELETED]

Sec. D.101 FISCAL YEAR 2018 FUND TRANSFERS, REVERSIONS, AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: $2,909,900.

(2) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. § 4803: $1,225,000.

(3) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: $423,966.

(4) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. § 951a for the purpose of funding fiscal year 2019 transportation infrastructure bonds debt service: $2,504,688.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

21550	Land & Facilities Trust Fund	429,000.00
21638	AG-Fees & Reimbursements-Court Order	2,000,000.00
21909	Tax Computer System Modernization	798,808.00
21937	GMCB Regulatory and Admin Fund	850,000.00
22005	AHS Central Office earned federal receipts	32,971,342.00
50300	Liquor Control Fund	1,055,000.00
	Caledonia Fair	5,000.00
	North Country Hospital Loan	24,250.00

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall revert to the General Fund from the accounts indicated:

1210001000	Legislative Council	150,000.00
1210002000	Legislature	385,000.00
1230001000	Sergeant at Arms	19,000.00
7120890704	International Trade Commission	7,711.88

Sec. D.101.1 ONE-TIME FISCAL YEAR 2018 FUND TRANSFER TO EDUCATION FUND

(a) In fiscal year 2018, the sum of $3,270,000 is transferred from the General Fund to the Education Fund.

Sec. D.101.2 ONE YEAR RESCISSION ELIGIBILITY FOR GENERAL FUND TO EDUCATION FUND TRANSFER

(a) For fiscal year 2018 only and notwithstanding 32 V.S.A. § 704(g)(2), the transfer and appropriation in Sec. B.513 of this act is subject to General Fund rescissions not to exceed one percent of the transfer or the percent that the rescission amount as specified in Sec. D.105(b) of this act is of the total General Fund budget, whichever is less.

(b) Any rescission made to the transfer in subsection (a) of this section shall be subtracted from the base amount used to calculate the General Fund transfer under 16 V.S.A. § 4025(a)(2) for the next fiscal year.

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2017 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a shall remain for appropriation in fiscal year 2018.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2018 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2018 is not negative shall be transferred in fiscal year 2018 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

Sec. D.104 HUMAN SERVICES CASELOAD MANAGEMENT RESERVE

(a) The sum of $12,000,000 shall be reserved from the General Fund in the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

Sec. D.105 FISCAL YEAR 2018 ONE-TIME CORPORATE TAX REFUND OFFSET

(a) The Administration and Legislative economists have indicated that one-time corporate tax refunds may result in a revenue downgrade for fiscal year 2018. To address the one-time fiscal impacts of this in fiscal year 2018, the following actions are authorized:

(1) As part of the official revenue forecast for fiscal year 2018 under 32 V.S.A § 305a, the Emergency Board at its July 2017 meeting shall hear testimony from the Administration and Legislative economists and adopt a fiscal year 2018 estimate for expected corporate tax refunds above historical trend.

(2) Based on the adopted amount of corporate income tax refunds under subdivision (1) of this subsection, to the extent necessary the following offsets will be made in the order below:

(A) The Commissioner of Finance and Management may review fund balances in State special funds and end of fiscal year 2017 carry forward appropriation balances throughout the Executive Branch. Up to $5,000,000 may be identified for transfer or reversion to the General Fund. To the extent necessary, the Emergency Board will review any proposed fund transfers and under its authority pursuant to 32 V.S.A. § 133(b) make fund transfers at a meeting scheduled on or before September 15, 2017.

(B) Up to $10,000,000 of the Global Commitment Fund balance may be transferred to the General Fund.

(b) Any other revenue adjustments shall be made in accordance with end of the year revenue offsets and the statutory rescission process under 32 V.S.A. § 704.

Sec. D.106 USE OF HEALTH IT-FUND BALANCE

(a) Notwithstanding 32 V.S.A. § 10301(a), the Agency of Human Services may expend $2,000,000 of the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2018 and the sum of $500,000 is transferred from the Health IT-Fund to the General Fund and reserved in the Rainy Day Reserve established in 32 V.S.A. § 308c. It is the intent of the General Assembly to expend an additional $2,000,000 from the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2019.

Sec. D.107 FISCAL YEAR 2018 TRANSFER TO THE 27/53 RESERVE

(a) In fiscal year 2018, notwithstanding any other provision of law to the contrary, in order to meet the Medicaid 53rd week reserve requirement of the 27/53 Reserve, the sum of $1,700,000 shall be transferred from the Global Commitment Fund to the General Fund to be reserved in the 27/53 Reserve created in 32 V.S.A. § 308e.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions is authorized in fiscal year 2018:

(1) In the Agency of Agriculture, Food and Markets – one (1) Microbiologist.

(2) In the Department of Taxes – two (2) Tax Examiner.

(b) The establishment of the following new permanent exempt position is authorized in fiscal year 2017 as follows:

(1) In the Department of State's Attorneys – one (1) Labor Relations Manager. This position shall be transferred and converted from existing vacant position number 267186 within the Department of State's Attorneys.

(c) The establishment of the following new classified limited services positions is authorized in fiscal year 2017:

(1) In the Department of Military – three (3) Security Guard.

(d) The positions established in this section shall be transferred and converted from existing vacant positions in the Executive Branch, and shall not increase the total number of authorized State positions, as defined in Sec. A.107 of this act.

Sec. E.100.1 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, and 2016 Acts and Resolves No.172, Sec. E.100.2, is further amended to read:

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the Agency of Natural Resources, the Department of Buildings and General Services, the Department of Labor, ~~and~~ the Department of Corrections, and the Department of Public Safety shall not be subject to the cap on positions for the duration of the Pilot. The Department of Corrections is authorized to add only Correctional Officer I and II positions.

***

(7) This Pilot shall sunset on July 1, ~~2017~~ 2018, unless extended or modified by the General Assembly.

(8) On or before January 15, 2018 the Commissioner of Human Resources shall provide a report by department on the total number of positions created under the authority of this section to the House and Senate Committees on Appropriations. The Commissioner shall include in the report a recommendation on whether this program should be expanded and continue and, if so, should it be extended but remain in session law or be made permanent by codification in statute.

Sec. E.100.2 REPEAL

(a) 3 V.S.A. § 2222a is repealed.

Sec. E.108 [DELETED]

Sec. E.108.1 CLASSIFICATION SYSTEM PLANNING

(a) As a continuation of classification system analysis begun pursuant to 2015 Acts and Resolves No. 58, Sec. E.100.1, the Department of Human Resources shall issue an RFI for consultant services to assist the Department with needs assessment, expertise, and project planning necessary to procure a new Classification and Compensation system.

(b) A new Classification and Compensation system shall allow the State to:

(1) develop a broader classification system, utilizing fewer job classifications;

(2) utilize a more modern, flexible, transparent system for managing job evaluation and placement within the classified system; and

(3) provide a contemporary, flexible, easy to understand system for managing pay that effectively combines recognition of competencies, experience or longevity, or both, market parity, and excellence in performance.

(c) The Department shall submit a status report to the General Assembly on or before January 31, 2018 that identifies progress in planning for the development and implementation of a new Classification and Compensation system.

Sec. E.108.2 3 V.S.A. § 310(a) is amended to read:

(a) The Department of Human Resources shall adopt a uniform and equitable plan of classification for each position within State service, now or hereafter created, including positions within the Department of Public Safety, except those positions expressly excluded by section 311 of this title or by other provisions of law. For purposes of internal position alignment and assignment of positions to salary ranges, the plan shall be based upon a ~~point factor~~ job content comparison method of job evaluation. As used in this section, "~~point factor~~ job content comparison method" means a system under which positions are assigned to salary ranges based on a scale of values against which job evaluations of individual positions are compared.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, $15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

Sec. E.111.1 [DELETED]

Sec. E.113 Buildings and general services – engineering

(a) The $3,537,525 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2017 legislative session.

Sec. E.126 2 V.S.A. § 691 is amended to read:

§ 691. COMMITTEE CREATION

There is created a legislative Health Reform Oversight Committee. The Committee shall be composed of the following ~~six~~ eight members:

(1) the Chair of the House Committee on Appropriations;

(2) the Chair of the Senate Committee on Appropriations;

(3) the Chair of the House Committee on Ways and Means;

(4) the Chair of the Senate Committee on Finance;

(5) the Chair of the House Committee on Health Care; ~~and~~

(6) the Chair of the Senate Committee on Health and Welfare;

(7) the Chair of the House Committee on Human Services; and

(8) the Chair of the Senate Committee on Economic Development, Housing and General Affairs.

Sec. E.126.1 [DELETED]

Sec. E.127 [DELETED]

Sec. E.127.1 [DELETED]

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2018, investment fees shall be paid from the corpus of the Fund.

Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

(a) Of the appropriation in Sec. B.139 of this act, $9,000 shall be transferred to the Attorney General and $26,000 shall be transferred to the Department of Taxes, Division of Property Valuation and Review and reserved and used with any remaining funds from the amount previously transferred for final payment of expenses incurred by the Department or towns in defense of grand list appeals regarding the reappraisals of the hydroelectric plants and other property owned by TransCanada Hydro Northeast, Inc. in the State of Vermont. Expenditures for this purpose shall be considered qualified expenditures under 16 V.S.A. § 4025(c).

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

(b) Total payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, in fiscal year 2018 to be paid from the PILOT Special Fund under 32 V.S.A. § 3709 include the appropriation of $7,600,000 in Sec. B.142 of this act, the appropriation of $184,000 for the City of Montpelier in Sec. B.143 of this act, the appropriation of $40,000 for correctional facilities in Sec. B.144 of this act, and the appropriation of $146,000 for the supplemental facility payments from the Department of Corrections to the City of Newport and the Town of Springfield in Sec. B.338 of this act.

Sec. E.143 Payments in lieu of taxes – Montpelier

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.144 Payments in lieu of taxes – correctional facilities

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), $1,115,500 is appropriated in Sec. B.200 of this act.

Sec. E.204 REPEAL; EXTENSION

(a) 2016 Acts and Resolves No.167, Sec. 2 is amended to read:

Sec. 2. REPEAL

4 V.S.A. § 38 (Judicial Masters) shall be repealed on July 1, ~~2019~~ 2020.

Sec. E.204.1 Vermont Rule of Criminal Procedure 43(a) is amended to read:

(a) Presence Required.

(1) The defendant shall be present at the arraignment, at any subsequent time at which a plea is offered, at every stage of the trial including the impaneling of the jury and the return of the verdict, and at the imposition of sentence, except as otherwise provided by this rule.

(2) Arraignments shall be in person and shall be on the record and shall not be performed by video conferencing or other electronic means unless the defendant consents. Notwithstanding this subdivision, video conferencing may be used to effect the appearance of the defendant at status conferences, calendar calls, and other proceedings where the presence of the defendant is not required by this rule.

Sec. E.204.2 [DELETED]

Sec. E.207 SHERIFFS' HOURLY PAYMENT PILOT

(a)(1) Notwithstanding any provision of 32 V.S.A. § 1591(2)(A) to the contrary, during fiscal years 2018 and 2019 the Executive Director of the Department of State's Attorneys and Sheriffs shall set rates not to exceed $22 per hour for deputy sheriffs that provide necessary assistance in arresting or transporting prisoners, juveniles, or persons with mental illness. In addition to the rate established in this subdivision, a sheriff's department shall be reimbursed for the actual costs for Social Security and Medicare taxes, workers' compensation premiums, unemployment contributions, and other reasonable expenses, provided the costs are attributable to the services provided, documented in a manner required by the Executive Director, and approved by the Executive Director.

(2) A law enforcement officer shall not receive compensation pursuant to this subsection if otherwise compensated for the hours during which transportation services are performed.

(3) The amounts paid pursuant to this subsection shall not exceed $441,688 in fiscal year 2018 or 2019.

(b) On or before January 15, 2019, the Executive Director of the Department of State's Attorneys and Sheriffs shall submit a written report to the House and Senate Committees on Judiciary and on Appropriations as to the actual monies spent pursuant to this section, the impact on prison transport and the Departmental budget, and any specific recommendations for statutory changes and budget expenditures for the following fiscal years.

Sec. E.208 Public safety – administration

(a) The Commissioner of Public Safety is authorized to enter into a performance-based contract with the Essex County Sheriff's Department to provide law enforcement service activities agreed upon by both the Commissioner of Public Safety and the Sheriff.

Sec. E.209 Public safety – state police

(a) Of this appropriation, $35,000 in special funds shall be available for snowmobile law enforcement activities and $35,000 in general funds shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of this appropriation, $405,000 is allocated for grants in support of the Drug Task Force and the Gang Task Force. Of this amount, $190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force and to support the efforts of the Mobile Enforcement Team (Gang Task Force), or carried forward.

Sec. E.212 Public safety – fire safety

(a) Of this General Fund appropriation, $55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

Sec. E.215 Military – administration

(a) The amount of $250,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856. Of this amount, $100,000 shall be general funds from this appropriation, and $150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, $1,000 shall be used for continuation of the Vermont Medal Program; $4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; $7,500 shall be used for the Veterans Day parade; $5,000 shall be used for the Military, Family, and Community Network; and $10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

(b) Of this General Fund appropriation, $39,484 shall be deposited into the Armed Services Scholarship Fund established in 16 V.S.A. § 2541.

Sec. E.220 Center for crime victim services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victim Services shall transfer $39,895 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half of the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of $805,352 in general funds is appropriated for expenditure by the Vermont Working Lands Enterprise Board established in 6 V.S.A. § 4606 for administrative expenses, and investments in food and forest system businesses and service providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

Sec. E.233 ENERGY PLANNING SUPPORT; ALLOCATION OF COSTS

(a) During fiscal year 2018, the Commissioner of Public Service, in consultation with the Commissioner of Housing and Community Development, shall award the amount of $300,000 to regional planning commissions established under 24 V.S.A. chapter 117 and to municipalities for the purpose of providing training under 2016 Acts and Resolves No. 174.

(b) In awarding funds under this section, the Commissioners shall consider the need and size of a municipality or region and the availability, if any, of other assistance, expertise, or funds to a municipality or region to implement 2016 Acts and Resolves No. 174.

(c) The Commissioner of Public Service shall allocate costs under subsection (a) of this section to the electric distribution utilities subject to its supervision under Title 30 of the Vermont Statutes Annotated based on their pro rata share of total Vermont retail kilowatt-hour sales for the previous fiscal year. Each of these utilities shall pay its allocation into the State Treasury at such time and in such manner as the Commissioner may direct.

Sec. E.234 [DELETED]

Sec. E.237 LIQUOR CONTROL WAREHOUSE; PRIVATIZATION; MORATORIUM

(a) Notwithstanding any provision of law to the contrary, the Liquor Control Board and the Commissioner of Liquor Control shall not, prior to

fiscal year 2019, enter into a privatization contract, as defined in 3 V.S.A. § 341, for the operation of the Liquor Control warehouse.

Sec. E.237.1 LOCAL AGENCY STORES; REQUIREMENTS

(a) Between July 1, 2017 and December 31, 2018, the Liquor Control Board and the Department of Liquor Control shall not spend more for the purchase of new or replacement signs and displays for local agency stores than the amount of any increase in the budgeted revenues from sales of spirits and fortified wines from fiscal year 2016 to fiscal year 2017.

(b) On or before January 15, 2019, the Commissioner of Liquor Control shall submit to the House Committees on Appropriations and on General, Housing and Military Affairs and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs a written report that specifies the amount by which revenues from sales of spirits and fortified wines increased from fiscal year 2016 to fiscal year 2017, and any expenditures made by the Board or the Department for the purchase of new or replacement signs and displays for local agency stores.

(c) The Board and the Department shall not require any local agency store to purchase or otherwise pay for any new or replacement signs and displays between July 1, 2017 and December 31, 2018.

* * * HUMAN SERVICES * * *

Sec. E.300 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2018 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

Sec. E.300.1 POSITION TRANSFER

(a) The Director of Health Care Reform established in 2011 Acts and Resolves No. 48, Sec. 3b(e) is transferred from the Agency of Administration to the Agency of Human Services.

Sec. E.300.2 3 V.S.A. § 3027 is added to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY AND AFFORDABILITY

The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

Sec. E.300.3 18 V.S.A. § 9491(a) is amended to read:

(a) The ~~director of health care reform~~ Director of Health Care Reform in the ~~agency of administration~~ Agency of Human Services shall oversee the development of a current health care workforce development strategic plan that continues efforts to ensure that Vermont has the health care workforce necessary to provide care to all Vermont residents. The ~~director of health care reform~~ Director of Health Care Reform may designate an entity responsible for convening meetings and for preparing the draft strategic plan. The Green Mountain Care ~~board~~ Board established in chapter 220 of this title shall review the draft strategic plan and shall approve the final plan and any subsequent modifications.

Sec. E.300.4 18 V.S.A. § 9602(a) is amended to read:

(a) The Agency of ~~Administration~~ Human Services shall ~~establish~~ maintain the Office of the Health Care Advocate by contract with any nonprofit organization.

Sec. E. 300.5 18 V.S.A. § 9607(b)(3) is amended to read:

(3) The Green Mountain Care Board shall administer the bill back authority created in this subsection on behalf of the Agency of ~~Administration~~ Human Services in support of the Agency's contract with the Office of the Health Care Advocate pursuant to section 9602 of this title to carry out the duties set forth in this chapter.

Sec. E.300.6 18 V.S.A. § 9603(c) is amended to read:

(c) The Office of the Health Care Advocate shall be able to speak on behalf of the interests of health care and health insurance consumers and to carry out all duties prescribed in this chapter without being subject to any retaliatory action; provided, however, that nothing in this subsection shall limit the authority of the Agency of ~~Administration~~ Human Services to enforce the terms of the contract.

Sec. E.300.7 18 V.S.A. § 9604 is amended to read:

§ 9604. DUTIES OF STATE AGENCIES

All State agencies shall comply with reasonable requests from the Office of the Health Care Advocate for information and assistance. The Agency of ~~Administration~~ Human Services may adopt rules necessary to ensure the cooperation of State agencies under this section.

Sec. E.300.8 FUNDING FOR THE OFFICE OF THE HEALTH CARE ADVOCATE

(a) Of the funds appropriated in Sec. B.300 of this act, $1,457,406 shall be used for the contract with the Office of the Health Care Advocate.

Sec. E.300.9 [DELETED]

Sec. E.300.10 [DELETED]

Sec. E.300.11 [DELETED]

Sec. E.300.12 [DELETED]

Sec. E.300.13 [DELETED]

Sec. E.300.14 REPEALS

(a) 2014 Acts and Resolves No. 158, Secs. 1–12 (relating to commitment of criminal defendant who is incompetent to stand trial because of traumatic brain injury), and Sec. 16(a) as amended by 2016 Acts and Resolves No. 172, Sec. E.300.3.1 (effective date of Secs. 1–12), are repealed on June 30, 2017.

Sec. E.300.15 COMMISSION ON OFFENDERS WITH MENTAL ILLNESS; REPORT

(a) On or before September 15, 2018, the Commission on Offenders with Mental Illness shall report to the Joint Legislative Justice Oversight Committee recommendations regarding how to define traumatic brain injury for purposes of determining whether as the result of such an injury a criminal defendant was insane at the time of the offense or is incompetent to stand trial. The Commission's report shall identify appropriate treatment options and venues for criminal defendants with traumatic brain injury and shall include the amount of funding required to implement the Commission's recommendations.

Sec. E.300.16 AGENCY OF HUMAN SERVICES; ALIGNMENT OF CARE COORDINATION EFFORTS

(a) The Secretary of Human Services shall conduct a comprehensive review of the Agency's care coordination efforts, including the Vermont Chronic Care Initiative, the Blueprint for Health, the pediatric High Tech Home Care program, and Community Rehabilitation and Treatment, in order to align care coordination services across the Agency's programs and initiatives, reduce duplication of efforts, and ensure that care coordination services are delivered in a consistent manner in order to achieve the best results for Vermonters and to use resources efficiently.

Sec. E.300.17 COMMUNITY GRANT INVENTORY AND PRIORITIZATION

(a) On or before January 1, 2018, the Secretary of Human Services shall submit a report to the House and Senate Committees on Appropriations identifying grants to community partners funded by the General Fund, special funds, or Global Commitment. The report shall prioritize the grants and specify whether the grant provides a match required for federal funding other

than Medicaid. The report shall also provide the impact of reducing the funding level of any grants in terms of:

(1) impacts on the safety and welfare of vulnerable Vermont residents;

(2) impacts on the Agency's other community partners;

(3) how a reduction fits within existing statutory guidelines; and

(4) minimizing or avoiding any shift in cost to another department or program of the Agency of Human Services, to another agency or program of State government, or to local government or public schools caused by a grant reduction.

Sec. E.301 Secretary's office – Global Commitment

(a) The Agency of Human Services shall use the funds appropriated in Sec. B.301 of this act for payment of the actuarially certified premium required under the intergovernmental agreement between the Agency of Human Services and the managed care entity, the Department of Vermont Health Access, as provided for in the Global Commitment for Health Waiver (Global Commitment) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the State funds appropriated in this section, a total estimated sum of $26,452,991 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) $23,371,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with $27,128,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of $50,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) $3,081,591 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.301.1 FISCAL YEAR 2018 UNENCUMBERED GENERAL FUND APPROPRIATION

(a) At the close of fiscal year 2018, an amount up to $10,000,000 of any unencumbered General Fund appropriation in Sec. B.301 of this act that would otherwise be authorized to carry forward shall revert to the General Fund and

be reserved in the Human Services Caseload Management Reserve established in 32 V.S.A. § 308b.

Sec. E.306 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding health care eligibility and enrollment and the operation of the Vermont Health Benefit Exchange to federal guidance and regulations. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2018, but only in the event that new federal guidance or regulations require Vermont to amend or adopt its rules in a time frame that cannot be accomplished under the traditional rule-making process. An emergency rule adopted under these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

Sec. E.306.1 33 V.S.A. § 1998(f)(3) is amended to read:

(3) To the extent feasible, the Board shall review all drug classes included in the preferred drug list at least every ~~12~~ 24 months and may recommend that the Commissioner make additions to or deletions from the preferred drug list.

Sec. E.306.2 MEDICAID PAYMENT ALIGNMENT

(a) It is the intent of the General Assembly that alignment of the various Medicaid provider payments, as funded in this act, support access to primary care, including access to independent primary care practices and mental health services statewide.

(b) In order to accomplish this, the Department of Vermont Health Access is authorized to make adjustments and transfers within the related appropriated amounts of fiscal year 2018 general funds for these line items in the aggregate as follows:

(1) Adjust the total DSH amount to a level no lower than $27,488,781.

(2) Set a specific limit for annual DSH payments to an in-state academic postgraduate teaching facility within the DSH formula.

(3) Review and adjust current facility-based payments, and specifically evaluate any Medicaid payments that are above the payment from Medicare for the same service in order to further enhance primary care payments in fiscal year 2018.

(c) The Department of Vermont Health Access shall report to the Joint Fiscal Committee in September and November 2017 on any adjustments and transfers made under this authority.

Sec. E.306.3 33 V.S.A. § 1811(d) is amended to read:

(d) A registered carrier shall guarantee acceptance of all individuals, small employers, and employees of small employers, and each dependent of such individuals and employees, for any health benefit plan offered by the carrier, regardless of any outstanding premium amount a subscriber may owe to the carrier for coverage provided during the previous plan year.

Sec. E.307 2013 Acts and Resolves No. 79, Sec. 53(d), as amended by 2014 Acts and Resolves No. 179, Sec. E.307, as amended by 2015 Acts and Resolves No. 58, Sec. E.307, as amended by 2016 Acts and Resolves No. 172, Sec. E.307.3, is further amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the Agency of Human Services may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and VPharm programs is not operational by that date, but ~~no~~ not later than December 31, ~~2017~~ 2018.

Sec. E.308 NURSING HOME MEDICAID RATES; CASE-MIX SCORES

(a) In order to ensure that eligible Vermont Medicaid beneficiaries have access to high-quality care nursing home services, the Commissioner of Disabilities, Aging, and Independent Living and the Director of the Division of Rate Setting in the Agency of Human Services shall review the Medicaid case-mix scores of nursing homes in Vermont in order to:

(1) determine their overall effectiveness in allocating Medicaid funds to nursing homes fairly; and

(2) assess the extent to which the case-mix scores adequately and appropriately reimburse nursing homes for caring for patients who exhibit challenging behaviors but who have little or no need for assistance with activities of daily living.

(b) The Commissioner and Director shall provide the findings from their assessment and any recommended changes to nursing home rate calculations to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare as part of the Agency of Human Services' fiscal year 2019 budget.

Sec. E.308.1 CHOICES FOR CARE

(a) In the Choices for Care program, "savings" means the difference remaining at the conclusion of fiscal year 2017 between the amount of funds appropriated for Choices for Care, excluding allocations for the provision of acute care services, and the sum of expended and obligated funds, less an

amount equal to one percent of the fiscal year 2017 total Choices for Care expenditure. The one percent shall function as a reserve to be used in the event of a fiscal need to freeze Moderate Needs Group enrollment. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

(1) It is the intent of the General Assembly that the Department of Disabilities, Aging, and Independent Living only obligate funds for expenditures approved under current law.

(b)(1) Any funds appropriated for long-term care under the Choices for Care program shall be used for long-term services and supports to recipients. In using these funds, the Department of Disabilities, Aging, and Independent Living shall give priority for services to individuals assessed as having high and highest needs and meeting the terms and conditions of the Choices for Care program within the Global Commitment waiver.

(2)(A) First priority for the use of any savings from the long-term care appropriation after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and community-based services.

(B) Savings either shall be one-time investments or shall be used in ways that are sustainable into the future.

(C) The Department may allocate savings between home- and community-based provider rates, base funding to expand capacity to accommodate additional enrollees in home- and community-based services, and equitable funding of adult day providers, including whether some amount, up to 20 percent of the total savings, should be used to increase provider rates. The Department shall provide a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare on the use of savings.

(D) Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

(E) The Department of Disabilities, Aging, and Independent Living shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1, 2017, the Department of Disabilities, Aging, and Independent

Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare in order to inform the reinvestment of savings during the budget adjustment process.

(d) The Commissioner shall determine how to allocate any Choices for Care program savings available at the end of fiscal year 2017 and shall report to the Joint Fiscal Committee at the regularly scheduled September 2017 meeting on these allocations.

(e) Concurrent with the procedures set forth in 32 V.S.A. § 305a, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board their respective estimates of caseloads and expenditures for programs under the Choices for Care program.

Sec. E.308.2 CODIFICATION OF CHOICES FOR CARE ANNUAL SAVINGS

(a) The Department of Disabilities, Aging, and Independent Living shall make a recommendation to codify the process of determining, allocating, and dispersing any Choices for Care annual savings with its fiscal year 2019 budget presentation.

Sec. E.310 [DELETED]

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2018 and as provided in this section, the Department of Health shall provide grants in the amount of $475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

(3)(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in VMAP to assist all eligible individuals. The Secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to VMAP medications until such time as the General Assembly can take action.

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of not less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2018, the Department of Health shall provide grants in the amount of $100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including syringe exchange programs; improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. Not more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds is distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2018, the Department of Health shall provide grants in the amount of $150,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds is distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2018. Grant reporting shall include outcomes and results.

(b) Improving outcomes for pregnant women:

(1) Statistics from the Department of Health indicate that rates of women who smoke during pregnancy in Vermont are approximately twice the national average. Although the rates of pregnant women who smoke in Vermont decreased slightly between 2009 and 2014, there is an opportunity to make additional progress on this very important health indicator. The Commissioner shall prioritize funding for tobacco cessation to address the rates of smoking among pregnant women by utilizing evidence-based best practices. Not less than $50,000 of the funding for tobacco cessation and prevention activities in fiscal year 2018 shall be used to implement or expand evidence-based interventions intended to reduce tobacco use among pregnant women. The Commissioner shall report on the specific expenditure of this

allocation by functional activity as part of the fiscal year 2019 budget presentation to the General Assembly.

(2) In consultation with Hunger Free Vermont and representatives from community food shelf or nutrition focused organizations, prenatal and postnatal health care providers, and child care providers, the Commissioner of Health shall develop and implement an outreach plan to Vermonters who are eligible but not enrolled in the Women, Infants and Children (WIC) program.

(3) The Commissioner shall report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare during fiscal year 2019 budget testimony on the progress made toward reducing the rates of pregnant women who smoke during pregnancy and improving the number of eligible WIC clients who enroll for services.

Sec. E.314 TRANSPORTING PATIENTS

(a) Beginning on July 1, 2017, any new or renewed contracts entered into by the Agency of Human Services with designated professionals or law enforcement officers for transport of persons pursuant to 18 V.S.A. § 7511 or the transport of children pursuant to 33 V.S.A. § 5123 shall include the requirement to comply with the Agency's policies on the use of restraints.

Sec. E.314.1 DESIGNATED AND SPECIALIZED SERVICE AGENCY EMPLOYEE WAGES

(a) A total of $8,370,000 appropriated in Secs. B.314 (Mental Health) and B.333 (Developmental Services) shall be used to increase payments to the designated and specialized service agencies in fiscal year 2018.

(b) It is the intent of the General Assembly that funds allocated in subsection (a) of this section for increased payments to the designated and specialized service agencies in fiscal year 2018 be used to fund or offset the costs of increasing the hourly wages of workers to $14 and to increase the salaries for crisis response and crisis bed personnel in a manner that advances the goal of achieving competitive compensation to regionally equivalent State, health care, or school-based positions of equal skills, credentials, and lengths of employment. It is the sole responsibility of each individual designated and specialized service agency to use the revenue from increased Medicaid payments allocated in subsection (a) of this section to fund increases to worker salaries.

(c) To the extent that sufficient funds are unavailable to further the purposes of this section, the designated and specialized service agencies, in consultation with the Departments of Mental Health and of Disabilities, Aging, and Independent Living, shall reduce services or other operations in proportion to the amount necessary to achieve increased hourly wages. The funding of

crisis services shall remain a priority and shall not be compromised as a result of other necessary reductions in services.

Sec. E.314.2 FISCAL YEAR 2019 BUDGETING FOR DESIGNATED AND SPECIALIZED SERVICE AGENCIES

(a) The Secretary of Human Services, in consultation with the Departments of Mental Health and of Disabilities, Aging, and Independent Living, shall estimate the levels of funding necessary to sustain the designated and specialized service agencies' workforce, including increases in the hourly wages of workers to $15, and to increase the salaries for clinical employees and other personnel in a manner that advances the goal of achieving competitive compensation to regionally equivalent State, health care, or school-based positions of equal skills, credentials, and lengths of employment; enable the designated and specialized service agencies to meet their statutorily mandated responsibilities and required outcomes; identify the required outcomes; and establish recommended levels of increased funding for inclusion in the fiscal year 2019 budget.

(b) The Commissioner shall submit the estimates calculated pursuant to subsection (a) of this section on or before December 15, 2017 to the House Committees on Appropriations and on Health Care and to the Senate Committees on Appropriations and on Health and Welfare.

Sec. E.314.3 [DELETED]

Sec. E.314.4 [DELETED]

Sec. E.316 ECONOMIC SERVICES DIVISION; INNOVATION IN DELIVERY OF SERVICES

(a) For the purpose of exploring innovative approaches to the administration of programs within the Department for Children and Families' Economic Services Division, the Commissioner may authorize pilot programs within specific regions of the State that waive Division rules adopted pursuant to 3 V.S.A. chapter 25 in a manner that does not impact program eligibility or benefits. Temporarily waiving some existing rules for a prescribed period of time shall enable the Division to test innovative ideas for improving the delivery of services with the specific goal of achieving more responsive client services and operational efficiencies.

(b) During fiscal year 2018, the Division may propose pilot programs in accordance with the goals described in subsection (a) of this section to the Commissioner for approval. Each proposal shall outline the targeted service area, efficiencies sought, rules to be waived, duration of the program, and evaluation criteria. Notice shall be given to clients affected by a pilot program and to the chairs of the House Committee on Human Services and Senate

Committee on Health and Welfare prior to the commencement of the pilot program, including a description of how benefit delivery will be affected, length of the program, and right to a fair hearing.

(c) On or before January 15, 2019, the Commissioner shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare summarizing the pilot programs implemented pursuant to this section and any findings and recommendations. In the event a particular pilot program is successful at improving the delivery of services to clients, the Commissioner may seek to amend the Division's rules in conformity with the approach used by the pilot program pursuant to 3 V.S.A. chapter 25.

Sec. E.317 USE OF RESIDENTIAL CARE FACILITIES

(a) At a November 2017 meeting of the Joint Legislative Justice Oversight Committee and Joint Legislative Child Protection Oversight Committee, the Commissioner for Children and Families with the assistance of the Departments of Mental Health and of Disabilities, Aging, and Independent Living and the Agency of Education shall present a report on the use of out-of-state and in-state residential placements, including Woodside. The report shall include the following:

(1) utilization for fiscal years 2015, 2016, and 2017, including the number and age of children placed by facility and the total bed days utilized.

(2) for each facility, the average daily costs for specific levels of service or treatment acuity in fiscal years 2015, 2016, and 2017 and the total amount paid to each facility by department and by funding source in fiscal years 2015, 2016, and 2017.

(3) measures used by the Department to determine outcomes for the children placed in these facilities and the cost effectiveness of these facilities, including length of stay, intensity of services provided, reunification of children with their family or home community, or both, relapse or readmittance rates or subsequent involvement with the criminal justice system, or both; and

(4) the specific steps taken over the past three years by the Departments and the Agency to increase community-based supports for youths in custody while reducing use of residential care.

(b) The report shall also be provided to the House Committees on Appropriations, on Judiciary, on Human Services, and on Corrections and Institutions and to the Senate Committees on Appropriations, on Judiciary, on Health and Welfare, and on Institutions.

Sec. E.318 EARLY CARE AND DEVELOPMENT PROGRAM FUNDING

(a) Of the additional $2,500,000 in general funds appropriated in Sec. B.318 of this act:

(1) an amount shall be allocated as needed to bring the baseline year used to determine eligibility for the Child Care Financial Assistance Program from the Federal Poverty Level (FPL) that was in place in 2016 to the 2017 FPL, which is the most current FPL for State fiscal year 2018; and

(2) the remaining amount shall be used for the Early Care and Development program as specified in Sec. E.318.1 of this act.

Sec. E.318.1 EARLY CARE AND DEVELOPMENT PROGRAM GRANT

(a) In fiscal year 2018 and thereafter, the Department for Children and Families shall award 70 percent of funds designated for the Early Care and Development Program Grants to center-based child care and preschool programs participating in the Step Ahead Recognition System (STARS) and 30 percent of the designated funds to family child care homes participating in STARS in accordance with the formula described in subsection (b) of this section.

(b) The Department's Child Development Division shall calculate eligibility for Early Care and Development Program Grants on a quarterly basis. In determining eligibility, the Division shall consider:

(1) the percent of enrollees receiving a Child Care Financial Assistance Program (CCFAP) subsidy as compared to a center-based child care and preschool program of a family child care home's licensed capacity at a weight of 70 percent;

(2) the average number of enrollees at a center-based child care and preschool program or family child care home receiving a CCFAP subsidy at a weight of 15 percent; and

(3) the average number of infants and toddlers enrolled in a center-based child care and preschool program or family child care home at a weight of 15 percent.

(c) The Division shall provide Early Care and Development Program Grants to eligible child care and preschool programs or family child care homes as funds allow. Center-based child care and preschool programs or family child care homes receiving Early Care and Development Program Grants shall remain in compliance with the Department's rules, continue participation in STARS, and maintain high enrollment of children receiving a CCFAP subsidy.

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM; COMMUNITY BASED ALTERNATIVES TO GENERAL ASSISTANCE TEMPORARY HOUSING

(a) For fiscal year 2018, the Agency of Human Services may continue to fund housing assistance programs within the General Assistance program to create flexibility to provide General Assistance benefits, as well as grants to support the establishment of community-based alternatives for temporary housing as part of the effort to reduce the number of individuals temporarily housed by the General Assistance program. The purpose of these housing assistance programs and community-based alternatives is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. Eligible activities shall include, among other things, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. Where such housing assistance programs and grants are provided and community-based programs are established, the General Assistance rules will not apply. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The housing assistance and community-based programs may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish goals and procedures for evaluating the program overall, including performance measures that demonstrate program results, and for each district in which the Agency operates the program, it shall establish procedures for evaluating the district program and its effects.

(c) The Agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of housing assistance programs and community-based alternatives to General Assistance temporary housing.

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2018 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The Commissioner for Children and Families may, by policy, provide temporary housing for a limited duration in adverse weather conditions when appropriate shelter space is not available.

Sec. E.321.2 33 V.S.A. § 2115 is amended to read:

§ 2115. GENERAL ASSISTANCE PROGRAM REPORT

On or before ~~January 15~~ September 1 of each year, the Commissioner for Children and Families shall submit a written report to the Joint Fiscal Committee; the House Committees on Appropriations, on General, Housing and Military Affairs, and on Human Services; and the Senate Committees on Appropriations and on Health and Welfare ~~containing:~~. The report shall contain the following:

(1) an evaluation of the General Assistance program during the previous fiscal year;

(2) any recommendations for changes to the program; ~~and~~

(3) a plan for continued implementation of the program;

(4) statewide statistics using deidentified data related to the use of emergency housing vouchers during the preceding State fiscal year, including demographic information, client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing; and

(5) other information the Commissioner deems appropriate.

Sec. E.324 LIHEAP AND WEATHERIZATION

(a) Notwithstanding 33 V.S.A. § 2501, in fiscal year 2018, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer up to 15 percent of the federal fiscal year 2018 federal Low Income Home Energy Assistance Program (LIHEAP) block grant from the federal funds appropriation in Sec. B.324 of this act to the Home Weatherization Assistance appropriation in Sec. B.326 of this act to be used for weatherization in State fiscal year 2018. An equivalent appropriation transfer shall be made to Sec. B.324 of this act, Low Income Home Energy Assistance Program, from the Home Weatherization Assistance Fund in Sec. B.326 of this act to provide home heating fuel benefits in State fiscal year 2018. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next meeting.

Sec. E.324.1 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it, if

the benefit cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the General Fund appropriation in Sec. B.325 of this act, $1,092,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal Emergency Solutions Grants funds. Grant decisions shall be made with assistance from the Vermont Coalition to End Homelessness.

Sec. E.326 Department for children and families – OEO – weatherization assistance

(a) Of the Special Fund appropriation in Sec. B.326 of this act, $750,000 is for the replacement and repair of home heating equipment.

Sec. E.327 WOODSIDE GLOBAL COMMITMENT FUNDING

(a) Upon any notification by the Centers for Medicare and Medicaid Services or upon determination by the Agency of Human Services that Medicaid funding will not be available to the State for the operation of Woodside Juvenile Rehabilitation Center in fiscal year 2018, the Secretary of Human Services and the Commissioner for Children and Families shall:

(1) immediately inform the Joint Fiscal Committee, the House and Senate Committees on Judiciary, the House Committee on Corrections and Institutions, and the Senate Committee on Institutions of such notification or determination; and

(2) within 30 days of such notification or determination, develop and submit a proposal to the Committees named in subdivision (1) of this subsection that includes:

(A) a plan to suspend operations at the Woodside facility while ensuring alternative placements are made that meet the service needs for the delinquent youths currently placed there; and

(B) a fiscal impact analysis that includes fiscal year 2018 and long term fiscal cost estimates.

Sec. E.335 ELECTRONIC MONITORING

(a) The Commissioner of Corrections shall implement an active electronic monitoring program with real-time enforcement. The Commissioner of

Corrections, in consultation with the Department of State's Attorneys and Sheriffs, may contract with a third party to electronically monitor offender positioning.

(b) The Electronic Monitoring Program described in subsection (a) of this section may be used to monitor, in lieu of incarcerating in a facility, the following populations:

(1) offenders in the custody of the Commissioner who are eligible for the Home Detention Program described in 13 V.S.A. § 7554b; and

(2) offenders in the custody of the Commissioner, including the following target populations:

(A) offenders who are eligible for home confinement furlough, as described in 28 V.S.A. § 808b;

(B) offenders who are past their minimum sentence and are deemed appropriate for the Program by the Commissioner of Corrections; or

(C) offenders who are eligible for reintegration furlough, as described in 28 V.S.A. § 808c.

(c) An offender shall only be eligible for the Electronic Monitoring Program described in subsection (a) of this section if electronic monitoring equipment is fully functional in the geographic area where the offender will be located.

Sec. E.335.1 SOUTHEAST STATE CORRECTIONAL FACILITY

(a) Plan. Funding for the Department of Corrections reflects the cessation of operation of the Southeast State Correctional Facility. It is the intent of the General Assembly that the Department develop a plan to provide secure transitional housing for inmates preparing to reenter the community, including the reuse of the Southeast State Correctional Facility for this purpose.

(b) Population. It is the intent of the General Assembly that a reentry facility be available for the following populations:

(1) inmates on the Lack of Housing (B1) list;

(2) moderate- to high-risk inmates who are either past their minimum release date or within 90 days of their release date;

(3) inmates who are eligible for reintegration furlough; and

(4) inmates who have served a significant sentence and are within six months of their release date.

(c) Services. It is the intent of the General Assembly that a reentry facility provides the following prerelease services:

(1) acquisition of identification;

(2) housing identification;

(3) employment readiness and retention;

(4) planning to address transportation barriers;

(5) money management;

(6) transition and reentry case planning;

(7) substance abuse treatment;

(8) work release; and

(9) information technology skills development.

(d) Coordination of services. The Department of Corrections shall coordinate with the community justice centers statewide and the Department of Labor to ensure inmates successfully transition back to society.

(e) Report. The Department of Corrections shall provide a report on the plan to the Joint Legislative Justice Oversight Committee on or before November 1, 2017.

Sec. E.335.2 REDUCTION IN FORCE OF SOUTHEAST STATE CORRECTIONAL FACILITY EMPLOYEES

(a) Permanent status classified State employees who are subject to a reduction in force from their positions at the Southeast State Correctional Facility on or after November 1, 2017, whose reemployment rights have not otherwise terminated, and who have not been reemployed with the State during the two-year reduction in force reemployment rights period, shall be granted a continuation of their reduction in force reemployment rights, in accordance with the provisions of the applicable collective bargaining agreement, but solely to vacant classified bargaining unit positions at any State correctional facility that management intends to fill. All other contractual reduction in force reemployment terms and conditions shall apply.

(b) Permanent status classified State employees employed by the Southeast State Correctional Facility as of November 1, 2017 shall, in accordance with the provisions of the applicable collective bargaining agreement, be eligible to receive one mandatory offer of reemployment to the Southeast State Correctional Facility when it is reused to provide secure transitional housing for inmates preparing to reenter the community. An employee who accepts the mandatory offer of reemployment shall be appointed in accordance with the provisions of the applicable collective bargaining agreement. If an employee who accepts a mandatory offer of reemployment fails the associated working

test period, he or she shall be separated from employment and granted full reduction in force reemployment rights in accordance with the applicable collective bargaining agreement.

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of $146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.338.1 2008 Acts and Resolves No. 179, Sec. 22(a), as amended by 2010 Acts and Resolves No. 157, Sec. 14, by 2012 Acts and Resolves No. 104, Sec. 38, by 2013 Acts and Resolves No. 41, Sec. 1a, and by 2014 Acts and Resolves No. 194, Sec. 15, is further amended to read:

(a) Secs. 11 and 12 shall take effect on July 1, ~~2017~~ 2021.

Sec. E.338.2 2014 Acts and Resolves No. 131, Sec. 135, as amended by 2015 Acts and Resolves No. 4, Sec. 71, is further amended to read:

Sec. 135. ~~EFFECTIVE DATES~~

~~This act shall take effect on passage, except that Secs. 118a and 118b (amending 18 V.S.A. § 4808 and adding 18 V.S.A. § 4809) shall take effect on July 1, 2017.~~ [Repealed.]

Sec. E.342 Vermont veterans' home – care and support services

(a) The Vermont Veterans' Home shall use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.342.1 [DELETED]

Sec. E.345 Green mountain care board

(a) The Green Mountain Care Board shall use the Global Commitment Funds appropriated in Sec. B.345 of this act to encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

Sec. E.345.1 FAIR REIMBURSEMENT REPORT

(a) Utilizing funds appropriated in Section B.345 of this act, the Green Mountain Care Board shall report to the Health Reform Oversight Committee by October 1, 2017 describing what substantial changes have been put into effect to achieve the site-neutral, fair reimbursements for medical services as envisioned in 2014 Acts and Resolves No. 144, Sec. 19, 2015 Acts and Resolves No. 54, Sec. 23, and 2016 Acts and Resolves No. 143, Sec. 5.

Sec. E.345.2 HEALTH INSURANCE REGULATION; MARKET STABILITY

(a) The Green Mountain Care Board, the Departments of Financial Regulation and of Vermont Health Access, and other State agencies and departments with responsibility for the regulation of health insurers and health insurance plans shall, to the maximum extent permitted under federal law, take such actions as are necessary to maintain the existing health care regulatory framework and a stable health insurance market for major medical health insurance in 2017 while the General Assembly is not in session.

* * * LABOR * * *

Sec. E.400 DEPARTMENT OF LABOR; RESTRICTION ON TRANSFER OF AUTHORIZED POSITIONS

(a) Notwithstanding any other provision of law to the contrary, no authorized positions in the Department of Labor or appropriations for authorized positions in the Department of Labor shall be transferred to the Agency of Commerce and Community Development without the approval of the General Assembly or, if the General Assembly is not in session, of the Joint Fiscal Committee.

Sec. E.400.1 APPRENTICESHIP AND YOUTH MENTORING PROGRAM

(a) On or before October 1, 2017, the Department of Labor shall design and begin implementation of the Apprenticeship and Youth Mentoring Program, the purpose of which shall be to provide paid work experiences and paid or unpaid internships for Vermont youths, working with mentoring professionals, that have academic and occupational education as a component, including:

(1) a summer youth employment program for high school juniors and seniors; and

(2) nonseasonal employment, preapprenticeship programs, and on-the-job training, for an at-risk youth employment program targeted for at-risk individuals 18 to 24 years of age.

(b) The Department shall implement the Program using funds from the State's Workforce Innovation and Opportunity Act grant from the U.S. Department of Labor, and other State and federal sources, to the extent allowed under applicable law.

(c) The Department shall design the Program to serve 150 individual Vermonters.

* * * K–12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section will be used for physician claims for determining medical necessity of Individualized Education Program (IEPs). It is the goal of these services to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 [DELETED]

Sec. E.500.2 16 V.S.A. § 4025(b)(4) is added to read:

(4) To make payments to the Vermont Teachers' Retirement Fund for the normal contribution in accordance with subsection 1944(c) of this title.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed $3,566,029 shall be used by the Agency of Education in fiscal year 2018 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to $192,805 may be used by the Agency of Education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

(a) The Independence Place Program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504.1 Education – flexible pathways

(a) Of this appropriation, $4,120,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) $600,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of $30,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act;

(2) $100,000 is available to support the Vermont Virtual Learning Cooperative at the River Valley Technical Center School District;

(3) $200,000 is available for secondary school reform grants; and

(4) $450,000 is available for the Vermont Academy of Science and Technology and $1,700,000 for Early College pursuant to 16 V.S.A. § 4011(e).

E.504.2 ADULT DIPLOMA FUNDING

(a) Payment amounts made in section B.504 for the adult diploma program are made notwithstanding 16 V.S.A. § 4011(f).

Sec. E.505 [DELETED]

Sec. E.513 Appropriation and transfer to education

(a) Pursuant to Sec. B.513 of this act and 16 V.S.A. § 4025(a)(2), there is appropriated in fiscal year 2018 from the General Fund for transfer to the Education Fund the amount of $314,695,753.

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be $88,409,437 of which $83,809,437 shall be the State's contribution and $4,600,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, $8,346,261 is the "normal contribution," and $80,063,176 is the "accrued liability contribution."

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), $27,560,966 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

Sec. E.515.1 16 V.S.A. § 1944b is amended to read:

§ 1944b. RETIRED TEACHERS' HEALTH AND MEDICAL BENEFITS FUND

(a) There is established a Retired Teachers' Health and Medical Benefits Fund (Benefits Fund) to pay retired teacher health and medical benefits, including prescription drug benefits, when due in accordance with the terms established by the Board of Trustees of the State Teachers' Retirement System of Vermont pursuant to subsection 1942(p) and subdivision 1944(c)(12) of this title. The Benefits Fund shall be administered by the Treasurer.

(b) The Benefits Fund shall consist of:

(1) all monies remitted to the State on behalf of the members of the State Teachers' Retirement System of Vermont for prescription drug plans pursuant to the Employer Group Waiver Plan with Wrap pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003;

(2) any monies appropriated by the General Assembly for the purpose of paying the health and medical benefits for retired members and their dependents provided by subsection 1942(p) and subdivision 1944(c)(12) of this title;

(3) any monies pursuant to subsection (e) of this section;

(4) ~~any monies the General Assembly transfers from the Supplemental Property Tax Relief Fund pursuant to 32 V.S.A. § 6075; and~~ [Repealed.]

(5) any monies pursuant to section 1944d of this title.

(c) No employee contributions shall be deposited in the Benefits Fund.

(d) Interest earned shall remain in the Benefits Fund, and all balances remaining at the end of a fiscal year shall be carried over to the following year; provided, however, that any amounts received in repayment of interfund loans established under subsection (e) of this section may be reinvested by the State Treasurer.

(e)(1) Notwithstanding any provision to the contrary, the State Treasurer is authorized to use interfund loans from the General Fund for payment into the Benefits Fund, which monies shall be identified exclusively for the purposes of payments of retired teacher health and medical benefits pursuant to this section. Any monies borrowed through an interfund loan pursuant to this section shall be paid from monies in the Benefits Fund or from other funds legally available for this purpose. It is the intent of the General Assembly to appropriate sufficient General Fund revenue, after consideration of all other revenue and disbursements, such that the interfund loan shall be paid in full on or before June 30, 2023. The Governor shall include in the annual budget request an amount sufficient to repay any interfund borrowing according to a schedule developed by the State Treasurer. The State Treasurer shall pay the interest and principal as due in accordance with authority granted under 32 V.S.A. § 902(b). The State Treasurer shall assess a rate of interest on the outstanding balance of the interfund loan comparable to the rate paid by private depositories of the State's monies, or to the yield available on investments made pursuant to 32 V.S.A. § 433. No interfund loans made under this authority shall, in the aggregate, exceed ~~$30,000,000.00~~ $28,500,000.00.

(2) For the purposes of this chapter, calculation of the interfund loan limit shall include long-term receivables and payables but shall not include accruals for federal reimbursement of employer group waiver plan receivables pursuant to 16 V.S.A. § 1944b(b)(1), receivables due from local school systems pursuant to 16 V.S.A. § 1944d, or any short-term accruals.

(f) It is the intent of the General Assembly to appropriate the required contributions necessary to pay retired teacher health and medical benefits by combining annual increases in base appropriations, but not from the Education Fund, and surplus revenues as they become available, so that the full cost of retired teacher health and medical benefits payments shall be met in base appropriations by fiscal year ~~2024~~ 2023. To the extent that other revenue sources are identified, the General Fund obligation shall not be reduced, until all annual disbursements to repay the interfund loan in subsection (e) of this section are satisfied. Contributions to the Benefits Fund shall be irrevocable and it shall be impossible at any time prior to the satisfaction of all liabilities, with respect to employees and their beneficiaries, for any part of the corpus or income of the Benefits Fund to be used for, or diverted to, purposes other than the payment of retiree postemployment benefits to members and their beneficiaries and reasonable expenses of administering the Benefits Fund and related benefit plans.

(g) The Treasurer shall report on the status of the interfund loan balance allowed under this section as part of the annual budget presentation to the General Assembly.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, $380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(c) If Global Commitment Fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the General Fund or other State funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high-quality health care services to Medicaid beneficiaries and to uninsured or underinsured persons, or both, in Vermont and across the nation.

Sec. E.600.1 INCREASING VERMONT'S PRIMARY CARE WORKFORCE

(a) Of the Global Commitment funds allocated to the University of Vermont College of Medicine pursuant to this act, at least $750,000 shall be used to support the College of Medicine's new rural medicine health track, which embeds medical students in a rural community for a year-long longitudinal integrated clerkship during which they will be trained in clinical care while engaging with the local community and conducting population health studies. The goal of the rural medicine health track is to encourage more students to choose careers in primary care in underserved areas of Vermont.

Sec. E.602 Vermont state colleges

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, $427,898 shall be transferred to the Vermont Manufacturing Extension Center for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(c) Vermont State Colleges report. On or before January 15, 2018, the Vermont State Colleges shall submit a report to the House and Senate Committees on Appropriations on the use and effect of State funding appropriated to the Vermont State Colleges. This report shall include the following:

(1) Financial statements for the Vermont State Colleges' prior two fiscal years, including balance sheets and profit and loss statements. The financial statements shall identify separately the use of State funding appropriated to the Vermont State Colleges.

(2) For the immediately preceding five school years:

(A) the number of resident and nonresident students who were enrolled, on both a full-time and a part-time basis;

(B) the number of graduate and undergraduate degrees awarded to resident and nonresident students;

(C) student retention rates and the average amount of time to graduation;

(D) the cost of attendance, including:

(i) the average amount of nonloan financial aid awarded;

(ii) the average student debt upon graduation; and

(iii) in- and out-of-state tuition rates and how these compare with regional peer institutions; and

(E) for students that are first in their families to attend college, the information under subdivisions (A) through (D) of this subdivision (2) broken out for this student population.

(3) A description of the Vermont State Colleges' strategic priorities and a status report on the achievement of these priorities, including a description of actions necessary to ensure a healthy and viable Vermont State Colleges system that enables the Colleges to achieve their mission.

Sec. E.603 Vermont state colleges – allied health

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont State Colleges shall be maintained through the General Fund or other State funding sources.

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 315 health care providers annually. These graduates deliver direct, high-quality health care services to Medicaid beneficiaries or uninsured or underinsured persons, or both.

Sec. E.605 Vermont student assistance corporation

(a) Of this appropriation, $25,000 is appropriated from the Education Fund to the Vermont Student Assistance Corporation to be deposited into the Trust Fund established in 16 V.S.A. § 2845.

(b) Of this appropriation, not more than $200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

(c) Of the appropriated amount remaining after accounting for subsections (a) and (b) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(d) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of $60,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) $30,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need-based stipend purposes).

(2) $30,000 pursuant to Sec. E.504.1(a)(1) (flexible pathways funds appropriated for dual enrollment and need-based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House Committees on Appropriations and on Commerce and Economic Development and to the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs on or before January 15, 2018.

Sec. E.608 [DELETED]

Sec. E.608.1 [DELETED]

* * * NATURAL RESOURCES * * *

Sec. E.700 32 V.S.A. § 5(a)(3)(A) is amended to read:

(3)(A) This section shall not apply to the following items, if the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities:

(i) the acceptance of grants, gifts, donations, loans, or other things of value with a value of $5,000.00 or less;

(ii) the acceptance by the Department of Forests, Parks and Recreation and the Department of Fish and Wildlife of grants, gifts, donations, loans, or other things of value with a value of $15,000.00 or less; or

(iii) the acceptance by the Vermont Veterans' Home of grants, gifts, donations, loans, or other things of value with a value of $10,000.00 or less.

Sec. E.700.1 10 V.S.A. § 1389a is amended to read:

§ 1389a. CLEAN WATER INVESTMENT REPORT

(a) Beginning on January 15, 2017, and annually thereafter, the ~~Clean Water Fund Board~~ Secretary of Administration shall publish a Clean Water Investment Report. The Report shall summarize all investments, including their cost-effectiveness, made by the Clean Water Fund Board and other State

agencies for clean water restoration over the ~~past~~ prior calendar year. The Report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source.

(b) The Report shall ~~document progress or shortcomings in meeting established indicators for clean water restoration. The Report shall~~ include:

(1) Documentation of progress or shortcomings in meeting established indicators for clean water restoration.

(2) ~~a~~ A summary of additional funding sources pursued by the Board, including whether those funding sources were attained; if it was not attained, why it was not attained; and where the money was allocated from the Fund.

(3) A summary of water quality problems or concerns in each watershed basin of the State, a list of water quality projects identified as necessary in each basin of the State, and how identified projects have been prioritized for implementation. The water quality problems and projects identified under this subdivision shall include programs or projects identified across State government and shall not be limited to projects listed by the Agency of Natural Resources in its watershed projects database.

(4) A summary of any changes to applicable federal law or policy related to the State's water quality improvement efforts, including any changes to requirements to implement total maximum daily load plans in the State.

(5) A summary of available federal funding related to or for water quality improvement efforts in the State.

(c) The Report may also provide an overview of additional funding necessary to meet objectives established for clean water restoration and recommendations for additional revenue to meet those restoration objectives. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report required by this section.

~~(b)~~(d)(1) The ~~Board~~ Secretary of Administration shall develop and use a results-based accountability process in publishing the annual report required by subsection (a) of this section.

(2) The Secretary of Administration shall develop user-friendly issue briefs, tables, or executive summaries that make the information required under subdivision (b)(3) available to the public separately from the report required by this section.

(3) On or before September 1 of each year, the Secretary of Administration shall submit to the Joint Fiscal Committee an interim report regarding the information required under subdivision (b)(5) of this section relating to available federal funding.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 VERMONT LIFE MAGAZINE

(a) The Secretary of Administration with the assistance of the Secretary of Commerce and Community Development shall issue an RFP by September 1, 2017 that seeks bids from interested media parties by December 1, 2017 to maximize the State benefit of Vermont Life magazine by:

(1) sale of Vermont Life magazine as an operating enterprise, or sale of any identifiable Vermont Life assets after the suspension of publication by the State to offset in whole or in part the magazine's existing debt; or

(2) licensing arrangements with entities that would result in payments to the State that reduce over time the magazine's existing debt; or

(3) partnership or operating proposals that continue publication without additional State support and have a high likelihood of eventual positive revenue streams to the State that reduce over time the magazine's existing debt or would result in a future sale of the enterprise sufficient to offset the debt, or both; or

(4) other media and publishing proposals that offset in whole or in part the magazine's existing debt.

(b) Departments of the State are not precluded from submitting bids, but the primary criterion in selecting a proposal will be the financial benefit to the State.

(c) The Secretary of Administration, in consultation with the Secretary of Commerce and Community Development, will analyze the bids received and make a determination of acceptance. The Secretary of Administration, with the approval of the Emergency Board, is authorized to execute a contract regarding the sale, licensing, partnership, or other proposal for Vermont Life to maximize the State benefit.

(d) If the determination is made for the State to continue publication, the full cost of Vermont Life operations shall be covered within the funds appropriated to the Agency in fiscal year 2019 and beyond.

Sec. E.800.1 VERMONT EB-5 REGIONAL CENTER; PLAN FOR REORGANIZATION; REPORT; BUDGET PROPOSAL

(a) On or before December 15, 2017, the Agency of Commerce and Community Development shall consider and adopt and plan for the reorganization and operation of the Vermont EB-5 Regional Center.

(b) The plan shall address specific steps the Agency will take to ensure the Center successfully connects Vermont businesses with investors and effectively markets and promotes economic development opportunities in Vermont.

(c) The Agency shall include in the Governor's budget proposal for fiscal year 2019 a detailed assessment and request for the funding necessary to implement the plan of reorganization required by this section.

Sec. E.804 Community development block grants

(a) Community Development Block Grants shall carry forward until expended.

* * * TRANSPORTATION * * *

Sec. E.904 [DELETED]

Sec. E.909 Transportation – central garage

(a) Of this appropriation, $7,904,353 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

* * * MISCELLANEOUS TECHNICAL CORRECTIONS * * *

Sec. F.1 33 V.S.A. § 2604(b) is amended to read:

(b) Fuel cost requirements. The Secretary of Human Services or designee shall by procedure establish a table that contains amounts that will function as a proxy for applicant households' annual heating fuel cost for the previous year. The seasonal fuel expenditure estimates contained within the table shall closely approximate the actual home heating costs experienced by participants in the Home Heating Fuel Assistance Program. ~~Data on actual heating costs collected pursuant to subsection 2602(d) of this title shall be used in lieu of the proxy table when available.~~ The table shall be revised no less frequently than every three years based on data supplied by certified fuel suppliers, the Department of Public Service, and other industry sources to the Office of Home Heating Fuel Assistance. The Secretary or designee shall provide a draft of the table to the Home Energy Assistance Task Force established pursuant to subsection 2602a(c) of this title and solicit input from the Task Force prior to finalizing the table.

Sec. F.2 33 V.S.A. § 2605(a) is amended to read:

(a) The Secretary of Human Services or designee shall by rule establish a table that specifies maximum percentages of applicant households' annual heating fuel costs, based on the proxy table established pursuant to subsection 2604(b) of this title ~~and, when available, the data collected pursuant to~~

~~subsection 2602(d) of this title,~~ that can be authorized for payment as annual home heating fuel assistance benefits for the following year. The maximum percentages contained within this table shall vary by household size and annual household income. In no instance shall the percentage exceed 90 percent.

Sec. F.3 33 V.S.A. § 2608 is amended to read:

§ 2608. WEATHERIZATION PROGRAM AGREEMENTS

The Director of the Home Energy Assistance Program shall inform the Administrator of the Home Weatherization Assistance Program, established under chapter 25 of this title, of all participants in the Home Heating Fuel Assistance Program ~~and of the information required by subsection 2602(d) of this title~~. The Agency of Human Services shall provide all participants in the Home Heating Fuel Assistance Program with information regarding the efficiency utility established under 30 V.S.A. § 209. All participants in the Home Heating Fuel Assistance Program shall be deemed to comply with any income requirements of the Home Weatherization Program, but to receive weatherization services, recipients shall be required to meet any other eligibility requirements of the Home Weatherization Program. As a condition of receipt of benefits under the Home Heating Fuel Assistance Program, a recipient shall consent to receive services of the Home Weatherization Assistance Program. ~~The Home Weatherization Assistance Program shall use the information required by subsection 2602(d) of this title to determine the number of British thermal units (Btus) needed to heat a square foot of space for each participant in the Home Energy Assistance Program.~~ The Home Weatherization Assistance Program shall give the highest priority to providing services to participants within the Home Heating Fuel Assistance Program and, among those participants, to those who require the ~~most BTUs to heat a square foot of space~~ highest energy usage.

Sec. F.4 33 V.S.A. § 2502(b)(3)(C) is amended to read:

(C) Establishing Program eligibility levels at 80 percent of the area median income, or 80 percent of the State median income, whichever is higher. Subject to the priority under section 2608 of this title given to participants in the Home Heating Fuel Assistance Program, the State program shall, when weighing factors to assign priority to buildings or units eligible for weatherization assistance, assign the greatest weight to those buildings and units that require the ~~most Btus to heat a square foot of space~~ highest energy usage.

Sec. F.5 33 V.S.A. § 2609(a) is amended to read:

(a) Annually, the Secretary of Human Services or designee shall determine an appropriate amount of funds ~~in the Home Heating Fuel Assistance fund~~ to

be set aside for expenditure for the crisis fuel assistance component of the Home Heating Fuel Program. The Secretary or designee shall also adopt rules to define crisis situations for the expenditure of the home heating fuel crisis funds, and to establish the income ~~and asset~~ eligibility requirements of households for receipt of crisis Home Heating Fuel Assistance, provided that no household shall be eligible whose gross household income is greater than 200 percent of the federal poverty level ~~or is in excess of income maximums established by LIHEAP~~ based on the income of all persons residing in the household. To the extent allowed by federal law, the Secretary or designee shall establish by rule a calculation of gross income based on the same rules used in 3SquaresVT, except that the Secretary or designee shall include additional deductions or exclusions from income required by LIHEAP.

Sec. F.6 33 V.S.A. § 2502(d) is amended to read:

(d) Subject to budgetary approval by the General Assembly, or approval by the Emergency Board, amounts in the Home Weatherization Assistance Fund created by section 2501 of this title may be transferred to the Home Heating Fuel Assistance ~~Fund created by section 2603 of this title~~ program, and used for energy assistance to low income persons, provided that such transfer does not reduce the fiscal capacity of the State Office of Economic Opportunity to meet the budgetary obligations of the Weatherization Program as set forth in this chapter, and that in the event of approval by the Emergency Board, the Emergency Board so certifies.

Sec. F.7 33 V.S.A. § 2502(c) is amended to read:

(c) The Secretary of Human Services shall by rule establish rent stabilization agreements and provisions to recapture amounts expended for weatherization of a rental unit which exceed the amount of energy cost reductions projected to be obtained by eligible tenants of the unit. The time periods established for rent stabilization and recapture shall be set taking into account the size of benefits received by tenants and landlords as well as the effect on program participation. Funds recaptured under this section shall be deposited into the Home Weatherization Assistance ~~Trust~~ Fund established under section 2501 of this title.

Sec. F.8 18 V.S.A. § 7254(a) is amended to read:

(a) The ~~director of health care reform~~ Director of Health Care Reform and the ~~commissioners of mental health, of health, and of Vermont health access~~ Commissioners of Mental Health, of Health, and of Vermont Health Access and the Green Mountain Care ~~board~~ Board or designees shall ensure that the redesign of the mental health delivery system established in this chapter is an integral component of the health care reform efforts ~~established in~~ coordinated

pursuant to 3 V.S.A. ~~§ 2222a~~ § 3027. Specifically, the ~~director, commissioners, and board~~ Director, Commissioners, and Board shall confer on planning efforts necessary to ensure that the following initiatives are coordinated and advanced:

* * *

Sec. F.9 18 V.S.A. § 9351(b) is amended to read:

(b) The Health Information Technology Plan shall:

* * *

(7) integrate the information technology components of the Blueprint for Health established in chapter 13 of this title, the Agency of Human Services' Enterprise Master Patient Index, and all other Medicaid management information systems being developed by the Department of Vermont Health Access, information technology components of the quality assurance system, the program to capitalize with loans and grants electronic medical record systems in primary care practices, and any other information technology initiatives coordinated ~~by the Secretary of Administration~~ pursuant to 3 V.S.A. ~~§ 2222a~~ § 3027; and

* * *

Sec. F.10 18 V.S.A. § 9416(a) is amended to read:

(a) The ~~commissioner of health~~ Commissioner of Health shall contract with the Vermont Program for Quality in Health Care, Inc. to implement and maintain a statewide quality assurance system to evaluate and improve the quality of health care services rendered by health care providers of health care facilities, including managed care organizations, to determine that health care services rendered were professionally indicated or were performed in compliance with the applicable standard of care, and that the cost of health care rendered was considered reasonable by the providers of professional health services in that area. The ~~commissioner of health~~ Commissioner of Health shall ensure that the information technology components of the quality assurance system comply with, and the ~~commissioner of Vermont health access~~ Commissioner of Vermont Health Access shall ensure such components are incorporated into, the statewide health information technology plan developed under section 9351 of this title and any other information technology initiatives coordinated ~~by the secretary of administration~~ pursuant to 3 V.S.A. ~~§ 2222a~~ § 3027.

*** Effective Dates for Secs. A.100–G.100 ***

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (fiscal year 2017 one-time appropriations), C.100.1 (Economic Development marketing), C.100.2 (fiscal year Medicaid carry forward requirement), C.101 (fiscal year 2017 fund transfers), C.102 (Volkswagen settlement), C.103 (expenditure of Human Services Caseload Management Reserve), C.104 (fiscal year 2017 27/53 Reserve, transfer), C.105 (fiscal year 2017 Attorney General adjustment), C.106 (fiscal year 2017 Protection function total adjustment), C.107 (fiscal year 2017 Secretary' office, Global Commitment adjustment), C.108 (fiscal year 2017 Green Mountain Care Board adjustment), C.109 (fiscal year 2017 Human Services function total adjustment), C.110–C.111 (fiscal year 2017 debt service adjustments), C.112–C.115 (fiscal year 2017 teachers' retirement system and health care and medical benefits adjustments) C.116 (Emergency Board composition), C.117 (budget report), C.118 (fiscal year 2017 carry forward authority), C.119 (fiscal year 2017 cost savings), C.120 (General Fund year end close out), D.102 (Tobacco Litigation Settlement Fund balance), E.100(b) (Labor Relations Manager position), E.100(c) (Security Guard positions), E.100(d) (transfer of vacant positions), E.100.1(d)(7) (position pilot program), E.100.2 (repeal), E.300.1–E.300.7 (transfer Director of Health Care Reform to the Agency of Human Services), E.308.1 (Choices for Care), E.300.14 (repeals), E.327 (Woodside Global Commitment funding), and F.1-F.10 (miscellaneous technical statute corrections), shall take effect on passage.

(b) All remaining sections shall take effect on July 1, 2017.

* * *

Sec. H.1 [RESERVED]

* * *

* * * Vermont Housing and Conservation Board;
Housing Bond Proceeds for Affordable Housing * * *

Sec. I.1 FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

(1) The General Assembly finds that investments are needed to help house the most vulnerable Vermonters as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for, over the next five years, 368 new units for permanent supportive housing and 1,251 new homes affordable to families with income that is not more than 30 percent of the median; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households with income below 30 percent of median and households with income between 85 percent and 120 percent of median, and found a lack of housing availability across the income spectrum.

(b) Purpose and intent.

(1) The purpose of Secs. I.1–I.12 of this act is to promote the development and improvement of housing for Vermonters.

(2) It is the intent of the General Assembly:

(A) to extend the clean water surcharge to provide an interim source of revenue for addressing water quality issues throughout the State;

(B) to continue its work on identifying a long-term funding source or sources that are sufficient in scope and targeted in design to address these water quality issues; and

(C) once one or more long-term funding sources are identified and enacted, but not later than July 1, 2027, to reduce the amount of the clean water surcharge to 0.04 percent.

Sec. I.2 10 V.S.A. § 314 is added to read:

§ 314. AFFORDABLE HOUSING BOND; INVESTMENT

The Vermont Housing and Conservation Board shall use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency pursuant to subdivision 621(22) of this title and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of owner-occupied and rental housing for Vermonters with very low to middle income, in areas targeted for growth and reinvestment, as follows:

(1) not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households with income below 50 percent of area median income;

(2) not less than 25 percent of the housing shall be targeted to Vermonters with moderate income, meaning households with income between 80 and 120 percent of area median income; and

(3) the remaining housing shall be targeted to Vermonters with income that is less than or equal to 120 percent of area median income, consistent with the provisions of this chapter.

Sec. I.3 10 V.S.A. § 323 is amended to read:

§ 323. ANNUAL REPORT

Prior to January 31 of each year, the ~~board~~ Board shall submit a report concerning its activities to the ~~governor~~ Governor and ~~legislative committees on agriculture, natural resources and energy, appropriations, ways and means, finance, and institutions~~ to the House Committees on Agriculture and Forestry, on Appropriations, on Corrections and Institutions, on Natural Resources, Fish and Wildlife, and on Ways and Means and the Senate Committees on Agriculture, on Appropriations, on Finance, on Institutions, and on Natural Resources and Energy. The report shall include~~, but not be limited to,~~ the following:

(1) a list and description of activities funded by the ~~board~~ Board during the preceding year, including commitments made to fund projects through housing bond proceeds pursuant to section 314 of this title, and project descriptions, levels of affordability, and geographic location;

* * *

* * * Allocation of Property Transfer Tax Revenues * * *

Sec. I.4 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the ~~department~~ Department.

(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and ~~32 V.S.A. §~~ subdivision 435(b)(10) of this title, ~~one~~ two percent of the revenues received from the property transfer tax

shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, $2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least $12,000,000.00.

* * * Vermont Housing Finance Agency; Authority to Issue Bonds for Affordable Housing * * *

Sec. I.5 10 V.S.A. § 621 is amended to read:

§ 621. GENERAL POWERS AND DUTIES

The Agency shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided a business corporation by 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation by 11B V.S.A. § 3.02 and including, without limiting the generality of the foregoing, the power to:

* * *

(21) use funds received from real estate trust and escrow accounts established under 26 V.S.A. § 2214(c), IORTA funds, for down payment and closing cost assistance with priority given to persons and families at or below 90 percent of median income and to persons and families purchasing perpetually affordable housing;

(22) issue bonds, notes, and other obligations secured by the property transfer tax revenues transferred to the Agency pursuant to 32 V.S.A. § 9610(d).

Sec. I.6 10 V.S.A. § 631(l) is added to read:

(l)(1) The bonds, notes, and other obligations authorized to be issued pursuant to subdivision 621(22) of this title shall be secured by a pledge of the

property transfer tax revenues to be transferred to the Agency pursuant to 32 V.S.A. § 9610(d) and shall mature on or before June 30, 2039.

(2) The Agency may issue the bonds, notes, and other obligations in one or more series at one time or from time to time, provided that the aggregate annual debt service on the bonds, notes, and other obligations shall not exceed $2,500,000.00 at any time.

(3) The Agency shall transfer the proceeds of the bonds, notes, and other obligations, less issuance fees and costs and required reserves, to the Vermont Housing and Conservation Trust Fund established pursuant to section 312 of this title for use by the Vermont Housing and Conservation Board as provided in section 314 of this title.

(4) The Agency, the Vermont Housing and Conservation Board, and the State Treasurer may execute one or more agreements governing the terms and conditions under which the property transfer tax revenues that secure the bonds, notes, and obligations shall be transferred to the Agency, and any other issues they determine appropriate.

* * * Funding for Affordable Housing Bond Program; Allocation of Revenues; Intent * * *

Sec. I.7 INTENT; FUNDING FOR AFFORDABLE HOUSING BOND PROGRAM; ALLOCATION OF PROPERTY TRANSFER TAX REVENUES

(a) Revenues from the property transfer tax, before the passage of this act, were allocated pursuant to statute as follows:

(1) The first two percent was deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs pursuant to 32 V.S.A. § 9610(c).

(2) Of the remaining 98 percent of the revenues:

(A) 17 percent was deposited in the Municipal and Regional Planning Fund created in 24 V.S.A. § 4306.

(B) 50 percent was deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

(C) 33 percent was deposited in the General Fund created in 32 V.S.A. § 435.

(b) Pursuant to Sec. I.4 of this act, in 32 V.S.A. § 9610(d), the first $2,500,000.00 of revenue generated from the property transfer tax is transferred to the Vermont Housing Finance Agency to service the bonds, notes, and other obligations incurred by the Agency pursuant to 10 V.S.A.

§ 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(c) Transferring the first $2,500,000.00 of property transfer tax revenues to the Vermont Housing Finance Agency for debt service reduces the amount of revenues available for allocation to the respective statutory recipients identified in subsection (a) of this section.

(d) To compensate for this reduction of available property transfer tax revenue, it is the intent of the General Assembly through this act to provide for the transfer of $2,500,000.00 to the Vermont Housing and Conservation Trust Fund, as follows:

(1) Sec. D.100 of this act appropriates $11,304,840.00 in fiscal year 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Upon the effective date of this act, the Board shall transfer the amount of $1,500,000.00 back to the Vermont Housing and Conservation Trust Fund, resulting in a fiscal year 2018 total appropriation to the Board of $9,804,840.00. In fiscal year 2018 only, the Commissioner of Taxes shall transfer the amount of $1,500,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

(2) As provided in Sec. I.9 of this act, from July 1, 2017 until July 1, 2027, pursuant to 32 V.S.A. § 9602a, the Commissioner of Taxes shall annually transfer the first $1,000,000.00 in revenue generated by the clean water surcharge of 0.2 percent to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018 only, the Commissioner shall transfer the amount of $1,000,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

(3) After July 1, 2027, pursuant to 32 V.S.A. § 9602a as amended in Sec. I.10 of this act, the Commissioner of Taxes shall annually transfer the $1,000,000.00 in total revenue generated by the clean water surcharge of 0.04 percent to the Vermont Housing and Conservation Trust Fund.

(4) As provided in Sec. I.11 of this act, the clean water surcharge will be repealed in its entirety on July 1, 2039.

* * * Clean Water Surcharge; Repeal of 2018 Sunset * * *

Sec. I.8 REPEAL; SUNSET OF CLEAN WATER SURCHARGE

(a) 2015 Acts and Resolves No. 64, Sec. 39 (sunset of clean water surcharge in 2018) is repealed.

* * * Clean Water Surcharge; Allocation of First $1 Million in Revenue until 2027 * * *

Sec. I.9 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first $100,000.00 in value of property to be used for the principal residence of the transferee or the first $200,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first $1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Clean Water Surcharge; Allocation of Revenue to Vermont Housing and Conservation Trust Fund in 2027 * * *

Sec. I.10 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of ~~0.2~~ 0.04 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first $100,000.00 in value of property to be used for the principal residence of the transferee or the first $200,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section ~~in the Clean Water Fund under 10 V.S.A. § 1388, except for the first $1,000,000.00 of revenue generated by the surcharge, which shall be deposited~~ in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Repeal of Affordable Housing Bond Provisions After Life of Bond * * *

Sec. I.11 REPEAL

(a) The following shall be repealed on July 1, 2039:

(1) 10 V.S.A. § 314 (Vermont Housing and Conservation Board; affordable housing bond and investments).

(2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA) authority to issue debt obligations secured by property transfer tax).

(3) 10 V.S.A. § 631(l) (debt obligations issued by VHFA).

(4) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable housing debt repayment).

(5) 32 V.S.A. § 9602a (clean water surcharge).

* * * Effective Dates for Secs. I.1–I.12 * * *

Sec. I.12 EFFECTIVE DATES

(a) Secs. I.1–I.12 of this act shall take effect on July 1, 2017, except that Sec. I.10 (allocating clean water surcharge revenue to Vermont Housing and Conservation Trust Fund) shall take effect on July 1, 2027.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

M. JANE KITCHEL
RICHARD W. SEARS
RICHARD A. WESTMAN

Committee on the part of the Senate

CATHERINE B. TOLL
PETER J. FAGAN
MARY S. HOOPER

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 22, Nays 6.

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

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Bray, Brooks, Campion, Clarkson, Cummings, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Pearson, Pollina, Sears, Sirotkin, Starr, Westman, White.

Those Senators who voted in the negative were: Benning, Branagan, Collamore, Degree, Flory, Mullin.

Those Senators absent and not voting were: Baruth, Rodgers.

Rules Suspended; Bills Messaged

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

H. 509, H. 518.

Rules Suspended; Bill Delivered

On motion of Senator Ashe, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 135.

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 Senator Mazza,

By Rep. Condon,

S.C.R. 16.

Senate concurrent resolution honoring the Martin Family for its pioneering role in Vermont television broadcasting.

By Senators Mullin, Collamore and Flory,

S.C.R. 17.

Senate concurrent resolution congratulating and thanking all the participants in the 25th Annual Letter Carriers' Food Drive in Rutland County.

Secretary Directed to Inform the House of Completion of Business

On motion of Senator Ashe, the Secretary was directed to inform the House that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 34.

Committee Appointed to Inform Governor of Completion of Business

On motion of Senator Ashe, the President appointed the following four Senators as members of a committee to wait upon His Excellency, Philip B. Scott, the Governor, and inform him that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 34:

Senator Ashe
Senator Mazza
Senator Balint
Senator Degree

Report of Committee

The Committee appointed to wait upon His Excellency, the Governor, to inform him that the Senate had, on its part, completed the business of the session and was ready to adjourn pursuant to the provisions of **J.R.S. 34**, performed the duties assigned to it and escorted the Governor to the rostrum where he delivered his remarks in person.

Remarks of Governor

The Governor, the Honorable Philip B. Scott, assumed the rostrum and briefly addressed the Senate.

Departure of Governor

The Governor, having completed the delivery of his message, was escorted from the Chamber by the committee appointed by the Chair.

Final Adjournment

On motion of Senator Ashe, at ten o'clock and forty-five minutes in the evening (10:45 P.M.), the Senate adjourned to a day certain, June 21, 2017, at ten o'clock in the forenoon, if necessary to attend to any bills returned by the Governor to the House or to the Senate, or, to October 23, 2017 at ten o’clock in the forenoon if jointly called by the President *pro tempore* of the Senate and the Speaker of the House, otherwise to adjourn to January 3, 2018, at ten o'clock in the forenoon, pursuant to the provisions of J.R.S. 34.