

# Journal of the House

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Thursday, March 25, 2010

At nine o'clock in the forenoon the Speaker called the House to order.

## Devotional Exercises

Devotional exercises were conducted by Rep. Johannah Donovan of Burlington, VT.

## Bill Referred to Committee on Appropriations

### H. 790

House bill, entitled

An act relating to capital construction and state bonding

Appearing on the Calendar, carrying an appropriation, under rule 35a, was referred to the committee on Appropriations.

## Third Reading; Bills Passed

House bills of the following titles were severally taken up, read the third time and passed:

### H. 722

House bill, entitled

An act relating to the resale of tickets

### H. 769

House bill, entitled

An act relating to the licensing and inspection of plant and tree nurseries

## Bill Amended, Read Third Time and Passed

### H. 527

House bill, entitled

An act relating to municipal recovery of costs of fire department response

Was taken up and pending third reading of the bill, **Rep. O'Donnell of Vernon** moved to amend the bill as follows:

In Sec. 1, in subsection (b), by striking out the word “seven” and inserting the word “eight”; in subdivision (5), before the final period by inserting a semicolon after the word “firefighters” and adding a subdivision (b)(6) to read:

(6) One member appointed by the Vermont ambulance association

Which was agreed to to. Thereupon, the bill was read the third time and passed.

### **Bill Read Second Time; Third Reading Ordered**

#### **H. 783**

**Rep. Ancel of Calais** spoke for the committee on Ways and Means on House bill entitled

An act relating to miscellaneous tax provisions

Having appeared on the Calendar one day for notice, was taken up and read the second time.

Pending the question, Shall the bill be read the third time? **Rep. Ancel of Calais** moved to amend the bill as follows:

First: In Sec. 24, subdivision (a)(1), by striking the amount “\$1.36” and inserting in lieu thereof the amount “\$1.35”

Second: In Sec. 24, subdivision (b)(2), by striking the amount “\$0.87” and inserting in lieu thereof the amount “\$0.86”

Third: By adding Secs. 36–41 to read as follows:

Sec. 36. 32 V.S.A. § 9741(13) is amended to read:

(13) Sales of food, food stamps, purchases made with food stamps, food products and beverages sold for human consumption off the premises where sold; provided, however, dietary supplements are not exempt.

\* \* \*

Sec. 37. 32 V.S.A. § 5811(18) and (21) are amended to read:

(18) “Vermont net income” means, for any taxable year and for any corporate taxpayer:

(A) the taxable income of the taxpayer for that taxable year under the laws of the United States, without regard to Section 168(k) of the Internal Revenue Code, and excluding income which under the laws of the United States is exempt from taxation by the states:

(i) increased by:

(I) the amount of any deduction for state and local taxes on or measured by income, franchise taxes measured by net income, franchise taxes for the privilege of doing business and capital stock taxes; ~~and~~

(II) to the extent such income is exempted from taxation under the laws of the United States by the amount received by the taxpayer on and after January 1, 1986 as interest income from state and local obligations, other than obligations of Vermont and its political subdivisions, and any dividends or other distributions from any fund to the extent such dividend or distribution is attributable to such Vermont state or local obligations; and

(III) one-third of the amount of any domestic production activity deduction under 26 U.S.C. § 199; and

\* \* \*

(21) "Taxable income" means federal taxable income determined without regard to Section 168(k) of the Internal Revenue Code and:

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

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

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

(iii) the amount in excess of \$5,000.00 of state and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

(iv) one-third of any domestic production activity deduction under 26 U.S.C. § 199; and

\* \* \*

Sec. 38. 32 V.S.A. § 5811(18) and (21) are amended to read:

(18) "Vermont net income" means, for any taxable year and for any corporate taxpayer:

(A) the taxable income of the taxpayer for that taxable year under the laws of the United States, without regard to Section 168(k) of the Internal Revenue Code, and excluding income which under the laws of the United States is exempt from taxation by the states:

(i) increased by:

(I) the amount of any deduction for state and local taxes on or measured by income, franchise taxes measured by net income, franchise taxes for the privilege of doing business and capital stock taxes; and

(II) to the extent such income is exempted from taxation under the laws of the United States by the amount received by the taxpayer on and after January 1, 1986 as interest income from state and local obligations, other than obligations of Vermont and its political subdivisions, and any dividends or other distributions from any fund to the extent such dividend or distribution is attributable to such Vermont state or local obligations; and

~~(III) one third of the amount of any domestic production activity deduction under 26 U.S.C. § 199; and~~

\* \* \*

(21) "Taxable income" means federal taxable income determined without regard to Section 168(k) of the Internal Revenue Code and:

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

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

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

(iii) the amount in excess of \$5,000.00 of state and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

~~(iv) one third of any domestic production activity deduction under 26 U.S.C. § 199; and~~

#### Sec. 39. PRODUCTION ACTIVITY DEDUCTION

The federal production activity deduction changes provided for in Sec. 37 of this act require taxpayers to add back as income three percent of the total nine percent federal deduction amount for taxable years beginning on and after January 1, 2010, and before January 1, 2012. It is the judgment of the general assembly that this temporary add-back is necessary in these difficult economic times and that the full deduction of nine percent should be available, as provided for in Sec. 38 of this act, for tax years beginning on and after January 1, 2012.

Sec. 40. 32 V.S.A. chapter 151, subchapter 11M is added to read:

Subchapter 11M. Machinery and Equipment Investment Tax Credit

§ 5930ll. MACHINERY AND EQUIPMENT TAX CREDIT

(a) Definitions.

(1) “Full-time job” has the same meaning as defined in subdivision 5930b(a)(9) of this title.

(2) “Investment period” means the period commencing January 1, 2010, and ending December 31, 2013.

(3) “Qualified capital expenditures” means expenditures properly chargeable to a capital account by a qualified taxpayer during the investment period, totaling at least \$20 million for machinery and equipment to be located and used in Vermont for creating, producing, or processing tangible personal property for sale.

(4) “Qualified taxpayer” means a taxpayer that:

(A) is an existing business on the effective date of this act with an aggregate average annual employment, including all employees of its related business units combined or consolidated for Vermont income tax purposes, during the investment period of no fewer than 200 full-time jobs in Vermont;

(B) is a taxable corporation under Subchapter C of the Internal Revenue Code;

(C) is a business whose operations at the time of application to the Vermont economic progress council are located in a Rural Economic Area Partnership (REAP) zone designated by the United States Department of Agriculture Rural Development Authority, engaged primarily in the creation, production, or processing of tangible personal property for sale; and

(D) proposes to make qualified capital expenditures in a Vermont REAP zone and such expenditures will contribute substantially to the REAP zone’s economy.

(5) “Qualified taxpayer’s Vermont income tax liability” means the corporate income tax otherwise due on the qualified taxpayer’s Vermont net income after reduction for any Vermont net operating loss as provided for under section 5382 of this title. For a qualified taxpayer that is a member of an affiliated group and that is engaged in a unitary business with one or more other members of that affiliated group, its Vermont net income includes the allocable share of the combined net income of the group.

(b) Certification.

(1) A qualified taxpayer may apply to the Vermont economic progress council for a machinery and equipment investment tax credit certification for all qualified capital expenditures in the investment period on a form prescribed by the council for this purpose.

(2) The council shall issue a certification upon determining that the applicant meets the requirements set forth in subsection (a) of this section.

(c) Amount of credit. Except as limited by subsections (e) and (f) of this section, a qualified taxpayer shall be entitled to claim against its Vermont income tax a credit in an amount equal to ten percent of the total qualified capital expenditures.

(d) Availability of credit.

(1) The credit earned under this section with respect to qualified capital expenditures shall be available to reduce the qualified taxpayer's Vermont income tax liability for its tax year beginning on or after January 1, 2012, or, if later, the first tax year within which the qualified taxpayer's aggregate qualified capital expenditures exceed \$20,000,000.00. A taxpayer claiming a credit under this subchapter shall submit with the first return on which a credit is claimed a copy of the qualified taxpayer's certification from the Vermont economic progress council.

(2) The credit may be used in the year earned or carried forward to reduce the qualified taxpayer's Vermont income tax liability in succeeding tax years ending on or before December 31, 2023.

(e) Limitations.

(1) The credit earned under this section, either alone or in combination with any other credit allowed by this chapter, may not be applied to reduce the qualified taxpayer's Vermont income tax liability in any one year by more than 80 percent, and in no event shall the credit reduce the taxpayer's income tax liability below any minimum tax imposed by this chapter.

(2) The total amount of credit authorized under this section shall be \$4,000,000.00 and in no event shall the credit in any one tax year exceed \$1,000,000.00. The credit shall be available on a first-come first-served basis by certification of the Vermont economic progress council pursuant to subsection (b) of this section.

(f) Recapture.

(1) A qualified taxpayer who has earned credit under this section with respect to its qualified capital expenditures shall notify the Vermont economic progress council in writing within 60 days if the taxpayer's trade or business is substantially curtailed in any calendar year prior to December 31, 2019.

(2) A qualified taxpayer's business shall be considered to be substantially curtailed when the average number of the taxpayer's full-time jobs in Vermont for any calendar year prior to December 31, 2019, is less than 80 percent of the highest average number of its full-time jobs in Vermont for any calendar year in the investment period. A business shall not be considered to be substantially curtailed when the assets of the business have been sold but the business continues to be located in Vermont provided that the employment test of this subdivision is met.

(3) In the event that a qualified taxpayer has substantially curtailed its trade or business, then:

(A) the credit certification for such tax year and all succeeding tax years of the taxpayer shall be terminated;

(B) any credit previously earned and carried forward shall be disallowed; and

(C) any credit which has been previously used by the taxpayer to reduce its Vermont income tax liability shall be subject to recapture in accordance with the following table:

<u>Years between the close of the tax year when credit was earned and year when business was substantially curtailed:</u>	<u>Percent of credits to be repaid (%):</u>
<u>2 or less</u>	<u>100</u>
<u>More than 2, up to 4</u>	<u>50</u>
<u>More than 4, up to 6</u>	<u>25</u>
<u>More than 6</u>	<u>0</u>

(4) The recapture shall be reported on the income tax return of the taxpayer who claimed the credit for the tax year in which the taxpayer's trade or business was substantially curtailed, or the commissioner may assess the recapture in accordance with the assessment and appeal provisions provided for in subchapter 8 of this chapter.

Sec. 41. REPEAL

Subchapter 11M of chapter 151 of Title 32 is repealed July 1, 2023, and no credit under that section shall be available for any taxable year beginning after June 30, 2023; provided, however, that if no qualified capital expenditures are made during the investment period, both terms as defined in 32 V.S.A. § 5930ll(a) of this act, the subchapter shall be repealed effective January 1, 2014.

**Fourth:** By renumbering the existing Sec. 36 as Sec. 42 and adding at the end of that section the following:

(14) Sec. 36 (dietary supplements) shall take effect on July 1, 2010.

(15) Sec. 37 (add-back of one-third of production activity deduction) shall apply to tax years beginning on and after January 1, 2010, and before January 1, 2012.

(16) Sec. 38 (full flow-through of production activity deduction) shall apply to tax years beginning on and after January 1, 2012.

(17) Sec. 40 (machinery and equipment investment tax credit) shall apply to taxable years beginning on and after January 1, 2012.

**Rep. Turner of Milton** asked that the question be divided and that Secs. 36-39 be voted on second.

Thereupon, the first and second instance of amendment and Secs. 40 and 41 of the third instance of amendment were agreed to.

Pending the question, Shall the bill be amended as offered by Rep. Ancel of Calais in Sec. 36, Sec. 37, Sec. 38 and Sec. 39? **Rep. Turner of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as offered by Rep. Ancel of Calais in Sec. 36, Sec. 37, Sec. 38 and Sec. 39? was decided in the affirmative. Yeas, 92. Nays, 49.

Those who voted in the affirmative are:

Ancel of Calais *	Condon of Colchester	Evans of Essex
Aswad of Burlington	Conquest of Newbury	Fisher of Lincoln
Atkins of Winooski	Consejo of Sheldon	Frank of Underhill
Audette of South Burlington	Copeland-Hanzas of	French of Shrewsbury
Bissonnette of Winooski	Bradford	French of Randolph
Bohi of Hartford	Corcoran of Bennington	Gilbert of Fairfax
Botzow of Pownal	Courcelle of Rutland City	Greshin of Warren
Branagan of Georgia	Crawford of Burke	Haas of Rochester
Bray of New Haven	Deen of Westminster	Heath of Westford
Burke of Brattleboro	Donovan of Burlington	Helm of Castleton
Cheney of Norwich	Edwards of Brattleboro	Hooper of Montpelier
Clarkson of Woodstock *	Emmons of Springfield	Howard of Rutland City



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Howrigan of Fairfield	Martin of Springfield	Pugh of South Burlington
Jerman of Essex	Masland of Thetford	Ram of Burlington
Jewett of Ripton	McCullough of Williston	Rodgers of Glover
Johnson of South Hero	Milkey of Brattleboro	Shand of Weathersfield
Keenan of St. Albans City	Miller of Shaftsbury	Sharpe of Bristol
Kitzmiller of Montpelier	Minter of Waterbury	Smith of Mendon
Klein of East Montpelier	Mitchell of Barnard	Stevens of Waterbury
Krebs of South Hero	Mook of Bennington	Stevens of Shoreham
Lanpher of Vergennes	Moran of Wardsboro	Sweaney of Windsor
Larson of Burlington	Mrowicki of Putney	Taylor of Barre City
Lenes of Shelburne	Nease of Johnson	Till of Jericho
Leriche of Hardwick	Nuovo of Middlebury	Toll of Danville
Lippert of Hinesburg	O'Brien of Richmond	Townsend of Randolph
Lorber of Burlington	Obuchowski of Rockingham	Waite-Simpson of Essex
Macaig of Williston	Partridge of Windham	Webb of Shelburne
Maier of Middlebury	Pellet of Chester	Weston of Burlington
Malcolm of Pawlet	Peltz of Woodbury	Wilson of Manchester
Manwaring of Wilmington	Poirier of Barre City	Wizowaty of Burlington
Marek of Newfane *	Potter of Clarendon	Zenie of Colchester

Those who voted in the negative are:

Acinapura of Brandon	Geier of South Burlington	Morrissey of Bennington
Adams of Hartland	Higley of Lowell	Myers of Essex
Ainsworth of Royalton	Howard of Cambridge	O'Donnell of Vernon *
Andrews of Rutland City	Hubert of Milton	Olsen of Jamaica
Baker of West Rutland	Johnson of Canaan	Peaslee of Guildhall
Brennan of Colchester	Koch of Barre Town	Reis of St. Johnsbury
Browning of Arlington	Komline of Dorset *	Savage of Swanton
Canfield of Fair Haven	Krawczyk of Bennington	Scheuermann of Stowe *
Clark of Vergennes *	Larocque of Barnet	Shaw of Pittsford
Clerkin of Hartford	Lawrence of Lyndon	South of St. Johnsbury
Davis of Washington	Lewis of Derby	Spengler of Colchester
Devereux of Mount Holly	Marcotte of Coventry	Turner of Milton
Dickinson of St. Albans Town	Martin of Wolcott	Wheeler of Derby
Donaghy of Poultney *	McAllister of Highgate	Winters of Williamstown
Donahue of Northfield	McDonald of Berlin *	Wright of Burlington
Fagan of Rutland City	McFaun of Barre Town	Zuckerman of Burlington *
	McNeil of Rutland Town	

Those members absent with leave of the House and not voting are:

Grad of Moretown	Morley of Barton	Perley of Enosburg
Head of South Burlington	Orr of Charlotte	Young of St. Albans City
Kilmartin of Newport City	Pearce of Richford	

**Rep. Ancel of Calais** explained her vote as follows:

“Mr. Speaker:

I voted yes. This is not a tax increase. The production deduction will be frozen at the current 6% rate for only two years. Even at that, Vermont will be the only New England state other than Rhode Island to provide this tax benefit.”

**Rep. Clark of Vergennes** explained his vote as follows:

“Mr. Speaker:

I voted no. The approval of this section of the amendment represents a tax cost of \$50,000 to the B.F. Goodrich manufacturing plant in Vergennes. It’s the wrong time and sends a poor signal to our manufacturing businesses if this tough economic time.”

**Rep. Clarkson of Woodstock** explained her vote as follows:

“Mr. Speaker:

I vote yes because without this revenue we will not be able to reduce the property tax rate 2 cents. We are one of only two states in New England which allows this deduction. In this amendment, with this tax deduction at 6%, we continue to support our businesses in a significant way.”

**Rep. Donaghy of Poultney** explained his vote as follows:

“Mr. Speaker:

I voted no. By not allowing the 9% federal deduction to pass through to Vermont manufacturing businesses and farms, we are in fact, increasing taxes on these businesses who have already factored in the deduction in their business plans. It couldn’t come at a better time for them with the booming economy.”

**Rep. Komline of Dorset** explained her vote as follows:

“Mr. Speaker:

I voted no. This tax deduction is provided by the federal government to help provide our businesses with some economic stability in these challenging times. By passing this – Vermont is no better than a highwayman taking money we have no right to.

This makes it even tougher to convince businesses to move to our state.”

**Rep. Marek of Newfane** explained his vote as follows:

“Mr. Speaker:

I voted yes. Every business has an argument why they should be exempt from paying and have a special deduction. If they don’t pay, average

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Vermonters do. Their burden, as so many repeatedly tell us, is heavy enough already.”

**Rep. McDonald of Berlin** explained her vote as follows:

“Mr. Speaker:

Vermont lost 25% of its manufacturing jobs this decade leading up to the recession and we continue to lose more. Any relief in taxation or other costs of doing business is critical to holding onto our manufacturing base. Without the \$9 million, relating to the production activity deduction, which manufacturers have been expecting and counting on, Vermont manufacturers and others will have a harder time climbing out of the recession and keeping Vermont jobs from being lost or transferred out of the state of country.”

**Rep. O'Donnell of Vernon** explained her vote as follows:

“Mr. Speaker:

I voted no. Taxpayers won't have to worry about paying their taxes when they don't have jobs.”

**Rep. Scheuermann of Stowe** explained her vote as follows:

“Mr. Speaker:

I voted no. Increasing taxes on cigarettes, soda and junk food are deemed important to curb their use and it has proved to be successful. I wonder how much in-state manufacturing will be curbed as a result of this tax increase.”

**Rep. Zuckerman of Burlington** explained his vote as follows:

“Mr. Speaker:

I voted no because there is a better way to raise the money for the property tax reduction. We could have found the same \$5 million by slowing the income tax reduction for those couples making \$170,000 or more this year, rather than leveling the production deduction and taxing dietary supplements. However, I would like to clarify it is \$3 million that will not be passed on, not the \$9 million just referenced.”

Pending the question, Shall the bill be read the third time? **Reps. Olsen of Jamaica** moved to amend the bill as follows:

By striking Sec. 35 in its entirety and inserting in lieu thereof the following:

Sec. 35. FUTURE OF EDUCATION GOVERNANCE AND EDUCATION FINANCE

(a) The general assembly finds:

(1) The education finance system as currently constituted is overly complex, is cumbersome and burdensome, and must be replaced with a system that is fair, transparent and affordable for all Vermonters.

(2) An education finance system that allows property taxes to increase, even as local school districts are reducing their school budgets, is unsustainable.

(b) Accordingly, the blue ribbon tax structure commission created in Sec. H. 56 of No. 1 of the Acts of the Special Session of 2009 shall, with the aid of public hearings and other public involvement, undertake a study of the state's education system using the following guidelines.

(1) Goals. In consultation with the house committees on education and on ways and means and the senate committees on education and on finance, identify the five most important short-term goals and the five most important long-term goals for an education system, taking into account the following: student educational achievement, education governance, finance, spending controls, and cost savings; and design a quantifiable nonmonetary measure of whether schools provide a "substantially equal educational opportunity" for student educational achievement; and report its findings by November 1, 2010.

(2) Evaluation. Evaluate Vermont's current education governance, finance, and spending control systems in light of the goals established in subdivision (1) of this subsection, the current education governance model, and the proposed changes to education governance made by the general assembly and determine the elements of the current systems which achieve these goals well and should be maintained and those elements which do not achieve these goals well and should be modified or eliminated, and report its findings by March 1, 2011.

(3) Proposals. Develop new systems of education finance, spending controls, and cost savings guided by but not limited to the goals established in subdivision (1) of this subsection and the elements identified in subdivision (2) of this subsection to be maintained, modified, or eliminated, and report its proposals by July 1, 2011.

(c) Advisory panel. In order to facilitate its study of these education systems, the commission shall have the assistance of an advisory panel of individuals who have a familiarity with education assessment, education governance, or education finance, have a demonstrated commitment to supporting a high-quality and efficient public education system with high outcomes, and have demonstrated an understanding of both the state and local aspects of public education in Vermont. The advisory panel may include professionals in education and in taxation; representatives of municipal

government, of the education community, of taxpayers, or of other interests; civic-minded Vermonters; or others as the commission may determine, but shall not include current members of the general assembly. The commission may delegate fact-finding and other supporting tasks to the advisory panel and may request the panel to participate in any meetings or hearings of the commission; and the panel may itself convene meetings, including public hearings. The advisory panel may be comprised of the following:

- (1) The commissioner of taxes or his or her designee;
- (2) The commissioner of education or his or her designee;
- (3) A member of the public appointed by the governor;
- (4) A member of the public appointed by the speaker of the house;
- (5) A member of the public appointed by the senate committee on committees;
- (6) A member appointed by the board of trustees of the Vermont School Boards Association; and
- (7) A member appointed by the board of directors of the Vermont League of Cities and Towns.

(d) Reports. All reports required in this section shall be submitted to the house committees on education and on ways and means and to the senate committees on education and on finance and to the house clerk and the senate secretary.

(e) The house committees on education and on ways and means and the senate committees on education and on finance may meet in October, November, and December 2011 to consider and propose legislation based upon the reports of the commission under this section for the 2012 session.

**Rep. Scheuermann of Stowe** asked that the question be divided and that Sec. 35(a)(1) and (2) be voted on separately.

Thereupon, the Speaker ruled the question is not divisible.

Pending the question, Shall the bill be amended as offered by Rep. Olsen of Jamaica? **Rep. Komline of Dorset** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as offered by Rep. Olsen of Jamaica? was decided in the negative. Yeas, 48. Nays, 92.

## Those who voted in the affirmative are:

Acinapura of Brandon	Higley of Lowell	Myers of Essex
Adams of Hartland	Howard of Cambridge	O'Donnell of Vernon
Ainsworth of Royalton	Hubert of Milton	Olsen of Jamaica
Baker of West Rutland	Koch of Barre Town	Peaslee of Guildhall
Branagan of Georgia	Komline of Dorset	Pugh of South Burlington
Brennan of Colchester	Krawczyk of Bennington	Reis of St. Johnsbury
Canfield of Fair Haven	Krebs of South Hero	Savage of Swanton
Clark of Vergennes	Larocque of Barnet	Scheuermann of Stowe
Clerkin of Hartford	Lawrence of Lyndon	Shaw of Pittsford
Crawford of Burke	Lewis of Derby	Smith of Mendon
Devereux of Mount Holly	Marcotte of Coventry *	Turner of Milton
Dickinson of St. Albans Town	McAllister of Highgate	Wheeler of Derby
Donaghy of Poultney *	McDonald of Berlin	Wilson of Manchester
Donahue of Northfield	McFaun of Barre Town	Winters of Williamstown
Fagan of Rutland City	McNeil of Rutland Town	Wright of Burlington
Helm of Castleton	Moran of Wardsboro	
	Morrissey of Bennington	

## Those who voted in the negative are:

Ancel of Calais	French of Randolph	Martin of Wolcott
Andrews of Rutland City	Geier of South Burlington	Masland of Thetford
Aswad of Burlington	Gilbert of Fairfax	McCullough of Williston
Atkins of Winooski	Greshin of Warren	Milkey of Brattleboro
Bissonnette of Winooski	Haas of Rochester	Miller of Shaftsbury
Bohi of Hartford	Heath of Westford	Minter of Waterbury
Botzow of Pownal	Hooper of Montpelier	Mitchell of Barnard
Bray of New Haven	Howard of Rutland City	Mook of Bennington
Browning of Arlington	Howrigan of Fairfield	Mrowicki of Putney
Burke of Brattleboro	Jerman of Essex	Nease of Johnson
Cheney of Norwich	Jewett of Ripton	Nuovo of Middlebury
Clarkson of Woodstock	Johnson of South Hero	O'Brien of Richmond
Condon of Colchester	Johnson of Canaan	Obuchowski of Rockingham
Conquest of Newbury	Keenan of St. Albans City	Partridge of Windham
Consejo of Sheldon	Kitzmiller of Montpelier	Pellett of Chester
Copeland-Hanzas of Bradford	Klein of East Montpelier	Peltz of Woodbury
Corcoran of Bennington	Lanpher of Vergennes	Poirier of Barre City
Courcelle of Rutland City	Larson of Burlington	Potter of Clarendon
Davis of Washington	Lenes of Shelburne	Ram of Burlington
Deen of Westminster	Leriche of Hardwick	Rodgers of Glover
Donovan of Burlington	Lippert of Hinesburg	Shand of Weathersfield
Edwards of Brattleboro	Lorber of Burlington	Sharpe of Bristol
Emmons of Springfield	Macaig of Williston	South of St. Johnsbury
Evans of Essex	Maier of Middlebury	Spengler of Colchester
Fisher of Lincoln	Malcolm of Pawlet	Stevens of Waterbury
Frank of Underhill	Manwaring of Wilmington	Stevens of Shoreham
French of Shrewsbury	Marek of Newfane *	Sweaney of Windsor
	Martin of Springfield	Taylor of Barre City

Till of Jericho *	Waite-Simpson of Essex	Wizowaty of Burlington
Toll of Danville	Webb of Shelburne *	Zenie of Colchester
Townsend of Randolph	Weston of Burlington	Zuckerman of Burlington

Those members absent with leave of the House and not voting are:

Audette of South Burlington	Kilmartin of Newport City	Pearce of Richford
Grad of Moretown	Morley of Barton	Perley of Enosburg
Head of South Burlington	Orr of Charlotte	Young of St. Albans City

**Rep. Donaghy of Poultney** explained his vote as follows:

“Mr. Speaker:

CLA, co-efficient of dispersion, equalized pupils and phantom students? These are all terms in which we can easily make our constituents understand. Right?.”

**Rep. Marcotte of Coventry** explained his vote as follows:

“Mr. Speaker:

The current system is burdensome, but not only for the school district, but also to the municipality. As a selectboard member for over 20 years, I know that selectboards and city councils struggle every year to keep their portion of the tax rate down because of the ever-increasing school tax rate, so we don’t overburden our taxpayers. This has had a profound effect on our towns infrastructure. Towns are sacrificing our infrastructure to finance our school system. That’s not the choices our towns should have to make.”

**Rep. Marek of Newfane** explained his vote as follows:

“Mr. Speaker:

This bill already correctly says that the time has come to consider education and its funding anew. This amendment’s use of loaded negative findings, which totally ignores all positive results from our education system, is not the way to begin any objective conversation. It is like looking only at your housing costs while ignoring the fact you have a house as a result.”

**Rep. Till of Jericho** explained his vote as follows:

“Mr. Speaker:

What we have done here today by decreasing the state-wide property tax rate to 86 cents residential and 1.35 for non-residential property reduces the previously projected property tax increase in my district to less than 1/3 of what was projected on town meeting week.

Starting with the assumption that the current system must be scrapped is an inappropriate way to order a study of the system.”

**Rep. Webb of Shelburne** explained her vote as follows:

“Mr. Speaker:

Everything this amendment proposes to fix is already being addressed.”

Pending the question, Shall the bill be read the third time? **Reps. Scheuermann of Stowe and Clark of Vergennes** moved to amend the bill as follows:

First: By striking Sec. 27 in its entirety and inserting in lieu thereof the following:

Sec. 27. 32 V.S.A. § 5811(21) is amended to read:

(21) “Taxable income” means federal taxable income determined without regard to Section 168(k) of the Internal Revenue Code and:

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

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

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

(iii) the amount in excess of \$5,000.00 of state and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

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

(i) income from United States government obligations;

(ii) ~~with respect to adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code:~~

~~(I) if the taxpayer is aged 70 or older as of the last day of the tax year, or for adjusted net capital gain income from the sale of a farm or from the sale of standing timber, each as defined in subdivision (27) of this section, 40 percent of adjusted net capital gain income but the total amount of decrease under this subdivision (ii)(I) shall not exceed 40 percent of federal taxable income; provided, however, that a taxpayer aged 70 or older as of the last day of the tax year may elect to subtract his or her adjusted net capital gains pursuant to subdivision (21)(B)(ii)(II) of this section.~~



~~(ii) for taxpayers aged 70 or older as of the last day of the tax year who so elect and for all other capital gain income, the first \$2,500.00 of adjusted net capital gain income; and~~

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

Second: By inserting a new Sec. 36 to read:

Sec. 36. REPEAL

The following sections of No. 2 of the Acts of 2009 (Sp. Sess.) are repealed:

(1) Sec. 16b (amending the definition of taxable income for taxable years beginning on and after January 1, 2011).

(3) Sec. 18(b) (providing an effective date for the change in the treatment of capital gains).

Third: By renumbering the existing Sec. 36 to be Sec. 37.

Fourth: In Sec. 37, by striking subdivision (9) in its entirety and inserting in lieu thereof the following:

(9) Sec. 27 (treatment of capital gains) shall apply to tax years beginning on and after January 1, 2011.

**Rep. Deen of Westminster** raised a Point of Order that the amendment substantially negates action taken in the 1<sup>st</sup> year of the biennium.

Pending the ruling of the Speaker **Rep. Scheuermann of Stowe** asked and was granted leave of the house to withdraw her amendment.

Pending the question, Shall the bill be read a third time? **Rep. Ancel of Calais** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be read a third time? was decided in the affirmative. Yeas, 95. Nays, 42.

Those who voted in the affirmative are:

Ancel of Calais	Clarkson of Woodstock	Deen of Westminster
Andrews of Rutland City	Condon of Colchester	Donovan of Burlington
Aswad of Burlington	Conquest of Newbury	Edwards of Brattleboro
Atkins of Winooski	Consejo of Sheldon	Emmons of Springfield
Bissonnette of Winooski	Copeland-Hanzas of	Evans of Essex
Bohi of Hartford	Bradford	Fagan of Rutland City
Botzow of Pownal	Corcoran of Bennington	Fisher of Lincoln
Branagan of Georgia	Courcelle of Rutland City	Frank of Underhill
Bray of New Haven	Crawford of Burke	French of Shrewsbury
Burke of Brattleboro	Davis of Washington	French of Randolph

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Gilbert of Fairfax	Macaig of Williston	Pellett of Chester
Greshin of Warren	Maier of Middlebury	Poirier of Barre City
Haas of Rochester	Malcolm of Pawlet	Potter of Clarendon
Heath of Westford	Manwaring of Wilmington	Rodgers of Glover
Helm of Castleton	Marek of Newfane	Shand of Weathersfield
Hooper of Montpelier	Martin of Springfield	Sharpe of Bristol
Howard of Rutland City	Martin of Wolcott	Smith of Mendon
Howrigan of Fairfield	Masland of Thetford *	South of St. Johnsbury
Jerman of Essex	McCullough of Williston	Stevens of Waterbury
Jewett of Ripton	Milkey of Brattleboro	Stevens of Shoreham
Johnson of South Hero	Miller of Shaftsbury	Sweaney of Windsor
Johnson of Canaan	Minter of Waterbury	Taylor of Barre City
Keenan of St. Albans City	Mitchell of Barnard	Till of Jericho
Kitzmiller of Montpelier	Mook of Bennington	Toll of Danville
Klein of East Montpelier	Moran of Wardsboro	Townsend of Randolph
Krawczyk of Bennington	Mrowicki of Putney	Waite-Simpson of Essex
Krebs of South Hero	Nease of Johnson	Webb of Shelburne
Lanpher of Vergennes	Nuovo of Middlebury	Wheeler of Derby
Larson of Burlington	O'Brien of Richmond	Wilson of Manchester
Lenes of Shelburne	Obuchowski of Rockingham	Wizowaty of Burlington *
Leriche of Hardwick	Olsen of Jamaica	Young of St. Albans City
Lippert of Hinesburg	Partridge of Windham	Zenie of Colchester

Those who voted in the negative are:

Adams of Hartland	Howard of Cambridge	Myers of Essex
Ainsworth of Royalton	Hubert of Milton	O'Donnell of Vernon
Baker of West Rutland	Kilmartin of Newport City	Peaslee of Guildhall
Brennan of Colchester	Koch of Barre Town	Ram of Burlington
Browning of Arlington	Komline of Dorset	Reis of St. Johnsbury
Canfield of Fair Haven	Larocque of Barnet	Savage of Swanton
Cheney of Norwich	Lawrence of Lyndon	Scheuermann of Stowe
Clerkin of Hartford	Lewis of Derby	Shaw of Pittsford
Devereux of Mount Holly	Lorber of Burlington	Spengler of Colchester
Dickinson of St. Albans Town	Marcotte of Coventry	Turner of Milton
Donaghy of Poultney	McAllister of Highgate	Weston of Burlington
Donahue of Northfield *	McDonald of Berlin	Wright of Burlington
Geier of South Burlington	McFaun of Barre Town	Zuckerman of Burlington
Higley of Lowell	McNeil of Rutland Town	
	Morrissey of Bennington	

Those members absent with leave of the House and not voting are:

Acinapura of Brandon	Head of South Burlington	Peltz of Woodbury
Audette of South Burlington	Morley of Barton	Perley of Enosburg
Clark of Vergennes	Orr of Charlotte	Pugh of South Burlington
Grad of Moretown	Pearce of Richford	Winters of Williamstown

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**Rep. Donahue of Northfield** explained her vote as follows:

“Mr. Speaker:

I vote no. We once again change the rules of the game for taxpayers as applied to last year’s income. A retroactive tax always denies the democratic process and the representation of the people. Taxation without representation is tyranny.”

**Rep. Masland of Thetford** explained his vote as follows:

“Mr. Speaker:

There are many good aspects to this bill. However, I am very concerned that the \$425,000 “soft cap” does damage to people in the towns I represent, who, for no fault of their own, are seeing property tax values rise much faster than their incomes. On balance, the bill is far better than no bill as all, and I look forward to its becoming better still before it becomes law.”

**Rep. Wizowaty of Burlington** explained her vote as follows:

“Mr. Speaker:

I vote yes in support of the effort to reduce the property tax rate because the schools have worked so hard to keep their budgets in check. But I’m disappointed in some of the mechanisms we’ve used to accomplish this and I hope we can come up with some creative substitutions in the days to come.”

#### **Recess**

At one o'clock and twenty minutes in the afternoon, the Speaker declared a recess until two o'clock and fifteen minutes in the afternoon.

At two o'clock and twenty minutes in the afternoon, the Speaker called the House to order.

#### **Bill Read Second Time; Bill Amended and Third Reading Ordered**

#### **H. 789**

**Rep. Heath of Westford** spoke for the committee on Appropriations.

House bill entitled

An act making appropriations for the support of government

Having appeared on the Calendar one day for notice, was taken up and read the second time.

Pending the question, Shall the bill be read the third time? **Rep. Heath of Westford** moved to amend the bill as follows:

First: On pages 23 and 24, by striking out Sec. B.140 in its entirety and inserting in lieu thereof a new Sec. B.140 to read as follows:

Sec. B.140 Municipal current use

Grants	<u>11,700,000</u>
Total	11,700,000
Source of funds	
General fund	<u>11,700,000</u>
Total	11,700,000

Second: On page 52, by striking out Sec. B.309 in its entirety and inserting in lieu thereof a new Sec. B.309 to read as follows:

Sec. B.309 Office of Vermont health access - Medicaid program - state only

Grants	<u>19,324,256</u>
Total	19,324,256
Source of funds	
General fund	17,614,747
Global Commitment fund	<u>1,709,509</u>
Total	19,324,256

Third: On page 62, by striking out Sec. B.325 in its entirety and inserting in lieu thereof a new Sec. B.325 to read as follows:

Sec. B.325 Department for children and families - office of economic opportunity

Personal services	266,289
Operating expenses	78,339
Grants	<u>4,747,762</u>
Total	5,092,390
Source of funds	
General fund	1,241,285
Special funds	57,990
Federal funds	<u>3,793,115</u>
Total	5,092,390

Fourth: On pages 62 and 63, by striking out Sec. B.326 its entirety and inserting in lieu thereof a new Sec. B.326 to read as follows:

Sec. B.326 Department for children and families - OEO - weatherization assistance

Personal services	183,254
Operating expenses	130,762
Grants	<u>14,959,936</u>
Total	15,273,952
Source of funds	
ARRA funds	8,421,288
Special funds	4,602,998
Federal funds	<u>2,249,666</u>
Total	15,273,952

Fifth: On page 76, by striking out Sec. B.502 in its entirety and inserting in lieu thereof a new Sec. B.502 to read as follows:

Sec. B.502 Education - special education: formula grants

Grants	<u>142,687,975</u>
Total	142,687,975
Source of funds	
Education fund	142,457,975
Global Commitment fund	<u>230,000</u>
Total	142,687,975

Sixth: On pages 77 and 78, by striking out Sec. B.505 in its entirety and inserting in lieu thereof a new Sec. B.505 to read as follows:

Sec. B.505 Education - adjusted education payment

Grants	<u>1,136,275,036</u>
Total	1,136,275,036
Source of funds	
ARRA interdepartmental transfer	38,575,036

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Education fund	<u>1,097,700,000</u>
Total	1,136,275,036

Seventh: On page 119, in Sec. D.101(a)(1), after line 18, by adding a new subparagraph (D) to read as follows:

(D) education fund for reserve within the education fund in fiscal year 2011: \$2,300,000.

Eighth: On page 120, by striking out Sec. D.104 in its entirety

Ninth: In Sec. E.321.2(a) by striking subdivision (2) in its entirety and, on line 8, by striking the number “(1)”

Tenth: In Sec. E.323.2, 33 V.S.A. § 1116(h), by striking subdivision (3) in its entirety

Which was agreed to.

Pending third reading of the bill, **Reps. Poirier of Barre City, McFaun of Barre Town, Moran of Wardsboro, Nuovo of Middlebury, O'Donnell of Vernon and Olsen of Jamaica** moved to amend the bill as follows:

By adding a Sec. E.314a to read as follows:

Sec. E.314a. VERMONT STATE HOSPITAL; CANTEEN

(a) The general assembly finds that the availability of a cafeteria, also known as “the canteen,” for use by patients of the Vermont state hospital is therapeutic for them and should be available for their use, as well as for their guests, hospital staff, and members of the general public.

(b) From any appropriation contained in any act of the general assembly to the department of buildings and general services, the sum of up to \$25,000 shall be used to make necessary repairs and upgrades to bring up to code the premises used as the canteen, which repairs and upgrades shall be completed by October 30, 2010.

(c) On or before November 1, 2010, the secretary of human services shall cause the canteen to reopen for no fewer than five days per week for a reasonable number of hours per day, for use by state hospital patients, their guests, staff, and members of the public. The cafeteria service shall be provided either by state employees or a contracted vendor, so long as the operation is cost-neutral to the general fund. If the cafeteria service is offered by a vendor, the premises used by the vendor shall be leased at an annual cost of \$1.00, and the leased premises shall otherwise be offered to the vendor on the same terms and conditions as those offered to the vendor who operates the state house cafeteria.

(d) The canteen service shall continue in operation unless closure is authorized by act of the general assembly.

(e) The vendor shall strive to offer affordable lower-cost food to state hospital patients.

Which was agreed to on a Division Vote. Yeas, 106. Nays, 0.

Pending the question, Shall the bill be read a third time? **Rep. Komline of Dorset** moved to postpone action until Wednesday, March 27, 2010.

Pending the question, Shall the House postpone action on the bill until Wednesday, March 27, 2010? **Rep. Komline of Dorset** demanded the Yeas and the Nays, which demand was sustained by the Constitutional number.

### Recess

Pending the call of the roll, the Speaker declared a recess at five o'clock and fifty-five minutes in the afternoon until six o'clock and ten minutes in the evening.

The Speaker called the House to order at six o'clock and thirty minutes in the evening.

### Consideration Resumed; Bill Amended and Third Reading Ordered

#### H. 789

Consideration resumed on House bill entitled

An act making appropriations for the support of government;

Thereupon, the Clerk proceeded to call the roll and the question, Shall action be postponed until Wednesday, March 31, 2009, as recommended by Rep. Komline of Dorset? was decided in the negative. Yeas, 36. Nays, 103.

Those who voted in the affirmative are:

Adams of Hartland	Fagan of Rutland City	Morley of Barton
Baker of West Rutland	Higley of Lowell	Morrissey of Bennington *
Brennan of Colchester	Hubert of Milton	Myers of Essex
Browning of Arlington	Johnson of Canaan	O'Donnell of Vernon
Canfield of Fair Haven	Kilmartin of Newport City	Olsen of Jamaica
Clark of Vergennes	Komline of Dorset	Peaslee of Guildhall
Clerkin of Hartford	Krawczyk of Bennington	Poirier of Barre City
Devereux of Mount Holly	Larocque of Barnet	Savage of Swanton
Dickinson of St. Albans Town *	Lawrence of Lyndon	Scheuermann of Stowe
Donaghy of Poultney	Lewis of Derby	Shaw of Pittsford
Donahue of Northfield *	Marcotte of Coventry	Turner of Milton
	McNeil of Rutland Town	Wheeler of Derby

Wright of Burlington

Those who voted in the negative are:

Acinapura of Brandon	Helm of Castleton	Mrowicki of Putney
Ancel of Calais	Hooper of Montpelier	Nease of Johnson
Andrews of Rutland City	Howard of Cambridge	Nuovo of Middlebury
Aswad of Burlington	Howard of Rutland City	O'Brien of Richmond
Bissonnette of Winooski	Howrigan of Fairfield	Obuchowski of Rockingham
Bohi of Hartford	Jerman of Essex	Orr of Charlotte
Botzow of Pownal	Jewett of Ripton	Partridge of Windham
Branagan of Georgia	Johnson of South Hero	Pellett of Chester
Bray of New Haven	Keenan of St. Albans City	Peltz of Woodbury
Burke of Brattleboro	Kitzmiller of Montpelier	Potter of Clarendon
Cheney of Norwich	Klein of East Montpelier	Pugh of South Burlington
Clarkson of Woodstock	Krebs of South Hero	Ram of Burlington
Condon of Colchester	Lanpher of Vergennes	Reis of St. Johnsbury
Conquest of Newbury	Larson of Burlington	Rodgers of Glover
Consejo of Sheldon	Lenes of Shelburne	Shand of Weathersfield
Copeland-Hanzas of Bradford	Leriche of Hardwick	Sharpe of Bristol
Corcoran of Bennington	Lippert of Hinesburg	Smith of Mendon
Courcelle of Rutland City	Lorber of Burlington	South of St. Johnsbury
Crawford of Burke	Macaig of Williston	Spengler of Colchester
Davis of Washington	Maier of Middlebury	Stevens of Waterbury
Deen of Westminster	Malcolm of Pawlet	Stevens of Shoreham
Donovan of Burlington	Manwaring of Wilmington	Sweaney of Windsor *
Edwards of Brattleboro	Marek of Newfane	Taylor of Barre City
Emmons of Springfield	Martin of Springfield	Till of Jericho
Evans of Essex	Martin of Wolcott	Toll of Danville
Fisher of Lincoln	Masland of Thetford	Townsend of Randolph *
Frank of Underhill	McCullough of Williston	Waite-Simpson of Essex
French of Shrewsbury	McDonald of Berlin	Webb of Shelburne
French of Randolph	McFaun of Barre Town	Weston of Burlington
Geier of South Burlington	Milkey of Brattleboro	Wilson of Manchester
Gilbert of Fairfax	Miller of Shaftsbury	Winters of Williamstown
Greshin of Warren	Minter of Waterbury	Young of St. Albans City
Haas of Rochester	Mitchell of Barnard	Zenie of Colchester
Heath of Westford	Mook of Bennington	Zuckerman of Burlington *
	Moran of Wardsboro	

Those members absent with leave of the House and not voting are:

Ainsworth of Royalton	Head of South Burlington	Perley of Enosburg
Atkins of Winooski	Koch of Barre Town	Wizowaty of Burlington
Audette of South Burlington	McAllister of Highgate	
Grad of Moretown	Pearce of Richford	



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**Rep. Dickinson of St. Albans Town** explained her vote as follows:

“Mr. Speaker:

I would like to thank the Appropriations committee for its hard work on this bill. I do feel great concern about the delay of the challenge for change report before we can vote on the appropriations bill. I vote for transparency before voting on this budget so we may better serve our constituents..”

**Rep. Donahue of Northfield** explained her vote as follows:

“Mr. Speaker:

Information that was important to my ability to assess the appropriations bill was withheld from me today. Despite the good work of the committee, I have not idea how much might change after the “challenges” update is disclosed. This denies me the ability to make an informed vote and to represent the interests of my constituents. This vote was a test of government transparency. We failed the test.”

**Rep. Morrissey of Bennington** explained her vote as follows:

“Mr. Speaker:

I would contend that in the time we took to debate the motion to postpone the appropriations bill we could have had a joint presentation of this body to have a challenge for change progress update. What a shame and waste of time. We could have been debating the budget and voting on it, for that was what I came here to do today. Our constituents deserve better.”

**Rep. Sweaney of Windsor** explained her vote as follows:

“Mr. Speaker:

I vote no on postponing the vote on the budget today. I have been a member of the Joint Legislative Accountability Committee and a member of the Steering Team who has worked on the Challenges for Change. These challenges are just that, a leap of faith on all our parts to continue to work with the administration in collaboration to make Vermont government more effective, efficient and accountable to the people of Vermont.”

**Rep. Townsend of Randolph** explained his vote as follows:

“Mr. Speaker:

I voted no. I’ll be a good soldier....today.”

**Rep. Zuckerman of Burlington** explained his vote as follows:

“Mr. Speaker:

Upon further reflection and with some trepidation I am willing to trust the reporter of the bill in her comments that it will be the committee of conference position in the conference process to work to uphold the house positions re: possible statutory or budget changes suggested by the administration in Challenges for Change. For those that voted for challenges, you bought in at that time and the committee followed that process and direction.”

Pending the question, Shall the be read a third time? **Rep. Nease of Johnson** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the be read a third time? was decided in the affirmative. Yeas, 124. Nays, 15.

Those who voted in the affirmative are:

Acinapura of Brandon	Fagan of Rutland City	Lorber of Burlington
Adams of Hartland	Fisher of Lincoln	Macaig of Williston
Ancel of Calais	Frank of Underhill	Maier of Middlebury
Andrews of Rutland City	French of Shrewsbury	Malcolm of Pawlet
Aswad of Burlington	French of Randolph	Manwaring of Wilmington
Bissonnette of Winooski	Geier of South Burlington	Marcotte of Coventry
Bohi of Hartford	Gilbert of Fairfax	Marek of Newfane
Botzow of Pownal	Greshin of Warren	Martin of Springfield
Branagan of Georgia	Haas of Rochester	Martin of Wolcott
Bray of New Haven	Heath of Westford	Masland of Thetford
Brennan of Colchester	Helm of Castleton	McCullough of Williston
Browning of Arlington	Higley of Lowell	McDonald of Berlin
Burke of Brattleboro	Hooper of Montpelier	McFaun of Barre Town
Canfield of Fair Haven	Howard of Cambridge	McNeil of Rutland Town
Cheney of Norwich	Howard of Rutland City	Milkey of Brattleboro
Clarkson of Woodstock	Howrigan of Fairfield	Miller of Shaftsbury
Clerkin of Hartford	Hubert of Milton	Minter of Waterbury
Condon of Colchester	Jerman of Essex	Mitchell of Barnard
Conquest of Newbury	Jewett of Ripton	Mook of Bennington
Consejo of Sheldon	Johnson of South Hero	Moran of Wardsboro
Copeland-Hanzas of Bradford	Johnson of Canaan	Mrowicki of Putney
Corcoran of Bennington	Keenan of St. Albans City	Myers of Essex
Courcelle of Rutland City	Kitzmiller of Montpelier	Nease of Johnson
Crawford of Burke	Klein of East Montpelier	Nuovo of Middlebury
Davis of Washington	Krawczyk of Bennington	O'Brien of Richmond
Deen of Westminster	Krebs of South Hero	Obuchowski of Rockingham
Devereux of Mount Holly	Lanpher of Vergennes	Orr of Charlotte
Dickinson of St. Albans Town	Larocque of Barnet	Partridge of Windham
Donovan of Burlington	Larson of Burlington	Peaslee of Guildhall
Edwards of Brattleboro	Lawrence of Lyndon	Pellett of Chester
Emmons of Springfield	Lenes of Shelburne	Peltz of Woodbury
Evans of Essex	Leriche of Hardwick	Potter of Clarendon
	Lewis of Derby	Pugh of South Burlington
	Lippert of Hinesburg	Ram of Burlington

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Reis of St. Johnsbury	Stevens of Waterbury	Webb of Shelburne
Rodgers of Glover	Stevens of Shoreham	Weston of Burlington
Shand of Weathersfield	Sweaney of Windsor	Wheeler of Derby
Sharpe of Bristol	Taylor of Barre City	Wilson of Manchester
Shaw of Pittsford	Till of Jericho	Winters of Williamstown
Smith of Mendon	Toll of Danville	Young of St. Albans City
South of St. Johnsbury	Townsend of Randolph	Zenie of Colchester
Spengler of Colchester	Waite-Simpson of Essex	Zuckerman of Burlington

Those who voted in the negative are:

Baker of West Rutland	Komline of Dorset	Poirier of Barre City
Clark of Vergennes	Morley of Barton	Savage of Swanton
Donaghy of Poultney *	Morrissey of Bennington	Scheuermann of Stowe
Donahue of Northfield	O'Donnell of Vernon *	Turner of Milton
Kilmartin of Newport City	Olsen of Jamaica *	Wright of Burlington

Those members absent with leave of the House and not voting are:

Ainsworth of Royalton	Head of South Burlington	Perley of Enosburg
Atkins of Winooski	Koch of Barre Town	Wizowaty of Burlington
Audette of South Burlington	McAllister of Highgate	
Grad of Moretown	Pearce of Richford	

**Rep. Olsen of Jamaica** explained his vote as follows:

“Mr. Speaker:

I cannot vote for a budget without knowing how we will find \$38 million under the seat cushion.”

**Rep. O'Donnell of Vernon** explained her vote as follows:

“Mr. Speaker:

I thank the Appropriations Committee for all their hard work, but I can't vote for a bill that has \$38 million missing. We don't know what is going to be cut, or where it is going to come from. Do you think maybe there is a reason that the challenges for changes was not ready on the day I was statutorily due?”

**Rep. Donaghy of Poultney** explained his vote as follows:

“Mr. Speaker:

I believe the Challenges for Change is integral to the overall budget. Information that was important to our ability to assess the Appropriations Bill was withheld from us today. Despite the good work of the Committee, I have no idea how much might be revised after the “Challenge for Change” report is disclosed. This denies us the ability to make an informed vote and to represent

the interests of our constituents. I vote we should send this bill back to the Appropriations Committee, to report back to us with specificity on the \$38 million of the created efficiencies.”

### **Recess**

At seven o'clock and thirty minutes in the evening, the Speaker declared a recess until eight o'clock and thirty minutes in the evening.

At eight o'clock and thirty minutes in the evening, the Speaker called the House to order.

### **Favorable Report; Third Reading Ordered**

#### **H. 784**

**Rep. Brennan of Colchester** spoke for the committee on Transportation.

**Rep. Minter of Waterbury**, for the committee on Appropriations, to which had been referred House bill, entitled

An act relating to the state's transportation program

Reported in favor of its passage. The bill, having appeared on the Calendar one day for notice, was taken up and read the second time.

Pending the question, Shall the bill be read the third time? **Rep. Brennan of Colchester** moved to amend the bill as follows:

First: In Sec. 17, subsection (h), by striking the third sentence in its entirety and inserting in lieu thereof the following: “Upon authorizing a project to resolve an emergency or safety issue, the secretary shall give prompt notice of the decision and action taken to the joint fiscal office and to the house and senate committees on transportation when the general assembly is in session, and when the general assembly is not in session, the joint transportation oversight committee.”

Second: By striking out Secs. 46–62 in their entirety and by renumbering the remaining section to be numerically correct

Which was agreed to.

Pending third reading of the bill, **Rep. Howard of Cambridge** moved to amend the bill as follows:

By striking Sec. 38 in its entirety and inserting in lieu thereof a new Sec. 38 to read:

Sec. 38. ON-PREMISE SIGN ON LIMITED ACCESS FACILITY

Notwithstanding the restriction on on-premise signs located as to be readable primarily from a limited access facility set forth in 10 V.S.A. § 495(b) and the requirement set forth in 10 V.S.A. § 493(1) that on-premise signs be erected no more than 1,500 feet from a main entrance from the highway to the activity or premises advertised, an on-premise sign directing traffic to the facilities of a postsecondary educational institution may be erected at the intersection of U.S. Route 4 Western Bypass and U.S. Route 7 in the town of Rutland.

Which was agreed to and third reading of the bill was ordered.

#### **Action on Bill Postponed**

#### **H. 456**

House bill, entitled

An act relating to seasonal fuel assistance

Was taken up and pending the question, Shall the House concur in the Senate proposal of amendment? on motion of **Rep. McFaun of Barre Town**, action on the bill was postponed until Tuesday, April 6, 2010..

#### **Senate Proposal of Amendment to House Proposal of Amendment Concurred in**

#### **S. 117**

The Senate proposed to the House to amend House bill, entitled

An act relating to the date of the primary election

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

By adding a new Sec. 11 to read:

Sec. 11. EFFECTIVE DATE

This act shall take effect upon passage.

Which proposal of amendment was considered and concurred in.

#### **Adjournment**

At nine o'clock and thirty-five minutes in the evening, on motion of **Rep. Komline of Dorset**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.