

Senate Calendar

TUESDAY, MARCH 23, 2010

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ORDERS OF THE DAY

ACTION CALENDAR
CONSIDERATION POSTPONED
Committee Bill for Second Reading

S. 293.

An act relating to state standards for boilers and pressure vessels.

By the Committee on Economic Development, Housing and General Affairs.

PENDING QUESTION: Shall the bill be read the third time?

S. 294.

An act relating to identification in electioneering communications and penalties for campaign finance violations.

AMENDMENT TO S. 294 TO BE OFFERED BY SENATOR WHITE
ON BEHALF OF THE COMMITTEE ON GOVERNMENT
OPERATIONS

Senator White, on behalf of the Committee on Government Operations, moves to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 17 V.S.A. § 2806(a) is amended to read:

(a) A person who knowingly and intentionally violates a provision of ~~subchapters 2 through 4~~ subchapter 2, 3, 4, or 8 of this chapter shall be fined not more than \$1,000.00 or imprisoned not more than six months or both. If the person is not a natural person, each individual responsible for knowingly and intentionally authorizing a violation shall be liable under this subsection.

Sec. 2. 17 V.S.A. § 2892 is amended to read:

§ 2892. IDENTIFICATION

All electioneering communications shall contain the name and address of the person, political committee, ~~or campaign, party, or candidate~~ who or which paid for the communication. The communication shall clearly designate the name of the ~~candidate, party, or political committee~~ person, political committee, party, or candidate by or on whose behalf the same is published or broadcast. The identification requirements of this section shall not apply to lapel stickers or buttons, nor shall they apply to electioneering communications made by a single individual acting alone who spends, in a single two-year general election cycle, a cumulative amount of no more than \$150.00 on those

electioneering communications.

Sec. 3. 17 V.S.A. § 2892a is added to read:

§ 2892a. SPECIFIC IDENTIFICATION REQUIREMENTS FOR CERTAIN ELECTIONEERING COMMUNICATIONS

A person, political committee, party, or candidate that makes an expenditure for an electioneering communication shall include at the end of any communication which is transmitted through radio or television, in a clearly spoken manner, an audio statement that sets forth the following information: the name of the speaker, the name of the person who paid for the communication, the relationship of the speaker to the person, and a statement that the speaker approves of the content of the communication. For communications using media other than radio or television, the name, mailing address, and Internet address of the person or political committee shall appear prominently such that a reasonable person would clearly understand by whom the expenditure has been made.

Sec. 3. 17 V.S.A. § 2893 is amended to read:

§ 2893. NOTICE OF EXPENDITURE

(a) For purposes of this section, “mass media activities” includes television commercials, radio commercials, mass mailings, mass electronic or digital communications, literature drops, newspaper and periodical advertisements, robotic phone calls, and telephone banks which include the name or likeness of a clearly identified candidate for office.

(b) In addition to any other reports required to be filed under this chapter, a person, political committee, party, or candidate who makes expenditures for any one mass media activity totaling \$500.00 or more within 30 days of before a primary or general election shall, for each activity, file a mass media report by email with the secretary of state and send a copy of the mass media report by e-mail to each candidate whose name or likeness is included in the activity within 24 12 hours of the expenditure or activity, whichever occurs first. For the purposes of this section, a person, political committee, party, or candidate shall be treated as having made an expenditure if the person has executed a contract to make the expenditure. The report shall identify the person, political committee, party, or candidate who made the expenditure with the name of the candidate involved in the activity and any other information relating to the expenditure that is required to be disclosed under the provisions of subsections 2803(a) and (b) of this title. If the activity occurs within 30 days before the election and the expenditure was previously reported, an additional report shall be required under this section. Specifically, the person, political committee, party, or candidate shall file a mass media report by email with the secretary of state and send a copy of the mass media report by email to each candidate

whose name or likeness is included in the activity within 12 hours of the activity.

Second Reading

Favorable with Recommendation of Amendment

S. 237

An act relating to operational standards for salvage yards.

PENDING QUESTION: Shall the bill be amended as recommended by the Committee on Natural Resources and Energy?

(For text, see Senate Journal for March 19, 2010, page 355)

AMENDMENT TO S. 237 TO BE OFFERED BY SENATOR SNELLING ON BEHALF OF THE COMMITTEE ON NATURAL RESOURCES AND ENERGY

Senator Snelling, on behalf of the Committee on Natural Resources and Energy, moves that the bill be amended as recommended by the Committee on Natural Resources and Energy, and that the bill be further amended as follows:

First: In Sec. 1, 24 V.S.A. § 2248(a)(4) by striking out the following: “A salvage yard shall not be sited or operated” and inserting in lieu thereof the following: A salvage yard established after July 1, 2010, shall not be sited or operated

Second: In Sec. 1, 24 V.S.A. § 2248(a)(5) by striking out the following: “A salvage yard shall not be sited or operated” and inserting in lieu thereof the following: A salvage yard established after July 1, 2010, shall not be sited or operated

S. 247.

An act relating to bisphenol A.

PENDING QUESTION: Shall the bill be amended as recommended by the Committee on Natural Resources and Energy?

(For text, see Senate Journal of March 19, 2010, page 358)

Third Reading

S. 262.

An act relating to insurance coverage for autism diagnosis and treatment.

S. 264.

An act relating to the Vermont dairy industry stabilization and health (DISH) program.

S. 279.

An act relating to nonunanimous jury verdicts in civil actions.

S. 285.

An act relating to authorizing a health insurance purchasing association for farmers.

S. 295.

An act relating to the creation of an agricultural development director.

S. 296.

An act relating to sale or lease of the John H. Boylan state airport.

S. 297.

An act relating to miscellaneous changes to education law.

H. 456.

An act relating to seasonal fuel assistance.

H. 598.

An act relating to sorting early voter absentee ballots.

Joint Resolutions For Action

J.R.S. 54.

Joint resolution related to the payment of dairy hauling costs.

(For text of resolution, see Senate Journal of March 19, 2010, page 347.)

J.R.H. 45.

Joint resolution urging Google Incorporated to give all due consideration to Vermont applicants for selection to participate in the Google Fiber for Communities project.

(For text of resolution, see Senate Journal of March 19, 2010, page 349.)

NOTICE CALENDAR

Second Reading

S. 224.

An act relating to the establishment of a paint stewardship program.

Reported favorably with recommendation of amendment by Senator Snelling for the Committee on Natural Resources and Energy.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. chapter 159, subchapter 4 is added to read:

Subchapter 4. Paint Stewardship Program

§ 6671. POLICY

The general assembly finds and declares that it is in the best interest of Vermont to have an environmentally sound, cost-effective paint stewardship program that will undertake responsibility for the development and implementation of strategies to reduce the generation of postconsumer paint, promote the reuse of postconsumer paint, and collect, transport, and process postconsumer paint for end-of-life management, including reuse, recycling, energy recovery, and disposal. The paint stewardship program will follow the waste management hierarchy for managing and reducing leftover paint in the order as follows: reduce consumer generation of leftover paint, reuse, recycle, provide for energy recovery, and dispose. The paint stewardship program will provide more opportunities for consumers to properly manage their leftover paint; provide fiscal relief for local government in managing postconsumer paint; keep paint out of the waste stream; and conserve natural resources.

§ 6672. DEFINITIONS

As used in this subchapter:

(1) “Architectural paint” means interior and exterior architectural coatings sold in containers of five gallons or less and does not mean industrial, original equipment, or specialty coatings.

(2) “Distributor” means a company that has a contractual relationship with one or more producers to market and sell architectural paint to retailers in Vermont.

(3) “Environmentally sound management practices” means policies to be implemented by a producer or a stewardship organization to ensure compliance with all applicable laws and also addressing such issues as adequate record keeping, tracking and documenting the fate of materials within the state and beyond, and adequate environmental liability coverage for professional services and for the operations of the contractors working on behalf of the producer organization.

(4) “Energy recovery” means recovery in which all or a part of the solid waste materials are processed in order to use the heat content or other forms of energy of or from the material.

(5) “Paint stewardship assessment” means the amount added to the purchase price of architectural paint sold in Vermont necessary to cover the cost of collecting, transporting, and processing the postconsumer paint managed through the statewide program.

(6) “Postconsumer paint” means architectural paint not used and no longer wanted by a purchaser.

(7) “Producer” means a manufacturer of architectural paint who sells, offers for sale, or distributes that paint in Vermont under the producer’s own name or brand.

(8) “Recycling” means any process by which discarded products, components, and by-products are transformed into new usable or marketable materials in a manner in which the original products may lose their identity but does not include energy recovery or energy generation by means of combusting discarded products, components, and by-products with or without other waste products.

(9) “Retailer” means any person that offers architectural paint for sale at retail in Vermont.

(10) “Reuse” means the return of a product into the economic stream for use in the same kind of application as originally intended, without a change in the product’s identity.

(11) “Secretary” means the secretary of natural resources.

(12) “Sell” or “sale” means any transfer of title for consideration, including remote sales conducted through sales outlets, catalogues, or the Internet or any other similar electronic means.

(13) “Stewardship organization” means a corporation, nonprofit organization, or other legal entity created by a producer or group of producers to implement the paint stewardship program required under this subchapter.

§ 6673. PAINT STEWARDSHIP PROGRAM

(a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the secretary for approval by July 1, 2011. The plan shall address the following:

(1) Describe how the program proposed under the plan will collect, transport, recycle, and process postconsumer paint for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.

(2) Describe the program and how it will provide for convenient and available statewide collection of postconsumer architectural paint in urban and rural areas of the state. The producer or stewardship organization shall utilize the existing recycling infrastructure when selecting collection points for postconsumer architectural paint where cost effective.

(3) Provide for collection rates and convenience of collection equal to or greater than the collection programs available to consumers prior to the paint stewardship program.

(4) Provide the facility name, location, and hours of operation of facilities accepting paint for recycling under the program.

(5) Establish goals to reduce the generation of postconsumer paint, to promote the reuse of postconsumer paint, and for the proper end-of-life management of postconsumer paint, as practical based on current household hazardous waste program information. The goals may be revised by the manufacturer or stewardship organization based on the information collected for the annual report.

(6) Describe how postconsumer paint will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy of source reduction, reuse, recycling, energy recovery, and disposal.

(7) Describe education and outreach efforts to promote the source reduction and recycling of architectural paint for each of the following: consumers, contractors, and retailers.

(b) Beginning no later than July 1, 2012, or three months after approval of the paint stewardship program plan under subsection (a) of this section, a producer of architectural paint sold at retail or a stewardship organization of which a producer is a member shall implement the approved paint stewardship program plan.

(c) A plan submitted under subsection (a) of this section shall include a funding mechanism under which each architectural paint producer remits to a stewardship organization payment of a paint stewardship assessment for each container of architectural paint it sells in this state. The paint stewardship assessment shall be added to the cost of all architectural paint sold to Vermont retailers and distributors, and each Vermont retailer or distributor shall add the paint stewardship assessment to the purchase price of all architectural paint sold in this state. To ensure that the funding mechanism is equitable and sustainable, a uniform paint stewardship assessment shall be established for all architectural paint sold. The paint stewardship assessment shall be approved by the secretary and shall be sufficient to recover, but not exceed, the costs of the paint stewardship program.

(d) A producer or a stewardship organization of which a producer is a member shall promote a paint stewardship program and provide consumers with educational and informational materials describing collection opportunities for postconsumer paint statewide and promotion of waste prevention, reuse, and recycling. The educational and informational program

shall make consumers aware that the funding for the operation of the paint stewardship program has been added to the purchase price of all architectural paint sold in the state.

§ 6674. RETAILER RESPONSIBILITY

(a) A producer or retailer may not sell or offer for sale architectural paint to any person in Vermont unless the producer of a paint brand or a stewardship program of which the producer is a member is implementing an approved paint stewardship program plan as required by section 6673 of this title. A retailer complies with the requirements of this section if, on the date the architectural paint was ordered from the producer or its agent, the producer of the paint brand is listed on the agency of natural resources website as a producer implementing an approved paint stewardship program plan.

(b) At the time of sale to a consumer, a producer, a stewardship organization, or a retailer selling or offering architectural paint for sale shall provide the consumer with information regarding available end-of-life management options for architectural paint collected through the paint stewardship program or a brand of paint being sold under the program.

§ 6675. AGENCY RESPONSIBILITY

(a) The secretary shall review and approve plans, and amendments to plans, describing a producer's or product stewardship organization's paint management program. Approvals under this subsection shall be valid for not more than five years. In approving a plan, in addition to finding all elements required by subsection 6673(a) of this title are adequately addressed, the secretary shall determine that the implementation of the plan will result in reasonably convenient services to consumers, and that reasonable efforts have been taken to control the cost of the program.

(b) A plan may be amended by a producer, a stewardship organization, or by the secretary.

(c) The secretary shall review and approve stewardship fees assessed by a producer pursuant to subsection 6673(c) of this title. Approvals under this subsection shall be valid for not more than one year. In approving a stewardship fee, the secretary shall determine that the fee is reasonable and the fee does not exceed the costs of implementing an approved plan. In no case shall the secretary approve a stewardship fee greater than \$0.75 per gallon without further justification of the necessity for a higher fee.

(d) Facilities solely collecting paint for the paint stewardship program that would not otherwise be subject to solid waste certification requirements shall not be required to obtain a solid waste certification. Persons solely transporting paint for the paint stewardship program that would not otherwise

be subject to solid waste hauler permitting requirements shall not be required to obtain a solid waste hauler's permit.

§ 6676. ANTICOMPETITIVE CONDUCT

A producer or an organization of producers that manages end-of-life management options, including collection, transport, recycling, and processing, of postconsumer paint as required by this subchapter may engage in anticompetitive conduct to the extent necessary to implement the plan approved by the secretary and is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce.

§ 6677. PRODUCER REPORTING REQUIREMENTS

No later than July 1, 2013, and annually thereafter, a producer or a stewardship program of which the producer is a member shall submit to the secretary a report describing the paint stewardship program that the producer or stewardship program is implementing as required by section 6673 of this title. At a minimum, the report shall include:

(1) a description of the methods the producer or stewardship program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint statewide in Vermont;

(2) the volume and type of postconsumer paint collected by the producer or stewardship program in all regions of Vermont;

(3) the volume of postconsumer paint collected by the producer or stewardship program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;

(4) The total volume of architectural paint sold in this state during the preceding calendar year under the stewardship program;

(5) an independent financial audit of the paint stewardship program implemented by the producer or the stewardship program; and

(6) samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

§ 6678. CONFIDENTIAL BUSINESS INFORMATION

Data reported to the secretary by a producer or stewardship organization under this subchapter shall be deemed to be confidential business information that is exempt from public disclosure, provided that the agency may use and disclose such information in summary or aggregated form that does not directly or indirectly identify individual producers, distributors, or retailers. The agency may require, as a part of the report submitted under section 6677 of this title that the manufacturer or stewardship organization provide a report

that does not contain confidential business information and is available for public inspection and review.

§ 6679. RULEMAKING; PROCEDURE

The secretary may adopt rules or procedures to implement the requirements of this subchapter.

Sec. 2. 3 V.S.A. § 2822(j)(29) is added to read:

(29) For review of plans required by 10 V.S.A. § 6673: \$15,000.00.

Sec. 3. EFFECTIVE DATE

This act shall take effect upon passage.

(Committee vote: 5-0-0)

Reported favorably by Senator McCormack for the Committee on Finance.

(Committee vote: 7-0-0)

S. 226.

An act relating to medical marijuana dispensaries.

Reported favorably with recommendation of amendment by Senator White for the Committee on Government Operations.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 86, subchapter 2 is amended to read:

Subchapter 2. Marijuana for Medical Symptom Use by Persons
with Severe Illness

§ 4472. DEFINITIONS

For the purposes of this subchapter:

(1) “Bona fide physician-patient relationship” means a treating or consulting relationship of not less than six months duration, in the course of which a physician has completed a full assessment of the registered patient’s medical history and current medical condition, including a personal physical examination.

(2) “Compassion center” means a nonprofit entity registered under section 4475 of this title which acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells, or dispenses marijuana, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her center, and to his or her registered caregiver, for the registered patient’s medical use.

(3) “Criminal history record” means all information documenting an individual’s contact with the criminal justice system, including data regarding identification, arrest or citation, arraignment, judicial disposition, custody, and supervision.

(4) “Debilitating medical condition,” provided that, in the context of the specific disease or condition described in subdivision (A) or (B) of this subdivision ~~(2)~~(4), reasonable medical efforts have been made over a reasonable amount of time without success to relieve the symptoms, means:

(A) cancer, multiple sclerosis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, or the treatment of these conditions, if the disease or the treatment results in severe, persistent, and intractable symptoms; or

(B) a disease, medical condition, or its treatment that is chronic, debilitating, and produces severe, persistent, and one or more of the following intractable symptoms: cachexia or wasting syndrome; severe pain; severe nausea; or seizures.

(5) “Immature marijuana plant” means a marijuana plant, whether male or female, that has not yet flowered and which does not yet have buds that may be readily observed by unaided visual examination.

~~(3)~~(6) “Marijuana” shall have the same meaning as provided in subdivision 4201(15) of this title.

(7) “Mature marijuana plant” means a marijuana plant, whether male or female, that has flowered and which has buds that may be readily observed by unaided visual examination.

~~(4)~~(8) “Physician” means a person who is:

(A) licensed under chapter 23 or chapter 33 of Title 26, and is licensed with authority to prescribe drugs under Title 26; or

(B) a physician, surgeon, or osteopathic physician licensed to practice medicine and prescribe drugs under comparable provisions in New Hampshire, Massachusetts, or New York.

~~(5)~~(9) “Possession limit” means the amount of marijuana collectively possessed between the registered patient and the patient’s registered caregiver which is no more than two mature marijuana plants, seven immature plants, and two ounces of usable marijuana.

~~(6)~~(10) “Registered caregiver” means a person who is at least 21 years old who has never been convicted of a drug-related crime and who has agreed to undertake responsibility for managing the well-being of a registered patient with respect to the use of marijuana for symptom relief.

~~(7)~~(11) “Registered patient” means a person who has been issued a registration card by the department of public safety identifying the person as having a debilitating medical condition pursuant to the provisions of this subchapter.

~~(8)~~(12) “Secure indoor facility” means a building or room equipped with locks or other security devices that permit access only by a registered caregiver ~~or~~, registered patient, or compassion center principal officer, board member, agent, volunteer, or employee.

~~(9)~~(13) “Usable marijuana” means the dried leaves and flowers of marijuana, and any mixture or preparation thereof, and does not include the seeds, stalks, and roots of the plant.

~~(10)~~(14) “Use for symptom relief” means the acquisition, possession, cultivation, use, transfer, or transportation of marijuana or paraphernalia relating to the administration of marijuana to alleviate the symptoms or effects of a registered patient’s debilitating medical condition which is in compliance with all the limitations and restrictions of this subchapter. For the purposes of this definition, “transfer” is limited to the transfer of marijuana and paraphernalia between a registered caregiver and a registered patient.

§ 4473. REGISTERED PATIENTS; QUALIFICATION STANDARDS AND PROCEDURES

(a) To become a registered patient, a person must be diagnosed with a debilitating medical condition by a physician in the course of a bona fide physician-patient relationship.

(b) The department of public safety shall review applications to become a registered patient using the following procedures:

(1) A patient with a debilitating medical condition shall submit, under oath, a signed application for registration to the department. If the patient is under the age of 18, the application must be signed by both the patient and a parent or guardian. The application shall require identification and contact information for the patient and the patient’s registered caregiver applying for authorization under section 4474 of this title, if any, and the patient’s designated compassion center under section 4475 of this title, if any. The applicant shall attach to the application a medical verification form developed by the department pursuant to subdivision (2) of this subsection.

(2) The department of public safety shall develop a medical verification form to be completed by a physician and submitted by a patient applying for registration in the program. The form shall include:

(A) A cover sheet which includes the following:

(i) A statement of the penalties for providing false information.

(ii) Definitions of the following statutory terms:

(I) “Bona fide physician-patient relationship” as defined in subdivision 4472(1) of this title.

(II) “Debilitating medical condition” as defined in subdivision ~~4472(2)~~ 4472(4) of this title.

(III) “Physician” as defined in subdivision ~~4472(4)~~ 4472(8) of this title.

(B) A verification sheet which includes the following:

(i) A statement that a bona fide physician-patient relationship exists under subdivision 4472(1) of this title, or that under subdivision (3)(A) of this subsection (b), the debilitating medical condition is of recent or sudden onset, and the patient has not had a previous physician who is able to verify the nature of the disease and its symptoms.

(ii) A statement that reasonable medical efforts have been made over a reasonable amount of time without success to relieve the symptoms.

(iii) A statement that the patient has a debilitating medical condition as defined in subdivision ~~4472(2)~~ 4472(4) of this title, including the specific disease or condition which the patient has and whether the patient meets the criteria under subdivision ~~4472(2)(A) or (B)~~ 4472(4)(A) or (B).

(iv) A signature line which provides in substantial part: “I certify that I meet the definition of “physician” under 18 V.S.A. § ~~4472(4)(A) or 4472(4)(B)~~ § 4472(8)(A) or 4472(8)(B) (circle one), that I am a physician in good standing in the state of, and that the facts stated above are accurate to the best of my knowledge and belief.”

(v) The physician’s contact information.

(3)(A) The department of public safety shall transmit the completed medical verification form to the physician and contact him or her for purposes of confirming the accuracy of the information contained in the form. The department may approve an application, notwithstanding the six-month requirement in subdivision 4472(1) of this title, if the department is satisfied that the medical verification form confirms that the debilitating medical condition is of recent or sudden onset, and that the patient has not had a previous physician who is able to verify the nature of the disease and its symptoms.

(B) If the physician is licensed in another state as provided by subdivision ~~4472(4)(B)~~ 4472(8)(B) of this title, the department shall contact the state’s medical practice board and verify that the physician is in good standing in that state.

(4) The department shall approve or deny the application for registration in writing within 30 days from receipt of a completed registration application. If the application is approved, the department shall issue the applicant a registration card which shall include the registered patient's name and photograph, ~~as well as a unique identifier for law enforcement verification purposes under section 4474d of this title~~ the registered patient's designated compassion center, if any, and a unique identifier for law enforcement verification purposes under section 4474d of this title.

(5)(A) A review board is established. The medical practice board shall appoint three physicians licensed in Vermont to constitute the review board. If an application under subdivision (1) of this subsection is denied, within seven days the patient may appeal the denial to the board. Review shall be limited to information submitted by the patient under subdivision (1) of this subsection, and consultation with the patient's treating physician. All records relating to the appeal shall be kept confidential. An appeal shall be decided by majority vote of the members of the board.

(B) The board shall meet periodically to review studies, data, and any other information relevant to the use of marijuana for symptom relief. The board may make recommendations to the general assembly for adjustments and changes to this chapter.

(C) Members of the board shall serve for three-year terms, beginning February 1 of the year in which the appointment is made, except that the first members appointed shall serve as follows: one for a term of two years, one for a term of three years, and one for a term of four years. Members shall be entitled to per diem compensation authorized under ~~section 1010 of Title 32~~ 32 V.S.A. § 1010. Vacancies shall be filled in the same manner as the original appointment for the unexpired portion of the term vacated.

§ 4474. REGISTERED CAREGIVERS; QUALIFICATION STANDARDS AND PROCEDURES

(a) A person may submit a signed application to the department of public safety to become a registered patient's registered caregiver. The department shall approve or deny the application in writing within 30 days. The department shall approve a registered caregiver's application and issue the person an authorization card, including the caregiver's name, photograph, and a unique identifier, after verifying:

(1) the person will serve as the registered caregiver for one registered patient only; and

(2) the person has never been convicted of a drug-related crime.

(b) Prior to acting on an application, the department shall obtain from the Vermont criminal information center a Vermont criminal record, an out-of-state criminal record, and a criminal record from the Federal Bureau of Investigation for the applicant. For purposes of this subdivision, "criminal record" means a record of whether the person has ever been convicted of a drug-related crime. Each applicant shall consent to release of criminal records to the department on forms substantially similar to the release forms developed by the center pursuant to ~~section 2056e of Title 20~~ 20 V.S.A. § 2056c. The department shall comply with all laws regulating the release of criminal history records and the protection of individual privacy. The Vermont criminal information center shall send to the requester any record received pursuant to this section or inform the department of public safety that no record exists. If the department disapproves an application, the department shall promptly provide a copy of any record of convictions and pending criminal charges to the applicant and shall inform the applicant of the right to appeal the accuracy and completeness of the record pursuant to rules adopted by the Vermont criminal information center. No person shall confirm the existence or nonexistence of criminal record information to any person who would not be eligible to receive the information pursuant to this subchapter.

(c) A registered caregiver may serve only one registered patient at a time, and a registered patient may have only one registered caregiver at a time.

§ 4474a. REGISTRATION; FEES

(a) The department shall collect a fee of \$50.00 for the application authorized by sections 4473 and 4474 of this title. The fees received by the department shall be deposited into a registration fee fund and used to offset the costs of processing applications under this subchapter.

(b) A registration card shall expire one year after the date of issue, with the option of renewal, provided the patient submits a new application which is approved by the department of public safety, pursuant to section 4473 or 4474 of this title, and pays the fee required under subsection (a) of this section.

§ 4474b. EXEMPTION FROM CRIMINAL AND CIVIL PENALTIES; SEIZURE OF PROPERTY

(a) A person who has in his or her possession a valid registration card issued pursuant to this subchapter and who is in compliance with the requirements of this subchapter, including the possession limits in subdivision ~~4472(4)~~ 4472(9) of this title, shall be exempt from arrest or prosecution under subsection 4230(a) of this title.

(b) A physician who has participated in a patient's application process under subdivision 4473(b)(2) of this title shall not be subject to arrest, prosecution, or disciplinary action under chapter 23 of Title 26, penalized in

any manner, or denied any right or privilege under state law, except for giving false information, pursuant to subsection 4474c(f) of this title.

(c) No person shall be subject to arrest or prosecution for constructive possession, conspiracy, or any other offense for simply being in the presence or vicinity of a registered patient or registered caregiver engaged in use of marijuana for symptom relief.

(d) A law enforcement officer shall not be required to return marijuana or paraphernalia relating to its use seized from a registered patient or registered caregiver.

(e) A registered patient, a compassion center, or a registered caregiver may donate marijuana to a compassion center provided that no consideration is paid for the marijuana and that the recipient does not exceed the possession limits specified in this chapter.

§ 4474c. PROHIBITIONS, RESTRICTIONS, AND LIMITATIONS REGARDING THE USE OF MARIJUANA FOR SYMPTOM RELIEF

(a) This subchapter shall not exempt any person from arrest or prosecution for:

(1) Being under the influence of marijuana while:

(A) operating a motor vehicle, boat, or vessel, or any other vehicle propelled or drawn by power other than muscular power;

(B) in a workplace or place of employment; or

(C) operating heavy machinery or handling a dangerous instrumentality.

(2) The use or possession of marijuana by a registered patient or a registered caregiver:

(A) for purposes other than symptom relief as permitted by this subchapter; or

(B) in a manner that endangers the health or well-being of another person.

(3) The smoking of marijuana in any public place, including:

(A) a school bus, public bus, or other public vehicle;

(B) a workplace or place of employment;

(C) any school grounds;

(D) any correctional facility; or

(E) any public park, public beach, public recreation center, or youth center.

(b) This chapter shall not be construed to require that coverage or reimbursement for the use of marijuana for symptom relief be provided by:

(1) a health insurer as defined by ~~section 9402~~ subdivision 9402(7) of this title, or any insurance company regulated under Title 8;

(2) an employer; or

(3) for purposes of workers' compensation, an employer as defined in ~~subdivision 601(3) of Title 21~~ 21 V.S.A. § 601(3).

(c) A registered patient or registered caregiver who elects to grow marijuana to be used for symptom relief by the patient may do so only if the marijuana is cultivated in a single, secure indoor facility.

(d) A registered patient or registered caregiver may not transport marijuana in public unless it is secured in a locked container.

(e) Within 72 hours after the death of a registered patient, the patient's registered caregiver shall return to the department of public safety for disposal any marijuana or marijuana plants in the possession of the patient or registered caregiver at the time of the patient's death. If the patient did not have a registered caregiver, the patient's next of kin shall contact the department of public safety within 72 hours after the patient's death and shall ask the department to retrieve such marijuana and marijuana plants for disposal.

(f) Notwithstanding any law to the contrary, a person who knowingly gives to any law enforcement officer false information to avoid arrest or prosecution, or to assist another in avoiding arrest or prosecution, shall be imprisoned for not more than one year or fined not more than \$1,000.00 or both. This penalty shall be in addition to any other penalties that may apply for the possession or use of marijuana.

§ 4474d. LAW ENFORCEMENT VERIFICATION OF INFORMATION; RULEMAKING

(a) The department of public safety shall maintain and keep confidential, except as provided in subsection (b) of this section and except for purposes of a prosecution for false swearing under ~~section 2904 of Title 13~~ 13 V.S.A. § 2904, the records of all persons registered under this subchapter or registered caregivers in a secure database accessible by authorized department of public safety ~~employee's~~ employees only.

(b) In response to a person-specific or property-specific inquiry by a law enforcement officer or agency made in the course of a bona fide investigation or prosecution, the department may verify the identities and registered property

addresses of the registered patient and the patient's registered caregiver, a compassion center, or a compassion center principal officer, board member, agent, volunteer, or employee.

(c) The department shall maintain a separate secure electronic database accessible to law enforcement personnel 24 hours a day that uses a unique identifier system to allow law enforcement to verify that a person or entity is a registered patient or registered caregiver, compassion center, or compassion center principal officer, board member, agent, volunteer, or employee.

(d) The department of public safety shall implement the requirements of this act within 120 days of its effective date. The department may adopt rules under chapter 25 of Title 3 and shall develop forms to implement this act.

§ 4475. COMPASSION CENTERS

(a)(1) A compassion center registered under this section may:

(A) acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, sell, and dispense marijuana and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her center and, to his or her registered caregiver, for the registered patient's medical use.

(B) acquire marijuana seeds or parts of the marijuana plant capable of regeneration from registered patients or their caregivers or from other registered compassion centers in Vermont.

(2) A compassion center may cultivate and possess whichever of the following quantities is greater:

(A) 98 immature marijuana plants, 28 mature marijuana plants, and 28 ounces of useable marijuana; or

(B) seven immature marijuana plants, two mature marijuana plants, and two ounces of useable marijuana for each registered patient who has designated the compassion center to provide him or her with marijuana for medical use. A compassion center may also possess marijuana seeds, stalks, and unusable roots.

(b)(1) Not later than 180 days after the effective date of this section, the department of health shall adopt rules governing compassion centers and related marijuana facilities and the manner in which it shall consider applications for registration certificates for compassion centers, including rules governing:

(A) The form and content of registration and renewal applications.

(B) Minimum oversight requirements for compassion centers.

(C) Minimum record-keeping requirements for compassion centers.

(D) Minimum security requirements for compassion centers which shall include a fully operational security alarm system. This provision shall apply to each compassion center location and any second facility separate from the compassion center where medical marijuana will be grown, cultivated, harvested, or otherwise prepared for distribution by the compassion center.

(E) Procedures for suspending or terminating the registration of compassion centers that violate the provisions of this section or the rules adopted pursuant to this section.

(F) The ability of compassion centers to advertise in any appropriate medium or manner.

(G) Procedures to guide reasonable determinations as to whether an applicant would pose a demonstrable threat to public safety if he or she were to be associated with a compassion center.

(2) The department of health shall adopt rules with the goal of protecting against diversion and theft, without imposing an undue burden on the registered compassion centers or compromising the confidentiality of registered patients and their registered caregivers. The department of health may deny an application for a compassion center if it determines that an applicant's criminal history record indicates that the person's association with a compassion center would pose a demonstrable threat to public safety, and the department of health shall be entitled to receive a criminal history record from the department of public safety for such determination. Any dispensing records that a registered compassion center is required to keep shall track transactions according to registered patients', registered caregivers', and registered compassion centers' registry identification numbers, rather than their names, to protect their confidentiality.

(3) Within 30 days of the adoption of rules, the department shall begin accepting applications for the operation of compassion centers.

(4) Within 230 days of the effective date of this section, the department shall grant registration certificates to five compassion centers, provided at least five applicants apply and meet the requirements of this section.

(5) Any time a compassion center registration certificate is revoked, is relinquished, or expires, the department shall accept applications for a new compassion center.

(6) If at any time after one year after the effective date of this section fewer than five compassion centers hold valid registration certificates in Vermont, the department of health shall accept applications for a new compassion center. No more than five compassion centers may hold valid

registration certificates at one time.

(c)(1) Each application for a compassion center registration certificate shall include all of the following:

(A) A nonrefundable application fee in the amount of \$250.00 paid to the department of health.

(B) The legal name, articles of incorporation, and bylaws of the compassion center.

(C) The proposed physical address of the compassion center, if a precise address has been determined or, if not, the general location where it would be located. This may include a second secured location where medical marijuana will be grown, cultivated, harvested, or otherwise prepared for distribution by the compassion center.

(D) A description of the enclosed, locked facility where medical marijuana will be grown, cultivated, harvested, or otherwise prepared for distribution by the compassion center.

(E) The name, address, and date of birth of each principal officer and board member of the compassion center, and a complete set of fingerprints for each of them.

(F) Proposed security and safety measures, which shall include at least one security alarm system for each location and planned measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana.

(G) Proposed procedures to ensure accurate record keeping.

(2) Any time one or more compassion center registration applications are being considered, the department of health shall also allow for comment in writing by the public and shall solicit input from registered patients, registered caregivers, and the towns or cities where the applicants would be located.

(3) Each time a compassion center certificate is granted, the decision shall be based on the overall health needs of qualified patients and the safety of the public, including the following factors:

(A) Geographic convenience to patients from throughout the state of Vermont to compassion centers if the applicant were approved.

(B) The entity's ability to provide an adequate supply to the registered patients in the state.

(C) The entity's ability to demonstrate its board members' experience running a nonprofit organization or business.

(D) The comments, if any, of qualifying patients regarding which applicant should be granted a registration certificate.

(E) The sufficiency of the applicant's plans for record keeping, which records shall be considered confidential health care information under Vermont law and are intended to be deemed protected health care information for purposes of the federal Health Insurance Portability and Accountability Act of 1996, as amended.

(F) The sufficiency of the applicant's plans for safety and security, including the proposed location and security devices employed.

(4) After a compassion center is approved, but before it begins operations, it shall submit the following to the department of health:

(A) A registration fee in the amount of \$5,000.00 paid to the department of health.

(B) The legal name and articles of incorporation of the compassion center.

(C) The physical address of the compassion center and the address of any related secured facility where medical marijuana will be grown, cultivated, harvested, or otherwise prepared for distribution by the compassion center. If location of the related secured facility is different from the location of the compassion center, the department of health shall provide the address of the related secured facility to the department of public safety and to local law enforcement agencies, including sheriffs, of towns where such facilities will be located. However, such information and any other records identifying such location shall be confidential and not subject to public disclosure, except that such information may be disclosed to a law enforcement agency upon request for the purpose of enforcement of this chapter.

(D) The name, address, and date of birth of each principal officer and board member of the compassion center, along with a complete set of fingerprints for each.

(E) The name, address, and date of birth of any person who will be an agent of or employed by the compassion center at its inception, along with a complete set of fingerprints for each such person.

(5) Each time a compassion center registration is granted, the department of health shall notify the department of public safety and provide a copy of its registration. Each time a compassion center registration is revoked or expires, the department of health shall notify the department of public safety. The department of public safety shall track the number of registered patients who have designated each compassion center and issue a monthly written statement to the compassion center, identifying the number of

registered patients who have designated that compassion center along with the registry identification numbers of each patient and each patient's designated caregivers, if any.

(6) In addition to the monthly reports, the department of public safety shall also provide written notice to a compassion center which identifies the names and registration identification numbers of a qualifying patient and his or her designated caregivers whenever any of the following events occur:

(A) A qualifying patient designates the compassion center to serve his or her needs under this chapter;

(B) An existing registered patient revokes the designation of the compassion center because he or she has designated a different compassion center instead; or

(C) A registered patient who has designated the compassion center loses his or her status as a registered patient under this chapter.

(7) Except as provided in subdivision (8) of this subsection, the department of public safety shall issue each principal officer, board member, agent, volunteer, and employee of a compassion center a registry identification card or renewal card within 10 days of receipt of the person's name, address, and date of birth and a fee in an amount established by the department of public safety. A person may not serve as principal officer, board member, agent, volunteer, or employee of a compassion center until that person has received a registry identification card issued under this section. Each card shall specify that the cardholder is a principal officer, board member, agent, volunteer, or employee of a compassion center and shall contain the following:

(A) The name, address, and date of birth of the principal officer, board member, agent, volunteer, or employee.

(B) The legal name of the compassion center with which the principal officer, board member, agent, volunteer, or employee is affiliated.

(C) A random identification number that is unique to the cardholder.

(D) The date of issuance and the expiration date of the registry identification card.

(E) A photograph, if the department decides to require one.

(8)(A)(i) Prior to acting on an application, the department of public safety shall obtain a Vermont criminal history record, an out-of-state criminal history record, and a criminal history record from the Federal Bureau of Investigation for each principal officer, board member, agent, volunteer, or employee of a compassion center. Each applicant shall consent to the release

of criminal history records to the department on forms substantially similar to the release forms developed by the center pursuant to 20 V.S.A. § 2056c.

(ii) When the department of public safety obtains a criminal history record, the department shall promptly provide a copy of the record to the applicant principal officer, board member, agent, volunteer, or employee, and to the principal officer and board, if the applicant is an agent, volunteer, or employee. The department of public safety shall inform the applicant of the right to appeal the accuracy and completeness of the record pursuant to rules adopted by the department of public safety.

(iii) The department shall comply with all laws regulating the release of criminal history records and the protection of individual privacy. No person shall confirm the existence or nonexistence of criminal history record information to any person who would not be eligible to receive the information pursuant to this subchapter.

(B)(i) The department of public safety shall not issue a registry identification card to any principal officer, board member, agent, volunteer, or employee of a compassion center who has been convicted of a drug-related offense or a violent felony. For purposes of this subchapter, "violent felony" means a listed crime as defined in 13 V.S.A. § 5301(7), or an offense involving sexual exploitation of children in violation of chapter 64 of Title 13.

(ii) The department of public safety shall adopt rules for the issuance of a registry identification card and set forth standards for determining whether an applicant should be denied a registry identification card because his or her criminal history record indicates that the person's association with a compassion center would pose a demonstrable threat to public safety. The rules shall consider whether a person who has a conviction for an offense not listed in subdivision (B)(i) of this subdivision (c)(8) has been rehabilitated. A conviction for an offense not listed in subdivision (B)(i) of this subdivision (c)(8) shall not automatically disqualify a person for a registry identification card.

(iii) A compassion center may deny a person the opportunity to serve as a board member, agent, volunteer, or employee based on his or her criminal history record.

(C) An applicant who is denied a registry identification card may appeal the department of public safety's determination in superior court in accordance with Rule 75 of the Vermont Rules of Civil Procedure.

(9) A registration identification card of a principal officer, board member, agent, volunteer, or employee shall expire one year after its issuance or upon the expiration of the registered organization's registration certificate, whichever occurs first.

(10) Notwithstanding any other provision of law, information required to be submitted to the department of health or department of public safety on an application for a compassion center identifying the locations where marijuana is proposed to be grown, cultivated, harvested, and otherwise prepared for distribution to qualifying patients, registered caregivers, and compassion centers, if such location is different from the location of the compassion center, and any other department records identifying such location shall be considered to be confidential information and not subject to disclosure, provided that such information may be disclosed to a law enforcement agency upon request for purposes of enforcement under this chapter.

(d)(1) A compassion center's registration shall expire two years after its registration certificate is issued. The compassion center may submit a renewal application beginning 60 days prior to the expiration of its registration certificate.

(2) The department shall grant a compassion center's renewal application within 30 days of its submission if the following conditions are all satisfied:

(A) The compassion center submits the materials required under subdivision (c)(4) of this section, including the required fee, which shall be refunded within 30 days if the renewal application is rejected.

(B) The department has not suspended the compassion center's registration for violations of this chapter or rules adopted pursuant to this chapter.

(C) The compassion center is complying with the requirements in subsection (g) of this section.

(D) The inspections authorized by subsection (e) of this section and the report provided pursuant to subdivision (f)(8) of this section do not raise serious concerns about the continued operation of the compassion center applying for renewal.

(3) If the department of health determines that any of the conditions listed in subdivisions (2)(A)–(D) of this subsection do not exist, the department shall begin an open application process for the operation of a compassion center. In granting a new registration certificate, the department shall consider factors listed in subdivision (c)(3) of this section.

(4) The department of health shall issue a compassion center one or more 30-day temporary registration certificates after that compassion center's registration would otherwise expire if all the following conditions are satisfied:

(A) The compassion center previously applied for a renewal, but the department had not yet come to a decision.

(B) The compassion center requested a temporary registration certificate.

(C) The compassion center has not had its registration certificate revoked due to violations of this chapter or rules adopted pursuant to this chapter.

(e) Compassion centers shall be subject to reasonable inspection by the department of health. During an inspection, the department may review the compassion center's confidential records, including its dispensing records, which shall track transactions according to registered patients' registry identification numbers to protect their confidentiality. The department may also review training materials, safety inserts, and other materials that are required to be maintained or distributed pursuant to this chapter and the rules adopted pursuant to it.

(f)(1) A compassion center shall be operated on a nonprofit basis for the mutual benefit of its patients. A compassion center need not be recognized as a tax-exempt organization by the Internal Revenue Service.

(2) A compassion center may not be located within 1,000 feet of the property line of a preexisting public or private school.

(3) A compassion center shall notify the department of public safety within 10 days of when a principal officer, board member, agent, volunteer, or employee ceases to be associated with or work at the compassion center. His or her registry identification card shall be deemed null and void, and the person shall be liable for any other penalties that may apply to the person's nonmedical use of marijuana.

(4) A compassion center shall notify the department of public safety in writing of the name, address, and date of birth of any proposed new principal officer, board member, agent, volunteer, or employee and shall submit a fee in an amount established by the department for a new registry identification card before a new agent, volunteer, or employee begins working at the compassion center, and shall submit a complete set of fingerprints for the prospective principal officer, board member, agent, volunteer, or employee.

(5) A compassion center shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana, and shall ensure that each location has an operational security alarm system.

(6) The operating documents of a compassion center shall include procedures for the oversight of the compassion center and procedures to ensure accurate record keeping.

(7) A compassion center is prohibited from the following:

(A) Acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying, selling, and dispensing marijuana for any purpose except to assist patients who are allowed to use marijuana pursuant to this chapter with the medical use of marijuana directly or through the qualifying patients' designated caregiver.

(B) Acquiring usable marijuana or marijuana plants from any source other than registered compassion center principal officers, board members, agents, volunteers, or employees who cultivate marijuana in accordance with this subchapter.

(C) Acquiring medical marijuana from any source other than registered patients or their caregivers, or other registered compassion centers in Vermont.

(8) A compassion center shall provide to each registered patient and registered caregiver receiving marijuana a safety insert, which the department of health may, at its discretion, inspect and approve, which shall include:

(A) methods for administration of medical marijuana; and

(B) a description of potential side-effects qualified patients could experience while using medical marijuana.

(9) A compassion center shall include labels on all marijuana that is dispensed. The labels shall identify the particular strain of marijuana contained therein. Cannabis strains shall be either pure breeds or hybrid varieties of cannabis and shall reflect properties of the plant.

(10) Each compassion center shall develop, implement, and maintain on the premises employee and agent policies and procedures to address the following requirements:

(A) A job description or employment contract developed for all employees and a volunteer agreement for all volunteers, which includes duties, authority, responsibilities, qualification, and supervision; and

(B) Training in and adherence to confidentiality laws.

(11) Each compassion center shall maintain a personnel record for each employee and each volunteer that includes an application for employment or to volunteer and a record of any disciplinary action taken.

(12) Each compassion center shall develop, implement, and maintain on-site training curricula, or enter into contractual relationships with outside resources capable of meeting employee training needs, which include the following topics:

(A) Professional conduct, ethics, and patient confidentiality; and

(B) Informational developments in the field of the medical use of marijuana.

(13) Each compassion center entity shall provide each employee and each volunteer, at the time of his or her initial appointment, training in the following:

(A) The proper use of security measures and controls that have been adopted; and

(B) Specific procedural instructions on how to respond to an emergency, including robbery or violent accident.

(14) All compassion centers shall prepare training documentation for each employee and have employees sign a statement indicating the date, time, and place the employee received the training and topics discussed, including the name and title of presenters. The compassion center shall maintain documentation of an employee's and a volunteer's training for a period of at least six months after termination of an employee's employment or the volunteer's volunteering.

(g)(1) A compassion center or principal officer, board member, agent, volunteer, or employee of a compassion center shall not dispense more than two ounces of usable marijuana to a registered patient directly or through the qualifying patient's registered caregiver during a 10-day period. A compassion center or principal officer, board member, agent, volunteer, or employee of a compassion center may dispense seeds or cuttings to a registered patient. For purposes of this subsection, a "cutting" is defined as a plant section originating from the stem, leaf, or root of a marijuana plant and which is capable of developing into a new plant.

(2) A compassion center or principal officer, board member, agent, volunteer, or employee of a compassion center shall not dispense an amount of usable marijuana to a qualifying patient or a designated caregiver that the compassion center, principal officer, board member, agent, volunteer, or employee knows would cause the recipient to possess more marijuana than is permitted under this chapter.

(h)(1) No registered compassion center shall be subject to the following:

(A) Prosecution for the acquisition, possession, cultivation, manufacture, delivery, transfer, transport, supply, sale, or dispensing of marijuana, paraphernalia, or related supplies for medical purposes in accordance with the provisions of this chapter and any rule adopted by the department of health pursuant to this chapter.

(B) Inspection and search, except pursuant to subsection (e) of this section or upon a search warrant issued by a court or judicial officer.

(C) Seizure of marijuana, except upon valid order issued by a court or judicial officer.

(D) Imposition of any penalty or denied any right or privilege, including imposition of a civil penalty or disciplinary action by an occupational or professional licensing board or entity, solely for acting in accordance with this chapter to assist registered patients or registered caregivers with the medical use of marijuana.

(2) No principal officers, board members, agents, volunteers, or employees of a compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any manner, or denied any right or privilege, including civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, solely for working for or with a compassion center to engage in acts permitted by this chapter.

(i)(1)(A) A compassion center shall not possess an amount of marijuana for medical use that exceeds whichever of the following quantities is greater:

(i) 98 immature marijuana plants, 28 mature marijuana plants, and 28 ounces of useable marijuana; or

(ii) seven immature marijuana plants, two mature marijuana plants, and two ounces per patient.

(B) A compassion center may possess marijuana seeds, stalks, and unusable roots.

(2) A compassion center shall not dispense, deliver, or otherwise transfer marijuana to a person other than a registered patient who has designated it or such patient's registered caregiver.

(3) A person found to have violated subdivision (2) of this subsection shall not be an employee, volunteer, agent, principal officer, or board member of any compassion center, and such person's registry identification card shall be immediately revoked.

(4) No person who has been convicted of a drug-related offense shall be a principal officer, board member, agent, volunteer, or employee of a compassion center unless the department has determined that the person's conviction was for the medical use of marijuana or assisting with the medical use of marijuana and issued the person a registry identification card as provided under subdivision (c)(7) of this section. A person who is employed by or is an agent, volunteer, principal officer, or board member of a compassion center in violation of this subdivision shall be guilty of a civil violation punishable by a fine of up to \$1,000.00. A subsequent violation of this subdivision shall be a misdemeanor.

(5) All cultivation of marijuana shall take place in an enclosed, locked facility, which can only be accessed by principal officers, board members, agents, volunteers, or employees of the registered compassion center who are cardholders.

(j) Nothing shall prohibit local governments from enacting ordinances or regulations regarding compassion centers, provided they are not in conflict with this section or with department of health rules adopted pursuant to this section.

§ 4476. ANNUAL REPORT

(a)(1) The legislature shall appoint a seven-member oversight committee comprising one member of the house of representatives; one member of the senate; one physician; one nurse; and three registered patients.

(2) The oversight committee shall meet at least two times per year for the purpose of evaluating and making recommendations to the general assembly regarding:

(A) The ability of qualifying patients and registered caregivers in all areas of the state to obtain timely access to medical marijuana.

(B) The effectiveness of the registered compassion centers individually and together in serving the needs of qualifying patients and registered caregivers, including the provision of educational and support services.

(C) Sufficiency of the regulatory and security safeguards contained in this chapter and adopted by the department of health to ensure that access to and use of cultivated marijuana is provided only to cardholders authorized for such purposes.

(D) The definition of “qualifying medical condition.”

(E) Research studies regarding health effects of medical marijuana for patients.

(b) On or before January 1 of each year, beginning in 2012, the oversight committee shall provide a report to the department of health, the house committee on health care, and the senate committee on health and welfare on its findings.

and that after passage, the title of the bill be amended to read: “An act relating to medical marijuana compassion centers”

(Committee vote: 3-2-0)

Reported favorably by Senator Cummings for the Committee on Finance.

(Committee vote: 5-0-2)

Reported favorably with recommendation of amendment by Senator Bartlett for the Committee on Appropriations.

The Committee recommends that the bill be amended in Sec. 1, § 4476, by adding a new subsection (c) to read as follows:

(c) Notwithstanding any other provision of law, no legislative member of the oversight committee shall be entitled to per diem compensation and to reimbursement of travel or other expenses.

(Committee vote: 5-0-2)

S. 239.

An act relating to retiring outdoor wood-fired boilers that do not meet the 2008 emission standard for particulate matter.

Reported favorably with recommendation of amendment by Senator Lyons for the Committee on Natural Resources and Energy.

The Committee recommends that the bill be amended by striking out Secs. 2 and 3 in their entirety and inserting in lieu thereof new Secs. 2 and three to read as follows:

Sec. 2. 10 V.S.A. § 584 is added to read:

§ 584. INEFFICIENT OUTDOOR WOOD-FIRED BOILER CHANGE-OUT PROGRAM; RETIREMENT

(a) At the earliest feasible date, the secretary shall create and put into effect a change-out program within the air pollution control division of the department of environmental conservation to purchase the retirement of inefficient, high emission outdoor wood-fired boilers (OWB) that will be replaced with OWBs or other heating appliances with substantially lower emissions and higher fuel efficiency.

(b) The secretary shall fund this program using at least \$500,000.00 of the funds available to the state of Vermont for environmental mitigation projects under the consent decree approved on or about October 9, 2007 in the case of *United States, et al. v. American Elec. Power Service Corp., et al.*, Civil Actions No. C2-99-1182, C2-99-1250, C2-04-1098, C2-05-360 (the AEP consent decree). The secretary may add to this funding such additional moneys as may be appropriated to the program authorized under this section or otherwise may be available by grant, contribution, or donation.

(c) The secretary shall take all steps necessary to secure use of the funds from the AEP consent decree in the manner described in subsection (a) of this section.

(d)(1) To be eligible for the program under this section, an OWB shall be one that is not certified under the air pollution control regulations as meeting either the Phase I emission limit for particulate matter of 0.44 pounds per million British thermal units (BTUs) of heat input or the Phase II emission limit for particulate matter of 0.32 pounds per million BTUs of heat output.

(2) The secretary may develop program eligibility criteria that are in addition to the criteria of subdivision (1) of this subsection. Such additional criteria may allow an OWB to be eligible for the program under this section even if the OWB does not meet the requirements of subdivision (1) of this subsection. In developing these additional criteria, the secretary shall consult with affected persons and entities such as the American Lung Association.

(e) An eligible OWB that is accepted into the change-out program under this section shall be:

(1) Replaced with an OWB that is certified under the air pollution control regulations as a Phase II OWB with a particulate matter emission rate of no more than 0.32 pounds per million BTUs of heat output or another type of heating appliance that the secretary determines has an equivalent or more stringent emission rate; and

(2) Retired within a specified period not to exceed six months after acceptance into the program.

(f) In implementing the program required by this section, the secretary:

(1) Shall give priority to replacing eligible OWBs that have resulted in complaints regarding emissions, including particulate matter or smoke, that the agency has determined are valid, and have the highest emission rates, cause nuisance, or are within 200 feet of a residence, school, or health care facility.

(2) May allow replacement of an eligible OWB that is less than the required setback distance from a residence, school, or health care facility that is neither served by the OWB nor owned by the owner or lessee of the OWB with an OWB or heating appliance that is also less than the required setback distance from a residence, school, or health care facility, unless such location of the replacement OWB or heating appliance will cause a nuisance or will not comply with all applicable local ordinances and bylaws. For the purposes of this subdivision (2), "required setback distance" means the setback distance applicable to the OWB that is required by the air pollution control regulations.

(3) May require that an eligible OWB be replaced with a heating appliance that is not an OWB if, based on the secretary's consideration of area

topography, air flows, site conditions, and other relevant factors, the secretary determines that the replacement OWB would cause nuisance.

(4) To the extent practical, should provide over time for decreasing emission rates and increasing fuel efficiency requirements for replacement OWBs under this program as new technology for boilers becomes commercially available.

(g) Any OWB in the state that is not certified under the air pollution control regulations to meet the Phase I, Phase II, or a more stringent emission limit shall be retired on or before December 31, 2012, if the OWB is located within 200 feet of a residence, school, or health facility that is neither served by the OWB nor owned by the owner or lessee of the OWB and has resulted or results in a complaint regarding emissions, including particulate matter or smoke, that the agency has determined is valid.

(h) For the purpose of this section:

(1) “Outdoor wood-fired boiler” or “OWB” means a fuel-burning device designed to burn primarily wood that the manufacturer specifies should or may be installed outdoors or in structures not normally occupied by humans, such as attached or detached garages or sheds, and that heats spaces or water by the distribution through pipes of a fluid heated in the device, typically water or a mixture of water and antifreeze. In addition, this term also means any wood-fired boiler that is actually installed outdoors or in structures not normally occupied by humans, such as attached or detached garages or sheds, regardless of whether such use has been specified by the manufacturer.

(2) “Retire” means to remove an OWB permanently from service, disassemble it into its component parts, and either recycle those parts or dispose of them in accordance with applicable law.

(i) For the purpose of determinations under subdivisions (f)(1) (priority for change-out), (2) (installation of replacement OWB closer than 100 feet) and (3) (non-OWB replacement) of this section, “nuisance” means interference with the ordinary use or enjoyment of property caused by particulate matter, smoke, or other emissions of an OWB that a reasonable person would find disturbing, annoying, or physically uncomfortable. Precedence in time and balancing of harm shall be irrelevant to such determinations. This section shall not affect the burden or elements of proof with respect to a claim of nuisance caused by an OWB brought in a civil court under common law.

(j) The secretary may adopt rules to implement this section.

Sec. 3. EFFECTIVE DATE

This act shall take effect from passage.

(Committee vote: 5-0-0)

Reported favorably by Senator Bartlett for the Committee on Appropriations.

(Committee vote: 5-0-2)

House Proposal of Amendment

S. 280

The House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. SHORT TITLE

This act shall be known as and may be cited as the “Highway Traffic Safety Act of 2010.”

* * * Legislative Findings * * *

Sec. 2. LEGISLATIVE FINDINGS

The general assembly finds that:

* * * General Findings * * *

(1) In December 2006, the governor transmitted to the Division Administrator of the Federal Highway Administration the Strategic Highway Plan for Vermont that stated “The first half of 2006 was trending toward a near record-breaking year for highway deaths and incapacitating injuries.” In response to this trend, the Strategic Highway Safety Plan for Vermont was created with the mission to “minimize the occurrence and severity of crashes, related human suffering, and economic losses on the Vermont transportation network.”

(2) According to the governor’s highway safety office, traffic crashes cost the nation about \$230 billion each year in medical expenses, lost productivity, property damage, and related costs. Vermont pays \$221 million of those costs. In 2008, workplace traffic crash injuries cost Vermonters more than \$39 million.

(3) According to the governor’s highway safety program, each highway fatality cost the state of Vermont more than \$900,000.00.

(4) In recognition of the terrible toll in terms of human suffering and financial loss resulting from motor vehicle crashes, on July 6, 2006, the Vermont department of health’s injury prevention program hosted the 2006 Symposium on Preventing Crashes Among Young Drivers at the Inn at Essex, Vermont. The symposium brought together key leaders in highway safety, transportation, public health, and youth development for an in-depth multidisciplinary exploration of the causes of crashes among young drivers and opportunities for prevention.

* * * Teen Driving Safety * * *

(1) The Strategic Highway Safety Plan for Vermont of 2006, signed by the governor and endorsed by state agencies, stated that “new language” should be added to the existing graduated driver license legislation to achieve:

(A) Restrictions on passengers in cars driven by young drivers.

(B) Nighttime limitations for young drivers.

(C) Primary safety belt enforcement to the age of 18.

(D) No cell phone or electronic device use by junior operators.

(2) From a public health perspective, “motor vehicle crashes are among the most serious problems facing teenagers.” (Anatomy of Crashes Involving Young Drivers–Preventing Teen Motor Crashes.) According to the Centers for Disease Control and Prevention, highway injuries and deaths constitute the largest reason for youth injuries and deaths, and therefore constitute a public health risk warranting remedial action.

(3) According to these sources, the 2002 cost of crashes involving drivers ages 20 through 25 was \$40.8 billion (National Center for Injury Prevention and Control, 2006).

(4) According to the Vermont Safety Education Center (VSEC), junior operator passenger restrictions are essential components of graduated licensing. Crash risks for teenage drivers increase incrementally with one, two, three, or more passengers. With three or more passengers, fatal crash risk is about three times higher than if a beginner were driving alone.

(5) According to VSEC, the presence of passengers is a major contributor to the teenage death toll. About two-thirds of all crash deaths of teens that involve 16-year-old drivers occur when the beginners were driving with teen passengers. Studies indicate that passenger restrictions can reduce this problem.

(6) According to VSEC, four out of every 10 deaths of teens in motor vehicles occur between 9:00 p.m. and 6:00 a.m. Nighttime is one of the riskiest times of day for junior operators due to DUI, darkness, and sleep deprivation in teens. Midnight to 2:00 a.m. is the most dangerous nighttime period.

* * * Cell Phones and Electronic Devices * * *

(1) The National Highway Traffic Safety Administration policy on cell phones states, “The primary responsibility of the driver is to operate a motor vehicle safely. The task of driving requires full attention and focus. Cell phone use can distract drivers from this task, risking harm to themselves and others. Therefore, the safest course of action is to refrain from using a cell

phone while driving.”

(2) Teens, driving, and cell phones are a dangerous mix due to teens’ vulnerability to distractions and accidents (“Most Wanted Transportation Safety Improvements,” National Transportation Safety Board, November 2008).

(3) In 2008, the National Safety Council called for a ban on cell phones while driving, stating that “drivers talking on a cell phone are four times as likely to have an accident as drivers who are not.”

* * * Safety Belts * * *

(1) States with primary enforcement average 10-percent higher usage than states with secondary enforcement.

(2) A crash involving an unrestrained person costs 55 percent more than one involving someone who was restrained.

(3) Approximately 74 percent of the costs associated with crashes are paid for by society; the victim pays the balance.

(4) Traffic crashes are not just an enforcement issue.

* * * Nighttime Restrictions * * *

Sec. 3. 23 V.S.A. § 614(c) and (d) are added to read:

(c) A person operating with a junior operator’s license shall not operate a motor vehicle between midnight and 5:00 a.m. except when accompanied by a parent or guardian or when carrying the signed and dated written permission of a parent or guardian that contains the parent’s or guardian’s home and work addresses and telephone numbers.

(d) A person in violation of subsection (c) of this section shall be allowed to drive home, on a direct route, following issuance of a traffic ticket by a law enforcement officer.

* * * Safety Restriction on the Use of Wireless Telephones and Handheld Electronic Devices * * *

Sec. 4. 23 V.S.A. § 1095a is added to read:

§ 1095a. USE OF WIRELESS TELEPHONES AND HANDHELD ELECTRONIC DEVICES

(a)(1) For the purposes of this section, “wireless telephone” shall mean a telephone that is:

(A) capable of sending or receiving telephone communications without being physically connected to a telephone wire or cord; and

(B) used pursuant to a subscription with a commercial entity that provides wireless telephone service.

(2) “Wireless telephone” shall not be construed to include:

(A) a two-way radio that is operated by using a push-to-talk feature and does not require proximity to the ear of the user; or

(B) a communication feature of a voice-activated global positioning or navigation system that is affixed within the passenger compartment of a motor vehicle.

(b) For the purposes of this section, “hands-free use” shall refer to the use of a mobile telephone or electronic communication device that has an internal feature or function, or that is equipped with an attachment or addition, whether or not permanently part of the mobile telephone or electronic communication device, by which a user engages in a conversation without the use of either hand; provided, however, this definition shall not preclude the use of either hand to activate, deactivate, or initiate a function of the telephone or device.

(c) Subject to the exceptions set forth in subsection (b) of this section, for the purposes of this section, the term “use,” when referring to the utilization of a wireless telephone or handheld electronic device, shall include telephone calls, texting, and all other functions.

(d) A person under 18 years of age shall not use any wireless telephone or handheld electronic device while operating a moving motor vehicle on a highway. This prohibition shall not apply if it is necessary to place an emergency 911 call.

(e) A person 18 years of age or older shall not use a wireless telephone or electronic communication device while operating a moving motor vehicle on a highway. This prohibition shall not apply to:

(1) hands-free use;

(2) placement of an emergency 911 call; or

(3) use by the following persons for the purpose of and during the course of performing their official duties:

(A) law enforcement officers;

(B) firefighters;

(C) operators of authorized emergency vehicles as defined in section 4 of this title; and

(D) state or municipal employees and their contractors who are actively engaged in road maintenance activities.

Sec. 5. WIRELESS TELEPHONE AND HANDHELD ELECTRONIC DEVICE REPORT

By July 1, 2012, the Vermont League of Cities and Towns, Inc., the Vermont state firefighters association, and the Vermont department of public safety, after consulting with their constituents and other appropriate entities whether or not under their direct control, shall submit to the house committee on judiciary a report regarding their constituents' progress toward utilization of hands-free communications technology in the course of motor vehicle operation.

* * * Texting Prohibition, Penalties, and Educational Campaign * * *

Sec. 6. 23 V.S.A. § 1099 is added to read:

§ 1099. TEXTING PROHIBITED

(a) As used in this section, "texting" means the composing, reading, or sending of electronic communications including text messages, instant messages, or e-mails using a portable electronic device. As used in this section, "portable electronic device" means a portable electronic or computing device including a cellular telephone, personal digital assistant (PDA), or laptop computer.

(b) A person operating a moving motor vehicle, electric personal mobility device, or farm tractor on a highway; or operating a moving snowmobile, all-terrain vehicle (as defined in section 3501 of this title), or all-surface vehicle on or off a highway; or operating a moving motorboat (as defined in section 3302 of this title) shall not engage in texting.

(c) A person who violates this section commits a traffic violation as defined in section 2302 of this title and shall be subject to a penalty of \$100.00 upon adjudication of a first violation and \$250.00 upon adjudication of a second or subsequent violation within any two-year period.

Sec. 7. 23 V.S.A. § 607a is amended to read:

§ 607a. RECALL OF LEARNER'S PERMIT OR JUNIOR OPERATOR'S LICENSE

(a) A learner's permit or junior operator's license shall contain an admonition that it is recallable and that the later procurement of an operator's license is conditional on the establishment of a record which is satisfactory to the commissioner and showing compliance with the motor vehicle laws of this and other states. The commissioner may recall any license issued to a minor whenever he or she is satisfied, from information provided by a credible person and upon investigation, that the operator is mentally or physically unfit or, because of his or her habits or record as to accidents or convictions, is unsafe to be trusted with the operation of motor vehicles. On recommendation of a

diversion or reparative board, the commissioner may recall the learner's permit or junior operator's license of a person in a diversion or reparative program for up to 30 days. The commissioner shall also recall any learner's permit or junior operator's license for 30 days when an operator is adjudicated of a single texting violation under section 1099 of this title, 90 days following adjudication of a single speeding violation resulting in a three-point assessment ~~or, 90 days~~ when a total of six points has been accumulated, or 90 days when an operator is ~~convicted for~~ adjudicated of a violation of section 678 of this title. When a learner's permit or junior operator's license is so recalled, it shall be reinstated upon expiration of a specific term, and, if required by the commissioner, when the person has passed a reexamination approved by the commissioner.

* * *

Sec. 8. 23 V.S.A. § 2502 are amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Any person operating a motor vehicle shall have points assessed against his or her driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to Title 23 of the Vermont Statutes Annotated.)

(1) Two points assessed for:

* * *

(LL)	§ 1095.	Operating with television set installed;
<u>(MM)</u>	<u>§ 1099.</u>	<u>Texting prohibited—first offense;</u>
(MM) <u>(NN)</u>	§ 1113.	Illegal backing;
(NN) <u>(OO)</u>	§ 1114.	Illegal riding on motorcycles;
(OO) <u>(PP)</u>	§ 1115.	Illegal operation of motorcycles on roadways laned for traffic;
(PP) <u>(QQ)</u>	§ 1116.	Clinging to other vehicles;
(QQ) <u>(RR)</u>	§ 1117.	Illegal footrests and handlebars;
(RR) <u>(SS)</u>	§ 1118.	Obstructing the driver's view;
(SS) <u>(TT)</u>	§ 1119.	Improper opening and closing vehicle doors;
(TT) <u>(UU)</u>	§ 1121.	Coasting prohibited;
(UU) <u>(VV)</u>	§ 1122.	Following fire apparatus prohibited;

- ~~(VV)~~(WW) § 1123. Driving over fire hose;
- ~~(WW)~~(XX) § 1124. Position of operator;
- ~~(XX)~~(YY) § 1127. Unsafe control in presence of horses and cattle;
- ~~(YY)~~(ZZ) § 1131. Failure to give warning signal;
- ~~(ZZ)~~(AAA) § 1132. Illegal driving on sidewalk;
- ~~(AAA)~~(BBB) § 1243. Lighting requirements;
- ~~(BBB)~~(CCC) § 1256. Motorcycle headgear;
- ~~(CCC)~~(DDD) § 1257. Face protection;
- ~~(DDD)~~(EEE) § 800. Operating without financial responsibility;
- ~~(EEE)~~(FFF) All other moving violations which have no specified points;

* * *

(4) Five points assessed for:

- (A) § 1050. Failure to yield to emergency vehicles;
- (B) § 1075. Illegal passing of school bus;
- (C) § 1099. Texting prohibited—second and subsequent offenses;
- ~~(E)~~(D) § 676. Operating after suspension, revocation or refusal—civil violation;

* * *

Sec. 9. EDUCATIONAL CAMPAIGN

The commissioner of motor vehicles, in consultation with the commissioner of education, shall formulate a plan to educate operators as to the dangers of operating while texting and the penalties that may be imposed pursuant to this act.

* * * Primary Enforcement of Safety Belt Law; Federal Funds * * *

Sec. 10. REPEAL; PRIMARY ENFORCEMENT OF SAFETY BELT LAW; ACCEPTANCE OF FEDERAL FUNDS

(a) 23 V.S.A. § 1259(e) (secondary enforcement of safety belt law) is repealed.

(b) The state is authorized to accept any additional funding available from the federal government attributable to the passage of this section.

* * * Operation by a Junior Operator after Recall is a Civil Violation * * *

Sec. 11. 23 V.S.A. § 676 is amended to read:

§ 676. OPERATION AFTER SUSPENSION, REVOCATION, ~~OR REFUSAL, OR RECALL~~ - CIVIL VIOLATION

(a) A person whose license or privilege to operate a motor vehicle has been revoked, suspended ~~or~~, refused, or recalled by the commissioner of motor vehicles for any reason other than a violation of sections 1091(b), 1094(b), 1128(b) or (c), or 1201 or a suspension under section 1205 of this title and who operates or attempts to operate a motor vehicle upon a public highway before the license or privilege of the person to operate a motor vehicle has been reinstated by the commissioner commits a civil traffic violation.

(b) In establishing a prima facie case against a person accused of violating this section, the judicial bureau shall accept as evidence, a printout attested to by the law enforcement officer as the person's motor vehicle record showing convictions and resulting license suspensions. The admitted motor vehicle record shall establish a permissive inference that the person was under suspension or had his or her license revoked or recalled on the dates and time periods set forth in the record. The judicial bureau shall not require a certified copy of the person's motor vehicle record from the department of motor vehicles to establish the permissive inference.

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2010.

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

“An act relating to the operation of motor vehicles by junior operators, operating with wireless or handheld devices, prohibiting texting, and primary safety belt enforcement.”

S. 288

An act relating to the Vermont recovery and reinvestment act of 2010

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

* * * VRRRA 2010 Legislative Intent * * *

Sec. 1. LEGISLATIVE INTENT

(a) This act is intended to supplement and support the programs and policies established in No. 54 (H.313) of the Acts of 2009, the Vermont

Recovery and Reinvestment Act of 2009, and to provide other economic incentives.

(b) The provisions of this act provide short-term economic stimulus to certain sectors of the Vermont economy, and invest in long-term strategies that are consistent with the four principal goals of economic development identified by the commission on the future of economic development and codified in 10 V.S.A. § 3(b) as follows:

(1) Vermont's businesses, educators, nongovernmental organizations, and government form a collaborative partnership that results in a highly skilled multigenerational workforce to support and enhance business vitality and individual prosperity.

(2) Vermont invests in its digital, physical, and human infrastructure as the foundation for all economic development.

(3) Vermont state government takes advantage of its small scale to create nimble, efficient, and effective policies and regulations that support business growth and the economic prosperity of all Vermonters.

(4) Vermont leverages its brand and scale to encourage a diverse economy that reflects and capitalizes on our rural character, entrepreneurial people, and reputation for environmental quality.

(c) The programs identified in this act shall strive to meet the challenge of improving their economic development results by taking steps to meet the two outcomes for economic development stated in Sec. 8(b) of an Act Relating to Challenges for Change, No. 68 (S.286) of the Acts of the 2009 Adj. Sess. (2010): (1) Vermont achieves a sustainable annual increase in nonpublic sector employment and in median household income; and (2) Vermont attains a statewide, state-of-the-art telecommunications infrastructure. As also identified in the Challenges for Change Act, Sec. 8(a)(3) in S.286, such steps shall include:

(1) identifying measurable results of improvement;

(2) designing evidence-based economic development strategies to achieve these improvements and the four goals of economic development identified in 10 V.S.A. § 3;

(3) directing available state funds to these strategies; and

(4) using objective, data-based indicators to measure performance of these strategies.

* * * SFSF General Services Fund Appropriations * * *

Sec. 2. STATE FISCAL STABILIZATION FUND; GENERAL SERVICES FUND; APPROPRIATIONS

(a) In fiscal year 2010, \$8,665,000.00 from the state fiscal stabilization fund general services fund that remains available to Vermont under the American Recovery and Reinvestment Act of 2009 (ARRA), Pub.L. No. 111-5, is hereby appropriated as prescribed in Secs. 3–10 of this act.

(b) For the specific purpose of ensuring SFSF funds are expended in a timely fashion and in accordance with the deadlines and restrictions established under ARRA, and also to ensure that the objectives of the appropriations contained herein are accomplished, the secretary of administration is authorized to substitute any authorized general fund appropriations for the SFSF appropriations in this section, and in such an event, the secretary is authorized to expend the SFSF funds on any other authorized general fund expenditure.

(c) It is the intent of the general assembly that, unless otherwise stated, the appropriations of SFSF funds made pursuant to this act are expended as quickly as possible so as to have an immediate stimulative impact on Vermont's economy. However, to the extent it is not feasible or prudent for a program to expend all funds in fiscal year 2010, the funds may be carried forward to fiscal year 2011 and otherwise expended in accordance with the provisions of this act.

(d) It is the intent of the general assembly that any program receiving SFSF funds pursuant to this act make all reasonable and practicable efforts to ensure that such funds are evenly and equitably distributed throughout the entire state of Vermont.

Sec. 3. ENTREPRENEURS' SEED CAPITAL FUND

The amount of \$400,000.00 is appropriated to the entrepreneurs' seed capital fund established under chapter 14A of Title 10.

Sec. 4. RURAL BROADBAND; VTA

The amount of \$3,165,000.00 is appropriated to the Vermont telecommunications authority (VTA) for the purpose of making broadband services available to at least 12,000 households or businesses in locations where such services are not currently available, as provided in 30 V.S.A. § 8079, as established in Sec. 11 of this act.

Sec. 5. VERMONT EMPLOYMENT TRAINING PROGRAM

The amount of \$1,200,000.00 is appropriated to the department of economic, housing, and community development for grants for the Vermont employment training program established under 10 V.S.A. § 531.

Sec. 6. TOURISM AND MARKETING; MEDIA ADVERTISING

The amount of \$400,000.00 is appropriated to the department of tourism

and marketing to increase the frequency of and expand the media buys in the state's key regional markets for Vermont's recreation and hospitality operations. These funds shall be expended in calendar year 2010 with the goal of increasing the number of visitors throughout all regions of the state this year.

Sec. 7. AGRICULTURE; VERMONT FARMERS

(a) The amount of \$778,000.00 is appropriated to the Vermont economic development authority (VEDA) to be used by the Vermont agricultural credit corporation for the Vermont agricultural credit program established under 10 V.S.A. § 374a to assist Vermont farmers with capital to meet operating and related needs.

(b) The amount of \$100,000.00 is appropriated to the Vermont sustainable jobs fund program established in 10 V.S.A. § 328 to further the initiatives of the farm-to-plate investment program established in 10 V.S.A. § 330, as provided in Sec. 13 of this act.

(c) The amount of \$122,000.00 is appropriated to the secretary of agriculture, food and markets to be transferred as follows:

(1) \$75,000.00 to the farm-to-school program established under 6 V.S.A. § 4721.

(2) \$22,000.00 to Vermont agricultural fairs.

(3) \$25,000.00 to the Vermont Association of Conservation Districts.

Sec. 8. CHAMPLAIN BRIDGE CLOSURE; GRANTS AND LOANS

(a) The amount of \$500,000.00 is appropriated to the agency of commerce and community development for a grant to the Addison County economic development corporation (ACEDC) for the purpose of providing grants and loans to businesses and organizations that have incurred economic losses as a direct result of the closure of the Lake Champlain bridge at Crown Point, with oversight and reporting provided by the Vermont office of economic stimulus and recovery.

(b) Grants for loss in revenue. The ACEDC shall award grants to any business or organization that, due to the bridge closure, suffered revenue losses of at least 20 percent during the fourth quarter of calendar year 2009 as compared with the same period in 2008. Awards under this subsection shall compensate up to 50 percent of uninsured losses.

(c) Grants for increased expenses. The ACEDC shall award grants to any business or organization for the purpose of compensating losses incurred during the fourth quarter of calendar year 2009 directly attributable to the closure of the bridge as follows:

(1) up to 75 percent of a documented, uninsured increase in transportation costs.

(2) up to 75 percent of documented, uninsured costs incurred in paying employee per diems to cover increased commuting time and expenses.

(3) up to 75 percent of documented, uninsured costs incurred for equipment rentals or the hiring of custom haulers necessary to continue business operations.

(d) Any grant made pursuant to subsections (b) and (c) of this section shall not exceed \$20,000.00. No business or organization shall be eligible for more than one grant. ACEDC shall not award more than \$150,000.00 in grants under this section.

(e) Loans. The ACEDC shall establish criteria for making low-or-no-interest loans to businesses and organizations negatively impacted by the closure of the Champlain Bridge. The loans shall be to assist such entities with maintaining payroll, ordering inventory, and covering operational expenses. The ACEDC shall establish underwriting criteria, and any other terms and conditions deemed necessary to carry out the purposes of this subsection. The ACEDC shall issue up to \$350,000.00 in aggregated loans.

(f) Unless other funds for administrative costs become available, the Addison County economic development corporation may use 0.5 percent of the appropriation made under this section for administrative costs.

(g) On November 1, 2010, all unexpended funds shall be transferred to the Vermont economic development authority (VEDA). In addition, all loan repayments shall be transferred to VEDA. Any funds received by VEDA pursuant to this subsection shall be transferred to the entrepreneurs' seed capital fund established under chapter 14A of Title 10. ACEDC may retain any interest.

Sec. 9. VEDA; VERMONT JOBS FUND

The amount of \$1,700,000.00 is appropriated to the Vermont economic development authority to provide interest-rate subsidies on loans approved under the Vermont jobs fund established in 10 V.S.A. § 234.

Sec. 10. MICROBUSINESS DEVELOPMENT; INDIVIDUAL DEVELOPMENT ACCOUNTS

(a) The amount of \$100,000.00 is appropriated to community capital of Vermont for the job start loan fund to support low and moderate income business owners who do not have access to conventional bank loans.

(b) The amount of \$200,000.00 is appropriated to the office of economic opportunity within the Vermont department for children and families. These

funds shall not be used to secure a federal match. Of this appropriation:

(1) \$100,000.00 shall be transferred to the individual development account (IDA) program; and

(2) \$100,000.00 shall be transferred to the micro-business development program.

* * * VTA Broadband Infrastructure * * *

Sec. 11. 30 V.S.A. § 8079 is added to read:

§ 8079. BROADBAND ADOPTION PROGRAM

(a) There is established the Vermont broadband adoption program to be administered by the Vermont telecommunications authority for the purposes of accelerating the subscription to and use of broadband Internet access by the public and increasing the sustainability of broadband networks in Vermont, especially in rural and underserved communities. Through this program, the authority shall insure that broadband service is provided to at least 12,000 households and businesses left unserved by private entities.

(b) The authority shall expend monies appropriated to the Vermont broadband adoption program consistent with this section.

(c) For purposes of this section, a “community” shall be a local geographic area of the state defined by the authority and consisting of one or more geographic areas with a defined boundary, including municipalities, telephone exchanges, ZIP codes, or census blocks.

(d) For purposes of this section, “broadband” service shall mean Internet access services which provide download speeds not less than 1.5 megabits per second and upload speeds not less than 200 kilobits per second. Service provided by satellite shall not qualify as “broadband.” In addition, the authority shall give priority to broadband services which meet or exceed the minimum technical service characteristic objectives established pursuant to section 8077 of this title, and may adopt any new such objectives established pursuant to section 8077 of this title in place of the definition provided in this subsection.

(e) In each fiscal year in which funding is available for the program, the authority shall establish target communities in which it will offer incentives to broadband service providers. In selecting the target communities, the authority shall consider, to the extent possible:

(1) the proportion of homes and businesses in those communities without access to broadband service and without access to broadband service meeting the minimum technical service characteristic objectives established under section 8077 of this title;

(2) the level of adoption of broadband services by residential and business users within the community;

(3) opportunities to leverage or support other sources of federal, state, or local funding for the expansion or adoption of broadband service;

(4) the number of potential new subscribers in each community and the total level of funding available for the program; and

(5) the geographic location of selected communities and whether new target communities would further the goal of bringing broadband services to all regions of the state.

(f) For each target community, the authority shall seek proposals through a competitive process from broadband service providers who agree to improve, expand, or introduce broadband service in the community. The authority shall consider in its selection of broadband service providers the factors used in selecting the target communities, and also the quality of the proposed broadband services and the plans of applicants to market and promote the adoption of its broadband services in the target communities. Based on the number and quality of proposals received, the authority may seek additional proposals, adjust the boundaries of the communities it has defined, or elect to not provide assistance in some target communities.

(g) Broadband service providers that agree to receive assistance under this program for a target community shall within 18 months make broadband service available to all occupied nonseasonal home and business locations within the community at upload and download speeds which shall be specified in a grant agreement with the authority, which shall not be less than speeds commonly offered by the broadband service provider in other areas it serves in the state.

(h) The authority shall provide a broadband service provider selected to receive assistance for a target community with a grant per new broadband subscriber in the target community. The amount of the grant shall be equal to a monthly refund level established by the authority. Prior to July 1, 2013, the authority shall establish a monthly refund level not exceeding \$20.00 per month. Grants shall be sufficient to provide the monthly refund level for a period of 12 months. The broadband service provider shall apply the amount of the monthly refund level as a credit to the amount owed by a subscriber for service. The authority may require new subscribers to claim the credit on line, which may include initiating one or more on-line transactions with state services offered on line. To the extent possible and consistent with the cost-effective administration of the program, the authority shall limit grants awarded such that they are awarded for subscribers who have not previously had broadband service available in the target community.

(i) Prior to distribution of grant funding, the authority shall seek and obtain a reasonable demonstration that a selected broadband service provider has adequate capital funding available to complete the expansion of service required by subsection (g) of this section.

(j) Broadband service providers that agree to receive assistance under this program shall offer a broadband service on at least one tier of service at a price that shall not exceed the amount of the monthly refund level for one year after the subscriber initiates service. Broadband providers may offer additional tiers of broadband service or bundles of broadband service and other services without limit on price due to participation in this program.

(k) For good cause, if no satisfactory proposals to provide service in a target community are received, the authority may provide partial or full refunds for reasonable nonrecurring charges associated with initiation of service and may either establish for a target community a monthly grant level higher than otherwise allowed by subsection (h) of this section, or modify the price limitations of subsection (j) of this section, or both. In no case shall the monthly refund level exceed the price of the lowest tier of broadband service offered in a target community.

(l) During any quarter it receives assistance under this program, a broadband service provider shall provide information regarding broadband service availability, adoption, speed, and price to the entity selected by the National Telecommunications and Information Administration to receive funding for broadband data collection in Vermont under the state broadband data and development grant program established under the American Recovery and Reinvestment Act of 2009, Pub.L. No. 111-5 and the Broadband Data Improvement Act of 2008, P.L. No. 110-385.

(m) The authority may use up to 10 percent of the funds appropriated to the program to provide financial incentives for new subscribers in target communities to conduct transactions with state government on line instead of in person or in paper form, not to exceed \$50.00 per new subscriber. Notwithstanding any other provision of this section, the authority may use up to 50 percent of the funds appropriated to the program to provide any state match which may be required if Congress extends the federal telephone lifeline program to include broadband service, or if Congress enacts any other program to provide financial assistance for low income consumers of broadband service as it may be defined under federal law. If the authority acts pursuant to this subsection, it shall send notice to the commissioner of public service, the speaker of the house, and the president pro tempore of the senate. Upon receipt of such notice, the commissioner of public service shall make a recommendation to the general assembly within six months regarding changes to Vermont statutes or rules regarding the telephone lifeline program and

changes which may be required to provide ongoing support for a similar program for broadband.

(n) Of the funds appropriated to the broadband adoption program, the authority may use up to five percent for administration of the funds received.

(o) On or before January 1, 2011, the authority shall submit a report to the house committee on commerce and community development and the senate committee on economic development, housing and general affairs that details the progress it has made in reaching the goals of the broadband adoption program established by this section, specifically in terms of reaching the 12,000 unserved Vermonters.

* * * Agreements Pertaining to Telecommunications Facilities * * *

Sec. 12. 30 V.S.A. § 8079 is added to read:

§ 8079. AGREEMENTS; TELECOMMUNICATIONS FACILITIES

In awarding loans or grants to entities as permitted under subdivision § 8062(a)(6) of this title, the authority shall develop terms and conditions applicable to agreements covering telecommunications infrastructure that ensure payments accrue in reasonable installments and at reasonable intervals, particularly with respect to the time period commencing after an agreement is entered into but before the telecommunications facility that is the subject of the agreement is ready for commercial use.

* * * Farm-to-Plate Investment Program * * *

Sec. 13. FARM-TO-PLATE INVESTMENT PROGRAM

The funds received pursuant to Sec. 7(b) of this act shall be used to further the initiatives of the farm-to-plate investment program established in 10 V.S.A. § 330 and support entities that will enhance the production, storage, processing, and distribution infrastructure of the Vermont food system. The funds shall be competitively awarded by the program director, in consultation with the secretary of agriculture, food and markets and the Vermont sustainable agriculture council, in the form of grants to nonprofit farmers' markets and like entities that are ready to implement their business plans or expand their existing operations to provide additional capacity and services within the food system. The funds also may be used for the coordination and implementation of the recommendations contained in the strategic plan of the farm-to-plate investment program.

Sec. 13a. 10 V.S.A. § 330(c)(4) is added to read:

(4) The farm-to-plate investment program strategic plan shall also include recommendations regarding measurable outcomes that shall be tracked over the ten-year life of the plan; methods for the ongoing collection of data

necessary to track those outcomes; plans for updating the plan as needed; and appropriate methods to track the ongoing economic contribution of the farm and food sector to the Vermont economy.

* * * Audit Strategy for Job Creation * * *

Sec. 14. AUDIT STRATEGY; JOB CREATION

On or before January 1, 2011, the state auditor of accounts shall develop and recommend to the house committee on commerce and economic development and the senate committee on economic development, housing and general affairs an audit strategy designed to comprehensively validate job-creation programs in Vermont. The audit strategy shall seek to incorporate design elements that take into account possible “job inflation” caused by multiple economic development programs claiming creation of the same job.

* * * Increased Moral Obligation for Vermont Jobs Fund * * *

Sec. 15. 10 V.S.A. § 219(d) is amended to read:

(d) In order to assure the maintenance of the debt service reserve requirement in each debt service reserve fund established by the authority, there may be appropriated annually and paid to the authority for deposit in each such fund, such sum as shall be certified by the chair of the authority, to the governor or the governor-elect, the president of the senate, and the speaker of the house, as is necessary to restore each such debt service reserve fund to an amount equal to the debt service reserve requirement for such fund. The chair shall annually, on or about February 1, make, execute, and deliver to the governor or the governor-elect, the president of the senate, and the speaker of the house, a certificate stating the sum required to restore each such debt service reserve fund to the amount aforesaid, and the sum so certified may be appropriated, and if appropriated, shall be paid to the authority during the then current state fiscal year. The principal amount of bonds or notes outstanding at any one time and secured in whole or in part by a debt service reserve fund to which state funds may be appropriated pursuant to this subsection shall not exceed ~~\$70,000,000.00~~ \$100,000,000.00, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the authority in contravention of the Constitution of the United States.

* * * VEDA: Increased Flexibility for Inter-Fund Lending Transfers * * *

Sec. 16. 10 V.S.A. § 234 is amended to read:

§ 234. THE VERMONT JOBS FUND

* * *

(c) Monies in the fund may be loaned to the Vermont agricultural credit program to support its lending operations as established in chapter 16A of this

~~title at interest rates and on terms and conditions to be set by the authority to establish a line of credit in an amount not to exceed \$30,000,000.00 to be advanced to the Vermont agricultural credit program to support its lending operations as established in chapter 16A of this title.~~

~~(d) Monies in the fund may be loaned to the Vermont small business development corporation to support its lending operations as established pursuant to subdivision 216(14) of this title at interest rates and on terms and conditions to be set by the authority ~~to establish a line of credit in an amount not to exceed \$3,000,000.00 to be advanced to the Vermont small business development corporation to support its lending operations as established pursuant to subdivision 216(14) of this title.~~~~

~~(e) Monies in the fund may be loaned to the Vermont 504 corporation to support its lending operations as established pursuant to subdivision 216(13) of this title at interest rates and on terms and conditions to be set by the authority.~~

~~*** VEDA: Extension of Time for Economic Recovery and Opportunity Program ***~~

~~Sec. 17. Sec. 5.507 of No. 192 of the Acts of the 2007 Adj. Sess. (2008) shall be amended to read:~~

~~Sec. 5.507. VEDA – ECONOMIC RECOVERY AND OPPORTUNITY PROGRAM~~

~~(a) The state treasurer in consultation with the secretary of administration shall negotiate an agreement to advance up to \$1,250,000 to the Vermont economic development authority (“VEDA”) in fiscal year 2009.~~

~~(b) In fiscal 2009, a write down of the advance in the amount of \$257,000 shall be made as an estimate of subsidy costs to be incurred by VEDA in 2009. Any difference between the actual subsidy costs incurred by VEDA in any fiscal year 2009 through 2013 shall be adjusted in the following year’s write down amount.~~

~~(c) VEDA shall submit the advance agreement to the state treasurer and secretary of administration; said agreement shall include the following:~~

~~(1) The agreement shall be structured to allow a structure that allows VEDA flexibility to use the subsidy funds in the most effective way to generate new loan volume as quickly as possible to act as a stimulant to the Vermont economy; and~~

~~(2) Terms terms of repayment or write-down of the advance in years 2010 through 2013 shall be contingent on VEDA’s demonstrated use of the advance proceeds, and any interest earned thereon, to offset the revenue lost by VEDA over the same period as a result of subsidies made by VEDA to its borrowers.~~

~~(3) The subsidies to VEDA borrowers will be for a maximum of three years from the date of closing of each enrolled loan.~~

~~(4) A maximum of \$18 million in VEDA loans can be made under the program over a 24 month period commencing on the effective date of the legislation.~~

~~(5) The program will terminate when all VEDA borrowers enrolled in the program have completed their respective three year subsidy periods.~~

~~(d)(c)~~ Upon termination of the program any amount of the advance, or the interest earned thereon, not used for the subsidy program shall be repaid by VEDA to the state.

* * * Recovery Zone Facility Bond (RZFB) Program * * *

Sec. 18. RZFB PROGRAM; PUBLIC OUTREACH

(a) The American Recovery and Reinvestment Act of 2009 (ARRA), Pub.L. No. 111-5, allocates authority for the issuance of \$135,000,000.00 of recovery zone facility (private activity) bonds to Vermont, which must be issued before the end of calendar year 2010.

(b) The federal government issued the bonding authorizations to 11 of Vermont's 14 counties; however, in the opinion of the Vermont attorney general, Vermont counties do not have the necessary authority to issue or authorize others to issue facility bonds. ARRA allows the counties to waive their allocations to state government, which they did. In October 2009, the emergency board approved a plan designating the Vermont economic development authority (VEDA) as the entity responsible for issuing the bonds.

(c) The recovery zone facility bond (RZFB) program is designed to aid certain businesses through the issuance of tax-exempt bonds. Tax-exempt bonds traditionally carry lower interest rates than conventional bank loans because income earned by purchasers of these bonds is exempt from federal and, in some cases, state tax. VEDA is encouraged to take any steps necessary to increase public awareness of the RZFB program.

(d) VEDA is authorized to increase the current \$25,000,000.00 cap per project to \$50,000,000.00.

* * * Recovery Zone Economic Development Bond (RZEDB) Program * * *

Sec. 19. RZEDB; PUBLIC OUTREACH

(a) The American Recovery and Reinvestment Act of 2009 (ARRA), Pub.L. No. 111-5, allocates authority for the issuance of \$90,000,000.00 of recovery economic development bonds to Vermont. The Vermont municipal bond bank is responsible for issuing the bonds, which must be issued before the end of calendar year 2010.

(b) The recovery zone economic development bonds (RZEDBs) are a category of Build America Bonds (BABs), and sometimes referred to as “super BABs.” They reduce by 45 percent the cost of the kind of tax-exempt bonding normally done by towns, counties, school districts, and the state. They may be used to fund capital expenditures for real and personal property; public infrastructure and facilities; and expenditures for job training and education programs.

(c) The Vermont municipal bond bank, in consultation with the Vermont League of Cities and Towns, shall make all reasonable efforts to inform public entities in Vermont about the availability, terms, and conditions of REZDBs to Ensure that Vermont, as a whole, is able to maximize the use of these favorable instruments of economic development.

* * * Legislative Priorities for ARRA Funds * * *

Sec. 20. LEGISLATIVE PRIORITIES FOR ARRA FUNDS

With respect to federal funds potentially available to the state of Vermont as competitive funds under the ARRA and in addition to any other legislatively identified priorities established with regard to ARRA funds, the general assembly establishes the following equal priorities as outlined in this section.

(1) Railroad projects determined by the Vermont office of economic stimulus and recovery as being consistent with Vermont’s transportation plan.

(2) With respect to passenger rail funds requested by the state, funds for making upgrades to passenger rail service along the western corridor, such as the Ethan Allen Express improvements and extension corridor program. This corridor program consists of track and crossing improvements and a bridge project along the existing Ethan Allen Express Amtrak route as well as an extension of that service from Hoosick, NY to Bennington, from Bennington to Rutland and from Rutland to Burlington. The program will serve to support intercity passenger rail service through the most populous area of the state and further connect vital economic regions of the state to each other and to the state of New York.

(3) Telecommunications projects determined by Vermont’s chief technology officer as being consistent with the goals and policies established under chapter 91 of Title 30.

Sec. 21. REPEAL; PRIORITIES FOR MUNICIPAL TELECOMMUNICATIONS

Sec. 17(d) of No. 54 of the Acts of 2009 (municipal priorities for municipal communications services) is repealed.

Sec. 22. COORDINATION OF FARM-TO-PLATE, FARM-TO-SCHOOL, AND FARM-TO-INSTITUTIONS PROGRAMS

For the purposes of avoiding duplication of administration and better coordinating resources, the Vermont farm-to-plate investment program, in consultation with the secretary of agriculture, shall include in its strategic plan for agricultural economic development required by 10 V.S.A. § 330(c)(1), a recommendation for the oversight and coordination of the farm-to-plate investment program established under 10 V.S.A. § 330, the farm-to-school program established under 6 V.S.A. § 4721, and any other farm-to-institutions partnerships designed to increase institutional purchases of fresh, locally grown food.

* * * Public Service Board: Smart Grid; Notice * * *

Sec. 23. 30 V.S.A. § 218(b)(3) is added to read:

(3) If the board approves or requires a utility to adopt a rate design that includes dynamic pricing, the board may alter or waive the notice and filing provisions that would otherwise apply under section 225 of this title for such real-time pricing rate plan, provided the board insures that each customer receives notice of the price of electricity the customer will be charged in advance of the time at which the customer uses the electricity.

* * * Study: Buy Local * * *

Sec. 24. STUDY ON STATE PURCHASE OF LOCAL GOODS AND SERVICES

The secretary of administration shall conduct a study to evaluate the opportunities and feasibility of increasing the volume of state purchases of both goods and services from local suppliers. The secretary shall report his or her findings to the house committee on commerce and economic development and the senate committee on economic development, housing and general affairs on or before January 15, 2011.

* * * Digital Nonprofit Corporations * * *

Sec. 25. 11B V.S.A. § 1.20 is amended to read:

§ 1.20 FILING REQUIREMENTS

* * *

(c) The document must be typewritten or printed or, if electronically transmitted, it must be in a format that can be retrieved or reproduced in typewritten or printed form or in an electronic format prescribed by the secretary of state.

* * *

(g) If the secretary of state has prescribed a mandatory form or electronic format for a document under section 1.21 of this title, the document must be in

or on the prescribed form.

* * *

Sec. 26. 11B V.S.A. § 1.21(a) is amended to read:

(a) The secretary of state may prescribe the form or electronic format of and furnish on request, forms or specifications for formats for:

- (1) an application for a certificate of existence;
- (2) a foreign corporation's application for a certificate of authority to transact business in this state;
- (3) a foreign corporation's application for a certificate of withdrawal; and
- (4) the biennial report.

Sec. 27. 11B V.S.A. § 1.23 is amended to read:

§ 1.23. EFFECTIVE DATE OF DOCUMENT

(a) Except as provided in subsection (b) of this section, ~~section~~ subsection 1.24(c) of this title, and section 2.03 of this title, a document is effective:

- (1) at the time of filing on the date it is filed, as evidenced by ~~the secretary of state's endorsement on the original document~~ any means the secretary of state may use for the purpose of recording the date and time of filing; or
- (2) at the time specified in the document as its effective time on the date it is filed.

* * *

Sec. 28. 11B V.S.A. § 1.24(a) is amended to read:

(a) A domestic or foreign corporation may correct a document filed by the secretary of state if the document:

- (1) contains an incorrect statement; or
- (2) was defectively executed, attested, sealed, verified, or acknowledged; or
- (3) was undeliverable because the electronic transmission was defective.

Sec. 29. 11B V.S.A. § 1.25(b) is amended to read:

(b) The secretary of state files a document by ~~stamping or otherwise endorsing~~ recording it as "Filed," together with the secretary of state's name and official title ~~and on~~ on the date and the time of receipt, on both the ~~original and copy of the~~ document and on the record of the receipt for the filing fee.

After filing a document, except as provided in sections 5.03 and 15.10 of this title, the secretary of state shall deliver a copy of the document ~~copy~~ to the domestic or foreign corporation or its representative.

Sec. 30. 11B V.S.A. § 1.27 is amended to read:

§ 1.27. EVIDENTIARY EFFECT OF COPY OF FILED DOCUMENT

~~(a) A certificate attached to a copy of a document bearing the secretary of state's signature (which may be in facsimile) and the seal of this state or a certificate as to the nonexistence of records relating to a corporation is conclusive evidence as to whether or not the original is on file with the secretary of state.~~

~~(b) A certificate by the secretary of state that a diligent search has failed to locate documents claimed to be filed with the secretary of state shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or nonexistence of the records in the custody of the secretary of state.~~

~~(c) The secretary of state's filing of the articles of incorporation is conclusive proof that the incorporators satisfied all conditions precedent to incorporation except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation.~~

A certificate from the secretary of state delivered with a copy of a document filed with the secretary of state is conclusive evidence that the document is on file with the secretary of state.

Sec. 31. 11B V.S.A. § 1.40 is amended to read:

§ 1.40. DEFINITIONS

* * *

(4) "Bylaws" means the code or codes of rules (other than the articles) adopted pursuant to this title for the regulation or management of the affairs of the corporation, stored or depicted in any tangible or electronic medium, and irrespective of the name or names by which such rules are designated.

* * *

(8) "Deliver" ~~includes mail~~ or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and electronic transmission.

* * *

(35) "Electronic transmission" or "electronically transmitted" means a process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by

the recipient.

(36) “Meeting” means any structured communications conducted by participants in person or through the use of an electronic or telecommunications medium permitting simultaneous or sequentially structured communications.

(37) “Sign” or “signature” includes any manual, facsimile, conformed, or electronic signature.

Sec. 32. 11B V.S.A. § 1.41(b) and (c) are amended to read:

(b) Notice may be communicated in person; by telephone, voice mail, telegraph, teletype, facsimile, or other form of wire ~~or~~, wireless, or electronic communication; or by mail or private carrier, or other method of delivery. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or by radio, television, or other form of public broadcast communication.

(c) Notice to members. Written notice by a domestic or foreign corporation to its members, if in a comprehensible form, is effective when:

(1) mailed first class postpaid and correctly addressed to the members address as shown in the corporation’s current record of members; or

(2) electronically transmitted to the member in a manner authorized by the member.

Sec. 33. 11B V.S.A. § 7.01(f) is amended to read:

(f) An annual or regular meeting may be conducted by means of any electronic or telecommunications mechanism, including video-conferencing telecommunication.

Sec. 34. 11B V.S.A. § 7.02(f) is amended to read:

(f) A special meeting may be conducted by means of any electronic or telecommunications mechanism, including video-conferencing telecommunication.

Sec. 35. 11B V.S.A. § 7.04(e) is added to read:

(e) For purposes of this section, written consent may be evidenced by an electronic communication or an electronic record.

Sec. 36. 11B V.S.A. § 8.20(c) is amended to read:

(c) Unless the articles of incorporation or bylaws provide otherwise, a board may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or

audio-conferencing conference telephone call, by which all directors participating may simultaneously ~~hear~~ communicate with each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Sec. 37. 11B V.S.A. § 16.01(d) and (e) are amended to read:

(d) A corporation shall maintain its records in written form or in another form, including electronic form, capable of conversion into written form within a reasonable time.

(e) A corporation shall keep a copy of the following records at its principal office (or, if none in this state, then the registered office):

* * *

(5) all written or electronic communications to members generally within the past three years, including the financial statements furnished for the past three years under section 16.20 of this title;

* * *

Sec. 38. 11A V.S.A. § 2.06(b) is amended to read:

(b) The bylaws of a corporation may contain any provisions for managing the business and regulating the affairs of the corporation that are not inconsistent with law or the articles of incorporation, and may be stored or depicted in any tangible or electronic medium.

* * * Vermont Public Power Supply Authority * * *

Sec. 39. 30 V.S.A. § 5012 is amended to read:

§ 5012. GENERAL POWERS AND DUTIES

The authority shall have all of the powers necessary and convenient to carry out this chapter, including without limitation those general powers provided a business corporation by section 1852 of Title 11, and including, without limiting the generality of the foregoing, the power:

* * *

(12) ~~jointly or~~ jointly with utilities or on its own to plan, finance, acquire, construct, improve, purchase, operate, maintain, use, share costs of, own, lease, sell, dispose of, or otherwise participate in projects or portions of projects, the product or service from them, securities or obligations issued or incurred in connection with the financing of them, or research and development relating to them, within or outside the state. It may also enter into and perform contracts with any person with respect to the foregoing. If the authority acquires or owns an interest as a tenant in common with others in any projects within the state, the surrender or waiver by the other property

owner of its right to partition the property for a period not exceeding the period for which the property is used or useful for electric utility purposes shall not be invalid and unenforceable by reason of length of the period, or as unduly restricting the alienation of such property;

* * *

(17) to make and execute all contracts and agreements and other instruments necessary or convenient in the exercise of the powers and functions of the authority under this chapter; ~~and~~

(18) to enter into contracts determined by the authority to be useful for the prudent management of its assets, purchases, funds, debts, or fuels, including interest rate or other swaps, option contracts, future contracts, forward purchase contracts, hedging contracts, and leases or other risk management instruments to the full extent that a business corporation is authorized to enter into such contracts;

(19) to acquire stock, shares, securities, membership units, or other equity or participation interests in entities that directly or indirectly construct, own, or operate electric generation or transmission facilities within or outside the state to the full extent that a business corporation is authorized to acquire such interests; and

~~(18)~~(20) to do all things necessary, convenient or desirable to carry out the purposes of this chapter or the powers expressly granted or necessarily implied in this chapter.

Sec. 40. 30 V.S.A. § 5013 is amended to read:

§ 5013. SPECIAL POWERS

* * *

(c) A municipality or cooperative shall be obligated to fix, revise and collect fees and charges for electric power and energy and other services, facilities and commodities furnished or supplied through its electric ~~department~~ ~~or~~ system at least sufficient to provide revenues adequate to meet its obligations under any such output and capacity contract and to pay all other amounts payable from or constituting a charge and lien upon those revenues.

* * *

(e) The authority and any member municipality or cooperative or other utility (whether or not such utility is a member of the authority) that is acting pursuant to a contract with the authority may expend its funds, including without limitation the proceeds of its notes, bonds, or other obligations, for the purposes of modifying demand for electric capacity or energy through conservation or load management by participation in such facilities, projects,

and programs as the board of the authority or the legislative body or other governing body or the governing board of the member municipality or cooperative or other utility, as the case may be, determines will effectively accomplish such purposes. Such facilities, projects, and programs may include, but shall not be limited to, providing or financing facilities or projects for conservation or load management, which may be: (i) owned or operated by the authority or any member municipality or cooperative or other utility or by others; (ii) leased or licensed by the authority or any member municipality or cooperative or other utility to others, or financed by ~~loans~~ loans by the authority or any member municipality or cooperative or other utility to others, in either case on such terms and conditions as the board of the authority or the legislative body or other governing body or the governing board of the member municipality or cooperative or other utility, as the case may be, may determine. Any member municipality or cooperative or other utility may issue its notes, bonds or other obligations pursuant to any statutory authority conferring such power for carrying out the purposes of this subsection.

Sec. 41. 30 V.S.A. § 5017 is amended to read:

§ 5017. POWERS OF MUNICIPALITIES

~~A municipality, after an affirmative vote of the qualified voters at any duly warned annual or special meeting to be held for that purpose, may by resolution of its legislative body enter into contracts with the authority for the purchase, sale, exchange, or transmission of electric energy and other services, on such terms and for such period of time as the resolution may provide. A municipality may by resolution of its legislative body enter into a contract with the authority related to the issuance of bonds and notes as authorized by section 5031 of this title only after an affirmative vote of the qualified voters at any duly warned annual or special meeting held for that purpose. The required vote may either approve a specific contract with the authority or it may approve generally the right for the municipality to enter into all such contracts with the authority by resolution of its legislative body.~~ A municipality may appropriate electricity-derived revenues received in any year to make payments due during that year under any contract made by the municipality with the authority. Nothing in this section shall be construed to repeal any charter provision or law requiring an election or other condition precedent to the establishment of a municipal electric plant.

Sec. 42. 30 V.S.A. § 5031 is amended to read:

§ 5031. BONDS AND NOTES

(a)(1) The authority may issue its negotiable notes and bonds in such principal amount as the authority determines to be necessary to provide sufficient funds for achieving any of its corporate purposes, including the

payment of interest on notes and bonds of the authority, establishment of reserves to secure the notes and bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. Without limiting the generality of the foregoing, such bonds and notes may be issued for project costs, or the authority's share of costs of projects which may include:

* * *

(5) The notes and bonds shall be authorized by resolution or resolutions of the authority, shall bear such date or dates and shall mature at such time or times as the resolution or resolutions may provide. The bonds may be issued as serial bonds payable in annual installments or as term bonds or as a combination of them. The resolution or resolutions may provide that the notes and bonds bear interest at a given rate or rates, be in certain denominations, be in temporary, coupon or registered form, carry certain registration privileges, be executed in a given manner, be payable in a given medium of payment, at a place or places within or without the state, and be subject to specified terms of redemption. The authority may participate in any state or federally created or supported bond programs. The notes and bonds of the authority may be sold by the authority, at public or private sale, at such price or prices as the authority shall determine.

* * *

* * * International Trade Agreements: Prior Approval * * *

Sec. 43. 9 V.S.A. chapter 111A is added to read:

CHAPTER 111A. APPROVAL OF INTERNATIONAL TRADE
AGREEMENTS

§ 4125. FINDINGS AND PURPOSE

The general assembly makes the following findings of fact:

(1) Today's international trade agreements have impacts which extend significantly beyond the bounds of traditional trade matters such as tariffs and quotas. Restrictive government procurement rules, for example, may undermine state purchasing laws and preferences that are designed to promote good jobs and a healthy environment.

(2) Economic development and environmental policies that might be constrained by government procurement provisions in international trade agreements include buy-local laws, recycled-content laws, and renewable energy purchasing requirements. Measures that conflict with obligations in one or more international trade agreements could be challenged as potential barriers to trade.

(3) Currently, the Office of the United States Trade Representative asks state governors, without input from state legislatures, whether they will commit state purchasing to trade rules. States, through their governors, may opt into or out of trade rules dealing with government procurement.

(4) Historically, the general assembly and the governor have worked together to adopt and implement state procurement policies. The decision to consent to the coverage of Vermont under procurement provisions of international trade agreements should also include consultation with the legislative branch.

(5) If new trade rules permit states to opt into or out of trade rules dealing with investment and services, in addition to procurement, then the general assembly intends for the procedures in this chapter to apply to those provisions as well.

§ 4126. DEFINITIONS

As used in this chapter:

(1) “Commission” means the commission on international trade and state sovereignty established in 3 V.S.A. § 23.

(2) “International trade agreement” or “trade agreement” means a trade agreement between the federal government and a foreign country. It does not include a trade agreement between the state and a foreign country to which the federal government is not a party.

§ 4127. APPROVAL OF TRADE AGREEMENTS

(a) If the United States government provides the state with the opportunity to consent to or reject binding the state to a trade agreement, or a provision within a trade agreement, then an official of the state, including the governor, may not bind the state or give consent to the United States government to bind the state in those circumstances, except as provided in this section.

(b) When a communication from the United States trade representative concerning a trade agreement provision is received by the state, the governor shall submit a copy of the communication and the proposed trade agreement, or relevant provisions of the trade agreement, to the chairs of the commission, the president pro tempore of the senate, the speaker of the house of representatives, and the relevant legislative standing committees of jurisdiction.

(c) The commission shall review and analyze the trade agreement and issue a recommendation on the potential impact of the trade agreement to the governor.

(d) Prior to binding the state to the trade agreement, the governor shall

consider the commission's recommendation and then shall report his or her intended action on the trade agreement to the members of the emergency board. A majority of the emergency board may request an opportunity to consider the issue at a meeting and make a recommendation to the governor prior to the governor binding the state.

(e) Upon completion of the consultation process provided for in this section, the governor may bind the state to the trade agreement.

Sec. 44. 3 V.S.A. § 23(b) is amended to read:

(b) Membership. There is created a commission on international trade and state sovereignty consisting of:

~~(1) the chair of the house committee on commerce or his or her designee~~ two legislators appointed by the speaker of the house;

~~(2) the chair of the senate committee on economic development, housing and general affairs or his or her designee~~ two legislators appointed by the committee on committees;

(3) a representative of a nonprofit environmental organization, appointed by the governor from a list provided by the Vermont Natural Resources Council;

(4) a representative of organized labor, appointed by the governor from a list provided by Vermont AFL-CIO, Vermont NEA, and the Vermont state employees' association;

(5) the secretary of commerce and community development or his or her designee;

(6) the attorney general or his or her designee;

(7) a representative of an exporting Vermont business, appointed by the governor; ~~and~~

(8) a representative of a Vermont business actively involved in international trade, appointed by the governor;

(9) the secretary of agriculture or his or her designee;

(10) a representative of a human rights organization, appointed by the governor; and

(11) a representative of a Vermont chamber of commerce, appointed by the governor.

* * * Effective Date * * *

Sec. 45. EFFECTIVE DATE

This act shall take effect on passage.

ORDERED TO LIE

S. 99.

An act relating to amending the Act 250 criteria relating to traffic, scattered development, and rural growth areas.

S. 110.

An act relating to sheltering livestock.

H. 331.

An act relating to technical changes to the records management authority of the Vermont State Archives and Records Administration.

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Service Board shall be fully and separately acted upon.

Robert Kelley of Brandon - Member of the Board of Education - By Senator Flory for the Committee on Education. (1/14/10)

Steven Gurin of Barre - Member of the Vermont Educational & Health Buildings Financing Agency - By Senator Cummings for the Committee on Finance. (2/3/10)

Kenneth Gibbons of Hyde Park - Member of the Vermont Educational & Health Buildings Financing Agency - By Senator McCormack for the Committee on Finance. (2/17/10)

Sandi Murphy of Enosburg Falls - Member of the Valuation Appeals Board - By Senator Giard for the Committee on Finance. (2/24/10)

Jonathan Wood of Cambridge - Secretary of the Agency of Natural Resources - By Senator Lyons for the Committee on Natural Resources and Energy. (3/10/10)

Jonathan Wood of Cambridge - Secretary of the Agency of Natural Resources - By Senator Lyons for the Committee on Natural Resources and Energy. (3/10/10)

Justin Johnson of Barre - Commissioner of the Department of Environmental Conservation - By Senator Lyons for the Committee on Natural Resources and Energy. (3/10/10)

Wayne Allen Laroche of Franklin - Commissioner of the Department of Fish & Wildlife - By Senator Lyons for the Committee on Natural Resources and Energy. (3/10/10)

Peter F. Young, Jr. of Northfield - Chair of the Natural Resources Board - By Senator Lyons for the Committee on Natural Resources and Energy. (3/10/10)

Jason Gibbs of Duxbury - Commissioner of the Department of Forests, Parks & Recreation - By Senator Lyons for the Committee on Natural Resources and Energy. (3/10/10)

Jason Gibbs of Duxbury – Commissioner of the Department of Forests, Parks & Recreation – By Senator Lyons for the Committee on Natural Resources and Energy. (3/10/10)

Richard A. Westman of Cambridge – Commissioner of the Department of Taxes – By Senator MacDonald for the Committee on Finance. (3/16/10)

Robert Alberts of Bridport – Member of the Vermont Housing Finance Agency – By Senator Ayer for the Committee on Finance. (3/17/10)

John W. Valente of Rutland – Director of the Vermont Municipal Bond Bank – By Senator Carris for the Committee on Finance. (3/17/10)

Bruce Hyde of Granville – Commissioner of the Department of Tourism & Marketing – By Sen. Ashe for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Kevin Dorn of Essex Junction – Secretary of the Agency of Commerce & Community Development – By Sen. Illuzzi for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Tayt Brooks of St. Albans – Commissioner of the Department of Economic, Housing and Community Affairs – By Sen. Miller for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Martha O'Connor of Brattleboro – Member of the Vermont Lottery Commission – By Sen. Illuzzi for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Carl Rosenquist of Georgia – Member of the Economic Incentive Review Board – By Sen. Illuzzi for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Karen Marshall of Williston – Member of the Economic Incentive Review Board – By Sen. Racine for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Mary Lintermann of Stowe – Member of the Economic Incentive Review Board – By Sen. Racine for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Mark Young of Orwell – Member of the Economic Incentive Review Board – By Sen. Carris for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Stephan Morse of Newfane – Member of the Economic Incentive Review Board – By Sen. Carris for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Christopher S. Keyser of Rutland – Member of the Economic Incentive Review Board – By Sen. Carris for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Betsy Gentile of Guildford – Member of the Economic Incentive Review Board – By Sen. Carris for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Frederick S. Kenney, II of Jericho – Director of the Economic Incentive Review Board – By Sen. Miller for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Rachel Smith of St. Albans – Member of the Economic Incentive Review Board – By Sen. Ashe for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Nancy Port of Burlington – Member of the Economic Incentive Review Board – By Sen. Ashe for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Thomas Johnson of Dummerston – Member of the Vermont State Housing Authority – By Sen. Ashe for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

David Marvin of Hyde Park – Member of the Sustainable Jobs Fund Board of Directors – By Sen. Carris for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Lenae Quillen-Blume of Hartland – Member of the Sustainable Jobs Fund Board of Directors – By Sen. Carris for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Bethany Bishop of Montpelier – Commissioner of the Department of Economic Development – By Sen. Illuzzi for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Bethany Bishop of Montpelier – Commissioner of the Department of Economic Development – By Sen. Illuzzi for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

William A. Noyes of Barre – Commissioner of the Department of Housing & Community Affairs – By Sen. Illuzzi for the Committee on Economic Development, Housing and General Affairs. (3/24/10)

Peter Gregory of Hartland – Member of the State Infrastructure Bank Board – By Sen. McCormack for the Committee on Finance. (3/24/10)