

Journal of the House

Friday, April 27, 2012

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

Devotional Exercises

Devotional exercises were conducted by the Speaker.

Message from the Senate No. 54

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 781. An act relating to making appropriations for the support of government.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

Message from the Senate No. 55

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered bills originating in the House of the following titles:

H. 412. An act relating to harassment and bullying in educational settings.

H. 467. An act relating to limited liability for a landowner who permits a person to enter the owner's land for recreational use.

H. 730. An act relating to miscellaneous consumer protection laws.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

House Resolution Placed on Calendar**H.R. 21**

House resolution, entitled

House resolution urging the U.S. Department of Health and Human Services to reconsider its lifetime deferral on blood donation from men who have sex with other men

Offered by: Committee on Human Services

Whereas, the American Red Cross continually reminds Americans of the importance of giving blood and that it is the “gift of life,” and

Whereas, the greater the donor base, the easier it will be to meet the nation’s demand for blood, especially when there is a blood shortage, and

Whereas, one major group, men who have had sex with other men on even one occasion since 1977, is subject to a lifetime U.S. Food and Drug Administration (FDA) blood donation deferral (ban), and

Whereas, the FDA justifies this lifetime deferral based on its data showing that men who have sex with other men have a greater likelihood to be HIV positive—60 times higher than the general population, 800 times higher than first-time blood donors, and 8,000 times higher than repeat blood donors, and

Whereas, America’s Blood Centers (ABC) and the American Red Cross (ARC) are among the organizations responsible for administering the blood donation and supply system in the United States and are required to follow all FDA policies on blood donations, and

Whereas, in 2006, Advancing Transfusion and Cellular Therapies Worldwide (AABB), ABC, and ARC issued a joint position statement “that the current lifetime deferral for men who have had sex with other men is medically and scientifically unwarranted,” and

Whereas, the FDA has established a 12-month blood donation deferral period for an individual who has had sexual contact with a person infected with HIV or viral hepatitis, and

Whereas, the blood donation organizations have jointly recommended that the deferral period for men who have had sex with other men be limited to 12 months since the date of the last such sexual contact, and

Whereas, although the United Kingdom has modified its blood donation deferral period for men who have had sex with other men, the FDA’s lifetime deferral remains in place, and

Whereas, despite the policy change in the United Kingdom, on June 11, 2010, the U.S. Department of Health and Human Services Secretary's Advisory Committee on Blood Safety and Availability made a nonbinding recommendation to keep the current lifetime deferral in place by a vote of 9–6, and

Whereas, only days after the committee's vote, AABB, ABC, and the ARC issued a joint statement reaffirming their 2006 recommendation for a one-year deferral period, and

Whereas, the joint statement explained that the data do not justify a different deferral period for men who have sex with other men than for individuals with similar high-risk sexual behavior, and

Whereas, there is a constant need for blood, and Vermonters are known to be generous blood donors, as demonstrated by the Christmas season blood drive at the Paramount Theatre in Rutland, the College of St. Joseph, and the American Legion, and

Whereas, denying Vermonters the privilege of donating blood unnecessarily limits the nation's blood supply, and

Whereas, the FDA's Blood Products Advisory Committee is scheduled to meet on May 16, 2012 to hear an update on the deferral policy, now therefore be it

Resolved by the House of Representatives:

That this legislative body urges the U.S. Department of Health and Human Services to reassess the lifetime deferral on blood donations for men who have had sex with other men since 1977, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to U.S. Secretary of Health and Human Services Kathleen Sebelius, to Food and Drug Administration Commissioner Margaret Hamburg, M.D., and to the Vermont Congressional Delegation.

Which was read and, in the Speaker's discretion, placed on the Calendar for action tomorrow under Rule 52.

Remarks Journalized

On motion of **Rep. Christie of Hartford**, the following remarks by **Reps. Toll of Danville and Strong of Albany** were ordered printed in the Journal:

Remarks by Rep. Toll of Danville.

“Mr. Speaker:

Thank you Mr. Speaker:

We just heard the resolution honoring the life and service of Corporal Ian Muller. Last March, the members of this chamber and the Senate, as well as many other State officials and employees lined State Street in front of the Capitol building to pay tribute to Corporal Ian Muller and his family as his body was escorted by the military back to his home in the Northeast Kingdom.

Corporal Mullen was only 22 years old when his life was tragically taken during combat in Afghanistan. In those short 22 years he lived a full and rich life, balancing a deep commitment to his family and home and actively involving himself in a broad array of life's activities.

When I think of Ian, I think of the selfless person he was – putting himself at risk to protect others. When conducting combat operations, Ian would volunteer to be the point person, the one in the lead. He volunteered to be point, because fellow marines were married with children back in the States. Ian was not married and had no children – he took on this risk voluntarily because he truly understood and valued family.

On March 11, 2011 Ian volunteered to be the point person, putting himself at greater risk – ultimately sacrificing his own life. There is no greater human action than this.

Mr. Speaker, it is an honor, but with sadness, that I introduce to you and to the House the family of Corporal Ian Muller. Seated in the Senate seats are his parents Clif and Suzanne, and siblings Ryan, Ben, Reuben, Madeline and Quentin.

I now ask Mr. Speaker, to yield to the member from Albany.”

Remarks by Rep. Strong of Albany:

“Mr. Speaker:

Thank you Mr. Speaker. Today, as we have the privilege of remembering Marine Corporal Ian Muller and honoring his family who are here today, we humbly say thank you for Ian's selfless service for our country and for his sacrifice for our freedom. We grieve with you in the profound loss of such a fine young man, and Ian's sacrifice for freedom will not be forgotten. Our country has remained free because of the courage of young men like Cpl. Muller, and he is one of our true heroes.

When my son, Jesse, graduated from Marine Corps boot camp two weeks before Sept. 11, 2001, I became familiar with the Marine Corps motto of "Honor, Courage, and Commitment", and I understood for the first time

that all Marines strive to exemplify those words, and to live out the quality, *Semper Fideles*, which means, "always faithful". My son, Jesse, and I am sure, Ian, took that motto seriously and sought to live it out everyday in their military service, and we owe them our deepest thanks and respect. These young men loved their family, were thankful for the opportunity of growing up in the beautiful state of Vermont, and wanted to serve their country by stepping up to do their part to defend and protect us.

Our love and prayers will go on with the Muller family as they continue the difficult journey of grief, and we will think of them often, especially on difficult days such as holidays, birthdays, and anniversaries, as they miss their son and brother. Thank you for the gift that you have given our state and our country in raising such a special young man. You deserve our deepest thanks. May God bless you, strengthen you, and comfort you day by day as you press on into the future together. *Semper Fi.*"

Joint Resolution Adopted

J.R.H. 37

Joint resolution, entitled

Joint resolution expressing the General Assembly's expectation that the full range of concerns and issues raised by the general public regarding the merger of Central Vermont Public Service Corporation and Green Mountain Power Corporation will be given full consideration, and that the final agreement must be in the best interests of the ratepayers and people of the State of Vermont;

Was taken up and pending the question, Shall the resolution be adopted? **Rep. Klein of East Montpelier** 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 resolution be adopted? was decided in the affirmative. Yeas, 99. Nays, 43.

Those who voted in the affirmative are:

Acinapura of Brandon	Burke of Brattleboro	Copeland-Hanzas of
Ancel of Calais	Buxton of Tunbridge	Bradford
Andrews of Rutland City	Campion of Bennington	Courcelle of Rutland City
Aswad of Burlington	Canfield of Fair Haven	Dakin of Chester
Atkins of Winooski	Cheney of Norwich	Deen of Westminster
Bartholomew of Hartland	Christie of Hartford	Degree of St. Albans City
Bissonnette of Winooski	Clarkson of Woodstock	Devereux of Mount Holly
Bohi of Hartford	Condon of Colchester	Donovan of Burlington
Botzow of Pownal	Conquest of Newbury	Edwards of Brattleboro
Browning of Arlington		Ellis of Waterbury

Emmons of Springfield	Lanpher of Vergennes	Ralston of Middlebury
Evans of Essex	Lenes of Shelburne	Ram of Burlington
Fisher of Lincoln	Leriche of Hardwick	Russell of Rutland City
Frank of Underhill	Lippert of Hinesburg	Shand of Weathersfield
French of Shrewsbury	Lorber of Burlington	South of St. Johnsbury
French of Randolph	Macaig of Williston	Spengler of Colchester
Grad of Moretown	Malcolm of Pawlet	Stevens of Waterbury
Head of South Burlington	Manwaring of Wilmington	Stevens of Shoreham
Heath of Westford	Marcotte of Coventry	Stuart of Brattleboro
Hebert of Vernon	Marek of Newfane *	Sweaney of Windsor
Helm of Fair Haven	Martin of Springfield	Taylor of Barre City
Hooper of Montpelier	Martin of Wolcott	Till of Jericho
Howrigan of Fairfield	Masland of Thetford	Toll of Danville
Jerman of Essex	McCullough of Williston	Townsend of Randolph
Jewett of Ripton	Miller of Shaftsbury	Trieber of Rockingham
Johnson of South Hero	Mook of Bennington	Waite-Simpson of Essex
Keenan of St. Albans City	Moran of Wardsboro	Webb of Shelburne
Kitzmiller of Montpelier	Mrowicki of Putney	Wilson of Manchester
Klein of East Montpelier	Munger of South Burlington	Wizowaty of Burlington
Koch of Barre Town *	Nuovo of Middlebury	Woodward of Johnson
Krebs of South Hero	O'Brien of Richmond	Wright of Burlington
Krowinski of Burlington	O'Sullivan of Burlington	Yantachka of Charlotte
Kupersmith of South Burlington	Partridge of Windham	Young of Glover
	Peltz of Woodbury	Zagar of Barnard

Those who voted in the negative are:

Batchelor of Derby	Haas of Rochester	Olsen of Jamaica
Bouchard of Colchester	Higley of Lowell	Pearce of Richford
Branagan of Georgia	Howard of Cambridge	Pearson of Burlington
Burditt of West Rutland	Hubert of Milton	Peaslee of Guildhall
Clark of Vergennes	Johnson of Canaan	Perley of Enosburgh
Consejo of Sheldon	Kilmartin of Newport City *	Poirier of Barre City
Crawford of Burke	Komline of Dorset *	Reis of St. Johnsbury
Davis of Washington	Larocque of Barnet	Savage of Swanton
Dickinson of St. Albans Town	Lawrence of Lyndon	Scheuermann of Stowe
Donaghy of Poultney	Lewis of Berlin	Shaw of Pittsford
Donahue of Northfield	Lewis of Derby	Smith of New Haven
Eckhardt of Chittenden *	McAllister of Highgate	Strong of Albany
Fagan of Rutland City *	McFaun of Barre Town *	Turner of Milton
Greshin of Warren	Morrissey of Bennington	Winters of Williamstown
	Myers of Essex	

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

Brennan of Colchester	McNeil of Rutland Town	Sharpe of Bristol
Corcoran of Bennington	Potter of Clarendon	
Gilbert of Fairfax	Pugh of South Burlington	

Rep. Eckhardt of Chittenden explained his vote as follows:

“Mr. Speaker:

This resolution states that there is disagreement among the general public as to the best mechanism for returning the \$21 million. Among my constituents the message is very clear. Return the money to the ratepayers in a check or bill credit.”

Rep. Fagan of Rutland City explained his vote as follows:

“Mr. Speaker:

This resolution does nothing to return to ratepayers the bailout funds they provided to CVPS. As such I vote ‘no’.

Rep. Kilmartin of Newport City explained his vote as follows:

“Mr. Speaker:

I vote ‘no.’ The proposed merger needs to be rejected because ownership and control by a foreign government can never be in the best interests of Vermont citizens, taxpayers and ratepayers. Would we, for a moment, sell our electrical and natural gas future to the states of California, New York, Massachusetts, Maine or New Hampshire? Why Quebec?”

Rep. Koch of Barre Town explained his vote as follows:

“Mr. Speaker:

I have voted YES on this resolution despite the fact that I have two major reservations.

First, notwithstanding the resolution’s assertion that ‘there is disagreement among the general public as to the best mechanism for returning the \$21 million,’ I have found no such disagreement in the general public. I believe the only disagreement is under the golden dome and in other centers of government.

Second, this resolution says little, does nothing, does not have the force of law, and is not an adequate substitute for a binding act of the legislature. It is a mere political fig leaf.”

Rep. Komline of Dorset explained her vote as follows:

“Mr. Speaker:

This resolution is meant as political cover but it accomplishes nothing and does not even deliver a message to the very board that is still considering this issue.”

Rep. Marek of Newfane explained his vote as follows:

“Mr. Speaker:

By passing this resolution we have supported protecting the best interests of Vermonters through an open proceeding before the judicial body we created for that very purpose and with all views being fully represented before it. We also have wisely declined to intervene to try to pre-determine the result in a judicial proceeding, to which we are not even a party, simply because we think we know the right answer.”

Rep. McFaun of Barre Town explained his vote as follows:

“Mr. Speaker:

I vote ‘no’ on this resolution because last time I checked, when I want someone to know how I feel about something I tell them directly. I don’t send the message to someone else hoping they will pass the message on.”

Recess

At eleven o'clock and twenty minutes in the forenoon, the Speaker declared a recess until twelve o'clock noon.

At twelve o'clock and thirty minutes in the afternoon the Speaker called the House to order.

Bill Amended, Action Postponed Until After Consideration of H. 782, the Miscellaneous Tax Bill

H. 718

House bill, entitled

An act relating to the department of public service and the public service board

Was taken up and pending third reading of the bill, **Reps. Browning of Arlington Acinapura of Brandon, Andrews of Rutland City, Aswad of Burlington, Batchelor of Derby, Bohi of Hartford, Bouchard of Colchester, Branagan of Georgia, Burditt of West Rutland, Burke of Brattleboro, Buxton of Tunbridge, Champion of Bennington, Canfield of Fair Haven, Christie of Hartford, Clark of Vergennes, Clarkson of Woodstock, Condon of Colchester, Conquest of Newbury, Consejo of Sheldon, Corcoran of Bennington, Dakin of Chester, Davis of Washington, Degree of St. Albans City, Devereux of Mount Holly, Donahue of Northfield, Eckhardt of Chittenden, Fagan of Rutland City, French of Shrewsbury, Greshin of Warren, Helm of Fair Haven, Higley of Lowell,**

Howard of Cambridge, Howrigan of Fairfield, Hubert of Milton, Johnson of Canaan, Kilmartin of Newport City, Koch of Barre Town, Komline of Dorset, Larocque of Barnet, Lewis of Berlin, McAllister of Highgate, McFaun of Barre Town, McNeil of Rutland Town, Miller of Shaftsbury, Mook of Bennington, Moran of Wardsboro, Morrissey of Bennington, Mrowicki of Putney, Myers of Essex, Pearce of Richford, Pearson of Burlington, Peaslee of Guildhall, Perley of Enosburgh, Poirier of Barre City, Ram of Burlington, Reis of St. Johnsbury, Russell of Rutland City, Savage of Swanton, Shaw of Pittsford, Smith of New Haven, South of St. Johnsbury, Strong of Albany, Stuart of Brattleboro, Taylor of Barre City, Till of Jericho, Townsend of Randolph, Turner of Milton, Winters of Williamstown, Woodward of Johnson, Wright of Burlington and Zagar of Barnard, moved to amend the bill as follows:

By adding Sec. 17a to read as follows:

Sec. 17a. WINDFALL-SHARING MECHANISM; PAYBACK

(a) The public service board may not approve the acquisition of one electric company by another or the merger of electric companies unless, as a condition of such acquisition or merger, any applicable windfall-sharing mechanism previously established by the board results in direct cash repayment of the full amount of funds subject to the windfall-sharing mechanism to current ratepayers, based on their rate class.

(b) Notwithstanding 1 V.S.A. §§ 213 and 214, subsection (a) of this section shall apply to all petitions filed with the public service board on or after September 1, 2011.

Pending the question, Shall the bill be amended as recommended by Reps. Browning of Arlington, et al? **Reps. Browning of Arlington, Komline of Dorset, Pearson of Burlington and Poirier of Barre City** moved to amend the recommendation of amendment offered by Reps. Browning of Arlington, et al as follows:

In section (a) after the period by inserting the following: Such repayment shall not be recoverable in rates.

Pending the question, Shall the the proposal of amendment offered by Reps. Browning of Arlington, et al, be further amended as recommended by Reps. Browning of Arlington, et al? **Rep. Browning of Arlington** 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 the proposal of amendment offered by Reps. Browning of Arlington, et al be further amended

as recommended by Reps. Browning of Arlington, et al? was decided in the affirmative. Yeas, 71. Nays, 68.

Those who voted in the affirmative are:

Acinapura of Brandon	Fagan of Rutland City	Pearson of Burlington
Andrews of Rutland City	French of Shrewsbury	Peaslee of Guildhall
Batchelor of Derby	Greshin of Warren	Perley of Enosburgh
Bouchard of Colchester	Helm of Fair Haven	Poirier of Barre City
Branagan of Georgia	Higley of Lowell	Ralston of Middlebury
Browning of Arlington	Howrigan of Fairfield	Reis of St. Johnsbury
Burditt of West Rutland	Hubert of Milton	Russell of Rutland City
Burke of Brattleboro	Johnson of Canaan	Savage of Swanton
Buxton of Tunbridge	Kilmartin of Newport City	Scheuermann of Stowe
Canfield of Fair Haven	Koch of Barre Town	Sharpe of Bristol
Christie of Hartford	Komline of Dorset	Shaw of Pittsford
Clark of Vergennes	Krebs of South Hero	Smith of New Haven
Clarkson of Woodstock	Larocque of Barnet	South of St. Johnsbury
Conquest of Newbury	Lawrence of Lyndon	Stevens of Shoreham
Consejo of Sheldon	Lewis of Berlin	Strong of Albany
Dakin of Chester	Lewis of Derby	Toll of Danville
Davis of Washington	Lorber of Burlington	Townsend of Randolph
Degree of St. Albans City	Marcotte of Coventry	Trieber of Rockingham
Devereux of Mount Holly	McAllister of Highgate	Turner of Milton
Dickinson of St. Albans Town	McFaun of Barre Town	Wilson of Manchester
Donaghy of Poultney	Moran of Wardsboro	Winters of Williamstown
Donahue of Northfield	Morrissey of Bennington	Wright of Burlington
Eckhardt of Chittenden	Myers of Essex	Young of Glover
	Pearce of Richford	Zagar of Barnard

Those who voted in the negative are:

Ancel of Calais	Frank of Underhill	Lanpher of Vergennes
Aswad of Burlington	French of Randolph	Lenes of Shelburne
Atkins of Winooski	Grad of Moretown	Leriche of Hardwick
Bartholomew of Hartland	Haas of Rochester	Lippert of Hinesburg
Bissonnette of Winooski	Head of South Burlington	Macaig of Williston
Bohi of Hartford	Heath of Westford	Malcolm of Pawlet
Botzow of Pownal	Hebert of Vernon	Manwaring of Wilmington
Campion of Bennington	Hooper of Montpelier	Marek of Newfane
Cheney of Norwich	Howard of Cambridge	Martin of Springfield
Condon of Colchester	Jerman of Essex	Martin of Wolcott
Courcelle of Rutland City	Jewett of Ripton	Masland of Thetford
Crawford of Burke	Johnson of South Hero	McCullough of Williston
Deen of Westminster	Keenan of St. Albans City	Miller of Shaftsbury
Donovan of Burlington	Kitzmiller of Montpelier	Mook of Bennington
Edwards of Brattleboro	Klein of East Montpelier	Mrowicki of Putney
Ellis of Waterbury	Krowinski of Burlington	Munger of South Burlington
Emmons of Springfield	Kupersmith of South Burlington	Nuovo of Middlebury
Evans of Essex		O'Brien of Richmond

Olsen of Jamaica	Pugh of South Burlington	Sweaney of Windsor
O'Sullivan of Burlington	Ram of Burlington	Waite-Simpson of Essex
Partridge of Windham	Shand of Weathersfield	Webb of Shelburne
Peltz of Woodbury	Stevens of Waterbury	Wizowaty of Burlington
Potter of Clarendon	Stuart of Brattleboro	Yantachka of Charlotte

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

Brennan of Colchester	Fisher of Lincoln	Taylor of Barre City
Copeland-Hanzas of Bradford	Gilbert of Fairfax	Till of Jericho
Corcoran of Bennington	McNeil of Rutland Town	Woodward of Johnson
	Spengler of Colchester	

Pending the question, Shall the bill be amended as recommended by Rep. Browning of Arlington? **Rep. Hebert of Vernon** 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 recommended by Rep. Browning of Arlington? was decided in the negative. Yeas, 54. Nays, 87.

Those who voted in the affirmative are:

Acinapura of Brandon	Greshin of Warren	Pearce of Richford
Andrews of Rutland City	Haas of Rochester	Pearson of Burlington
Batchelor of Derby	Helm of Fair Haven	Peaslee of Guildhall
Bouchard of Colchester	Higley of Lowell	Perley of Enosburgh
Branagan of Georgia	Howrigan of Fairfield	Poirier of Barre City *
Browning of Arlington *	Hubert of Milton *	Reis of St. Johnsbury
Burditt of West Rutland	Johnson of Canaan	Savage of Swanton
Canfield of Fair Haven	Kilmartin of Newport City	Scheuermann of Stowe
Clark of Vergennes	Koch of Barre Town	Shaw of Pittsford *
Consejo of Sheldon	Komline of Dorset *	Smith of New Haven
Davis of Washington *	Larocque of Barnet	South of St. Johnsbury
Devereux of Mount Holly	Lawrence of Lyndon	Stevens of Shoreham
Dickinson of St. Albans Town	Lewis of Berlin	Strong of Albany
Donaghy of Poultney	Lewis of Derby	Townsend of Randolph
Donahue of Northfield	McAllister of Highgate	Turner of Milton
Eckhardt of Chittenden	McFaun of Barre Town	Winters of Williamstown
Fagan of Rutland City	Moran of Wardsboro	Wright of Burlington *
French of Shrewsbury	Morrissey of Bennington	
	Myers of Essex	

Those who voted in the negative are:

Ancel of Calais	Bissonnette of Winooski	Buxton of Tunbridge
Aswad of Burlington	Bohi of Hartford	Campion of Bennington
Atkins of Winooski	Botzow of Pownal	Cheney of Norwich
Bartholomew of Hartland	Burke of Brattleboro *	Christie of Hartford

Clarkson of Woodstock	Johnson of South Hero	Nuovo of Middlebury
Condon of Colchester	Keenan of St. Albans City	O'Brien of Richmond
Conquest of Newbury	Kitzmiller of Montpelier	Olsen of Jamaica
Copeland-Hanzas of Bradford	Klein of East Montpelier	O'Sullivan of Burlington
Courcelle of Rutland City	Krebs of South Hero	Partridge of Windham
Crawford of Burke	Krowinski of Burlington	Peltz of Woodbury
Dakin of Chester	Kupersmith of South Burlington	Potter of Clarendon
Deen of Westminster	Lanpher of Vergennes	Pugh of South Burlington
Degree of St. Albans City	Lenes of Shelburne	Ralston of Middlebury
Donovan of Burlington	Leriche of Hardwick	Ram of Burlington
Edwards of Brattleboro	Lippert of Hinesburg	Russell of Rutland City *
Ellis of Waterbury	Lorber of Burlington	Shand of Weathersfield
Emmons of Springfield	Macaig of Williston	Sharpe of Bristol
Evans of Essex	Malcolm of Pawlet	Stevens of Waterbury
Fisher of Lincoln	Manwaring of Wilmington	Stuart of Brattleboro
Frank of Underhill	Marcotte of Coventry	Sweaney of Windsor
French of Randolph	Marek of Newfane	Taylor of Barre City
Grad of Moretown	Martin of Springfield	Trieber of Rockingham
Head of South Burlington	Martin of Wolcott	Waite-Simpson of Essex
Heath of Westford	Masland of Thetford	Webb of Shelburne
Hebert of Vernon *	McCullough of Williston	Wilson of Manchester
Hooper of Montpelier	Miller of Shaftsbury *	Wizowaty of Burlington
Howard of Cambridge	Mook of Bennington	Yantachka of Charlotte
Jerman of Essex	Mrowicki of Putney	Young of Glover *
Jewett of Ripton	Munger of South Burlington	Zagar of Barnard

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

Brennan of Colchester	McNeil of Rutland Town	Toll of Danville
Corcoran of Bennington	Spengler of Colchester	Woodward of Johnson
Gilbert of Fairfax	Till of Jericho	

Rep. Browning of Arlington explained her vote as follows:

“Mr. Speaker:

I vote for this amendment to do everything I can to ensure that CVPS ratepayers get their money back and that the interests of Vermonters are protected.”

Rep. Burke of Brattleboro explained her vote as follows:

“Mr. Speaker:

I signed on to this amendment earlier this session because of my serious misgivings about the terms of the merger. My concerns have not yet diminished. However, I vote ‘no’ in order to allow the regulatory process, set up by the legislature, to proceed without intervention.”

Rep. Clarkson of Woodstock explained her vote as follows:

“Mr. Speaker:

I am grateful to the members of this body whose persistence has brought us to this point. As a result of their work this issue has been fully vetted, shining a bright light on a deal most of us have major problems with.”

Rep. Davis of Washington explained her vote as follows:

“Mr. Speaker:

The best way to return the value to the ratepayers is a direct payback.”

Rep. Herbert of Vernon explained his vote as follows:

“Mr. Speaker:

I do believe that the ratepayers should receive any monies owed them. However, I voted ‘no’ because I can not support the legislature interfering in any open docket, regardless of the popularity or worth of the underlying issues.”

Rep. Hubert of Milton explained his vote as follows:

“Mr. Speaker:

I vote ‘yes.’ It is time to give back to the ratepayers the money they are owed.”

Rep. Komline of Dorset explained her vote as follows:

“Mr. Speaker:

72 sponsors all, until yesterday, were voting for their constituents’ interests. Those who withstood political pressure can go home this evening feeling proud that they stood by their principles. Your constituents are well-served.”

Rep. Miller of Shaftsbury explained her vote as follows:

“Mr. Speaker:

As the details were revealed today on this difficult and complex subject, I decided that support of the amendment is not a good idea.”

Rep. Poirier of Barre City explained his vote as follows:

“Mr. Speaker:

I voted ‘yes’ because the people who have the least contact with the utility regulators have become the victims of the powerful and the money. How

many lobbyists have you seen in this building over the last month fighting for the little guys?"

Rep. Russell of Rutland City explained his vote as follows:

"Mr. Speaker:

I originally signed this amendment, in the interest of overall concern for fairness to my constituents. However, as a member of the House Commerce Committee I have had an opportunity to thoroughly review and weigh the situation at hand and have come to the conclusion that the process is best served through the continued actions of our Public Service Board and not through direct intervention, at this time, by the legislature. My vote will be for jobs, economic development and overall future savings to Vermonters, as well as to the citizens and businesses of Rutland City as I vote NO!"

Rep. Shaw of Pittsford explained his vote as follows:

"Mr. Speaker:

My 'yes' vote represents the wishes of the ratepayers in my district. I proudly represent these folks and they insist a deal is a deal!"

Rep. Taylor of Barre City explained her vote as follows:

"Mr. Speaker:

Initially, I signed on to this amendment for all the reasons that others did and for what I think this body believes in, which is to protect our constituents. In the end, I have to believe in the process created by this legislature through the Public Service Board for this and for future issues. I do sincerely hope that I will not be disappointed."

Rep. Wright of Burlington explained his vote as follows:

"Mr. Speaker:

The dilemma for me has been a BAD DEAL for many taxpayers in the MoU, vs intervening in an open docket case. The proposed merger is unlike any we have seen before in Vermont, with a Canadian-based company poised to control the majority of the energy industry in our state. Is this mega-deal the right time to step in and protect ratepayers? It is a difficult vote, but I vote 'yes' and 27 senators yesterday ensured that this issue is not going away. I only wish the Governor had helped us avoid all this, by working to re-open the MoU on behalf of ratepayers, weeks ago."

Rep. Young of Glover explained his vote as follows:

"Mr. Speaker:

While my gut says ‘yes’ I voted ‘no’ because I had the benefit of a week and a half of testimony. Now it’s up to the Public Service Board to make the right decision and everyone is watching.”

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

By inserting three new sections, to be numbered Secs. 15a, 15b, and 15c and to read:

Sec. 15a. 30 V.S.A. § 248(b)(4) is amended to read:

(4) will result in an economic benefit to the state and its residents. For electric generation facilities greater than 2.2 megawatts that do not qualify for treatment under subsection (j) of this section (limited size and scope), the board shall consider the full costs and benefits of the purchase, investment, or construction, including any multiplier effects. This consideration shall include the costs of labor and durable goods associated with the project, including the proximity of sources of labor and durable goods to the site of the proposed construction.

Sec. 15b. 21 V.S.A. § 348 is added to read:

§ 348. PAYMENT OF PREVAILING WAGE

(a) This section applies to all electric generation plants approved under 30 V.S.A. § 248 that have a plant capacity greater than 2.2 megawatts. For the purposes of this section, “plant” and “plant capacity” are as defined in 30 V.S.A. § 8002, except that “plant” shall not be limited to renewable energy.

(b) The holder of a certificate issued for a plant identified in subsection (a) of this section shall require that all wages paid to contractors or subcontractors for construction of the plant shall be no less than the rates established by the U.S. Department of Labor under the federal Davis-Bacon Act, 40 U.S.C. § 3141 et seq., for projects in Vermont.

(c) The purpose of this section is to ensure that fair and adequate compensation is paid to individuals engaged in the construction of electric generation plants located in the state.

Sec. 15c. IMPLEMENTATION

The provisions of 21 V.S.A. § 348 (payment of prevailing wages) shall apply to wages paid on and after passage of this act.

Thereupon, **Rep. Davis of Washington** asked and was granted leave of the House to withdraw her amendment.

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

By adding Sec. 17b to read as follows:

Sec. 17b. TRANSMISSION SYSTEM; STATE INVESTMENT INVESTIGATION

(a) Findings. The general assembly finds that:

(1) Pursuant to the trend toward deregulation of the electric industry, many states restructured their vertically integrated electric utilities by prohibiting them from jointly owning generation and transmission services and by substituting market forces for regulated generation rates.

(2) A basic premise underlying restructuring is that no owner of generation facilities be able to exert significant market power influence on the pricing or availability of electricity through control of bottleneck services such as transmission services. This prevents a firm from giving preference to itself or to its affiliates over competitive firms.

(3) Vermont is the only state in New England that has not restructured its electric industry and adopted deregulated retail competition. In part, this is because thus far, Vermont utilities have owned few of their own generation resources.

(4) Vermont utilities continue to function as regulated monopolies, with their retail rates and policies subject to review by the Vermont department of public service and to approval by the public service board and their wholesale rates and policies largely subject to review and approval by the United States Federal Energy Regulatory Commission.

(5) Recent changes at the federal level have removed certain operational and ownership limitations on utilities. For example, with the repeal in 2005 of the Public Utilities Holding Company Act of 1935, P.L. 74-333, national energy conglomerates now may expand their operations beyond limited geographic regions and may accept capital from new classes of nonutility investors such as foreign utilities, financial institutions, and private equity groups.

(6) Vermont's electric system is undergoing a significant transformation in part due to the changes in federal law, and there exists the potential for large, highly complex vertically integrated entities to have control or influence over many of the generation and transmission services presently relied upon by Vermonters.

(7) It is essential for the state to take proactive measures to alleviate factors which, if left unchecked or not sufficiently regulated, could result in undue market power influences emerging in Vermont to the detriment of all Vermonters, our economy, and our landscape.

(b) Investigation. In order to address potential undue market power influences and to maximize rate savings for Vermonters, the public service board shall commence an investigation of the costs, benefits, and risks of the state's investment in Vermont's high-voltage bulk electric transmission system.

(c) The scope of the investigation shall include analysis of:

(1) the state's acquisition of an ownership interest in Vermont's transmission system through the purchase of membership units of Vermont Transco, LLC (Transco), including any allowed return on equity;

(2) the state's purchase of long-term debt issued by Transco for financing transmission projects and related debt costs.

(3) opportunities for savings through the state's investment in transmission equity or debt which then could be passed on to Vermont ratepayers;

(4) state ownership models within the electric industry implemented in other jurisdictions — state, federal, or foreign;

(5) the general impact on Vermont's electric generation and distribution sectors;

(6) opportunities for efficiencies in planning and management if the state were also to assume a role in the management of the transmission system through the Vermont Electric Power Co., Inc. (VELCO) proportionate to either a majority or minority ownership interest; and

(7) any other matters deemed relevant by the board.

(d) Report. The public service board shall submit a report of its findings and recommendations relating to the investigation authorized under this section to the house committees on commerce and economic development and on natural resources and energy and the senate committees on economic development, housing, and general affairs, on natural resources and energy, and on finance not later than January 1, 2013.

Pending the question, Shall the bill be amended as offered by Rep. Pearson of Burlington? **Rep. Leriche of Hardwick** 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. Pearson of Burlington? was decided in the negative. Yeas, 41. Nays, 95.

Those who voted in the affirmative are:

Batchelor of Derby	Hubert of Milton	Pearson of Burlington
Browning of Arlington	Kilmartin of Newport City	Peaslee of Guildhall
Burditt of West Rutland	Koch of Barre Town	Perley of Enosburgh
Burke of Brattleboro	Komline of Dorset	Poirier of Barre City
Clark of Vergennes	Krowinski of Burlington	Ram of Burlington
Conquest of Newbury	Larocque of Barnet	Reis of St. Johnsbury
Dakin of Chester	Lewis of Berlin	Scheuermann of Stowe
Davis of Washington	Lorber of Burlington	Strong of Albany
Devereux of Mount Holly	McFaun of Barre Town	Toll of Danville
Donahue of Northfield	Moran of Wardsboro	Turner of Milton
Edwards of Brattleboro	Morrissey of Bennington	Winters of Williamstown
Fagan of Rutland City	Munger of South Burlington	Wright of Burlington
French of Shrewsbury	Myers of Essex	Zagar of Barnard
Haas of Rochester	O'Sullivan of Burlington	

Those who voted in the negative are:

Acinapura of Brandon	Ellis of Waterbury	Lawrence of Lyndon
Ancel of Calais	Emmons of Springfield	Lenes of Shelburne
Andrews of Rutland City	Evans of Essex	Leriche of Hardwick
Aswad of Burlington	Fisher of Lincoln	Lewis of Derby
Atkins of Winooski	Frank of Underhill	Lippert of Hinesburg
Bartholomew of Hartland	French of Randolph	Macaig of Williston
Bissonnette of Winooski	Grad of Moretown	Malcolm of Pawlet
Bohi of Hartford	Greshin of Warren	Manwaring of Wilmington
Botzow of Pownal	Head of South Burlington	Marcotte of Coventry
Bouchard of Colchester	Heath of Westford	Marek of Newfane
Branagan of Georgia	Hebert of Vernon	Martin of Springfield
Buxton of Tunbridge *	Helm of Fair Haven	Martin of Wolcott
Campion of Bennington	Higley of Lowell	Masland of Thetford
Canfield of Fair Haven	Howard of Cambridge	McAllister of Highgate
Cheney of Norwich	Howrigan of Fairfield	McCullough of Williston
Christie of Hartford	Jerman of Essex	Miller of Shaftsbury
Clarkson of Woodstock	Jewett of Ripton	Mook of Bennington
Condon of Colchester	Johnson of South Hero	Mrowicki of Putney
Consejo of Sheldon	Johnson of Canaan	Nuovo of Middlebury
Courcelle of Rutland City	Keenan of St. Albans City	Olsen of Jamaica
Crawford of Burke	Kitzmiller of Montpelier	Partridge of Windham
Deen of Westminster	Klein of East Montpelier	Pearce of Richford
Dickinson of St. Albans	Krebs of South Hero	Peltz of Woodbury
Town	Kupersmith of South	Potter of Clarendon
Donaghy of Poultney	Burlington	Pugh of South Burlington
Donovan of Burlington	Lanpher of Vergennes	Ralston of Middlebury

Russell of Rutland City	Stevens of Waterbury	Webb of Shelburne
Savage of Swanton	Stuart of Brattleboro	Wilson of Manchester
Shand of Weathersfield	Sweaney of Windsor	Wizowaty of Burlington *
Sharpe of Bristol	Taylor of Barre City	Yantachka of Charlotte
Shaw of Pittsford	Townsend of Randolph	Young of Glover
Smith of New Haven	Trieber of Rockingham	
South of St. Johnsbury	Waite-Simpson of Essex	

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

Brennan of Colchester	Eckhardt of Chittenden	Spengler of Colchester
Copeland-Hanzas of Bradford	Gilbert of Fairfax	Stevens of Shoreham
Corcoran of Bennington	Hooper of Montpelier	Till of Jericho
Degree of St. Albans City	McNeil of Rutland Town	Woodward of Johnson
	O'Brien of Richmond	

Rep. Buxton of Tunbridge explained her vote as follows:

“Mr. Speaker:

I agree with the general intent of this amendment and look forward to exploring the answers it begs next year . . .with the expert help of Vermont Law School’s Energy Institute.”

Rep. Wizowaty of Burlington explained her vote as follows:

“Mr. Speaker:

As a Burlington resident, I ardently support public ownership of utilities and I would like to see public ownership expanded. But I support even more the deliberative process that takes place in committees. I urge the Commerce Committee to take this up next year and address the question seriously.”

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

By adding Sec. 17a to read as follows:

Sec. 17a. **ADVOCACY IN REGULATORY PROCEEDINGS BEFORE THE PUBLIC SERVICE BOARD; WORK GROUP**

(a) Findings and purpose. Many Vermonters believe there is a need for additional independent voices in regulatory proceedings before the public service board representing residential ratepayers, businesses, and municipalities, many of whom do not have the financial resources or expertise to fully participate in and advance their interests in such proceedings.

(b) Work group. There is created a work group to be convened by the Vermont attorney general. The purpose of the work group shall be to develop

one or more proposals for a mechanism that will support advocacy by and for residential ratepayers, businesses, and municipalities, in matters before the public service board. The work group shall consider and make findings and recommendations regarding:

(1) The effectiveness of consumer advocacy models implemented in other jurisdictions.

(2) The current consumer advocacy role, processes, and resources of the department of public service, including the department's public advocate and its division of consumer affairs and public information, as well as the mediation provisions in the department's 2011 comprehensive energy plan.

(3) Eligibility criteria and resource allocation for parties seeking independent representation.

(4) Access to records in regulatory proceedings.

(5) The distribution of the costs of independent representation among the department, the utility or utilities which initiated the proceeding, and other sources.

(6) Any other matters deemed relevant by the work group.

(c) Membership. The work group shall include the attorney general or designee, the commissioner of public service or designee, two members selected by the public service board, and three members selected by the attorney general. In selecting members, the attorney general and public service board shall consider selecting representatives of regulated utilities, consumer advocacy organizations, and other stakeholders and interested parties so that a diverse range of interests and opinions is represented. The members of the work group shall elect a chair.

(d) Report. The work group shall prepare a report detailing its findings and recommendations, including alternative approaches and the rationale for each, and any draft legislation or rules. The report and any draft legislation or rules shall be submitted to the house committees on commerce and economic development and on natural resources and energy, and to the senate committees on finance and on natural resources and energy not later than January 15, 2013.

(e) Meetings. The work group shall meet at least four times or at the call of the chair and shall cease to exist upon the completion of its duties under this section. The meetings of the work group shall be publicly announced and open to the public, and reasonable opportunity shall be given to the public to express

its opinion on the matters being considered by the work group. Administrative and staff support shall be provided by the office of the attorney general.

Pending the question, Shall the bill be amended as recommended by Reps. Ralston of Middlebury and Young of Glover? **Rep. Russell of Rutland City** 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 recommended by Reps. Ralston of Middlebury and Young of Glover? was decided in the affirmative. Yeas, 106. Nays, 33.

Those who voted in the affirmative are:

Andrews of Rutland City	Haas of Rochester	Partridge of Windham
Aswad of Burlington	Heath of Westford	Pearce of Richford
Bartholomew of Hartland	Hooper of Montpelier	Pearson of Burlington
Bissonnette of Winooski	Howrigan of Fairfield	Peaslee of Guildhall
Bohi of Hartford	Jewett of Ripton	Poirier of Barre City
Botzow of Pownal	Johnson of South Hero	Potter of Clarendon
Browning of Arlington	Johnson of Canaan	Pugh of South Burlington
Burke of Brattleboro	Kilmartin of Newport City	Ralston of Middlebury
Buxton of Tunbridge	Kitzmiller of Montpelier	Ram of Burlington
Campion of Bennington	Koch of Barre Town	Reis of St. Johnsbury
Canfield of Fair Haven	Komline of Dorset	Russell of Rutland City
Christie of Hartford	Krowinski of Burlington	Savage of Swanton
Clark of Vergennes	Kupersmith of South Burlington	Scheuermann of Stowe
Clarkson of Woodstock	Lanpher of Vergennes	Shand of Weathersfield
Condon of Colchester	Larocque of Barnet	Sharpe of Bristol
Conquest of Newbury	Lawrence of Lyndon	Shaw of Pittsford
Consejo of Sheldon	Lenes of Shelburne	Smith of New Haven
Copeland-Hanzas of Bradford	Lewis of Berlin	South of St. Johnsbury
Courcelle of Rutland City	Lippert of Hinesburg	Spengler of Colchester
Crawford of Burke	Lorber of Burlington	Stevens of Waterbury
Dakin of Chester	Macaig of Williston	Stevens of Shoreham
Degree of St. Albans City	Manwaring of Wilmington	Strong of Albany
Devereux of Mount Holly	Marcotte of Coventry	Stuart of Brattleboro
Dickinson of St. Albans Town	Martin of Springfield	Sweaney of Windsor
Donaghy of Poultney	Martin of Wolcott	Taylor of Barre City
Donahue of Northfield	Masland of Thetford	Toll of Danville
Emmons of Springfield	McAllister of Highgate	Townsend of Randolph
Evans of Essex	McFaun of Barre Town	Trieber of Rockingham
Fagan of Rutland City	Mook of Bennington	Waite-Simpson of Essex
Fisher of Lincoln	Moran of Wardsboro	Wilson of Manchester
Frank of Underhill	Mrowicki of Putney	Winters of Williamstown
French of Shrewsbury	Munger of South Burlington	Wizowaty of Burlington
French of Randolph	Myers of Essex	Wright of Burlington
Grad of Moretown	Nuovo of Middlebury	Young of Glover
Greshin of Warren	Olsen of Jamaica	Zagar of Barnard
	O'Sullivan of Burlington	

Those who voted in the negative are:

Acinapura of Brandon	Edwards of Brattleboro	Krebs of South Hero
Ancel of Calais	Ellis of Waterbury	Lewis of Derby
Atkins of Winooski	Head of South Burlington	Malcolm of Pawlet
Batchelor of Derby	Hebert of Vernon	Marek of Newfane
Bouchard of Colchester	Helm of Fair Haven	McCullough of Williston
Branagan of Georgia	Higley of Lowell	Miller of Shaftsbury
Cheney of Norwich	Howard of Cambridge	Peltz of Woodbury
Davis of Washington	Hubert of Milton	Perley of Enosburgh
Deen of Westminster	Jerman of Essex	Turner of Milton
Donovan of Burlington	Keenan of St. Albans City	Webb of Shelburne
Eckhardt of Chittenden	Klein of East Montpelier	Yantachka of Charlotte

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

Brennan of Colchester	McNeil of Rutland Town	Till of Jericho
Burditt of West Rutland	Morrissey of Bennington	Woodward of Johnson
Corcoran of Bennington	O'Brien of Richmond	
Gilbert of Fairfax	Smith of Morristown	

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

After Sec. 13, by inserting three new sections to be numbered Secs. 13a, 13b, and 13c to read as follows:

* * * Rate Recovery; Utility Energy Efficiency Investments * * *

Sec. 13a. 30 V.S.A. § 218 is amended to read:

§ 218. JURISDICTION OVER RATES AND CHARGES

* * *

(h) Notwithstanding any other provision of law, no electric distribution company subject to jurisdiction under section 203 of this title may recover in rates any investment or expenditure related to energy efficiency including weatherization, or a rate of return thereon, if the costs of the investment or expenditure exceed its benefits to the electric system. However, if the costs of the investment or expenditure do exceed its benefits to the electric system, an electric distribution company may recover an amount of those costs that is not greater than the amount of the benefits to the electric system from the investment or expenditure.

(1) For the purpose of this subsection, "benefits to the electric system" means benefits related to the generation, purchase, transmission, distribution, or consumption of electricity.

(2) This subsection shall apply to a company regardless of whether the company is under traditional or alternative regulation.

(3) This subsection does not apply to the costs of an electric energy efficiency program or measure implemented pursuant to subsections 209(d) and (e) of this title by an entity appointed under subdivision 209(d)(2) (energy efficiency utilities) of this title, if funded by a charge established under section 209(d)(3) (energy efficiency charge) of this title.

Sec. 13b. APPLICATION; PROSPECTIVE REPEAL

(a) 30 V.S.A. § 218(h) shall apply to investments and expenditures by an electric distribution company made on and after the effective date of this act.

(b) 30 V.S.A. § 218(h) shall be repealed on July 1, 2013.

Sec. 13c. WORKING GROUP; REPORT

Within 30 days of this section's effective date, the public service board shall convene an informal working group to research and make recommendations on policy issues regarding the funding of thermal energy efficiency by electric distribution companies, including what relationship, if any, such measures should have to the consumption of electricity. The department of public service shall participate in the working group. By January 15, 2013, the public service board, in consultation with the department of public service, shall submit to the general assembly its report and recommendations on the funding of thermal energy efficiency by electric distribution companies.

Which was agreed to.

Thereupon, **Rep. Marcotte of Coventry** moved to postpone action on the bill until after consideration of H. 782, the miscellaneous tax bill, which was agreed to.

Message from the Senate No. 56

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 782. An act relating to miscellaneous tax changes for 2012.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed; Rules Suspended
and the Bill was Ordered Messaged to the Senate Forthwith**

H. 781

On motion of **Rep. Turner of Milton**, the rules were suspended and House bill, entitled

An act relating to making appropriations for the support of government

Appearing on the Calendar for notice, was taken up for immediate consideration.

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2013 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of state government during fiscal year 2013. It is the express intent of the general assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2012. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2013 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the general assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the general assembly that this act serve as the primary source and reference for appropriations for fiscal year 2013.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the commissioner of finance and management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending June 30, 2013.

Sec. A.103 DEFINITIONS

(a) For the purposes of this act:

(1) "Encumbrances" means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The commissioner of finance and management shall make final decisions on the appropriateness of encumbrances.

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the state for services or supplies and means cash or other direct assistance, including pension contributions.

(3) "Operating expenses" means property management, repair and maintenance, rental expenses, insurance, postage, travel, energy and utilities, office and other supplies, equipment, including motor vehicles, highway materials, and construction, expenditures for the purchase of land, and construction of new buildings and permanent improvements, and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, and contracted third party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the state appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2013, the governor, with the approval of the legislature or the joint fiscal committee if the legislature is not in session, may accept federal funds available to the state of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The governor, with the approval of the legislature or the joint fiscal committee if the legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2013, federal funds available to the state of Vermont and designated as federal in this and other acts of the 2012 session of the Vermont general assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The governor may spend such funds for such purposes for no more than 45 days prior to legislative or joint fiscal committee approval. Notice shall be given to the joint fiscal committee without delay if the governor intends to use the authority granted by this section, and the joint fiscal committee shall meet in an expedited manner to review the governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized state positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2013 except for new positions authorized by the 2012 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriation of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations and/or government functions. The function areas by section numbers are as follows:

<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>

B.1000–B.1099 and E.1000–E.1099 Debt ServiceB.1100–B.1199 and E.1100–E.1199 One-time and other appropriation actions

(b) The C sections contain any amendments to the current fiscal year and the D sections contain fund transfers and reserve allocations for the upcoming budget year.

Sec. B.100 Secretary of administration - secretary's office

Personal services	781,049
Operating expenses	<u>98,019</u>
Total	879,068
Source of funds	
General fund	<u>879,068</u>
Total	879,068

Sec. B.101 Information and innovation - communications and information technology

Personal services	7,277,590
Operating expenses	6,142,373
Grants	<u>900,000</u>
Total	14,319,963
Source of funds	
Internal service funds	14,090,577
Interdepartmental transfers	<u>229,386</u>
Total	14,319,963

Sec. B.102 Finance and management - budget and management

Personal services	1,051,469
Operating expenses	<u>237,448</u>
Total	1,288,917
Source of funds	
General fund	1,055,204
Interdepartmental transfers	<u>233,713</u>
Total	1,288,917

Sec. B.103 Finance and management - financial operations

Personal services	2,530,508
Operating expenses	<u>291,793</u>
Total	2,822,301
Source of funds	

Internal service funds	<u>2,822,301</u>
Total	2,822,301
Sec. B.104 Human resources - operations	
Personal services	5,544,850
Operating expenses	<u>635,826</u>
Total	6,180,676
Source of funds	
General fund	1,520,545
Special funds	213,814
Internal service funds	3,443,391
Interdepartmental transfers	<u>1,002,926</u>
Total	6,180,676
Sec. B.105 Human resources - employee benefits & wellness	
Personal services	1,038,445
Operating expenses	<u>720,645</u>
Total	1,759,090
Source of funds	
Internal service funds	1,745,417
Interdepartmental transfers	<u>13,673</u>
Total	1,759,090
Sec. B.106 Libraries	
Personal services	1,887,486
Operating expenses	1,479,724
Grants	<u>69,118</u>
Total	3,436,328
Source of funds	
General fund	2,391,244
Special funds	126,425
Federal funds	815,264
Interdepartmental transfers	<u>103,395</u>
Total	3,436,328
Sec. B.107 Tax - administration/collection	
Personal services	12,420,214
Operating expenses	<u>3,056,262</u>
Total	15,476,476
Source of funds	
General fund	13,973,154

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Special funds	1,390,600
Interdepartmental transfers	<u>112,722</u>
Total	15,476,476
Sec. B.108 Buildings and general services - administration	
Personal services	1,647,902
Operating expenses	<u>208,339</u>
Total	1,856,241
Source of funds	
Interdepartmental transfers	<u>1,856,241</u>
Total	1,856,241
Sec. B.109 Buildings and general services - engineering	
Personal services	2,089,763
Operating expenses	<u>343,727</u>
Total	2,433,490
Source of funds	
Interdepartmental transfers	<u>2,433,490</u>
Total	2,433,490
Sec. B.110 Buildings and general services - information centers	
Personal services	3,057,602
Operating expenses	1,164,759
Grants	<u>33,000</u>
Total	4,255,361
Source of funds	
General fund	592,251
Transportation fund	3,638,110
Special funds	<u>25,000</u>
Total	4,255,361
Sec. B.111 Buildings and general services - purchasing	
Personal services	761,351
Operating expenses	<u>134,005</u>
Total	895,356
Source of funds	
General fund	<u>895,356</u>
Total	895,356
Sec. B.112 Buildings and general services - postal services	
Personal services	619,080

Operating expenses	<u>121,154</u>
Total	740,234
Source of funds	
General fund	35,716
Internal service funds	<u>704,518</u>
Total	740,234
Sec. B.113 Buildings and general services - copy center	
Personal services	634,249
Operating expenses	<u>128,012</u>
Total	762,261
Source of funds	
Internal service funds	<u>762,261</u>
Total	762,261
Sec. B.114 Buildings and general services - fleet management services	
Personal services	542,830
Operating expenses	<u>126,436</u>
Total	669,266
Source of funds	
Internal service funds	<u>669,266</u>
Total	669,266
Sec. B.115 Buildings and general services - federal surplus property	
Personal services	72,596
Operating expenses	<u>19,196</u>
Total	91,792
Source of funds	
Enterprise funds	<u>91,792</u>
Total	91,792
Sec. B.116 Buildings and general services - state surplus property	
Personal services	71,437
Operating expenses	<u>96,094</u>
Total	167,531
Source of funds	
Internal service funds	<u>167,531</u>
Total	167,531
Sec. B.117 Buildings and general services - property management	
Personal services	1,240,875

Operating expenses	<u>1,099,421</u>
Total	2,340,296
Source of funds	
Internal service funds	<u>2,340,296</u>
Total	2,340,296
Sec. B.118 Buildings and general services - workers' compensation insurance	
Personal services	1,226,115
Operating expenses	<u>306,347</u>
Total	1,532,462
Source of funds	
Internal service funds	<u>1,532,462</u>
Total	1,532,462
Sec. B.119 Buildings and general services - general liability insurance	
Personal services	275,346
Operating expenses	<u>59,879</u>
Total	335,225
Source of funds	
Internal service funds	<u>335,225</u>
Total	335,225
Sec. B.120 Buildings and general services - all other insurance	
Personal services	24,132
Operating expenses	<u>20,823</u>
Total	44,955
Source of funds	
Internal service funds	<u>44,955</u>
Total	44,955
Sec. B.121 Buildings and general services - fee for space	
Personal services	11,852,272
Operating expenses	<u>13,747,132</u>
Total	25,599,404
Source of funds	
Internal service funds	<u>25,599,404</u>
Total	25,599,404
Sec. B.122 Geographic information system	
Grants	<u>378,700</u>
Total	378,700

Source of funds	
Special funds	<u>378,700</u>
Total	378,700
Sec. B.123 Executive office - governor's office	
Personal services	1,204,827
Operating expenses	<u>404,987</u>
Total	1,609,814
Source of funds	
General fund	1,416,314
Interdepartmental transfers	<u>193,500</u>
Total	1,609,814
Sec. B.124 Legislative council	
Personal services	2,061,578
Operating expenses	<u>214,458</u>
Total	2,276,036
Source of funds	
General fund	<u>2,276,036</u>
Total	2,276,036
Sec. B.125 Legislature	
Personal services	3,585,526
Operating expenses	<u>3,289,626</u>
Total	6,875,152
Source of funds	
General fund	<u>6,875,152</u>
Total	6,875,152
Sec. B.126 Legislative information technology	
Personal services	394,911
Operating expenses	<u>550,361</u>
Total	945,272
Source of funds	
General fund	<u>945,272</u>
Total	945,272
Sec. B.127 Joint fiscal committee	
Personal services	1,277,145
Operating expenses	<u>131,624</u>
Total	1,408,769

Source of funds	
General fund	<u>1,408,769</u>
Total	1,408,769
Sec. B.128 Sergeant at arms	
Personal services	469,253
Operating expenses	<u>68,280</u>
Total	537,533
Source of funds	
General fund	<u>537,533</u>
Total	537,533
Sec. B.129 Lieutenant governor	
Personal services	141,223
Operating expenses	<u>31,849</u>
Total	173,072
Source of funds	
General fund	<u>173,072</u>
Total	173,072
Sec. B.130 Auditor of accounts	
Personal services	3,435,521
Operating expenses	<u>142,405</u>
Total	3,577,926
Source of funds	
General fund	379,580
Special funds	53,099
Internal service funds	<u>3,145,247</u>
Total	3,577,926
Sec. B.131 State treasurer	
Personal services	2,588,617
Operating expenses	347,133
Grants	<u>16,484</u>
Total	2,952,234
Source of funds	
General fund	988,481
Special funds	1,874,673
Interdepartmental transfers	<u>89,080</u>
Total	2,952,234
Sec. B.132 State treasurer - unclaimed property	

Personal services	793,619
Operating expenses	<u>238,102</u>
Total	1,031,721
Source of funds	
Private purpose trust funds	<u>1,031,721</u>
Total	1,031,721
Sec. B.133 Vermont state retirement system	
Personal services	7,053,372
Operating expenses	<u>30,257,342</u>
Total	37,310,714
Source of funds	
Pension trust funds	<u>37,310,714</u>
Total	37,310,714
Sec. B.134 Municipal employees' retirement system	
Personal services	2,271,444
Operating expenses	<u>526,796</u>
Total	2,798,240
Source of funds	
Pension trust funds	<u>2,798,240</u>
Total	2,798,240
Sec. B.135 State labor relations board	
Personal services	171,850
Operating expenses	<u>42,114</u>
Total	213,964
Source of funds	
General fund	198,620
Special funds	2,788
Interdepartmental transfers	<u>12,556</u>
Total	213,964
Sec. B.136 VOSHA review board	
Personal services	25,760
Operating expenses	<u>20,770</u>
Total	46,530
Source of funds	
General fund	23,265
Interdepartmental transfers	<u>23,265</u>
Total	46,530

Sec. B.137 Homeowner rebate	
Grants	<u>14,545,808</u>
Total	14,545,808
Source of funds	
General fund	<u>14,545,808</u>
Total	14,545,808
Sec. B.138 Renter rebate	
Grants	<u>9,623,000</u>
Total	9,623,000
Source of funds	
General fund	2,886,900
Education fund	<u>6,736,100</u>
Total	9,623,000
Sec. B.139 Tax department - reappraisal and listing payments	
Grants	<u>3,243,196</u>
Total	3,243,196
Source of funds	
Education fund	<u>3,243,196</u>
Total	3,243,196
Sec. B.140 Municipal current use	
Grants	<u>12,640,000</u>
Total	12,640,000
Source of funds	
General fund	<u>12,640,000</u>
Total	12,640,000
Sec. B.141 Lottery commission	
Personal services	1,649,942
Operating expenses	<u>1,387,667</u>
Total	3,037,609
Source of funds	
Enterprise funds	<u>3,037,609</u>
Total	3,037,609
Sec. B.142 Payments in lieu of taxes	
Grants	<u>5,800,000</u>
Total	5,800,000
Source of funds	

Special funds	<u>5,800,000</u>
Total	5,800,000
Sec. B.143 Payments in lieu of taxes - Montpelier	
Grants	<u>184,000</u>
Total	184,000
Source of funds	
Special funds	<u>184,000</u>
Total	184,000
Sec. B.144 Payments in lieu of taxes - correctional facilities	
Grants	<u>40,000</u>
Total	40,000
Source of funds	
Special funds	<u>40,000</u>
Total	40,000
Sec. B.145 Total general government	
Source of funds	
General fund	66,637,340
Transportation fund	3,638,110
Special funds	10,089,099
Education fund	9,979,296
Federal funds	815,264
Internal service funds	57,402,851
Interdepartmental transfers	6,303,947
Enterprise funds	3,129,401
Pension trust funds	40,108,954
Private purpose trust funds	<u>1,031,721</u>
Total	199,135,983
Sec. B.200 Attorney general	
Personal services	7,518,981
Operating expenses	<u>977,285</u>
Total	8,496,266
Source of funds	
General fund	3,801,997
Special funds	1,278,455
Tobacco fund	459,000
Federal funds	745,364
Interdepartmental transfers	<u>2,211,450</u>

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Total	8,496,266
Sec. B.201 Vermont court diversion	
Grants	<u>1,830,866</u>
Total	1,830,866
Source of funds	
General fund	1,310,869
Special funds	<u>519,997</u>
Total	1,830,866
Sec. B.202 Defender general - public defense	
Personal services	8,335,000
Operating expenses	<u>892,734</u>
Total	9,227,734
Source of funds	
General fund	8,714,446
Special funds	<u>513,288</u>
Total	9,227,734
Sec. B.203 Defender general - assigned counsel	
Personal services	3,663,580
Operating expenses	<u>48,909</u>
Total	3,712,489
Source of funds	
General fund	3,587,225
Special funds	<u>125,264</u>
Total	3,712,489
Sec. B.204 Judiciary	
Personal services	28,807,441
Operating expenses	8,192,875
Grants	<u>70,000</u>
Total	37,070,316
Source of funds	
General fund	31,030,271
Special funds	2,967,507
Tobacco fund	39,871
Federal funds	888,205
Interdepartmental transfers	<u>2,144,462</u>
Total	37,070,316
Sec. B.205 State's attorneys	

Personal services	9,365,417
Operating expenses	<u>1,413,992</u>
Total	10,779,409
Source of funds	
General fund	8,382,669
Special funds	16,884
Federal funds	31,000
Interdepartmental transfers	<u>2,348,856</u>
Total	10,779,409
Sec. B.206 Special investigative unit	
Grants	<u>1,252,650</u>
Total	1,252,650
Source of funds	
General fund	1,152,650
Federal funds	<u>100,000</u>
Total	1,252,650
Sec. B.207 Sheriffs	
Personal services	3,339,862
Operating expenses	<u>274,773</u>
Total	3,614,635
Source of funds	
General fund	<u>3,614,635</u>
Total	3,614,635
Sec. B.208 Public safety - administration	
Personal services	1,788,617
Operating expenses	<u>469,509</u>
Total	2,258,126
Source of funds	
General fund	1,706,775
Federal funds	<u>551,351</u>
Total	2,258,126
Sec. B.209 Public safety - state police	
Personal services	43,959,260
Operating expenses	7,043,093
Grants	<u>6,860,000</u>
Total	57,862,353
Source of funds	

General fund	19,937,245
Transportation fund	25,238,498
Special funds	2,585,518
Federal funds	9,011,627
Interdepartmental transfers	<u>1,089,465</u>
Total	57,862,353
Sec. B.210 Public safety - criminal justice services	
Personal services	7,234,576
Operating expenses	2,496,734
Grants	<u>33,600</u>
Total	9,764,910
Source of funds	
General fund	6,948,145
Special funds	1,685,406
Federal funds	<u>1,131,359</u>
Total	9,764,910
Sec. B.211 Public safety - emergency management	
Personal services	1,324,091
Operating expenses	693,266
Grants	<u>1,515,892</u>
Total	3,533,249
Source of funds	
Federal funds	<u>3,533,249</u>
Total	3,533,249
Sec. B.212 Public safety - fire safety	
Personal services	4,927,464
Operating expenses	1,435,551
Grants	<u>206,000</u>
Total	6,569,015
Source of funds	
General fund	600,735
Special funds	5,591,200
Federal funds	332,080
Interdepartmental transfers	<u>45,000</u>
Total	6,569,015
Sec. B.213 Public safety - homeland security	
Personal services	9,514,027

Operating expenses	222,337
Grants	<u>3,000,000</u>
Total	12,736,364
Source of funds	
General fund	427,007
Federal funds	<u>12,309,357</u>
Total	12,736,364
Sec. B.214 Radiological emergency response plan	
Personal services	662,736
Operating expenses	374,180
Grants	<u>1,284,594</u>
Total	2,321,510
Source of funds	
Special funds	<u>2,321,510</u>
Total	2,321,510
Sec. B.215 Military - administration	
Personal services	472,318
Operating expenses	405,416
Grants	<u>100,000</u>
Total	977,734
Source of funds	
General fund	<u>977,734</u>
Total	977,734
Sec. B.216 Military - air service contract	
Personal services	5,206,919
Operating expenses	<u>1,214,629</u>
Total	6,421,548
Source of funds	
General fund	471,703
Federal funds	<u>5,949,845</u>
Total	6,421,548
Sec. B.217 Military - army service contract	
Personal services	3,762,000
Operating expenses	<u>9,185,720</u>
Total	12,947,720
Source of funds	
General fund	125,876

Federal funds	<u>12,821,844</u>
Total	12,947,720
Sec. B.218 Military - building maintenance	
Personal services	938,770
Operating expenses	<u>437,499</u>
Total	1,376,269
Source of funds	
General fund	<u>1,376,269</u>
Total	1,376,269
Sec. B.219 Military - veterans' affairs	
Personal services	501,009
Operating expenses	125,246
Grants	<u>205,000</u>
Total	831,255
Source of funds	
General fund	677,808
Special funds	71,041
Federal funds	<u>82,406</u>
Total	831,255
Sec. B.220 Center for crime victims' services	
Personal services	1,590,567
Operating expenses	321,278
Grants	<u>9,289,817</u>
Total	11,201,662
Source of funds	
General fund	1,164,892
Special funds	5,996,342
Federal funds	<u>4,040,428</u>
Total	11,201,662
Sec. B.221 Criminal justice training council	
Personal services	1,277,366
Operating expenses	<u>1,195,505</u>
Total	2,472,871
Source of funds	
General fund	2,221,393
Interdepartmental transfers	<u>251,478</u>
Total	2,472,871

 Sec. B.222 Agriculture, food and markets - administration

Personal services	876,873
Operating expenses	378,386
Grants	<u>388,910</u>
Total	1,644,169
Source of funds	
General fund	1,130,085
Special funds	254,851
Federal funds	160,961
Global Commitment fund	56,272
Interdepartmental transfers	<u>42,000</u>
Total	1,644,169

Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	2,733,957
Operating expenses	567,250
Grants	<u>2,400,000</u>
Total	5,701,207
Source of funds	
General fund	2,173,755
Special funds	2,912,594
Federal funds	573,852
Global Commitment fund	34,006
Interdepartmental transfers	<u>7,000</u>
Total	5,701,207

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	1,090,891
Operating expenses	534,548
Grants	<u>1,361,000</u>
Total	2,986,439
Source of funds	
General fund	756,937
Special funds	1,438,908
Federal funds	745,143
Interdepartmental transfers	<u>45,451</u>
Total	2,986,439

Sec. B.225 Agriculture, food and markets - laboratories, agricultural resource management and environmental stewardship

Personal services	3,114,267
Operating expenses	751,280
Grants	<u>933,674</u>
Total	4,799,221
Source of funds	
General fund	1,844,046
Special funds	1,947,242
Federal funds	754,469
Interdepartmental transfers	<u>253,464</u>
Total	4,799,221
Sec. B.226 Banking, insurance, securities, and health care administration - administration	
Personal services	1,700,967
Operating expenses	<u>192,064</u>
Total	1,893,031
Source of funds	
Special funds	<u>1,893,031</u>
Total	1,893,031
Sec. B.227 Banking, insurance, securities, and health care administration - banking	
Personal services	1,344,820
Operating expenses	<u>252,764</u>
Total	1,597,584
Source of funds	
Special funds	<u>1,597,584</u>
Total	1,597,584
Sec. B.228 Banking, insurance, securities, and health care administration - insurance	
Personal services	5,663,896
Operating expenses	<u>446,457</u>
Total	6,110,353
Source of funds	
Special funds	4,101,506
Federal funds	1,268,147
Global Commitment fund	615,700
Interdepartmental transfers	<u>125,000</u>
Total	6,110,353

Sec. B.229 Banking, insurance, securities, and health care administration - captive

Personal services	3,600,947
Operating expenses	<u>429,555</u>
Total	4,030,502
Source of funds	
Special funds	<u>4,030,502</u>
Total	4,030,502

Sec. B.230 Banking, insurance, securities, and health care administration - securities

Personal services	529,156
Operating expenses	<u>153,631</u>
Total	682,787
Source of funds	
Special funds	<u>682,787</u>
Total	682,787

Sec. B.231 Banking, insurance, securities, and health care administration - health care administration

Personal services	2,695,600
Operating expenses	<u>102,964</u>
Total	2,798,564
Source of funds	
Special funds	2,029,462
Federal funds	236,136
Global Commitment fund	432,966
Interdepartmental transfers	<u>100,000</u>
Total	2,798,564

Sec. B.232 Secretary of state

Personal services	6,029,934
Operating expenses	1,857,787
Grants	<u>945,114</u>
Total	8,832,835
Source of funds	
General fund	1,518,552
Special funds	5,239,283
Federal funds	2,000,000
Interdepartmental transfers	<u>75,000</u>
Total	8,832,835

 Sec. B.233 Public service - regulation and energy

Personal services	9,693,417
Operating expenses	2,041,069
Grants	<u>4,428,959</u>
Total	16,163,445
Source of funds	
Special funds	10,345,714
Federal funds	843,755
ARRA funds	4,909,080
Interdepartmental transfers	27,200
Enterprise funds	<u>37,696</u>
Total	16,163,445

Sec. B.234 Public service board

Personal services	2,682,650
Operating expenses	<u>392,931</u>
Total	3,075,581
Source of funds	
Special funds	2,823,980
ARRA funds	<u>251,601</u>
Total	3,075,581

Sec. B.235 Enhanced 9-1-1 Board

Personal services	3,668,108
Operating expenses	509,310
Grants	<u>810,000</u>
Total	4,987,418
Source of funds	
Special funds	<u>4,987,418</u>
Total	4,987,418

Sec. B.236 Human rights commission

Personal services	408,510
Operating expenses	<u>63,794</u>
Total	472,304
Source of funds	
General fund	391,093
Federal funds	<u>81,211</u>
Total	472,304

Sec. B.237 Liquor control - administration

Personal services	2,606,023
Operating expenses	<u>519,774</u>
Total	3,125,797
Source of funds	
Tobacco fund	6,661
Enterprise funds	<u>3,119,136</u>
Total	3,125,797
Sec. B.238 Liquor control - enforcement and licensing	
Personal services	1,968,858
Operating expenses	<u>408,275</u>
Total	2,377,133
Source of funds	
Tobacco fund	285,284
Enterprise funds	<u>2,091,849</u>
Total	2,377,133
Sec. B.239 Liquor control - warehousing and distribution	
Personal services	804,429
Operating expenses	<u>362,234</u>
Total	1,166,663
Source of funds	
Enterprise funds	<u>1,166,663</u>
Total	1,166,663
Sec. B.240 Total protection to persons and property	
Source of funds	
General fund	106,044,812
Transportation fund	25,238,498
Special funds	67,957,274
Tobacco fund	790,816
Federal funds	58,191,789
ARRA funds	5,160,681
Global Commitment fund	1,138,944
Interdepartmental transfers	8,765,826
Enterprise funds	<u>6,415,344</u>
Total	279,703,984
Sec. B.300 Human services - agency of human services - secretary's office	
Personal services	8,968,380
Operating expenses	3,216,136

Grants	<u>5,235,805</u>
Total	17,420,321
Source of funds	
General fund	5,048,148
Special funds	7,517
Tobacco fund	291,330
Federal funds	9,307,818
Global Commitment fund	415,000
Interdepartmental transfers	<u>2,350,508</u>
Total	17,420,321
Sec. B.301 Secretary's office - global commitment	
Grants	<u>1,170,854,293</u>
Total	1,170,854,293
Source of funds	
General fund	176,444,449
Special funds	19,403,040
Tobacco fund	31,343,693
State health care resources fund	266,423,947
Federal funds	676,551,029
Interdepartmental transfers	<u>688,135</u>
Total	1,170,854,293
Sec. B.302 Rate setting	
Personal services	819,376
Operating expenses	<u>82,162</u>
Total	901,538
Source of funds	
Global Commitment fund	<u>901,538</u>
Total	901,538
Sec. B.303 Developmental disabilities council	
Personal services	235,696
Operating expenses	58,633
Grants	<u>248,388</u>
Total	542,717
Source of funds	
Federal funds	<u>542,717</u>
Total	542,717
Sec. B.304 Human services board	

Personal services	301,131
Operating expenses	<u>47,907</u>
Total	349,038
Source of funds	
General fund	113,997
Federal funds	149,715
Interdepartmental transfers	<u>85,326</u>
Total	349,038
Sec. B.305 AHS - administrative fund	
Personal services	350,000
Operating expenses	<u>4,650,000</u>
Total	5,000,000
Source of funds	
Interdepartmental transfers	<u>5,000,000</u>
Total	5,000,000
Sec. B.306 Department of Vermont health access - administration	
Personal services	104,339,779
Operating expenses	3,063,851
Grants	<u>24,260,263</u>
Total	131,663,893
Source of funds	
General fund	941,059
Special funds	1,552,963
Federal funds	79,787,828
ARRA funds	76,790
Global Commitment fund	45,228,136
Interdepartmental transfers	<u>4,077,117</u>
Total	131,663,893
Sec. B.307 Department of Vermont health access - Medicaid program - global commitment	
Grants	<u>672,639,153</u>
Total	672,639,153
Source of funds	
Global Commitment fund	<u>672,639,153</u>
Total	672,639,153
Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver	

Grants	<u>201,240,298</u>
Total	201,240,298
Source of funds	
General fund	87,683,279
Federal funds	<u>113,557,019</u>
Total	201,240,298
Sec. B.309 Department of Vermont health access - Medicaid program - state only	
Grants	<u>29,191,562</u>
Total	29,191,562
Source of funds	
General fund	27,776,633
Global Commitment fund	<u>1,414,929</u>
Total	29,191,562
Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched	
Grants	<u>44,440,781</u>
Total	44,440,781
Source of funds	
General fund	18,573,485
Federal funds	<u>25,867,296</u>
Total	44,440,781
Sec. B.311 Health - administration and support	
Personal services	5,668,858
Operating expenses	1,946,031
Grants	<u>3,370,200</u>
Total	10,985,089
Source of funds	
General fund	1,039,062
Special funds	579,063
Federal funds	5,642,395
ARRA funds	35,000
Global Commitment fund	<u>3,689,569</u>
Total	10,985,089
Sec. B.312 Health - public health	
Personal services	31,255,732
Operating expenses	5,670,400

Grants	<u>33,940,880</u>
Total	70,867,012
Source of funds	
General fund	6,851,240
Special funds	10,345,713
Tobacco fund	1,594,000
Federal funds	34,079,848
ARRA funds	110,000
Global Commitment fund	16,771,971
Interdepartmental transfers	1,104,240
Permanent trust funds	<u>10,000</u>
Total	70,867,012
Sec. B.313 Health - alcohol and drug abuse programs	
Personal services	2,791,666
Operating expenses	327,258
Grants	<u>27,904,134</u>
Total	31,023,058
Source of funds	
General fund	3,446,756
Special funds	363,884
Tobacco fund	1,386,234
Federal funds	5,858,397
Global Commitment fund	19,617,787
Interdepartmental transfers	<u>350,000</u>
Total	31,023,058
Sec. B.314 Mental health - mental health	
Personal services	7,560,273
Operating expenses	1,028,785
Grants	<u>165,312,253</u>
Total	173,901,311
Source of funds	
General fund	1,477,732
Special funds	6,836
Federal funds	6,713,296
Global Commitment fund	165,683,447
Interdepartmental transfers	<u>20,000</u>
Total	173,901,311
Sec. B.316 Department for children and families - administration & support services	

Personal services	37,308,143
Operating expenses	6,637,625
Grants	<u>1,506,996</u>
Total	45,452,764
Source of funds	
General fund	15,331,675
Special funds	250,000
Federal funds	14,167,492
Global Commitment fund	15,442,598
Interdepartmental transfers	<u>260,999</u>
Total	45,452,764
Sec. B.317 Department for children and families - family services	
Personal services	23,343,490
Operating expenses	3,251,569
Grants	<u>60,455,303</u>
Total	87,050,362
Source of funds	
General fund	21,297,433
Special funds	1,691,637
Federal funds	26,652,367
Global Commitment fund	37,244,871
Interdepartmental transfers	<u>164,054</u>
Total	87,050,362
Sec. B.318 Department for children and families - child development	
Personal services	3,292,420
Operating expenses	367,946
Grants	<u>61,380,763</u>
Total	65,041,129
Source of funds	
General fund	26,506,976
Special funds	1,820,000
Federal funds	27,902,282
Global Commitment fund	8,805,419
Interdepartmental transfers	<u>6,452</u>
Total	65,041,129
Sec. B.319 Department for children and families - office of child support	
Personal services	8,769,222
Operating expenses	<u>3,990,861</u>

Total	12,760,083
Source of funds	
General fund	2,992,459
Special funds	455,718
Federal funds	8,924,306
Interdepartmental transfers	<u>387,600</u>
Total	12,760,083
Sec. B.320 Department for children and families - aid to aged, blind and disabled	
Personal services	1,827,113
Grants	<u>11,382,054</u>
Total	13,209,167
Source of funds	
General fund	9,459,167
Global Commitment fund	<u>3,750,000</u>
Total	13,209,167
Sec. B.321 Department for children and families - general assistance	
Grants	<u>6,649,371</u>
Total	6,649,371
Source of funds	
General fund	4,845,580
Federal funds	1,111,320
Global Commitment fund	<u>692,471</u>
Total	6,649,371
Sec. B.322 Department for children and families - 3SquaresVT	
Grants	<u>24,860,290</u>
Total	24,860,290
Source of funds	
Federal funds	<u>24,860,290</u>
Total	24,860,290
Sec. B.323 Department for children and families - reach up	
Grants	<u>47,930,572</u>
Total	47,930,572
Source of funds	
General fund	18,256,509
Special funds	19,916,856
Federal funds	7,882,807

Global Commitment fund	<u>1,874,400</u>
Total	47,930,572
Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP	
Personal services	20,000
Operating expenses	90,000
Grants	<u>11,547,664</u>
Total	11,657,664
Source of funds	
Federal funds	<u>11,657,664</u>
Total	11,657,664
Sec. B.325 Department for children and families - office of economic opportunity	
Personal services	268,987
Operating expenses	66,265
Grants	<u>4,976,859</u>
Total	5,312,111
Source of funds	
General fund	1,304,908
Special funds	57,990
Federal funds	3,746,725
Global Commitment fund	<u>202,488</u>
Total	5,312,111
Sec. B.326 Department for children and families - OEO - weatherization assistance	
Personal services	160,534
Operating expenses	130,839
Grants	<u>7,682,112</u>
Total	7,973,485
Source of funds	
Special funds	6,992,573
Federal funds	<u>980,912</u>
Total	7,973,485
Sec. B.327 Department for children and families - Woodside rehabilitation center	
Personal services	3,695,668
Operating expenses	<u>575,294</u>

Total	4,270,962
Source of funds	
General fund	791,852
Global Commitment fund	3,424,218
Interdepartmental transfers	<u>54,892</u>
Total	4,270,962
Sec. B.328 Department for children and families - disability determination services	
Personal services	4,506,460
Operating expenses	<u>1,138,408</u>
Total	5,644,868
Source of funds	
Federal funds	5,398,351
Global Commitment fund	<u>246,517</u>
Total	5,644,868
Sec. B.329 Disabilities, aging, and independent living - administration & support	
Personal services	24,854,382
Operating expenses	<u>3,344,406</u>
Total	28,198,788
Source of funds	
General fund	6,808,267
Special funds	1,281,646
Federal funds	11,735,745
Global Commitment fund	5,887,278
Interdepartmental transfers	<u>2,485,852</u>
Total	28,198,788
Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants	
Grants	<u>21,051,422</u>
Total	21,051,422
Source of funds	
General fund	8,361,703
Federal funds	7,640,264
Global Commitment fund	4,411,955
Interdepartmental transfers	<u>637,500</u>
Total	21,051,422

 Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired

Grants	<u>1,481,457</u>
Total	1,481,457
Source of funds	
General fund	364,064
Special funds	223,450
Federal funds	648,943
Global Commitment fund	<u>245,000</u>
Total	1,481,457

Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation

Grants	<u>8,795,971</u>
Total	8,795,971
Source of funds	
General fund	1,535,695
Special funds	70,000
Federal funds	4,062,389
Global Commitment fund	7,500
Interdepartmental transfers	<u>3,120,387</u>
Total	8,795,971

Sec. B.333 Disabilities, aging, and independent living - developmental services

Grants	<u>157,203,376</u>
Total	157,203,376
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857
Global Commitment fund	<u>156,672,931</u>
Total	157,203,376

Sec. B.334 Disabilities, aging, and independent living -TBI home and community based waiver

Grants	<u>4,772,899</u>
Total	4,772,899
Source of funds	
Global Commitment fund	<u>4,772,899</u>
Total	4,772,899

Sec. B.335 Corrections - administration	
Personal services	1,992,190
Operating expenses	<u>226,070</u>
Total	2,218,260
Source of funds	
General fund	<u>2,218,260</u>
Total	2,218,260
Sec. B.336 Corrections - parole board	
Personal services	251,226
Operating expenses	<u>70,819</u>
Total	322,045
Source of funds	
General fund	<u>322,045</u>
Total	322,045
Sec. B.337 Corrections - correctional education	
Personal services	4,072,336
Operating expenses	<u>640,774</u>
Total	4,713,110
Source of funds	
Education fund	4,337,051
Interdepartmental transfers	<u>376,059</u>
Total	4,713,110
Sec. B.338 Corrections - correctional services	
Personal services	98,971,228
Operating expenses	17,406,483
Grants	<u>7,445,709</u>
Total	123,823,420
Source of funds	
General fund	118,338,441
Special funds	483,963
Federal funds	470,962
Global Commitment fund	4,133,739
Interdepartmental transfers	<u>396,315</u>
Total	123,823,420
Sec. B.339 Corrections - Correctional services-out of state beds	
Personal services	<u>10,149,922</u>
Total	10,149,922

Source of funds	
General fund	<u>10,149,922</u>
Total	10,149,922
Sec. B.340 Corrections - correctional facilities - recreation	
Personal services	447,238
Operating expenses	<u>345,501</u>
Total	792,739
Source of funds	
Special funds	<u>792,739</u>
Total	792,739
Sec. B.341 Corrections - Vermont offender work program	
Personal services	912,386
Operating expenses	<u>548,231</u>
Total	1,460,617
Source of funds	
Internal service funds	<u>1,460,617</u>
Total	1,460,617
Sec. B.342 Vermont veterans' home - care and support services	
Personal services	15,077,958
Operating expenses	<u>4,024,056</u>
Total	19,102,014
Source of funds	
Special funds	10,606,072
Federal funds	7,084,986
Global Commitment fund	<u>1,410,956</u>
Total	19,102,014
Sec. B.343 Commission on women	
Personal services	253,203
Operating expenses	<u>63,368</u>
Total	316,571
Source of funds	
General fund	311,571
Special funds	<u>5,000</u>
Total	316,571
Sec. B.344 Retired senior volunteer program	
Grants	<u>131,096</u>

Total	131,096
Source of funds	
General fund	<u>131,096</u>
Total	131,096
Sec. B.345 Green Mountain Care Board	
Personal services	2,199,217
Operating expenses	<u>276,798</u>
Total	2,476,015
Source of funds	
General fund	467,038
Special funds	392,351
Global Commitment fund	1,477,740
Interdepartmental transfers	<u>138,886</u>
Total	2,476,015
Sec. B.346 Total human services	
Source of funds	
General fund	579,345,626
Special funds	77,314,474
Tobacco fund	34,615,257
State health care resources fund	266,423,947
Education fund	4,337,051
Federal funds	1,123,345,020
ARRA funds	221,790
Global Commitment fund	1,177,064,510
Internal service funds	1,460,617
Interdepartmental transfers	21,704,322
Permanent trust funds	<u>10,000</u>
Total	3,285,842,614
Sec. B.401 Labor - programs	
Personal services	24,050,596
Operating expenses	5,544,657
Grants	<u>1,873,000</u>
Total	31,468,253
Source of funds	
General fund	2,894,425
Special funds	3,363,869
Federal funds	23,751,533
Interdepartmental transfers	<u>1,458,426</u>

Total	31,468,253
Sec. B.402 Total labor	
Source of funds	
General fund	2,894,425
Special funds	3,363,869
Federal funds	23,751,533
Interdepartmental transfers	<u>1,458,426</u>
Total	31,468,253
Sec. B.500 Education - finance and administration	
Personal services	5,276,764
Operating expenses	1,864,917
Grants	<u>12,333,500</u>
Total	19,475,181
Source of funds	
General fund	2,905,528
Special funds	13,204,648
Education fund	795,372
Federal funds	1,732,359
Global Commitment fund	829,274
Interdepartmental transfers	<u>8,000</u>
Total	19,475,181
Sec. B.501 Education - education services	
Personal services	12,258,423
Operating expenses	1,596,567
Grants	<u>124,528,547</u>
Total	138,383,537
Source of funds	
General fund	5,715,014
Special funds	2,532,427
Federal funds	<u>130,136,096</u>
Total	138,383,537
Sec. B.502 Education - special education: formula grants	
Grants	<u>157,889,563</u>
Total	157,889,563
Source of funds	
Education fund	157,659,563
Global Commitment fund	<u>230,000</u>

Total	157,889,563
Sec. B.503 Education - state-placed students	
Grants	<u>15,500,000</u>
Total	15,500,000
Source of funds	
Education fund	<u>15,500,000</u>
Total	15,500,000
Sec. B.504 Education - adult education and literacy	
Grants	<u>7,463,656</u>
Total	7,463,656
Source of funds	
General fund	787,995
Education fund	5,800,000
Federal funds	<u>875,661</u>
Total	7,463,656
Sec. B.505 Education - adjusted education payment	
Grants	<u>1,160,482,149</u>
Total	1,160,482,149
Source of funds	
Education fund	<u>1,160,482,149</u>
Total	1,160,482,149
Sec. B.506 Education - transportation	
Grants	<u>16,366,435</u>
Total	16,366,435
Source of funds	
Education fund	<u>16,366,435</u>
Total	16,366,435
Sec. B.507 Education - small school grants	
Grants	<u>7,585,338</u>
Total	7,585,338
Source of funds	
Education fund	<u>7,585,338</u>
Total	7,585,338
Sec. B.508 Education - capital debt service aid	
Grants	<u>84,801</u>
Total	84,801

Source of funds	
Education fund	<u>84,801</u>
Total	84,801
Sec. B.509 Education - tobacco litigation	
Personal services	140,405
Operating expenses	47,015
Grants	<u>804,511</u>
Total	991,931
Source of funds	
Tobacco fund	<u>991,931</u>
Total	991,931
Sec. B.510 Education - essential early education grant	
Grants	<u>5,966,869</u>
Total	5,966,869
Source of funds	
Education fund	<u>5,966,869</u>
Total	5,966,869
Sec. B.511 Education - technical education	
Grants	<u>13,018,754</u>
Total	13,018,754
Source of funds	
Education fund	<u>13,018,754</u>
Total	13,018,754
Sec. B.512 Education - Act 117 cost containment	
Personal services	1,093,827
Operating expenses	130,269
Grants	<u>91,000</u>
Total	1,315,096
Source of funds	
Special funds	<u>1,315,096</u>
Total	1,315,096
Sec. B.513 Appropriation and transfer to education fund	
Grants	<u>282,317,280</u>
Total	282,317,280
Source of funds	
General fund	<u>282,317,280</u>

Total	282,317,280
Sec. B.514 State teachers' retirement system	
Personal services	7,974,488
Operating expenses	25,138,141
Grants	<u>63,613,130</u>
Total	96,725,759
Source of funds	
General fund	63,613,130
Pension trust funds	<u>33,112,629</u>
Total	96,725,759
Sec. B.515 Total general education	
Source of funds	
General fund	355,338,947
Special funds	17,052,171
Tobacco fund	991,931
Education fund	1,383,259,281
Federal funds	132,744,116
Global Commitment fund	1,059,274
Interdepartmental transfers	8,000
Pension trust funds	<u>33,112,629</u>
Total	1,923,566,349
Sec. B.600 University of Vermont	
Grants	<u>40,746,633</u>
Total	40,746,633
Source of funds	
General fund	36,740,477
Global Commitment fund	<u>4,006,156</u>
Total	40,746,633
Sec. B.601 Vermont Public Television	
Grants	<u>557,683</u>
Total	557,683
Source of funds	
General fund	<u>557,683</u>
Total	557,683
Sec. B.602 Vermont state colleges	
Grants	<u>23,107,247</u>

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Total	23,107,247
Source of funds	
General fund	<u>23,107,247</u>
Total	23,107,247
Sec. B.603 Vermont state colleges - allied health	
Grants	<u>1,116,503</u>
Total	1,116,503
Source of funds	
General fund	711,096
Global Commitment fund	<u>405,407</u>
Total	1,116,503
Sec. B.604 Vermont interactive technology	
Grants	<u>785,679</u>
Total	785,679
Source of funds	
General fund	<u>785,679</u>
Total	785,679
Sec. B.605 Vermont student assistance corporation	
Grants	<u>18,363,607</u>
Total	18,363,607
Source of funds	
General fund	<u>18,363,607</u>
Total	18,363,607
Sec. B.606 New England higher education compact	
Grants	<u>84,000</u>
Total	84,000
Source of funds	
General fund	<u>84,000</u>
Total	84,000
Sec. B.607 University of Vermont - Morgan Horse Farm	
Grants	<u>1</u>
Total	1
Source of funds	
General fund	<u>1</u>
Total	1
Sec. B.608 Total higher education	

Source of funds	
General fund	80,349,790
Global Commitment fund	<u>4,411,563</u>
Total	84,761,353
Sec. B.700 Natural resources - agency of natural resources - administration	
Personal services	2,750,386
Operating expenses	834,016
Grants	<u>45,510</u>
Total	3,629,912
Source of funds	
General fund	3,423,982
Special funds	54,484
Federal funds	25,000
Interdepartmental transfers	<u>126,446</u>
Total	3,629,912
Sec. B.701 Natural resources - state land local property tax assessment	
Operating expenses	<u>2,128,733</u>
Total	2,128,733
Source of funds	
General fund	1,707,233
Interdepartmental transfers	<u>421,500</u>
Total	2,128,733
Sec. B.702 Fish and wildlife - support and field services	
Personal services	13,553,595
Operating expenses	5,095,830
Grants	<u>731,517</u>
Total	19,380,942
Source of funds	
General fund	2,301,129
Special funds	20,000
Fish and wildlife fund	16,877,322
Interdepartmental transfers	<u>182,491</u>
Total	19,380,942
Sec. B.703 Forests, parks and recreation - administration	
Personal services	975,288
Operating expenses	593,461
Grants	<u>1,815,492</u>

Total	3,384,241
Source of funds	
General fund	1,113,363
Special funds	1,307,878
Federal funds	<u>963,000</u>
Total	3,384,241
Sec. B.704 Forests, parks and recreation - forestry	
Personal services	4,550,319
Operating expenses	562,277
Grants	<u>501,000</u>
Total	5,613,596
Source of funds	
General fund	3,096,073
Special funds	975,069
Federal funds	1,412,454
Interdepartmental transfers	<u>130,000</u>
Total	5,613,596
Sec. B.705 Forests, parks and recreation - state parks	
Personal services	5,781,254
Operating expenses	<u>2,165,473</u>
Total	7,946,727
Source of funds	
General fund	333,431
Special funds	<u>7,613,296</u>
Total	7,946,727
Sec. B.706 Forests, parks and recreation - lands administration	
Personal services	450,740
Operating expenses	<u>1,208,771</u>
Total	1,659,511
Source of funds	
General fund	385,306
Special funds	179,205
Federal funds	1,050,000
Interdepartmental transfers	<u>45,000</u>
Total	1,659,511
Sec. B.707 Forests, parks and recreation - youth conservation corps	
Grants	<u>574,702</u>

Total	574,702
Source of funds	
General fund	42,320
Special funds	188,382
Federal funds	94,000
Interdepartmental transfers	<u>250,000</u>
Total	574,702
Sec. B.708 Forests, parks and recreation - forest highway maintenance	
Personal services	20,000
Operating expenses	<u>134,925</u>
Total	154,925
Source of funds	
General fund	<u>154,925</u>
Total	154,925
Sec. B.709 Environmental conservation - management and support services	
Personal services	4,083,151
Operating expenses	884,656
Grants	<u>137,426</u>
Total	5,105,233
Source of funds	
General fund	1,024,692
Special funds	1,960,991
Federal funds	1,633,669
Interdepartmental transfers	<u>485,881</u>
Total	5,105,233
Sec. B.710 Environmental conservation - air and waste management	
Personal services	9,671,663
Operating expenses	6,666,655
Grants	<u>2,419,500</u>
Total	18,757,818
Source of funds	
General fund	646,287
Special funds	14,493,478
Federal funds	3,313,053
Interdepartmental transfers	<u>305,000</u>
Total	18,757,818
Sec. B.711 Environmental conservation - office of water programs	

Personal services	13,686,115
Operating expenses	1,786,364
Grants	<u>2,637,546</u>
Total	18,110,025
Source of funds	
General fund	5,361,698
Special funds	5,565,217
Federal funds	6,518,985
Interdepartmental transfers	<u>664,125</u>
Total	18,110,025
Sec. B.712 Environmental conservation - tax-loss-Connecticut river flood control	
Operating expenses	<u>34,700</u>
Total	34,700
Source of funds	
General fund	3,470
Special funds	<u>31,230</u>
Total	34,700
Sec. B.713 Natural resources board	
Personal services	2,365,799
Operating expenses	<u>351,832</u>
Total	2,717,631
Source of funds	
General fund	751,745
Special funds	<u>1,965,886</u>
Total	2,717,631
Sec. B.714 Total natural resources	
Source of funds	
General fund	20,345,654
Special funds	34,355,116
Fish and wildlife fund	16,877,322
Federal funds	15,010,161
Interdepartmental transfers	<u>2,610,443</u>
Total	89,198,696
Sec. B.800 Commerce and community development - agency of commerce and community development - administration	
Personal services	1,864,080

Operating expenses	602,833
Grants	<u>1,711,570</u>
Total	4,178,483
Source of funds	
General fund	3,053,483
Federal funds	1,100,000
Interdepartmental transfers	<u>25,000</u>
Total	4,178,483
Sec. B.801 Economic, housing, and community development	
Personal services	7,994,679
Operating expenses	1,480,643
Grants	<u>6,687,833</u>
Total	16,163,155
Source of funds	
General fund	5,739,558
Special funds	3,971,206
Federal funds	6,422,391
Interdepartmental transfers	<u>30,000</u>
Total	16,163,155
Sec. B.802 Historic sites - special improvements	
Operating expenses	<u>13,000</u>
Total	13,000
Source of funds	
Special funds	<u>13,000</u>
Total	13,000
Sec. B.803 Community development block grants	
Grants	<u>11,210,494</u>
Total	11,210,494
Source of funds	
Federal funds	<u>11,210,494</u>
Total	11,210,494
Sec. B.804 Downtown transportation and capital improvement fund	
Personal services	79,041
Grants	<u>304,925</u>
Total	383,966
Source of funds	
Special funds	<u>383,966</u>

Total	383,966
Sec. B.805 Tourism and marketing	
Personal services	1,282,608
Operating expenses	1,657,545
Grants	<u>143,500</u>
Total	3,083,653
Source of funds	
General fund	<u>3,083,653</u>
Total	3,083,653
Sec. B.806 Vermont life	
Personal services	720,000
Operating expenses	<u>53,053</u>
Total	773,053
Source of funds	
Enterprise funds	<u>773,053</u>
Total	773,053
Sec. B.807 Vermont council on the arts	
Grants	<u>507,607</u>
Total	507,607
Source of funds	
General fund	<u>507,607</u>
Total	507,607
Sec. B.808 Vermont symphony orchestra	
Grants	<u>113,821</u>
Total	113,821
Source of funds	
General fund	<u>113,821</u>
Total	113,821
Sec. B.809 Vermont historical society	
Grants	<u>807,694</u>
Total	807,694
Source of funds	
General fund	<u>807,694</u>
Total	807,694
Sec. B.810 Vermont housing and conservation board	
Grants	<u>28,407,233</u>

Total	28,407,233
Source of funds	
Special funds	13,993,588
Federal funds	<u>14,413,645</u>
Total	28,407,233
Sec. B.811 Vermont humanities council	
Grants	<u>172,670</u>
Total	172,670
Source of funds	
General fund	<u>172,670</u>
Total	172,670
Sec. B.812 Total commerce and community development	
Source of funds	
General fund	13,478,486
Special funds	18,361,760
Federal funds	33,146,530
Interdepartmental transfers	55,000
Enterprise funds	<u>773,053</u>
Total	65,814,829
Sec. B.900 Transportation - finance and administration	
Personal services	9,524,960
Operating expenses	1,931,538
Grants	<u>310,000</u>
Total	11,766,498
Source of funds	
Transportation fund	10,882,996
Federal funds	<u>883,502</u>
Total	11,766,498
Sec. B.901 Transportation - aviation	
Personal services	1,724,402
Operating expenses	4,079,395
Grants	<u>376,500</u>
Total	6,180,297
Source of funds	
Transportation fund	2,983,547
Federal funds	<u>3,196,750</u>
Total	6,180,297

Sec. B.902 Transportation - buildings	
Operating expenses	<u>2,661,000</u>
Total	2,661,000
Source of funds	
Transportation fund	1,556,000
TIB fund	<u>1,105,000</u>
Total	2,661,000
Sec. B.903 Transportation - program development	
Personal services	36,309,069
Operating expenses	247,244,191
Grants	<u>37,369,326</u>
Total	320,922,586
Source of funds	
Transportation fund	32,466,313
TIB fund	16,673,911
Federal funds	257,640,181
Interdepartmental transfers	3,770,000
Local match	1,372,181
TIB proceeds fund	<u>9,000,000</u>
Total	320,922,586
Sec. B.904 Transportation - rest areas construction	
Personal services	170,000
Operating expenses	<u>5,973,000</u>
Total	6,143,000
Source of funds	
Transportation fund	116,628
TIB fund	1,041,168
Federal funds	<u>4,985,204</u>
Total	6,143,000
Sec. B.905 Transportation - maintenance state system	
Personal services	34,893,490
Operating expenses	34,458,501
Grants	<u>50,000</u>
Total	69,401,991
Source of funds	
Transportation fund	68,615,000
Federal funds	686,991
Interdepartmental transfers	<u>100,000</u>

Total	69,401,991
Sec. B.906 Transportation - planning, outreach and community affairs	
Personal services	3,823,747
Operating expenses	1,289,488
Grants	<u>4,985,709</u>
Total	10,098,944
Source of funds	
Transportation fund	1,878,444
Federal funds	7,773,303
Interdepartmental transfers	<u>447,197</u>
Total	10,098,944
Sec. B.907 Transportation - rail	
Personal services	3,695,897
Operating expenses	<u>23,648,091</u>
Total	27,343,988
Source of funds	
Transportation fund	9,508,058
TIB fund	1,509,000
Federal funds	10,024,977
ARRA funds	<u>6,301,953</u>
Total	27,343,988
Sec. B.908 Transportation - public transit	
Personal services	724,629
Operating expenses	168,280
Grants	<u>24,745,887</u>
Total	25,638,796
Source of funds	
Transportation fund	7,482,900
Federal funds	<u>18,155,896</u>
Total	25,638,796
Sec. B.909 Transportation - central garage	
Personal services	3,729,034
Operating expenses	<u>14,924,210</u>
Total	18,653,244
Source of funds	
Internal service funds	<u>18,653,244</u>
Total	18,653,244

Sec. B.910 Department of motor vehicles	
Personal services	16,717,817
Operating expenses	8,960,544
Grants	<u>50,000</u>
Total	25,728,361
Source of funds	
Transportation fund	22,630,649
Federal funds	<u>3,097,712</u>
Total	25,728,361
Sec. B.911 Transportation - town highway structures	
Grants	<u>6,333,500</u>
Total	6,333,500
Source of funds	
Transportation fund	<u>6,333,500</u>
Total	6,333,500
Sec. B.912 Transportation - town highway Vermont local roads	
Grants	<u>400,000</u>
Total	400,000
Source of funds	
Transportation fund	235,000
Federal funds	<u>165,000</u>
Total	400,000
Sec. B.913 Transportation - town highway class 2 roadway	
Grants	<u>7,248,750</u>
Total	7,248,750
Source of funds	
Transportation fund	<u>7,248,750</u>
Total	7,248,750
Sec. B.914 Transportation - town highway bridges	
Personal services	4,200,000
Operating expenses	<u>16,646,405</u>
Total	20,846,405
Source of funds	
Transportation fund	624,804
TIB fund	962,303
Federal funds	16,712,123
Local match	1,547,175

TIB proceeds fund	<u>1,000,000</u>
Total	20,846,405
Sec. B.915 Transportation - town highway aid program	
Grants	<u>25,982,744</u>
Total	25,982,744
Source of funds	
Transportation fund	<u>25,982,744</u>
Total	25,982,744
Sec. B.916 Transportation - town highway class 1 supplemental grants	
Grants	<u>128,750</u>
Total	128,750
Source of funds	
Transportation fund	<u>128,750</u>
Total	128,750
Sec. B.917 Transportation - town highway: state aid for nonfederal disasters	
Grants	<u>1,150,000</u>
Total	1,150,000
Source of funds	
Transportation fund	<u>1,150,000</u>
Total	1,150,000
Sec. B.917.1 Transportation - town highway: state aid for federal disasters	
Grants	<u>3,600,000</u>
Total	3,600,000
Source of funds	
Transportation fund	400,000
Federal funds	<u>3,200,000</u>
Total	3,600,000
Sec. B.918 Transportation - municipal mitigation grant program	
Grants	<u>1,262,998</u>
Total	1,262,998
Source of funds	
Transportation fund	247,998
Federal funds	<u>1,015,000</u>
Total	1,262,998
Sec. B.919 Transportation - public assistance grant program	
Grants	<u>66,500,000</u>

Total	66,500,000
Source of funds	
Special funds	3,500,000
Federal funds	<u>63,000,000</u>
Total	66,500,000
Sec. B.920 Transportation board	
Personal services	70,496
Operating expenses	<u>12,504</u>
Total	83,000
Source of funds	
Transportation fund	<u>83,000</u>
Total	83,000
Sec. B.921 Total transportation	658,074,852
Source of funds	
Transportation fund	200,555,081
TIB fund	21,291,382
Special funds	3,500,000
Federal funds	390,536,639
ARRA funds	6,301,953
Internal service funds	18,653,244
Interdepartmental transfers	4,317,197
Local match	2,919,356
TIB proceeds fund	<u>10,000,000</u>
Total	658,074,852
Sec. B.1000 Debt service	
Operating expenses	<u>72,111,263</u>
Total	72,111,263
Source of funds	
General fund	63,667,340
General obligation bonds debt service fund	2,321,565
Transportation fund	2,482,442
TIB debt service fund	1,758,486
Special funds	628,150
ARRA funds	<u>1,253,280</u>
Total	72,111,263
Sec. B.1001 Total debt service	
Source of funds	

General fund	63,667,340
General obligation bonds debt service fund	2,321,565
Transportation fund	2,482,442
TIB debt service fund	1,758,486
Special funds	628,150
ARRA funds	<u>1,253,280</u>
Total	72,111,263

Sec. B. 1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2013, \$4,793,000 is appropriated or transferred from the next generation initiative fund created in 16 V.S.A. § 2887 as prescribed below:

(1) Workforce development. The amount of \$1,863,400 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$1,303,400 is transferred to the Vermont workforce education and training fund created in 10 V.S.A. § 543 and subsequently appropriated to the department of labor for workforce development. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for the Vermont career internship program pursuant to 10 V.S.A. § 544.

(B) Adult Technical Education Programs. The amount of \$360,000 is appropriated to the department of labor working with the workforce development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of \$200,000 is appropriated to the agency of commerce and community development to issue performance grants to the University of Vermont and the Vermont center for emerging technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and next generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of \$330,000 as follows:

(A) Health care loan repayment. The amount of \$300,000 is appropriated to the agency of human services Global Commitment for the department of health to use for health care loan repayment. The department shall use these funds for a grant to the area health education centers (AHEC)

for repayment of commercial or governmental loans for postsecondary health care-related education or training owed by persons living and working in Vermont in the health care field.

(B) Large animal veterinarians' loan forgiveness. The amount of \$30,000 is appropriated to the agency of agriculture, food and markets for a loan forgiveness program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of \$2,544,500 as follows:

(A) Nondegree VSAC grants. The amount of \$494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of \$150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the national guard educational assistance program established in 16 V.S.A. § 2856.

(C) Scholarships. The amount of \$1,500,000 is appropriated to the University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation for need-based scholarships to Vermont residents. These funds shall be divided equally among the University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall reserve these funds for students attending institutions other than the University of Vermont or the Vermont State Colleges. None of these funds shall be used for administrative overhead. Each entity will target these funds in a manner that brings to bear the maximum benefits of its unique missions and constituencies to further the workforce and economic development objectives of the state, participation in postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. By July 1, 2012, each entity will present a plan to the workforce development council (WDC) for deploying the scholarships along with proposed measurable short- and long-term outcomes. This will form the basis for a recommendation for funding in fiscal year 2014.

(D) Dual enrollment programs. The amount of \$400,000 is

appropriated to the Vermont State Colleges for dual enrollment programs. The state colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the state college system when programs at the other institutions are better academically or geographically suited to student need.

(4) Science Technology Engineering and Math (STEM) Incentive. The amount of \$55,100 is appropriated to the agency of commerce and community development for an incentive payment pursuant to Sec. 6 of No. 52 of the Acts of 2011.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2014 NEXT GENERATION FUND DISTRIBUTION

(a) The department of labor, in coordination with the agency of commerce and community development, the agency of human services, and the department of education, and in consultation with the workforce development council, shall recommend to the governor no later than November 1, 2012 how \$4,793,000 from the next generation fund should be allocated or appropriated in fiscal year 2014 to provide maximum benefit to workforce development, participation in postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The department of labor shall actively and publically promote the availability of these funds to eligible entities that have not previously been funded.

Sec. B.1101 ONE-TIME ELECTIONS EXPENSE APPROPRIATION

(a) In fiscal year 2013, there is appropriated to the secretary of state for 2012 primary and general elections:

<u>General fund</u>	<u>\$135,000</u>
<u>Special fund</u>	<u>\$375,000</u>

Sec. B.1102 ONE-TIME UNEMPLOYMENT INSURANCE INTEREST

(a) The amount of \$1,888,385 in general funds is appropriated in fiscal year 2013 to the department of labor for unemployment insurance interest payments to the federal government.

Sec. B.1103 ONE-TIME SERGEANT AT ARMS SECURITY APPROPRIATION

(a) The amount of \$20,000 in general funds is appropriated in fiscal year 2013 to the sergeant at arms for use in the event that unforeseen security is needed in the state house. Any unused portion shall carry forward for use in subsequent years until expended.

Sec. B.1104 ONE-TIME LEGAL AID HOMEOWNER ASSISTANCE APPROPRIATION

(a) The amount of \$300,000 in general funds is appropriated in fiscal year 2013 to the department of banking, insurance, securities, and health care administration – banking to be used to provide a grant to Vermont legal aid to fund legal services for homeowners facing foreclosure.

Sec. B.1105 [DELETED]

Sec. B.1106 ONE-TIME WORKING LANDSCAPE APPROPRIATION

(a) The amount of \$500,000 in general funds is appropriated in fiscal year 2013 to the agency of agriculture, food and markets for direct grants and investments in food and forest systems infrastructure pursuant to 6 V.S.A. § 2966(a)(3), including grants that enable farmers' markets to accept electronic benefit transfer funds and to fund one working landscape staff position in the agency.

Sec. B.1107 ONE-TIME MOBILE HOME AFFORDABILITY AND TECHNICAL ASSISTANCE

(a) The amount of \$650,000 in general funds is appropriated in fiscal year 2013 to the department of economic, housing and community development for purposes described in Sec. 12 of S.99 of the 2012 legislative session.

Sec. B.1200 FISCAL YEAR 2013 PAY ACT APPROPRIATIONS

(a) Executive Branch. The two-year agreements between the state of Vermont and the Vermont State Employees' Association for the defender general, nonmanagement, supervisory, and corrections bargaining units for the period of July 1, 2012 through June 30, 2014; the collective bargaining agreement with the Vermont Troopers' Association for the period of July 1, 2012 through June 30, 2013; and salary increases for employees in the executive branch not covered by the bargaining agreement shall be funded in fiscal year 2013 as follows:

(1) Fiscal Year 2013.

(A) General Fund. The amount of \$11,729,056 is appropriated from the general fund to the secretary of administration for distribution to departments to fund the collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of \$3,400,000 is appropriated from the transportation fund to the secretary of administration for distribution to the agency of transportation, the transportation board, and the department of

public safety to fund collective bargaining agreements and the requirements of this act.

(C) Other funds. The administration shall provide additional spending authority to departments through the existing process of excess receipts to fund collective bargaining agreements and the requirements of this act. The estimated amounts are \$16,236,181 from special fund, federal, and other sources.

(D) With due regard to the possible availability of other funds, for fiscal year 2013, the secretary of administration may transfer from the various appropriations and various funds and from the receipts of the liquor control board such sums as the secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by state funds.

(E) The appropriations authorized by this subsection shall include sufficient funding to ensure the administration of exempt pay plans authorized under 32 V.S.A. § 1020(c).

(b) Judicial Branch.

(1) The chief justice of the Vermont supreme court may extend the provisions of the judiciary's collective bargaining agreement to judiciary employees who are not covered by the bargaining agreement.

(2) The two-year agreements between the state of Vermont and the Vermont State Employees' Association for the judicial bargaining unit for the period of July 1, 2012 through June 30, 2014 and salary increases for employees not covered by the bargaining agreement shall be funded in fiscal year 2013 as follows:

(A) Fiscal Year 2013: General Fund. The amount of \$1,720,000 is appropriated from the general fund to the judiciary to fund the collective bargaining agreement and the requirements of this act.

(c) Legislative Branch. For the period of July 1, 2012 through June 30, 2013, the legislature shall be funded as follows:

(1) Fiscal Year 2013: The amount of \$285,000 is appropriated from the general fund to the legislature.

Sec. BB.1200 FISCAL YEAR 2014 PAY ACT APPROPRIATIONS

(a) Executive Branch. The two-year agreements between the state of Vermont and the Vermont State Employees' Association for the defender general, nonmanagement, supervisory, and corrections bargaining units for the period of July 1, 2012 through June 30, 2014; and salary increases for

employees in the executive branch not covered by the bargaining agreement shall be funded in fiscal year 2014 as follows:

(1) Fiscal Year 2014.

(A) General Fund. The amount of \$7,171,193 is appropriated from the general fund to the secretary of administration for distribution to departments to fund the collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of \$2,200,000 is appropriated from the transportation fund to the secretary of administration for distribution to the agency of transportation, the transportation board, and the department of public safety to fund the collective bargaining agreements and the requirements of this act.

(C) Other funds. The administration shall provide additional spending authority to departments through the existing process of excess receipts to fund the collective bargaining agreements and the requirements of this act. The estimated amounts are \$11,591,844 from special fund, federal, and other sources.

(D) With due regard to the possible availability of other funds, for fiscal year 2014, the secretary of administration may transfer from the various appropriations and various funds and from the receipts of the liquor control board such sums as the secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by state funds.

(E) The appropriations authorized by this subsection shall include sufficient funding to ensure the administration of exempt pay plans authorized under 32 V.S.A. § 1020(c).

(b) Judicial Branch.

(1) The chief justice of the Vermont supreme court may extend the provisions of the judiciary's collective bargaining agreement to judiciary employees who are not covered by the bargaining agreement.

(2) The two-year agreements between the state of Vermont and the Vermont State Employees' Association for the judicial bargaining unit for the period of July 1, 2012 through June 30, 2014 and salary increases for employees not covered by the bargaining agreement shall be funded in fiscal year 2014 as follows:

(A) Fiscal Year 2014: General Fund. The amount of \$893,972 is appropriated from the general fund to the judiciary to fund the collective bargaining agreement and the requirements of this act.

(c) Legislative Branch. For the period of July 1, 2013 through June 30, 2014, the legislature shall be funded as follows:

(1) Fiscal Year 2014. The amount of \$180,000 is appropriated from the general fund to the legislature.

Sec. C. 100 Sec. B.306 of No. 63 of the Acts of 2011, as amended by Sec. 16 of No. 75 of the Acts of the 2011 Adj. Sess. (2012), is further amended to read:

Sec. B.306 Department of Vermont health access - administration

Personal services	<u>86,056,056</u>	81,496,056
Operating expenses	<u>(1,759,604)</u>	2,800,396
Grants	<u>7,604,073</u>	<u>7,604,073</u>
Total	91,900,525	91,900,525
Source of funds		
General fund	489,014	489,014
Special funds	1,579,123	1,579,123
Federal funds	39,064,279	39,064,279
ARRA funds	2,505,044	2,505,044
Global Commitment fund	44,185,948	44,185,948
Interdepartmental transfers	<u>4,077,117</u>	<u>4,077,117</u>
Total	91,900,525	91,900,525

Sec. C.101 Sec. B.307 of No. 63 of the Acts of 2011, as amended by Sec. 17 of No. 75 of the Acts of the 2011 Adj. Sess. (2012) is amended to read:

Sec. B.307 Department of Vermont health access - Medicaid program - global commitment

Grants	<u>638,970,335</u>	<u>631,851,208</u>
Total	<u>638,970,335</u>	631,851,208
Source of funds		
Global Commitment fund	<u>638,970,335</u>	<u>631,851,208</u>
Total	<u>638,970,335</u>	631,851,208

Sec. C.103. 30 V.S.A. § 218 is amended to read:

§ 218. JURISDICTION OVER CHARGES AND RATES

(a) When, after opportunity for hearing, the rates, tolls, charges, or schedules are found unjust, unreasonable, insufficient, or unjustly discriminatory, or are found to be preferential or otherwise in violation of a

provision of this chapter, the board may order and substitute therefor such rates, tolls, charges, or schedules, and make such changes in any regulations, measurements, practices, or acts of such company relating to its service, and may make such order as will compel the furnishing of such adequate service as shall at such hearing be found by it to be just and reasonable. This section shall not be construed to require the same rates, tolls or charges from any company subject to supervision under this chapter for like service in different parts of the state, but the board in determining these questions shall investigate local conditions and its final findings and judgment shall take cognizance thereof. This section does not prohibit a telecommunications company from filing tariffs that condition the availability of an intrastate service upon subscription to an interstate or unregulated service from the same or an affiliated company; provided that an incumbent local exchange carrier shall provide a plan to allocate reasonably revenue between the regulated intrastate service and other services. The board shall retain the authority to review the tariff filing to determine whether it is just and reasonable.

* * *

(h) When the public service board has authorized an increase in rates expressly to prevent the bankruptcy or financial instability of a utility, any excess rates incurred above what ordinarily would have been incurred under a traditional cost-of-service methodology shall be returned to ratepayers in the form of a credit or refund, in a manner to be determined by the board, and shall not be recoverable in future rates charged to ratepayers.

Sec. C.200 18 V.S.A. § 1130(b)(1) is amended to read:

(b)(1) The department of health shall establish an immunization pilot program with the ultimate goal of ensuring universal access to vaccines for all Vermonters at no charge to the individual and to reduce the cost at which the state may purchase vaccines. The pilot program shall be in effect from January 1, 2010, through December 31, ~~2012~~ 2014. During the term of the pilot program, the department shall purchase, provide for the distribution of, and monitor the use of vaccines as provided for in this subsection and subsection (c) of this section. The cost of the vaccines and an administrative surcharge shall be reimbursed by health insurers as provided for in subsections (e) and (f) of this section.

Sec. C.201 POTENTIAL PROPERTY VALUATION LOSS; CURRENT HOMEOWNERS

(a) Due to the extreme emergency circumstances created by Tropical Storm Irene and the emergency need for additional hospital beds, the department of

mental health is developing a temporary hospital in Morrisville. Any current homeowner whose property abuts the temporary Morrisville facility, identified by the commissioner of mental health and licensed by the department of health to provide acute inpatient services, who sells at a loss his or her principal residence, as defined in 32 V.S.A. § 10002a(a), as a result of the temporary facility's operations shall be compensated for that loss. The valuation of the loss shall be determined by an independent assessor paid for by the department and cannot exceed 25 percent of the appraised value. Any compensation under this section shall be paid for from the budget of the department of mental health. The department of mental health shall inform the general assembly of any costs incurred and shall present any offsetting budgetary need as part of the budget adjustment process. The department shall explore utilization of Federal Emergency Management Agency (FEMA) funds, Global Commitment, or other matching resources in making these payments.

Sec. C.202 ONE-TIME APPROPRIATION FOR FEDERAL FUNDS REDUCTION

(a) The amount of \$5,100,000 general fund is appropriated in fiscal year 2012 to the secretary of administration, to be reserved pending emergency board action to allocate these funds to offset reduced federal funding. Pursuant to 32 V.S.A. § 706, the emergency board is authorized to allocate and transfer, to the extent necessary, this appropriation to offset the loss of federal funds.

Sec. C.203 Sec. D.101(b) of No. 63 of the Acts of 2011 as amended by Sec. 72a of No. 75 of the Acts of the 2011 Adj. Sess. (2012), is further amended to read:

(b) The amount of ~~\$37,983,264~~ \$43,083,264 is unreserved and made available for expenditure in fiscal year 2012 from the human services caseload reserve created by 32 V.S.A. § 308b.

Sec. C.204 GRANTS FROM FISCAL YEAR 2012 WORKFORCE EDUCATION AND TRAINING FUNDS

(a) Of the amounts remaining in the workforce education and training fund allocated to the Vermont department of labor in fiscal year 2012, the commissioner is authorized to allocate:

(1) The amount of \$100,000 in grant funding in coordination with the agency of human services to support professional development opportunities for Vermont workers in early childhood education and afterschool programs that are designed to improve the workers' knowledge, skills, and career opportunities, including innovative programs of competency-based education, training, apprenticeship, and mentoring.

(2) The amount of \$148,000 for statewide emergency medical services training by a grant to the University of Vermont rural emergency medical services program for the purpose of offering 50-percent tuition assistance to students enrolled in the paramedic level training program.

(3) Of any remaining unobligated funds, an amount up to \$75,000 shall be used for projects in southeastern Vermont that will provide economic incentives for skill development and training opportunity, to employees in communities that suffered adverse economic impact from Tropical Storm Irene.

Sec. C.205 Sec. 73 of No. 75 of the Acts of the 2011 Adj. Sess. (2012) is amended to read:

Sec. 73. FISCAL YEAR 2012 GENERAL FUND REVENUE ESTIMATE AND GENERAL FUND BALANCE

~~(a) Any increase in the January 2012 emergency board fiscal year 2012 general fund revenue estimate above the July 21, 2011 estimate shall be reserved in the human services caseload reserve, and any decrease in the estimate shall be unreserved from the human services caseload reserve established in 32 V.S.A. § 308b.~~

~~(b) At the end of fiscal year 2012, notwithstanding subsection (a) of this section and notwithstanding 32 V.S.A. §§ 308c and 308d, after the general fund budget stabilization reserve attains its statutory maximum, up to \$15,000,000 of any additional unreserved and undesignated general fund balance shall be appropriated to the secretary of administration to be reserved for transfer upon approval of the emergency board to the department of buildings and general services for pending state building projects that are a direct result of the impact of damage to state properties from Tropical Storm Irene or to the emergency relief and assistance fund for state and local match for Federal Emergency Management Agency (FEMA) funds. The secretary shall provide a quarterly report to the house and senate committees on appropriations and to the house committee on corrections and institutions and the senate committee on institutions on any funds that are available under this provision and on funds obligated and expended from the available funds. Any remaining balance shall be deposited into the human services caseload reserve established in 32 V.S.A. § 308b to be used for caseload costs, offsets to federal funding changes, or related human service expenditures in fiscal year 2013.~~

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of \$582,000 is appropriated from the property valuation and review administration special fund to the department of taxes for administration of the use tax reimbursement program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$582,000 from the property transfer tax that are deposited into the property valuation and review administration special fund shall be transferred into the general fund.

(2) The sum of \$13,688,640 is appropriated from the Vermont housing and conservation trust fund to the Vermont housing and conservation trust board. Notwithstanding 10 V.S.A. § 312, amounts above \$13,688,640 from the property transfer tax that are deposited into the Vermont housing and conservation trust fund shall be transferred into the general fund.

(3) The sum of \$3,295,476 is appropriated from the municipal and regional planning fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,295,476 from the property transfer tax that are deposited into the municipal and regional planning fund shall be transferred into the general fund. The \$3,295,476 shall be allocated as follows:

(A) \$2,508,076 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$408,700 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$378,700 to the Vermont center for geographic information.

Sec. D.101 FUND TRANSFERS AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) from the general fund to the:

(A) communications and information technology internal service fund established by 22 V.S.A. § 902a: \$900,000.

(B) next generation initiative fund established by 16 V.S.A. § 2887: \$4,793,000.

(C) facilities operations fund established in 29 V.S.A. § 160a: \$3,024,189.

(2) from the transportation fund to the downtown transportation and related capital improvement fund established by 24 V.S.A. § 2796 to be used by the Vermont downtown development board for the purposes of the fund: \$383,966.

(3) from the transportation infrastructure bond fund established by 19 V.S.A. § 11f to the transportation infrastructure bonds debt service fund for the purpose of funding fiscal year 2014 transportation infrastructure bonds debt service: \$1,764,213.

Sec. D.102 32 V.S.A. § 308c is amended to read:

§ 308c. GENERAL FUND AND TRANSPORTATION FUND SURPLUS
BALANCE RESERVES

(a) There is hereby created within the general fund a general fund surplus balance reserve, also known as the “rainy day reserve.” After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year general fund surplus not to exceed one percent of the appropriations from the general fund for the prior fiscal year shall be reserved in the general fund surplus balance reserve. The general fund balance reserve shall not exceed five percent of the appropriations from the general fund for the prior fiscal year without legislative authorization. Monies from this reserve shall be available for appropriation by the general assembly.

(1) The emergency board shall, at the end of fiscal year 2013 and at the end of any following fiscal year, determine at its July meeting the amount of available general funds that is greater than the amount of forecast available general funds most recently adopted by the board for fiscal year 2013 or in any subsequent fiscal year.

(2) Of the amount added to the general fund balance reserve each year, to the extent available, one-half of the amount identified in subdivision (1) is hereby appropriated in the fiscal year just concluded for deposit in the supplemental property tax relief fund established by 32 V.S.A. § 6075. If the amount added to the general fund balance reserve is insufficient to support both the appropriation in this subdivision and the appropriation in subdivision (3), the appropriation in this subdivision shall take precedence.

(3) Of the amount added to the general fund balance reserve each year, to the extent available, one-quarter of the amount identified in subdivision (1) is hereby appropriated in the fiscal year just concluded to the secretary of administration to be used only upon emergency board action to transfer these funds to appropriations to offset reduced federal funding.

(b) There is hereby created within the transportation fund a transportation fund ~~surplus~~ balance reserve. After satisfying the requirements of section 308a of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year transportation fund surplus shall be reserved in the transportation fund ~~surplus~~ balance reserve. Monies from this reserve shall be available for appropriation by the general assembly.

(c) In any fiscal year, if the general assembly determines there are insufficient revenues to fund expenditures for the operation of state government at a level the general assembly finds prudent and required, it may specifically appropriate the use of the general fund and transportation fund balance reserves to compensate for a reduction of revenues or fund such unforeseen or emergency needs as the general assembly may determine.

(d) Determination of the amounts of the general fund and transportation fund balance reserves shall be made by the commissioner of finance and management and reported, along with the amounts appropriated pursuant to subsection (a) of this section, to the legislative joint fiscal committee at its first meeting following September 1 of each year.

Sec. D.103 32 V.S.A. § 6075 is added to read:

§ 6075. SUPPLEMENTAL PROPERTY TAX RELIEF FUND

(a) There is created a special fund to be called the “supplemental property tax relief fund.” The purpose of the fund is to provide education property tax relief to homestead taxpayers who file homestead declarations under section 5410 of this title. The fund shall be administered by the commissioner of taxes. The fund shall consist of receipts from subdivision 308c(a)(2) of this title.

(b) Annually, on or by October 1, the commissioner shall determine the balance in the fund and the total number of homestead owners who have filed a homestead declaration under section 5410 of this title. The commissioner shall divide the balance in the fund by the total number of homestead owners who have filed a homestead declaration under section 5410 of this title. If the amount determined by the commissioner in the preceding sentence is greater than \$30.00, the commissioner shall send that amount to each homestead owner who has filed a homestead declaration under section 5410 of this title. Except as provided in this subsection, the commissioner shall not disburse any moneys from the fund.

Sec. D.103.1 REPEAL

(a) 32 V.S.A. § 308c(a)(2) (appropriation and deposit in the supplemental

property tax relief fund) is repealed January 1, 2018.

(b) 32 V.S.A. § 6075 (supplemental property tax relief fund) is repealed January 1, 2018.

(c) 32 V.S.A. § 308d (revenue shortfall reserve; creation and purpose) is repealed.

Sec. D.103.2 TRANSITIONAL PROVISIONS

(a) Upon repeal of 32 V.S.A. § 308d, the balance in the revenue shortfall reserve shall be transferred to the general fund balance (“rainy day”) reserve created in 32 V.S.A. § 308c(a).

(b) The additions to the general fund balance reserve in fiscal year 2013 due to Sec.D.109(b) of this act and subsection (a) of this section shall not be considered as part of “the amount added to the general fund balance reserve” for purposes of 32 V.S.A. § 308c(a).

Sec. D.104 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2012 in the tobacco litigation settlement fund shall remain for appropriation in fiscal year 2013.

Sec. D.105 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the tobacco trust fund at the end of fiscal year 2013 and any additional amount necessary to ensure the balance in the tobacco litigation settlement fund at the close of fiscal year 2013 is not negative shall be transferred from the tobacco trust fund to the tobacco litigation settlement fund in fiscal year 2013.

Sec. D.106 [DELETED]

Sec. D.107 TRANSFER OF NATIONAL MORTGAGE FORECLOSURE SETTLEMENT FUNDS

(a) Any funds received in fiscal year 2012 or 2013 from the national mortgage foreclosure settlement that are deposited into the fees and reimbursement special fund (#21638) in the office of the attorney general shall be transferred to the general fund except for any amount the settlement may require to be directed to the department of banking, insurance, securities, and health care administration.

Sec. D.108 FOURTH QUARTER FISCAL YEAR 2013 TRANSFERS AND APPROPRIATIONS

(a) The following general fund transfers and appropriations are authorized effective May 1, 2013. Prior to these transfers and appropriations, the secretary of administration and the commissioner of finance and management shall make findings that the transfers do not create a projected negative balance in the general fund and reduce the reserve position anticipated for the close of fiscal year 2013.

(1) Transferred and appropriated to the education fund: \$2,100,000.

(2) Transferred to the clean energy development fund: \$3,000,000.

(3) Appropriated to the Vermont State Colleges, subject to the approval of the secretary of administration to provide funding for a Brattleboro community college facility. To the extent this appropriation is made the bond proceeds dedicated for this purpose in H.785 will be reduced: \$1,475,000.

(b) This section is contingent on passage of amendments to 32 V.S.A. § 5402a or 32 V.S.A. § 8661 as part of H.782 of the 2012 legislative session.

Sec D.108.1 FISCAL YEAR 2014 TRANSFERS AND REVERSIONS

(a) It is the intent that in fiscal year 2014 and in future years, the general assembly will make transfers as identified in Sec. D.108(a)(1) and (2) of this act in amounts equal to or greater than in fiscal year 2013 and in fiscal year 2014 \$3,000,000 is reserved for possible transfer to the state insurance liability fund.

Sec. D.109 FISCAL YEAR 2013 CASELOAD RESERVE UTILIZATION

(a) The amount of \$16,160,000 is unreserved and made available for expenditure in fiscal year 2013 from the human services caseload reserve created by 32 V.S.A. § 308b.

(b) In fiscal year 2013, any remaining balance in the human service caseload reserve shall be transferred to the general fund balance ("rainy day") reserve established in 32 V.S.A. § 308c(a).

* * * GENERAL GOVERNMENT * * *

Sec. E.100 FEDERAL EMERGENCY MANAGEMENT AGENCY REPORTING AND OVERSIGHT

(a) The secretary of administration shall report to the joint fiscal committee at each of its scheduled meetings in fiscal year 2013 on funding received from the Federal Emergency Management Agency (FEMA) Public Assistance Program and associated emergency relief and assistance funds match for the damages due to Tropical Storm Irene. The report shall include:

(1) a projection of the total funding needs for the FEMA Public Assistance Program and to the extent possible, detail about the projected funding by state agency or municipality;

(2) spending authority (appropriated and excess receipts) granted to date for the FEMA Public Assistance Program and the associated emergency relief and assistance funds match; and

(3) actual expenditures to date made from the spending authority granted and to the extent possible, detail about the expended funds by state agency or municipality.

(b) Reports shall be posted on the legislative and administration websites after submission.

Sec. E.100.1 32 V.S.A. § 306a is added to read:

§ 306a. PURPOSE OF THE STATE BUDGET

(a) Purpose of the State Budget. The state budget, consistent with Article 7 of Vermont's constitution, should "be instituted for the common benefit, protection, and security of the people, nation, or community..." The state budget should be designed to address the needs of the people of Vermont in a way that advances human dignity and equity.

(b) Spending and revenue policies will seek to promote economic well being among the people of Vermont, and foster a vibrant economy. Integral to achieving the purpose of the state budget is continuous evaluation of the raising and spending of public funds by systems of outcome measurement based on indicators that measure success in accomplishing the purposes of the state budget.

(c) Spending and revenue policies will reflect the public policy goals established in state law and recognize every person's need for health, housing, dignified work, education, food, social security, and a healthy environment.

(d) As consistent with state law and in conjunction with the federal government, the budget will reflect support for economic development, public safety, transportation and other infrastructure needs.

(e) Revenue measures shall also be based on the principles of sustainability and stability. The Administration shall develop budget and revenue proposals as part of a transparent and accountable process with direct and meaningful participation from Vermont residents.

Sec. E.100.2 PURPOSE OF THE STATE BUDGET

(a) Public participation. The administration will develop a process for public participation in the development of budget goals, as well as general prioritization and evaluation of spending and revenue initiatives. This process shall begin by October 1, 2012.

(b) Current services. The administration shall develop and publish annually for public review as part of the budget submission process a current services budget, providing the public with an estimate of what the current level of services is projected to cost in the next fiscal year. The initial current services budget shall be submitted with the administration's fiscal year 2014 budget proposal.

Sec. E.101 Information and innovation – communications and information technology

(a) Of this appropriation, \$700,000 is for a grant to the Vermont telecommunications authority established in 30 V.S.A. § 8061, and \$200,000 is for a grant from the department of information and innovation to the secretary of administration's office to support the telecommunications infrastructure.

(b) The commissioner shall work with relevant departments of state government on the server consolidation project, as described in the January 9, 2010 "State of Vermont IT Assessment Recommendations" report by TPI, Inc. Although no appreciable savings were realized in fiscal year 2012, the pursuit of server consolidation should continue with the objective of reducing the cost of providing information technology services.

Sec. E.101.1 3 V.S.A. § 2222 is amended to read:

§ 2222. POWERS AND DUTIES; BUDGET AND REPORT

(a) In addition to the duties expressly set forth elsewhere by law the secretary shall:

* * *

(9) Submit to the general assembly concurrent with the governor's annual budget request required under 32 V.S.A. § 306, a strategic plan for information technology which outlines the significant deviations from the previous year's information technology plan, and which details the plans for information technology activities of state government for the following fiscal year as well as the administration's financing recommendations for these activities. All such plans shall be reviewed and approved by the ~~commissioner of information and innovation~~ state chief information officer prior to being included in the governor's annual budget request. The plan shall identify the proposed sources of funds for each project identified. The plan shall also

contain a review of the state's information technology and an identification of priority projects by agency. The plan shall include, for any proposed information technology activity with a cost in excess of \$100,000.00:

* * *

(B) the cost savings ~~and/or~~ and any service delivery improvements which will accrue to the public or to state government;

* * *

(10) The secretary shall annually submit to the general assembly a five-year information technology plan which indicates the anticipated information technology activities of the legislative, executive, and judicial branches of state government. For purposes of this section, "information technology activities" shall mean:

* * *

(B) the design, construction, purchase, installation, maintenance, or operation of systems, including ~~both~~ hardware ~~and~~, software, and services which perform or are contracted under Administrative Bulletin 3.5 to perform these activities.

* * *

(g)(1) The secretary of administration shall obtain independent expert review of any recommendation for any information technology activity initiated after July 1, 1996, as information technology activity is defined by subdivision (a)(10) of this section, when its total cost is \$500,000.00 or greater or when required by the state chief information officer. Documentation of ~~such~~ this independent review shall be included when plans are submitted for review pursuant to subdivisions (a)(9) and (10) of this section. The independent review shall include:

- (A) an acquisition cost assessment;
- (B) a technology architecture review;
- (C) an implementation plan assessment;
- (D) a cost analysis and a model for benefit analysis; and
- (E) a procurement negotiation advisory services contract.

(2) The secretary of administration may assess the costs of ~~such reviews~~ any review to the ~~departments~~ entity making the information technology recommendations.

* * *

Sec. E.101.2 22 V.S.A. § 901 is amended to read:

§ 901. DEPARTMENT OF INFORMATION AND INNOVATION

The department of information and innovation, created in 3 V.S.A. § 2283b, shall have all the responsibilities assigned to it by law, including the following:

* * *

(2) to manage ~~GOVnet~~ wide-area network connectivity within state government;

* * *

(4)(A) to review and approve information technology activities ~~in all departments within state government~~ with a cost in excess of \$100,000.00, and annually submit to the general assembly a strategic plan and a budget for information technology as required of the secretary of administration by 3 V.S.A. § 2222(a)(9). For purposes of this section, “information technology activities” is defined in 3 V.S.A. § 2222(a)(10);

(B) to provide oversight, monitoring, and control of information technology activities within state government with a cost in excess of \$100,000.00. The cost of the oversight, monitoring, and control shall be assessed to the entity requesting the activity;

(C) to review and approve in accordance with agency of administration policies the assignment of appropriate project managers for information technology activities within state government with a cost in excess of \$100,000.00; and

(D) to provide standards for the management, organization, and tracking of information technology activities within state government with a cost in excess of \$100,000.00;

* * *

(11) to provide technical support and services to the departments of human resources and of finance and management for the statewide central accounting and encumbrance system, the statewide budget development system, the statewide human resources management system, and other agency of administration systems as may be assigned by the secretary;

(12) to review and approve in accordance with agency of administration policies all new information technology position requests and new information technology classifications within state government.

Sec. E.102 32 V.S.A. § 6(b) is amended to read:

(b) Requests for federal funds shall include a specific request for reimbursement of indirect costs. Awards of statewide indirect costs will be deposited into the general fund except statewide indirect costs will be deposited into the transportation fund for costs recovered by the agency of transportation. The commissioner of finance and management may authorize departments to retain recovered indirect cost receipts.

Sec. E.109 Buildings and general services – engineering

(a) The \$2,433,490 interdepartmental transfer in this appropriation shall be from the general bond fund appropriation in the Capital Appropriations Act of the 2012 session.

Sec. E.110 REPEAL

(a) 19 V.S.A. § 41 (funding for rest areas, information centers, and welcome centers from the general fund) is repealed.

Sec. E.124 Legislative council

(a) Notwithstanding any other provision of law, from the fiscal year 2012 funds appropriated to the legislative council and carried forward into fiscal year 2013, the amount of \$55,000 shall revert to the general fund.

Sec. E.125 Legislature

(a) Notwithstanding any other provision of law, from the fiscal year 2012 funds appropriated to the legislature and carried forward into fiscal year 2013, the amount of \$503,000 shall revert to the general fund.

Sec. E.125.1 4 V.S.A. § 601(c) is amended to read:

(c) ~~The members of the judicial nominating board shall be entitled to compensation of \$30.00 a day for the time spent in the performance of their duties, and reimbursement for their actual and necessary expenses incurred in the performance of their duties~~ Legislative members of the board shall be entitled to per diem compensation and reimbursement for expenses in accordance with 2 V.S.A. § 406. Members of the board who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement for expenses in the same manner as board members are compensated under 32 V.S.A. § 1010. All compensation and reimbursement shall be paid from the legislative appropriation.

Sec. E.125.2 REPEAL

(a) 4 V.S.A. § 606 (expenses of board; payment) is repealed.

Sec. E.126 Legislative information technology

(a) Notwithstanding any other provision of law, from the fiscal year 2012 funds appropriated for legislative information technology and carried forward into fiscal year 2013, the amount of \$5,000 shall revert to the general fund.

Sec. E.127 Joint fiscal committee

(a) Notwithstanding any other provision of law, from the fiscal year 2012 funds appropriated to the joint fiscal committee and carried forward into fiscal year 2013, the amount of \$10,000 shall revert to the general fund.

Sec. E.128 Sergeant at arms

(a) Notwithstanding any other provision of law, from the fiscal year 2012 funds appropriated to the sergeant at arms and carried forward into fiscal year 2013, the amount of \$95,000 shall revert to the general fund.

Sec. E.132 27 V.S.A. § 1253(a) is amended to read:

(a) All funds received under this chapter, including the proceeds from the sale of unclaimed property under section 1252 of this title, shall forthwith be received by the treasurer, except that the treasurer shall retain in a separate fund an amount not exceeding \$100,000.00 or ~~50~~ 55 percent of the funds received during the previous year, whichever is greater, from which he or she shall make prompt payment of claims duly allowed by him or her as provided in this section. The treasurer shall record the name and last known address of each owner appearing on the holder's reports and the names and last known address of each insured person or annuitant and beneficiary, and with respect to each policy or annuity listed in the report of an insurance company its number, the name of the company, and the amount due. The record shall be available for public inspection at all reasonable hours.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2013, investment fees shall be paid from the corpus of the fund.

Sec. E.134 MUNICIPAL EMPLOYEES RETIREMENT

(a) Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period July 1, 2012 through June 30, 2013, contributions shall be made by group A members at the rate of 2.5 percent of earnable compensation, by group B members at the rate of 4.5 percent of earnable compensation, and by group C members at the rate of 9.25 percent of earnable compensation.

Sec. E.141 Lottery commission

(a) Of this appropriation, the lottery commission shall transfer \$150,000 to the department of health, office of alcohol and drug abuse programs, to support the gambling addiction program.

(b) The Vermont state lottery shall provide assistance and work with the Vermont council on problem gambling on systems and program development.

(c) The lottery commission shall study the option of allowing the sale of lottery tickets online. The study shall examine how the online system would be administered, the fiscal impact of allowing lottery tickets to be sold online, and any other relevant issues. The commission shall report its findings and any recommendations to the house committee on general, housing and military affairs and the senate committee on economic development, housing and general affairs by January 15, 2013.

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for state payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act.

Sec. E.142.1 32 V.S.A. § 4967 is amended to read:

§ 4967. TRANSMISSION OF TAXES TO DIRECTOR AND CREDIT TO SPECIAL FUND

(a) All moneys received by supervisors in the collection of taxes or otherwise in the performance of their official duties, except fees, shall be paid by them to the director quarterly, on the first Tuesday in February, May, August, and November. Such director shall keep separate accounts of the moneys so received by him or her from the respective supervisors department of finance and management to be credited to special fund accounts, which are hereby established.

(b) Revenues collected pursuant to this section shall be disbursed based on warrants authorized by the commissioner of finance and management under the authority granted by section 461 of this title, and shall be expended consistent with the budgets adopted pursuant to subsections 4961(b) and (c) of this title.

Sec. E.143 Payments in lieu of taxes – Montpelier

(a) Payments in lieu of taxes under this section shall be paid from the PILOT special fund under 32 V.S.A. § 3709.

Sec. E.144 Payments in lieu of taxes – correctional facilities

(a) Payments in lieu of taxes under this section shall be paid from the PILOT special fund under 32 V.S.A. § 3709.

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the office of the attorney general, Medicaid fraud and residential abuse unit, is authorized to retain, subject to appropriation, one-half of the state share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the state share of restitution to the Medicaid program. All such designated additional recoveries retained shall be used to finance Medicaid fraud and residential abuse unit activities.

(b) Of the revenue available to the attorney general under 9 V.S.A. § 2458(b)(4), \$725,000 is appropriated in Sec. B.200 of this act.

Sec. E.202 Defender general – public defense

(a) The establishment of one (1) new exempt position – Staff Attorney I – is authorized in fiscal year 2013.

Sec. E.205 State’s attorneys

(a) Notwithstanding any provision of law to the contrary, within the appropriations to the state’s attorneys contained in this act, the executive director of the department of state’s attorneys shall allocate funds so that by August 1, 2012, deputy state’s attorneys are at the correct step for length of service.

Sec. E.208 Public safety – administration

(a) Of the funds appropriated to the department of public safety, \$25,000 shall be used to make a grant to the Essex County sheriff’s department for a performance-based contract to provide law enforcement service activities agreed upon by both the commissioner of public safety and the sheriff.

Sec. E.209 Public safety – state police

(a) Of this appropriation, \$35,000 in special funds shall be available for snowmobile law enforcement activities and \$35,000 in general funds shall be available to the southern Vermont wilderness search and rescue team, which comprises state police, the department of fish and wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of the \$255,000 allocated for grants funded in this section, \$190,000 shall be used by the Vermont drug task force to fund three town task force

officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any additional available funds shall remain as a “pool” available to local and county law enforcement to fund overtime costs associated with drug investigations. Any unexpended funds from prior fiscal years’ allocations under this section shall be carried forward. These funds are in addition to funds provided in Sec. 9 of S.226 of the 2012 legislative session for the mobile enforcement team created in Sec. 6 of S.226 of the 2012 legislative session and shall be used in coordination with the mobile enforcement team.

Sec. E.210 Public safety – criminal justice services

(a) Of this appropriation, \$126,000 is to support the costs of two (2) civilian computer forensics analyst positions.

Sec. E.212 Public safety – fire safety

(a) Of this general fund appropriation, \$55,000 shall be granted to the Vermont rural fire protection task force for the purpose of designing dry hydrants.

Sec. E.214 Public safety – emergency management – radiological emergency response plan

(a) Of this special fund appropriation, up to \$30,000 shall be available to contract with any radio station serving the emergency planning zone for the emergency alert system.

Sec. E.215 Military – administration

(a) The amount of \$250,000 shall be disbursed to the Vermont Student Assistance Corporation for the national guard educational assistance program established in 16 V.S.A. § 2856. Of this amount, \$100,000 shall be general funds from this appropriation, and \$150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

Sec. E.219 Military – veterans’ affairs

(a) Of this appropriation, \$5,000 shall be used for continuation of the Vermont medal program, \$4,800 shall be used for the expenses of the governor’s veterans’ advisory council, \$7,500 shall be used for the Veterans’ Day parade, \$5,000 shall be granted to the Vermont state council of the Vietnam Veterans of America to fund the service officer program, and \$5,000 shall be used for the military, family, and community network.

Sec. E.220 Center for crime victims' services

(a) Of this appropriation, the amount of \$806,195 from the domestic and sexual violence special fund created by 13 V.S.A. § 5360 is appropriated for the Vermont network against domestic and sexual violence. Expenditures from the domestic and sexual violence special fund shall not exceed revenues.

(b) The unexpended amounts derived from the \$10 and \$20 increases as specified in Sec. E.220(a) of No. 63 of the Acts of 2011 shall be transferred to the domestic and sexual violence special fund created by 13 V.S.A. § 5360.

Sec. E.220.1 13 V.S.A. § 5360 is added to read:

§ 5360. DOMESTIC AND SEXUAL VIOLENCE SPECIAL FUND

A domestic and sexual violence special fund is established, to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5 and administered by the center for crime victims services created in section 5361 of this title. The revenues of the fund shall consist of that portion of the additional surcharge on penalties and fines imposed by section 7282 of this title deposited in the domestic and sexual violence special fund and that portion of the town clerks' fee for issuing and recording civil marriage or civil union licenses in 32 V.S.A. § 1712(1) deposited in the domestic and sexual violence special fund. The fund may be expended by the center for crime victims services for budgeted grants to the Vermont network against domestic and sexual violence and for the criminal justice training council position dedicated to domestic violence training, pursuant to 20 V.S.A. § 2365(c).

Sec. E.220.2 13 V.S.A. § 7282(a) is amended to read:

(a) In addition to any penalty or fine imposed by the court or judicial bureau for a criminal offense or any civil penalty imposed for a traffic violation, including any violation of a fish and wildlife statute or regulation, violation of a motor vehicle statute, or violation of any local ordinance relating to the operation of a motor vehicle, except violations relating to seat belts and child restraints and ordinances relating to parking violations, the clerk of the court or judicial bureau shall levy an additional surcharge of:

* * *

(8)(A) For any offense or violation committed after June 30, 2006, but before July 1, 2008, \$26.00, of which \$18.75 shall be deposited in the victims' compensation special fund.

(B) For any offense or violation committed after June 30, 2008, \$36.00, of which \$28.75 shall be deposited in the victims' compensation special fund.

(C) For any offense or violation committed after June 30, 2009, \$41.00, of which ~~\$33.75~~ \$23.75 shall be deposited in the victims' compensation special fund created by section 5359 of this title, and of which \$10.00 shall be deposited in the domestic and sexual violence special fund created by section 5360 of this title.

Sec. E.220.3 32 V.S.A. § 1712 is amended to read:

§ 1712. TOWN CLERKS

Town clerks shall receive the following fees in the matter of vital registration:

(1) For issuing and recording a civil marriage or civil union license, \$45.00 to be paid by the applicant, \$10.00 of which sum shall be retained by the town clerk as a fee, \$20.00 of which shall be deposited in the ~~victims' compensation~~ domestic and sexual violence special fund created by 13 V.S.A. § 5360, and \$15.00 of which sum shall be paid by the town clerk to the state treasurer in a return filed quarterly upon forms furnished by the state treasurer and specifying all fees received by him or her during the quarter. Such quarterly period shall be as of the first day of January, April, July, and October.

* * *

Sec. E.220.4 20 V.S.A. § 2365(c) is amended to read:

(c) The Vermont police academy shall employ a domestic violence trainer for the sole purpose of training Vermont law enforcement and related practitioners on issues related to domestic violence. Funding for this position shall be transferred by the center for crime victims services from the ~~victims' compensation~~ domestic and sexual violence special fund created by 13 V.S.A. § 5359 5360.

Sec. E.222 Agriculture, food and markets – administration

(a) The establishment of two (2) new classified positions – one (1) Program Services Clerk and one (1) Systems Developer I – is authorized in fiscal year 2013.

(b) Notwithstanding any other provision of law, from the fiscal year 2012 funds appropriated to the agency of agriculture, food and markets for the Two

Plus Two Program and carried forward into fiscal year 2013, the amount of \$25,000 shall revert to the general fund.

Sec. E.223 Agriculture, food and markets – food safety and consumer protection

(a) The establishment of one (1) classified position – Dairy Product Specialist II – is authorized in fiscal year 2013.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) The establishment of one (1) limited service classified position – Senior Agricultural Development Specialist – is authorized in fiscal year 2013.

Sec. E.231 Banking, insurance, securities, and health care administration – health care administration

(a) The department of banking, insurance, securities, and health care administration (BISHCA) shall use the Global Commitment funds appropriated in this section for the health care administration division and the insurance division for the purpose of funding certain health-care-related BISHCA programs, projects, and activities to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.232 Secretary of state

(a) Of this special fund appropriation, \$492,991 represents the corporation division of the secretary of state's office, and these funds shall be from the securities regulation and supervision fund in accordance with 9 V.S.A. § 5613(b).

Sec. E.233 30 V.S.A. § 211(c) is added to read:

(c) An enterprise fund is established in the department of public service to consist of revenues from the resale of power and to support the activities authorized in sections 211, 212, and 212a of this title. Balances shall remain in the fund at the end of each fiscal year, and the fund shall be appropriated and expended in accordance with 32 V.S.A. § 462(b). These monies shall not be available to meet the general obligations of the state.

* * * HUMAN SERVICES * * *

Sec. E.300 Agency of human services – secretary's office

(a) The establishment of seven (7) new classified positions – two (2) Systems Developer II, one (1) Senior Systems Developer, one (1) Enterprise Business Analyst, two (2) Systems Manager – is authorized in fiscal year Developer III, and one (1) Project 2013.

Sec. E 300.1 REIMBURSEMENT RATES FOR SERVICE PROVIDERS

(a) The agency shall provide an inventory of the payment rates for various community service providers in the area of child welfare, including PNMI, child development, substance abuse, and long-term care services. The inventory shall list the types of programs, including residential programs and methods of reimbursement, including those subject to rate setting by provider type, as well as the most recent base year utilized for market or cost-based reimbursement methodologies. A list of rates paid to out-of-state residential providers and the methodology used to determine the rates shall also be included. This inventory shall be reported to the house and senate committees on appropriations by January 1, 2013 and shall include any recommendations to change reimbursement rates, methods, or basis.

Sec. E.301 Secretary's office – Global Commitment

(a) The agency of human services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the agency of human services and the managed care organization in the department of Vermont health access as provided for in the Global Commitment for Health Waiver (“Global Commitment”) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the state funds appropriated in this section, a total estimated sum of \$28,308,986 is anticipated to be certified as state matching funds under the Global Commitment as follows:

(1) \$17,645,850 certified state match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$22,854,150 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment fund to the Medicaid reimbursement special fund created in 16 V.S.A. § 2959a.

(2) \$3,902,237 certified state match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$2,180,067 certified state match available from local education agencies for eligible services as allowed by federal regulation for early

periodic screening, diagnosis, and treatment programs for school-aged children.

(4) \$2,393,532 certified state match available via the University of Vermont's child health improvement program for quality improvement initiatives for the Medicaid program.

(5) \$2,187,300 certified state match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.301.1 CONTIGUOUS BODY PARTS ULTRASOUND

(a) Beginning July 1, 2012 and thereafter, the department of Vermont health access shall reduce spending on ultrasound services by implementing a payment reduction on contiguous body parts.

Sec. E.301.2 [DELETED]

Sec. E.302 PAYMENT RATES FOR PRIVATE NONMEDICAL INSTITUTIONS PROVIDING RESIDENTIAL CHILD CARE SERVICES

(a) Notwithstanding any other provision of law, for state fiscal year 2013, the division of rate setting shall calculate payment rates for private nonmedical institutions (PNMI) providing residential child care services as follows:

(1) General rule. The division of rate setting shall calculate PNMI per diem rates for state fiscal year 2013 as 100 percent of each program's final per diem rate in effect on June 30, 2012. These rates shall be issued as final.

(2) Reporting requirements.

(A) Providers are required to submit annual audited financial statements to the division within 30 days of receipt from their certified public accountant, but no later than four months following the end of each provider's fiscal year.

(B) Providers are not required to submit funding applications pursuant to section 3 of the PNMI rate setting rules for state fiscal year 2013.

(3) Exception to the general rule. For programs categorized by the placement authorizing departments (PADs) as crisis/stabilization programs with typical lengths of stay from 0 to 10 days, final rates for state fiscal year 2013 are set retroactively as follows:

(A) The allowable budget is 100 percent of the final approved budget for the rate year which includes June 30, 2012. The monthly allowable budget is the allowable budget divided by 12.

(B) Within five days of the end of each month in state fiscal year 2013, the program shall submit the prior month's census to the division of rate setting. The per diem rate shall be set for the prior month by dividing the monthly allowable budget amount by the total number of resident days for the month just ended.

(4) Adjustments to rates. Rate adjustment applications may not be used as a tool to circumvent the rate setting process for state fiscal year 2013 in order to submit a new budget for the entire program or for the sole reason that actual costs incurred by the facility exceed the rate of payment.

(A) The following provisions amend section 8 of the PNMI rules regarding adjustments to rates for state fiscal year 2013:

(i) The three-month waiting period of section 8.1(b) for the submission of a rate adjustment application is waived.

(ii) In rate adjustment applications, the division shall only consider budget information specific to the program change and limited to direct program costs. Providers may not apply for increases to costs that are part of the current program and rate structure before the program change.

(iii) In its findings and order, the division may elect to use financial information from prior approved budget submissions to determine allowable costs related to the program change.

(iv) The materiality test in section 8.1(c) is waived.

(B) Adjustments to rates based on changes in licensed capacity. Programs that increase or decrease licensed capacity in state fiscal year 2013 shall provide prior written notification to the division of the change in licensed capacity.

(i) Decreased licensed capacity. In the case of programs that decrease licensed capacity in state fiscal year 2013, programs must have prior written approval from the PADs before applying to the division for an adjustment to the state fiscal year 2013 per diem rate.

(I) The allowable budget amount for state fiscal year 2013 may be no more than the final approved budget for the rate year which includes June 30, 2012.

(II) In its application for a rate adjustment, a program shall provide to the division financial and staffing information directly related to the decrease in licensed capacity.

(III) In its findings and order, the division shall reduce the allowable budget amount by any decreased costs directly related to the change in licensed capacity.

(IV) The division shall divide the final allowable budget amount by the estimated occupancy level at the new licensed capacity to calculate the per diem rate.

(ii) Increased licensed capacity. In the case of programs that increase licensed capacity in state fiscal year 2013, the division shall automatically adjust the program's rate as follows:

(I) The initial allowable budget is 100 percent of the final approved budget amount for the rate year that includes June 30, 2012.

(II) With prior written approval from the PADs, programs may apply to the division for an adjustment to the allowable budget for costs directly related to the program change.

(III) The division shall divide the final allowable budget amount by the estimated occupancy level at the new licensed capacity to calculate the per diem rate.

Sec. E.306 Department of Vermont health access – administration

(a) The establishment of three (3) new classified positions – Nurse Case Manager – is authorized in fiscal year 2013.

Sec. E.306.1 8 V.S.A. § 4089k is amended to read:

§ 4089k. HEALTH CARE INFORMATION TECHNOLOGY REINVESTMENT FEE

~~(a)(1) Beginning October 1, 2009 and annually thereafter, each~~ Each health insurer shall pay a fee into the health IT fund established in 32 V.S.A. § 10301 in the amount of 0.199 of one percent of all health insurance claims paid by the health insurer for its Vermont members in the previous fiscal year ending June 30. The annual fee shall be paid in ~~installments~~ one installment—due by ~~November 1, January 1, April 1, and June 1.~~

* * *

(d)(2) If any health insurer fails to pay the fee established in subsection (a) of this section within 45 days after ~~notice from the secretary of administration of the amount due~~ the installment due date, the secretary of administration, or his or her designee, shall notify the commissioner of banking, insurance, securities, and health care administration of the failure to pay. In addition to any other remedy or sanction provided for by law, if the commissioner finds,

after notice and an opportunity to be heard, that the health insurer has violated this section or any rule or order adopted or issued pursuant to this section, the commissioner may take any one or more of the following actions:

* * *

Sec. E.306.2 8 V.S.A. § 4089I is amended to read:

§ 4089I. HEALTH CARE CLAIMS ASSESSMENT

(a)(1) ~~Beginning October 1, 2011 and annually thereafter, each~~ Each health insurer shall pay an assessment into the state health care resources fund established in 33 V.S.A. § 1901d in the amount of 0.80 of one percent of all health insurance claims paid by the health insurer for its Vermont members in the previous fiscal year ending June 30. The annual fee shall be paid in ~~installments on November 1, one installment due by January 1, April 1, and June 1.~~

* * *

(d) If any health insurer fails to pay the fee established in subsection (a) of this section within 45 days after ~~notice from the secretary of administration of the amount due~~ the installment due date, the secretary of administration or his or her designee shall notify the commissioner of banking, insurance, securities, and health care administration of the failure to pay. In addition to any other remedy or sanction provided for by law, if the commissioner finds, after notice and an opportunity to be heard, that the health insurer has violated this section or any rule or order adopted or issued pursuant to this section, the commissioner may take any one or more of the following actions:

* * *

Sec. E.307 33 V.S.A. § 2073 is amended to read:

§ 2073. VPHARM ASSISTANCE PROGRAM

* * *

(d)(1) An individual shall contribute a co-payment of \$1.00 for prescriptions where the cost-sharing amount required by Medicare Part D is ~~\$29.99 or less~~ than \$30.00, and a co-payment of \$2.00 for prescriptions where the cost-sharing amount required by Medicare Part D is \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

* * *

Sec. E.307.1 33 V.S.A. § 2074(c) is amended to read:

(c) Benefits under VermontRx shall be subject to payment of a premium and co-payment amounts by the recipient in accordance with the provisions of this section.

* * *

(4) A recipient shall contribute a co-payment of \$1.00 for prescriptions costing ~~\$29.99~~ or less than \$30.00, and a co-payment of \$2.00 for prescriptions costing \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

Sec. E.307.2 VHAP AND MEDICAID CO-PAYS

(a) The following co-payments for individuals enrolled in the VHAP and Medicaid programs are hereby authorized and set by the general assembly, pursuant to 33 V.S.A. § 1901(b), and may be promulgated in rules by the secretary of human services or designee, in accordance with 33 V.S.A. § 1901(a)(1):

(1) co-payments that apply to prescriptions and durable medical equipment/supplies: enrolled individuals shall contribute a co-payment of not more than \$1.00 for prescriptions or durable medical equipment/supplies costing less than \$30.00, a co-payment of \$2.00 for prescriptions or durable medical equipment/supplies costing \$30.00 or more but less than \$50.00, and a co-payment of \$3.00 for prescriptions or durable medical equipment/supplies costing \$50.00 or more;

(2) co-payments that apply to hospital outpatient services: not more than \$3.00 per hospital visit;

(3) co-payments that apply to hospital emergency room services: for individuals enrolled in VHAP, \$25.00 per hospital visit;

(4) co-payments that apply to hospital inpatient stays: for individuals enrolled in Medicaid, the \$75.00 co-payment for inpatient hospital stays is eliminated.

Sec. E.307.3 33 V.S.A. § 1910 is amended to read:

§ 1910. LIABILITY OF THIRD PARTIES; LIENS

* * *

(b) The agency shall have a lien against the insurer, to the extent of the amount paid by the agency for past medical expenses, on any recovery from the insurer, whenever:

(1) the agency pays medical expenses or renders medical services on behalf of a recipient who has been injured or has suffered an injury, illness, or disease; and

(2) the recipient asserts a claim against an insurer as a result of the injury, illness, or disease. The recipient's insurer or alleged liable party's insurer, if any, shall take reasonable steps to discover the existence of the agency's medical assistance. Payment to the recipient instead of the agency does not discharge the insurer from payment of the agency's claim.

* * *

Sec. E.307.4 DENTAL COVERAGE FOR PREGNANT AND POST-PARTUM WOMEN

(a) The secretary of human services shall apply to the Centers for Medicare and Medicaid Services for an amendment to the state Medicaid plan pursuant to 42 C.F.R. Section 430.12 to eliminate the adult dental benefit maximum as applied to pregnant women receiving benefits under the Dr. Dynasaur/Medicaid program and to enable pregnant women to receive the same dental benefits that are available for children on Dr. Dynasaur/Medicaid for the duration of the pregnancy and through the end of the calendar month during which the 60th day following the end of pregnancy occurs.

(b) Upon approval of the state plan amendment pursuant to subsection (a) of this section, the secretary of human services shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement the expansion of dental coverage for pregnant women.

Sec. E.307.5 PRIMARY CARE CASE MANAGEMENT REIMBURSEMENT METHODOLOGY

(a) The department of Vermont health access shall conduct an analysis of the impact of revising the primary care case management reimbursement methodology. The analysis shall include the methodologies considered, impact on providers, and delivery system implications. The department shall provide its analysis to the health access oversight committee at its December 2012 meeting.

Sec. E.307.6 33 V.S.A. § 1901 is amended to read:

§ 1901. ADMINISTRATION OF PROGRAM

* * *

(a)(4) A manufacturer of pharmaceuticals purchased by individuals receiving state pharmaceutical assistance in programs administered under this chapter shall pay to the department of Vermont health access, as the secretary's designee, a rebate on all ~~pharmaceuticals~~ pharmaceutical claims for which state-only funds are expended in an amount ~~at least as favorable as the rebates provided under 42 U.S.C. section 1396r-8 paid to the department in connection with Medicaid and programs funded under the Global Commitment to Health Medicaid Section 1115 waiver~~ that is in proportion to the state share of the total cost of the claim, as calculated annually on an aggregate basis, and based on the full Medicaid rebate amount as provided for in Section 1927 (a) through (c) of the federal Social Security Act, 42 U.S.C. Section 1396r-8.

* * *

Sec. E.307.7 33 V.S.A. § 2073 is amended to read:

§ 2073. VPHARM ASSISTANCE PROGRAM

* * *

(f) A manufacturer of pharmaceuticals purchased by individuals receiving assistance from VPharm established under this section shall pay to DVHA, as required by section 1901 of this title, a rebate on all ~~pharmaceuticals~~ pharmaceutical claims for which state-only funds are expended in an amount ~~at least as favorable as the rebate paid to DVHA in connection with the Medicaid program~~ that is in proportion to the state share of the total cost of the claim, as calculated annually on an aggregate basis, and based on the full Medicaid rebate amount as provided for in Section 1927 (a) through (c) of the federal Social Security Act, 42 U.S.C. Section 1396r-8.

* * *

Sec. E.307.8 33 V.S.A. § 2074 is amended to read:

§ 2074. VERMONTRX PROGRAM

* * *

~~(d) Any manufacturer of pharmaceuticals purchased by individuals receiving assistance from VermontRx established under this section shall pay to DVHA, as required by section 1901 of this title, a rebate on all pharmaceuticals for which state only funds are expended in an amount at least as favorable as the rebate paid to DVHA in connection with the Medicaid program. [REPEALED]~~

Sec. E. 307.9 VPHARM REVIEW

(a) The commissioner of Vermont health access shall review the VPHARM program beneficiary premium and co-payment structure as well as the current and anticipated pharmaceutical manufacturing rebate compliance and payments levels. The commissioner shall make recommendations to the house and senate committees on appropriations, the house committee on health care, and the senate committee on health and welfare by January 15, 2013 regarding changes to the VPHARM program premium or co-payment structure.

Sec. E.307.10 EXPEDITED RULES

(a) Notwithstanding any contrary provision in 3 V.S.A. chapter 25, and in order to implement Sec. E.307.2(a) (VHAP and Medicaid co-pays) of this act no later than July 1, 2012, the agency of human services may adopt expedited rules in accordance with this section. Expedited rules under this section shall have the full force and effect of rules adopted under 3 V.S.A. chapter 25.

(b) Notwithstanding 3 V.S.A. chapter 25 and Sec. F4 of No. 146 of the Acts of the 2009 Adj. Sess. (2010), the agency shall:

(1) Adopt the expedited rule without pre-filing or filing in proposed or final proposed form, and adopt the expedited rule after whatever notice and hearing that the agency finds to be practicable under the circumstances. The agency shall make reasonable efforts to ensure that expedited rules are known to persons who may be affected by them. These efforts may occur prior to passage of this act and also shall occur on adoption of the rules by the agency.

(2) File expedited rules adopted under this section with the secretary of state and with the legislative committee on administrative rules. The legislative committee on administrative rules shall distribute copies of expedited rules to the appropriate standing committees.

(3) Ensure that expedited rules adopted under this section shall include as much of the information required for the filing of a proposed rule as is practicable under the circumstances.

(c) On a majority vote of the entire committee, the committee may object under this subsection if an expedited rule is:

- (1) beyond the authority of the agency;
- (2) contrary to the intent of the legislature; or
- (3) arbitrary.

(d) When objection is made under subsection (c) of this section, on majority vote of the entire committee, the committee may file the objection in certified form with the secretary of state. The objection shall contain a concise

statement of the committee's reasons for its action. The secretary shall affix to each objection a certification of its filing and as soon as practicable transmit a copy to the agency. After a committee objection is filed with the secretary under this subsection, to the extent that the objection covers a rule or portion of a rule, the burden of proof thereafter shall be on the agency in any action for judicial review or for enforcement of the rule to establish that the part objected to is within the authority delegated to the agency, is consistent with the intent of the legislature, and is not arbitrary. If the agency fails to meet its burden of proof, the court shall declare the whole or portion of the rule objected to invalid. The failure of the committee to object to a rule is not an implied legislative authorization of its substantive or procedural lawfulness.

Sec. E.307.11 ELIGIBILITY RESTORATION

(a) To the extent allowable under federal law and provided the commissioner determines that an operational approach can be developed, notwithstanding any other provision of law, the commissioner may adjust income disregard amounts applicable to Medicare Savings Plans in order to restore eligibility for those individuals who have lost their eligibility for coverage due to COLA increases in their Social Security benefits effective January 1, 2012. Such restoration should be limited to cases where the commissioner determines a substantial hardship for an individual has been created and potential additional costs would otherwise be incurred by the state.

Sec. E.308 FISCAL YEAR 2013 NURSING HOME RATE SETTING

(a) Beginning July 1, 2012, notwithstanding any other provisions of law, the division of rate setting shall maintain the decrease by one-half in the case-mix weights for the following Vermont RUG-III resource utilization groups: Impaired Cognition A (IA1), Challenging Behavior A (BA1), Reduced Physical Functioning A 2 (PA2), and Reduced Physical Functioning A 1 (PA1). The decrease by one-half in these case-mix weights shall be maintained in each facility's average case-mix score for Medicaid residents from picture dates in the January 2010, April 2010, and July 2010 quarters, which were used to set the July 2010, October 2010, and January 2011 rates.

Sec. E.308.1 DVHA – MEDICAID LONG TERM CARE

(a) The funding for the Choices for Care program in fiscal year 2013 includes the appropriations in this section and anticipates at least \$4,400,000 of fiscal year 2012 unexpended appropriations. The administration anticipates making new investments of at least \$1,100,000. Prior to the implementation of these or alternate investments, the secretary of human services and the commissioner of disabilities, aging, and independent living shall work with

providers and stakeholders to assure that the impact of changes in funding and proposed methods of delivery by the providers are clear and practical and ensure that the expected outcomes for clients are achieved and shall present their suggested investments for review and comment by the health access oversight committee.

(b) The agency of human services and department of disabilities, aging, and independent living shall report to the joint fiscal committee any submission made to CMS to change the Choices for Care waiver rate reimbursement structure. Before implementation of any CMS approved changes to the Choices for Care waiver rate reimbursement structure, notification shall be made to the house and senate committees on appropriations or to the joint fiscal committee if the general assembly is not in session.

Sec. E.308.2 LONG-TERM CARE CONTINUUM OF RESIDENTIAL SERVICES

(a) The agency of human services and department of disabilities, aging, and independent living shall prepare a report in consultation with consumer and provider groups on the continuum of residential options for long-term care services that are currently available to moderate and low income seniors. The report shall identify the appropriate range of residential options that will be needed to meet the needs of moderate and low income seniors over the next 10, 15, and 20 years. The report shall also include the reimbursement rates across the continuum of residential options identified and the potential sources of funding for such options.

Sec. E.309 HEALTH CARE COVERAGE; LEGAL IMMIGRANT CHILDREN AND PREGNANT WOMEN

(a) Beginning July 1, 2012 and thereafter, in accordance with the provisions of the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3, Section 214, the agency of human services shall provide coverage under Medicaid and CHIP to legal immigrant children and pregnant women who are residing lawfully in Vermont and who have not met the five-year waiting period required under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Sec. E.309.1. Sec. E.309.2 (a) of No. 63 of the Acts of 2011, as amended by Sec. 99 of No. 75 of the Acts of the 2011 Adj. Sess. (2012), is further amended to read:

(a) Beginning July 1, 2012, the commissioner of Vermont health access shall implement interim measures comparable to the family planning option of

section 2303 of the Affordable Care Act of 2010 until such time as the state is able to modify necessary rules and procedures related to eligibility and services to implement the family planning option of section 2303 of the Affordable Care Act of 2010, Public Law 111-148.

Sec. E.311 33 V.S.A. § 2004(b) is amended to read:

(b) Fees collected under this section shall fund collection and analysis of information on pharmaceutical marketing activities under 18 V.S.A. §§ 4632 and 4633, analysis of prescription drug data needed by the attorney general's office for enforcement activities, the Vermont prescription monitoring system established in 18 V.S.A. chapter 84A, and the evidence-based education program established in 18 V.S.A. chapter 91, subchapter 2 of chapter 91 of Title 18. The fees shall be collected in the evidence-based education and advertising fund established in section 2004a of this title.

Sec. E.311.1 33 V.S.A. § 2004a(a) is amended to read:

(a) The evidence-based education and advertising fund is established in the treasury as a special fund to be a source of financing for activities relating to fund collection and analysis of information on pharmaceutical marketing activities under 18 V.S.A. §§ 4632 and 4633, analysis of prescription drug data needed by the attorney general's office for enforcement activities, the Vermont prescription monitoring system established in 18 V.S.A. chapter 84A, and for the evidence-based education program established in 18 V.S.A. chapter 91, subchapter 2 of Title 18. Monies deposited into the fund shall be used for the purposes described in this section.

Sec. E.311.2 Health – administration and support (FQHC Look-Alike Clinics)

(a) Of these Global Commitment funds, up to \$310,200 shall be used to support the costs of developing three federally qualified health center (FQHC) Look-Alike clinics. The Gifford Medical Center in Randolph shall receive up to \$100,000, the Five Town Health Alliance in Bristol shall receive up to \$110,000, and the Battenkill Valley Health Center in Arlington shall receive up to \$100,200 for the purpose of meeting all of the FQHC Program requirements enabling each clinic to submit an application certifying its program to the Health Resources and Services Administration (HRSA) and, if approved, to the Centers for Medicare and Medicaid Services (CMS).

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2013 and as provided in this section, the department of health shall provide grants in the amount of \$475,000, of which \$135,000 is

state general funds and \$340,000 is AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. It is the intent of the general assembly that if the AIDS Medication Rebates special funds appropriated in this subsection are unavailable, the funding for Vermont AIDS service and peer-support organizations for client-based support services shall be maintained through the general fund or other state-funding sources. The department of health AIDS program shall meet at least quarterly with the community advisory group (CAG) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, \$120,768;

(B) HIV/HCV Resource Center, \$36,689;

(C) VT CARES, \$220,133;

(D) Twin States Network, \$45,160;

(E) People with AIDS Coalition, \$52,250.

(2) Ryan White Title II funds for AIDS services and the AIDS Medication Assistance Program (AMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by state general funds.

(3)(A) The secretary of human services shall immediately notify the joint fiscal committee if at any time there are insufficient funds in AMAP to assist all eligible individuals. The secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to AMAP medications until such time as the general assembly can take action.

(B) As provided in this section, the secretary of human services shall work in collaboration with the AMAP advisory committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2013, the department of health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with

at-risk groups such as women, intravenous drug users, and people of color; anti-stigma campaigns; and promotion of needle exchange programs. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the department of health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(b) Funding for the tobacco programs in fiscal year 2013 shall consist of the \$1,594,000 in tobacco funds and \$302,507 in Global Commitment funds appropriated in Sec. B.312 of this act. The tobacco evaluation and review board shall determine how these funds are allocated to tobacco cessation, community-based, media, public education, surveillance, and evaluation activities. This allocation shall include funding for tobacco cessation programs that serve pregnant women.

Sec. E.312.1 [DELETED]

Sec. E.312.2 [DELETED]

Sec. E.313 Health – alcohol and drug abuse programs

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the state, a state-qualified alcohol and drug abuse counselor may apply to the department of health, division of alcohol and drug abuse programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the division of alcohol and drug abuse programs may use the following criteria to determine whether to enroll a state-supported Medicaid and uninsured population substance abuse program in the division's network of designated providers, as described in the state plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are

developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the division's "request for bids" process.

(c) The recovery center network in collaboration with their coordinator shall develop standards for services provided, data collection, outcome measurement, and evaluation for recovery centers to receive grant funding from the state by September 15, 2012. The standards shall be submitted for approval to the department of health – alcohol and drug abuse programs and the department of mental health.

(d) Of the funds appropriated within the agency of human services for inclusion in the "hub and spoke" medical home model for substance abuse, and if approved by CMS, the commissioners of health, Vermont health access, and mental health shall allocate \$100,000 to funding recovery centers that meet the standards approved by the departments of health and of mental health.

Sec. E.318 Department for children and families – child development

(a) The commissioner of the department for children and families shall reserve up to one-half of one percent of the child care family assistance program funds to assist child care facilities that may be closing due to financial hardship. The commissioner shall develop guidelines for providing assistance and shall prioritize relief to child care programs in areas of the state with high poverty and low access to high quality child care. If the commissioner determines that the operations of a child care program are not fiscally sustainable he or she may provide assistance to transition children served by the child care operator in an orderly fashion to help secure other child care opportunities for children served by the program in an effort to minimize a disruption of services. The commissioner has the authority to request tax returns and other financial documents to verify the financial hardship and ability to sustain operations. The commissioner shall report to the joint fiscal committee at its November 2012 meeting on the distribution of reserved funds.

Sec. E.318.1 ACCESS TO HIGH-QUALITY EARLY EDUCATION

(a) In consultation with appropriate state agencies, community partners, and stakeholder groups, the building bright futures state council shall develop recommendations to increase access to high quality early care and education for Vermont children as follows:

(1) Pursuant to 16 V.S.A. § 2905, in order to increase access to high quality early care and education for three- and four-year-old children, the council shall develop recommendations designed to:

(A) Promote equitable opportunities throughout the state, including the availability of publicly supported programs to similarly situated families in different communities;

(B) Determine the best way to use community-based child care and education programs and review the interaction between developing publicly funded school-based pre-kindergarten and kindergarten programs and the infrastructure and financial health of existing child care programs in the private and nonprofit sector and how that interaction affects programs serving infants through age two;

(C) The council shall present its recommendations concerning subdivision (1) of this section to the house and senate committees on education on or before January 15, 2013.

(2) The council shall develop recommendations for a long-term financial sustainability plan for funding a comprehensive system of early childhood services that shall include early care and education, prevention and early intervention, nutrition, mental health and physical health and include but be not limited to new ways to leverage federal funds.

(A) The council shall present an initial report concerning subdivision (2) of this section to the house committee on human services, the senate committee on health and welfare, and the house and senate committees on appropriations on or before January 15, 2013.

Sec. E.318.2 CHILD CARE IMPROVEMENT WORKING GROUP

(a)(1) By July 1, 2012, the commissioner of the department of children and families shall convene a working group to study the following issues and to report to the general assembly regarding:

(A) How to increase state subsidies for child care services.

(B) How to increase participation by child care providers in the STARS program.

(C) How to improve participation by child care providers in the development of state child care regulations.

(D) An analysis of the number of child care providers receiving state subsidies.

(E) The projected fiscal impact of allowing child care providers to bargain collectively with the state, including the impact of such bargaining on subsidy rates, an analysis of what other states have done regarding child care provider collective bargaining and the fiscal impact of collective bargaining in those states, and an analysis of any legal implications of allowing child care providers to bargain collectively with the state.

(2) The working group may utilize the services of other state agencies and departments, the joint fiscal office, and the office of legislative council in preparing its report and recommendations.

(b) In addition to any other members appointed to the working group by the commissioner, the commissioner shall appoint the following:

- (1) Two registered family day care home providers.
- (2) Two licensed family child care home providers.
- (3) Two legally exempt child care providers.
- (4) Two employees of licensed child care centers.
- (5) Two employees of nonprofit child care centers.
- (6) One representative from the Vermont Business Roundtable.

(c) The working group shall submit its findings and recommendations to the house committees on appropriations, on commerce and economic development, on general, housing and military affairs, and on human services and the senate committees on appropriations, on economic development, housing and general affairs, and on health and welfare by January 15, 2013.

(d) On July 1, 2013, registered family day care home providers, licensed family child care home providers, and legally exempt child care providers shall have the right to organize, form, join, or assist a union and, once an exclusive representative is selected, to negotiate a legally binding agreement with the state related to child care subsidy reimbursement rates and rules, professional development and training, grievance procedures, and a mechanism for dues collection. On July 1, 2013, program directors and staff of licensed child care centers shall have the right to participate in a group that shall select a representative for the purpose of negotiating with the state an agreement to improve the delivery and quality of early education.

Sec. E.321 GENERAL ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) Commencing with state fiscal year 2007, the agency of human services may establish a housing assistance program within the general assistance

program to create flexibility to provide these general assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently served with the same amount of general assistance funds. The program shall operate in a consistent manner within existing statutes and rules except that it may grant exceptions to this program's eligibility rules and may create programs and services as alternatives to these rules. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, and related services that assure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The program may operate in up to 12 districts designated by the secretary of human services. This program will be budget neutral. For each district in which the agency operates the program, it shall establish procedures for evaluating the pilot and its effects. The agency shall report annually to the general assembly on its findings from the programs, its recommendations for changes in the general assistance program, and a plan for further implementation of the program.

(c) The agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the general assistance flexibility program.

(d) In fiscal year 2013, the agency of human service shall make its annual report to the general assembly by December, 15, 2012. The report shall specifically:

(1) Provide data on the number of persons and families served in fiscal years 2010, 2011, and 2012 by the general assistance housing assistance program and any other state-funded housing assistance programs.

(2) Provide data on the causes and circumstances that result in individuals or families requiring housing assistance.

(3) Identify the primary drivers of the need for such services and the primary barriers individuals and families have in maintaining safe and stable housing.

(4) Include an inventory of existing programs and program funding available for emergency, low income, and transitional housing.

(5) Include the outcome measures currently used to evaluate the effectiveness and accountability of emergency, low income, and transitional

housing and make recommendations for any additional or alternative outcome measures.

(6) Make recommendations regarding reallocation of current funding for these programs if such reallocation would result in better outcomes, particularly regarding eviction prevention and accessing and maintaining safe stable housing for the populations in need or at risk of needing housing assistance and the option of providing direct vendor payments of benefits for habitually homeless individuals.

(7) Identify the outcome-based priority for any additional investment in housing assistance programs.

Sec. E.323 [DELETED]

Sec. E.324 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2012, and for program administration, the commissioner of finance and management shall transfer \$2,550,000 from the home weatherization assistance trust fund to the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the home weatherization trust fund from the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the home weatherization assistance trust fund be necessary for the 2012–2013 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2012 and if LIHEAP funds awarded as of December 31, 2012 for fiscal year 2013 do not exceed \$2,550,000, subsequent payments under the home heating fuel assistance program shall not be made prior to January 30, 2013. Notwithstanding any other provision of law, payments authorized by the office of home heating fuel assistance shall not exceed funds available, except that for fuel assistance payments made through December 31, 2012, the commissioner of finance and management may anticipate receipts into the home weatherization assistance trust fund.

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the general fund appropriation in this section, \$792,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal McKinney emergency shelter funds. Grant decisions shall be made with assistance from the coalition of homeless Vermonters.

Sec. E.326 Department for children and families – OEO – weatherization assistance

(a) Of the special fund appropriation in this section, \$750,000 is for the replacement and repair of home heating equipment.

(b) Appropriations from the weatherization trust fund may be limited based on the revenue forecast for the fund from the gross receipts tax as adopted pursuant to 32 V.S.A. § 305a.

Sec. E.329 VERMONT VETERANS' HOME; REGIONAL BED CAPACITY

(a) The agency of human services shall not include the bed count at the Vermont veterans' home when recommending and implementing policies that are based on or intended to impact regional nursing home bed capacity in the state.

Sec. E.329.1 REPORT ON ADULT PROTECTIVE SERVICES

(a) On or before December 1, 2012, the attorney general and the department of disabilities, aging, and independent living shall jointly provide a report on the status of investigations concerning the abuse, neglect, and exploitation of vulnerable adults and statistics regarding investigation backlog to the senate and house committees on judiciary, the senate committee on health and welfare, and the house committee on human services.

Sec. E.338 Corrections – correctional services

(a) The establishment of seventeen (17) new classified positions – sixteen (16) Correctional Officer I and one (1) Corrections Housing Program Coordinator – is authorized in fiscal year 2013. The Correctional Officer I positions will accommodate the conversion of temporary Correctional Officer I positions to full-time classified status.

Sec. E.342 Vermont veterans' home – care and support services

(a) If Global Commitment fund monies are unavailable, the total funding for the Vermont veterans' home shall be maintained through the general fund or other state funding sources.

(b) The Vermont veterans' home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

* * * LABOR * * *

Sec. E.401 REPEAL

(a) 16 V.S.A. § 2887(c) (allocations of next generation initiative funds to regional technical centers) is repealed.

(b) A three-year continuation is authorized beginning in fiscal year 2013 for three (3) existing limited service workers' compensation investigator positions.

(c) One (1) classified adjudicator position (position # 820176) is authorized to be converted to one (1) permanent workers' compensation investigator position in fiscal year 2013.

Sec. E.401.1 FEDERAL UNEMPLOYMENT INSURANCE TRUST FUND
LOAN REPAYMENT

(a) Notwithstanding any provision to the contrary, for the period from July 1, 2012 through June 30, 2015, the state treasurer, with the approval of the governor, is authorized to utilize interfund loans from the general fund for payment into the unemployment compensation fund, which monies shall be identified exclusively for the purposes of the payment of unemployment compensation benefits, whether to repay advances from the federal government or to pay benefits directly. The availability of funds for such loans shall be determined exclusively by the state treasurer, and the amount of funds outstanding under this section on June 30 of any year may not exceed the amount of cash or cash equivalents at fiscal year-end in the general fund less the balance in reserves. The commissioner of labor shall include an accounting of these transactions in the report on the operations of the fund made pursuant to 21 V.S.A. § 1309. Any funds borrowed through an interfund loan pursuant to this section shall be repaid from funds on deposit in the unemployment trust fund or from other funds legally available for such purpose, without interest, and deposited to the credit of the general fund.

(b) For the period from July 1, 2012 through June 30, 2015, the state treasurer, with the approval of the governor, may borrow money for the purpose of raising funds for payment into the unemployment compensation fund, which monies shall be identified exclusively for the purposes of the payment of unemployment compensation benefits, whether to repay advances from the federal government or to pay benefits directly.

(c) The state treasurer in consultation with the commissioner of labor shall ensure that rights and benefits of claimants are not compromised by subsections (a) and (b) of this section. In addition language changes to

maximize federal coverage for short term unemployment compensation shall be addressed.

* * * K – 12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons or both in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,400,654 shall be used by the department of education in fiscal year 2013 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the commissioner shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$172,611 may be used by the department of education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

(a) The independence place program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504 Education – adult education and literacy

(a) Of this appropriation, \$4,000,000 from the education fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c).

Sec. E.505 Education – adjusted education payment

(a) Notwithstanding any other provision of law, up to \$50,000 of the education funds appropriated in this section may be used to reimburse districts for excess homestead tax amounts collected in previous fiscal years that the department has verified were the result of error in data or calculation. Any sums reimbursed shall be used solely as an additional revenue source to the receiving district for the current or next fiscal year.

Sec. E.512 Education – Act 117 cost containment

(a) Notwithstanding any other provision of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the state's 60 percent of the statewide total special education expenditures of funds which are not derived from federal sources.

Sec E.513 [DELETED]

Sec. E.514 State teachers' retirement system

(a) The annual contribution to the Vermont state teachers' retirement system shall be \$64,932,755, of which \$60,182,755 shall be contributed in accordance with 16 V.S.A. § 1944(g)(2) and an additional \$4,750,000 in general funds.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$10,303,147 is the "normal contribution," and \$49,879,608 is the "accrued liability contribution."

(c) A combination of \$63,613,130 in general funds and an estimated \$1,319,625 of Medicare Part D reimbursement funds is utilized to achieve funding at \$4,750,000 above the actuarially recommended level of \$60,182,755.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

(c) If Global Commitment fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the general fund or other state funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high-quality health care services to Medicaid beneficiaries

and to the uninsured or underinsured persons or both in Vermont and across the nation.

Sec. E.602 Vermont state colleges

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$427,898 shall be transferred to the Vermont manufacturing extension center for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

Sec. E.603 Vermont state colleges – allied health

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont State Colleges shall be maintained through the general fund or other state funding sources.

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 250 health care providers annually. These graduates deliver direct, high-quality health care services to Medicaid beneficiaries and uninsured or underinsured persons or both.

Sec. E.605 Vermont student assistance corporation

(a) Of this appropriation, \$25,000 is appropriated from the general fund to the Vermont Student Assistance Corporation to be deposited into the trust fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsection (a) of this section, not less than 93 percent of grants shall be used for direct student aid.

(c) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

* * * NATURAL RESOURCES * * *

Sec. E.700 3 V.S.A. § 2805 is amended to read:

§ 2805. ENVIRONMENTAL PERMIT FUND

(a) There is hereby established a special fund to be known as the environmental permit fund for the purpose of implementing the programs specified under the provisions of subsections 2822(i) and (j) of this title.

Revenues to the fund shall be those. Within that fund, there shall be two accounts: the environmental permit account and the air pollution control account. Unless otherwise specified, fees collected in accordance with subsections 2822(i) and (j) of this title, and 10 V.S.A. § 2625 and gifts and appropriations shall be deposited in the environmental permit account. Fees collected in accordance with subsections (j)(1), (k), (l), and (m) shall be deposited in the air pollution control account. The environmental permit fund shall be used to implement the programs specified under section 2822 of this title. The secretary of natural resources shall be responsible for the fund and shall account for the revenues and expenditures of the agency of natural resources. The environmental permit fund shall be subject to the provisions of 32 V.S.A. chapter 7, subchapter 5. The environmental permit fund shall be used to cover a portion of the costs of administering the environmental division established under 4 V.S.A. chapter 27. The amount of \$143,000.00 per fiscal year shall be disbursed for this purpose.

(b) Any fee required to be collected under subdivision 2822(j)(1) of this title shall be utilized solely to cover all reasonable (direct or indirect) costs required to support the operating permit program authorized under 10 V.S.A. chapter 23 of Title 10. Any fee required to be collected under subsections 2822(k), (l), or (m) of this title for air pollution control permits or registrations or motor vehicle registrations shall be utilized solely to cover all reasonable (direct or indirect) costs required to support the programs authorized under 10 V.S.A. chapter 23 of Title 10. Fees collected pursuant to subsections 2822(k), (l), and (m) of this title shall be used by the secretary to fund activities related to the secretary's hazardous or toxic contaminant monitoring programs and motor vehicle-related programs. The environmental permit fund shall be subject to the provisions of subchapter 5 of chapter 7 of Title 32, except that any unencumbered environmental permit fund balance in excess of those fees collected under subdivision 2822(j)(1) and subsections (k), (l), and (m) of this title, and in excess of \$350,000.00 from those fees collected from environmental permit fund sources other than subdivision 2822(j)(1) and subsections (k), (l), and (m) at the close of a fiscal year shall revert to the general fund. The environmental permit fund shall be used to cover a portion of the costs of administering the environmental division established under chapter 27 of Title 4. The amount of \$143,000.00 per fiscal year shall be disbursed for this purpose.

Sec. E.704 Forests, parks and recreation - forestry

(a) This special fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

Sec. E.709 10 V.S.A. § 1174 is amended to read:

§ 1174. APPROPRIATION EXPENDITURE FOR SUPPORT OF THE CONNECTICUT COMMISSION

~~The sum of \$1,500.00 annually, or so much thereof as may be necessary, is hereby appropriated out of any fund not otherwise appropriated. The~~ department of environmental conservation shall make an expenditure for the purpose of carrying out the provisions of Article VII of the compact, section 1158 of this title, relating to payment by the state to the Connecticut commission of the proportionate share of the state in the expenses of said commission. This ~~appropriation~~ expenditure ~~is conditioned upon payment by the other compacting states of their proportionate amounts.~~

Sec. E.709.1 10 V.S.A. § 1175(c) is added to read:

(c) Funds received pursuant to subsection (a) of this section shall be credited to a special fund, established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, from which payments shall be made in accordance with section 1176 of this title.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 Agency of commerce and community development – administration

(a) The establishment of one (1) new classified position – Economic Research Analyst – is authorized in fiscal year 2013 to perform economic analysis including VEGI modeling within the agency of commerce and community development.

Sec. E. 800.1 WINDHAM COUNTY; TROPICAL STORM IRENE RELIEF INITIATIVE

(a) The secretary of administration and the secretary of commerce and community development shall:

(1) Work to include Windham County in the area targeted by the U.S. Department of Housing and Urban Development for 80 percent of the pending community development block grant disaster recovery allocation to Vermont;

(2) Hold at least one public hearing in Windham County regarding unmet housing, economic recovery, and infrastructure needs in the County for inclusion in the agency's disaster action plan for the use of community development block grant disaster recovery funding. Groups and organizations that have not been directly involved with the southeastern Vermont economic

development strategy shall be included and allocated adequate presentation time;

(3) Ensure agency participation at a senior level with the southeastern Vermont economic development strategy board;

(4) Provide a single point of contact and serve as a resource for affected communities on tax credits and other funding to assist with recovery;

(5) Coordinate Federal Emergency Management Agency (FEMA) and state assistance to address housing needs, including but not limited to those related to the damage and loss of affordable units at Melrose Terrace and Tripark Mobile Home Park; and work with the Mt. Snow chamber and the Route 30 corridor in tourism and marketing promotion and the Sustainable Valley Group in Bellows Falls.

(b) The secretary of administration and the secretary of commerce and community development shall find \$100,000 within funds appropriated to the agency of commerce and community development and its programs or other funds that come available for this purpose to provide grants for Windham County communities and/or regional organizations involved in Tropical Storm Irene recovery. These funds may also be used as matching funds for Windham County match for grants received from the U.S. Economic Development Administration for Tropical Storm Irene recovery activities.

Sec. E.800.2 STUDY; AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT AND INTEGRATED ECONOMIC DEVELOPMENT ASSISTANCE

(a) On or before January 15, 2013, the agency of commerce and community development shall conduct a study and deliver a report of its findings and recommendations to the house and senate committees on appropriations, the house committee on commerce and economic development, and the senate committee on economic development, housing and general affairs, addressing the following:

(1) whether a separate department of economic development should be created within the agency;

(2) how the agency can most effectively build stronger connections and integrated service delivery at the regional level with and through the regional development corporations;

(3) the most effective model for a single portal, through which businesses and entrepreneurs can access all state, regional, and local economic development assistance.

(4) assess the ability of the regional development corporations to be a true partner in meeting the economic development needs of the state and assess the appropriate structure, state funding, and outcome measurement of these organizations.

(b) In conducting the study, the secretary of commerce and community development shall consult with individuals who have private sector marketing and business experience and may contract with a third party with government, economic development, and management expertise. The study shall specifically consider and update the policy and legislative recommendations adopted by the commission on the future of economic development.

Sec. E.800.3 REPEAL

(a) 10 V.S.A. § 2 (unified economic development budget) is repealed.

Sec. E.800.4 STUDY; EXPANSION OF PROPERTY-ASSESSED CLEAN ENERGY PROGRAM TO INCLUDE COMMERCIAL REAL ESTATE

(a) On or before January 15, 2013, the commissioner of public service, in collaboration with the department of financial regulation, the office of the treasurer, Housing Vermont, the Vermont housing and conservation board, the department of economic, housing and community development, the Vermont bankers' association, and other interested private sector stakeholders, shall conduct a study on the feasibility, benefits, and costs of expanding Vermont's property-assessed clean energy program to include commercial real estate, and shall submit its findings and recommendations to the house committee on commerce and economic development, the senate committee on economic development, housing and general affairs, and the house and senate committees on natural resources and energy. The study shall specifically consider appropriate measures to ensure sufficient funding and adequate reserves are available to incorporate commercial real estate into the program.

Sec. E.800.5 10 V.S.A. § 531(d) is amended to read:

(d) In order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, ~~the secretary of commerce and community development shall:~~

(1) the secretary of commerce and community development shall first consult with the commissioner of labor regarding whether ~~the~~ a grantee has accessed, or is eligible to access, other workforce development and training resources offered by public or private workforce development partners;

(2) ~~disburse grant funds only for training hours that have been successfully completed by employees; provided that a grant for on the job~~

~~training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and~~

~~(3) use funds under this section shall be used only to supplement training efforts of employers and not to replace or supplant training efforts of employers; and~~

~~(3) the secretary shall generate a record of each contact with the commissioner of labor documenting compliance with this subsection.~~

Sec. E.800.6 WORKFORCE DEVELOPMENT AND TRAINING

~~(a) Of the amounts appropriated to the agency of commerce and community development, the secretary shall be authorized to use up to \$307,000 in his or her discretion to fund workforce development and training performance grants to small businesses that do not otherwise qualify for funding from the Vermont training program.~~

Sec. E.801 REPEAL

~~(a) Sec. 10a(b) of No. 52 of the Acts of 2011 (Vermont training program, grant eligibility repeal) is repealed.~~

Sec. E.803 Community development block grants

~~(a) Community development block grants shall carry forward until expended.~~

Sec. E.805 [DELETED]

Sec. E.806 3 V.S.A. § 2473a is amended to read:

§ 2473a. VERMONT LIFE MAGAZINE

* * *

~~(c) A revolving~~ An enterprise fund for the operation of Vermont Life magazine is created, which shall consist of all revenues derived from the sale of Vermont Life magazine, advertising in Vermont life magazine, the sale of other products under the Vermont life label, digital and other emerging media, advisory services, sponsorships, grants, events, promotions, competitions, partnerships, licensing, fund-raisers, markups on retail sales of other parties' products, other commercial activities that are consistent with Vermont Life values and supportive of the Vermont brand and approved by the secretary with the consultation of the Vermont Life Advisory Board established in

Executive Order #22-2, any interest earned by Vermont Life magazine, and all sums which are from time to time appropriated for the support of Vermont Life magazine and its operations.

(d) All expenses incurred in the production, publication, and sale of Vermont Life magazine, advertising, and other products under the Vermont Life label shall be paid from the ~~revolving~~ enterprise fund.

(e) The receipt and expenditure of moneys from the ~~revolving~~ enterprise fund shall be under the supervision of the business manager and at the direction of the publisher, subject to the provisions of this section. Vermont Life magazine shall maintain accurate and complete records of all receipts and expenditures by and from the fund, and shall make an annual report on the condition of the fund to the secretary of the agency, who shall in turn provide the report to the secretary of administration.

* * * TRANSPORTATION * * *

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$5,888,573 is appropriated from the transportation equipment replacement account within the central garage fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized notwithstanding the provisions of 19 V.S.A. § 306(a).

Sec. E.922 19 V.S.A. § 11a is amended to read:

§ 11a. TRANSPORTATION FUNDS APPROPRIATED FOR THE DEPARTMENT OF PUBLIC SAFETY

No transportation funds shall be appropriated for the support of government other than for the agency of transportation, the transportation board, transportation pay act funds, construction of transportation capital facilities used by the agency of transportation, transportation debt service, the department of buildings and general services information centers, and the department of public safety. The amount of transportation funds appropriated to the department of public safety shall:

- ~~(1) in fiscal year 2010 not exceed \$30,850,000.00;~~
- ~~(2) in fiscal year 2011 not exceed \$28,350,000.00; and~~
- ~~(3) in fiscal year 2012 not exceed \$25,250,000.00.~~

Sec. E.1100 [DELETED]

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (fiscal year 2012 budget adjustment, DVHA-administration), C.101 (fiscal year 2012 budget adjustment, DVHA-Medicaid program-Global Commitment), C.200 (immunization pilot extension), C.201 (potential property valuation loss; current homeowners), C.202 (one-time appropriation for federal funds reduction), C.203 (fiscal year 2012 budget adjustment, human services caseload reserve expenditures), C.204 (allocation of workforce and education training grants), C.205 (fiscal year 2012 budget adjustment, general fund revenue estimate and balance), D.104 (tobacco litigation settlement fund balance), D.107 (transfer of national mortgage foreclosure settlement funds), E.307.10 (expedited rules for VHAP/Medicaid co-pays), E.311 and E.311.1 (Vermont prescription monitoring system), and E.801 (Vermont training program, grant eligibility repeal of repeal) of this act shall take effect upon passage.

(b) Sec. C.103 (repayment to ratepayers) is effective on passage and shall apply to any board orders pertaining to windfall-sharing mechanisms the specific terms of which have not yet been finalized by the board.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Heath of Westford** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Heath of Westford

Rep. Johnson of South Hero

Rep. Crawford of Burke

Thereupon, **Rep. Poirier of Barre City** moved that the House members of the Committee of Conference be instructed to concur with Sec. C 103 of the Senate proposal of amendment.

Thereupon, **Rep. Poirier of Barre City** asked and was granted leave of the House to withdraw his motion.

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

**Third Reading; Bill Passed in Concurrence
With Proposal of Amendment**

S. 148

Senate bill, entitled

An act relating to expediting development of small and micro hydroelectric projects

Was taken up, read the third time and passed in concurrence with proposal of amendment.

Proposal of Amendment Agreed to; Bill Read Third Time and Passed in Concurrence With Proposal of Amendment

S. 183

Senate bill, entitled

An act relating to the testing of potable water supplies

Was taken up and pending third reading of the bill, **Rep. Fagan of Rutland City** moved to substitute the proposal of amendment of Rep. Koch of Barre Town to the bill, as follows:

In Sec. 4, 27 V.S.A. § 616, by adding subsection (c) to read:

(c) Penalty; liability. Liability for failure to provide the informational materials required by this section shall be limited to a civil penalty, imposed by the department of health under 18 V.S.A., Chapter 3, of no less than \$25.00 and no more than \$250.00 for each violation.

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

Bill Amended, Read Third Time and Passed

S. 202

Senate bill, entitled

An act relating to regulation of flood hazard areas, river corridors, and stream alteration

Was taken up and pending third reading of the bill, **Rep. Munger of South Burlington** moved that the House propose to the Senate that the bill be amended in Sec. 1, 10 V.S.A. § 754, in subsection (e), after “representatives of the agricultural community;” and before “the regional planning commissions” by inserting “representatives of the forest products industry;”

Which was agreed to.

Pending third reading of the bill, **Rep. Olsen of Jamaica** moved that the House propose to the Senate to amend the the bill as follows:

First: In Sec. 3, 10 V.S.A. § 1021, in subsection (b), by striking the first sentence and inserting in lieu thereof the following:

~~“This subchapter~~ The requirements of subsection (a) of this section shall not apply to emergency protective measures necessary to preserve life or to prevent severe imminent damage to public or private property, or both.

and by striking subdivision 1021(b)(4) in its entirety and inserting in lieu thereof the following:

(4) be implemented in a manner consistent with the general permit adopted under section 1027 of this title regarding stream alteration during emergencies.

Second: In Sec. 5, 10 V.S.A. § 1027, in subdivision (b)(1)(B), by striking “including the construction of temporary berms as emergency protective measures” where it appears and inserting in lieu thereof the following

“including emergency protective measures under subdivision 1021(b) of this title”

Which was agreed to.

Pending third reading of the bill, **Rep. Deen of Westminster** moved that the House propose to the Senate to amend the bill as follows:

In Sec. 1, 10 V.S.A. § 754, by striking subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Discretionary rulemaking. The rules may establish requirements that exceed the requirements of the National Flood Insurance Program for uses exempt from municipal regulation, provided that any rules adopted under this subsection that exceed the minimum requirements of the National Flood Insurance Program shall be designed to prevent or limit a risk of harm to life, property, or infrastructure from flooding.

Which was agreed to.

Pending the question, Shall the bill pass in concurrence with proposal of amendment? **Rep. Burditt of West Rutland** 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 pass in concurrence with proposal of amendment? was decided in the affirmative. Yeas, 122. Nays, 9.

Those who voted in the affirmative are:

Acinapura of Brandon	Helm of Fair Haven	Nuovo of Middlebury
Ancel of Calais	Hooper of Montpelier	Olsen of Jamaica
Andrews of Rutland City	Howard of Cambridge	O'Sullivan of Burlington
Atkins of Winooski	Howrigan of Fairfield	Partridge of Windham
Bartholomew of Hartland	Hubert of Milton	Pearce of Richford
Bissonnette of Winooski	Jerman of Essex	Pearson of Burlington
Bohi of Hartford	Jewett of Ripton	Peltz of Woodbury
Botzow of Pownal	Johnson of South Hero	Perley of Enosburgh
Browning of Arlington	Johnson of Canaan	Poirier of Barre City
Burke of Brattleboro	Keenan of St. Albans City	Potter of Clarendon
Buxton of Tunbridge	Kitzmiller of Montpelier	Pugh of South Burlington
Campion of Bennington	Klein of East Montpelier	Ralston of Middlebury
Canfield of Fair Haven	Koch of Barre Town	Ram of Burlington
Cheney of Norwich	Komline of Dorset	Reis of St. Johnsbury
Christie of Hartford	Krebs of South Hero	Russell of Rutland City
Clark of Vergennes	Krowinski of Burlington	Savage of Swanton
Clarkson of Woodstock	Kupersmith of South Burlington	Scheuermann of Stowe
Conquest of Newbury	Lanpher of Vergennes	Shand of Weathersfield
Courcelle of Rutland City	Larocque of Barnet	Sharpe of Bristol
Crawford of Burke	Lawrence of Lyndon	Shaw of Pittsford
Davis of Washington	Lenes of Shelburne	Smith of New Haven
Deen of Westminster	Leriche of Hardwick	South of St. Johnsbury
Devereux of Mount Holly	Lewis of Berlin	Spengler of Colchester
Dickinson of St. Albans Town	Lippert of Hinesburg	Stevens of Waterbury
Donaghy of Poultney	Lorber of Burlington	Stevens of Shoreham
Donahue of Northfield	Macaig of Williston	Stuart of Brattleboro
Donovan of Burlington	Malcolm of Pawlet	Sweaney of Windsor
Edwards of Brattleboro	Manwaring of Wilmington	Taylor of Barre City
Ellis of Waterbury	Marcotte of Coventry	Toll of Danville
Emmons of Springfield	Marek of Newfane	Townsend of Randolph
Evans of Essex	Martin of Springfield	Trieber of Rockingham
Fagan of Rutland City	Martin of Wolcott	Turner of Milton
Fisher of Lincoln	McAllister of Highgate	Waite-Simpson of Essex
Frank of Underhill	McCullough of Williston	Webb of Shelburne
French of Shrewsbury	McFaun of Barre Town	Wilson of Manchester
French of Randolph	Miller of Shaftsbury	Wizowaty of Burlington
Grad of Moretown	Mook of Bennington	Wright of Burlington
Greshin of Warren	Moran of Wardsboro	Yantachka of Charlotte
Haas of Rochester	Mrowicki of Putney	Young of Glover
Head of South Burlington	Munger of South Burlington	Zagar of Barnard
Heath of Westford	Myers of Essex	

Those who voted in the negative are:

Bouchard of Colchester	Degree of St. Albans City	Lewis of Derby
Burditt of West Rutland	Higley of Lowell	Strong of Albany
Consejo of Sheldon	Kilmartin of Newport City	Winters of Williamstown

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

Aswad of Burlington	Corcoran of Bennington	Morrissey of Bennington
Batchelor of Derby	Dakin of Chester	O'Brien of Richmond
Branagan of Georgia	Eckhardt of Chittenden	Peaslee of Guildhall
Brennan of Colchester	Gilbert of Fairfax	Till of Jericho
Condon of Colchester	Hebert of Vernon	Woodward of Johnson
Copeland-Hanzas of Bradford	Masland of Thetford	
	McNeil of Rutland Town	

Instruction to Conferees Refused

H. 781

House bill, entitled

An act relating to making appropriations for the support of government

Reps. Poirier of Barre City, Browning of Arlington, Komline of Dorset and Pearson of Burlington moved that the House instruct the House members of the Committee of Conference for H. 781 to accede to the Senate proposal of amendment adding Sec. C.103, amending 30 V.S.A. § 218 (JURISDICTION OVER CHARGES AND RATES) and amending Sec. F.100 (EFFECTIVE DATES).

Pending the question, Shall the House members of the Committee of Conference be instructed to concur in Sec. C. 103 of the Senate Proposal of Amendment as moved by Rep. Poirier of Barre City, et al? **Rep. Poirier of Barre City** 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 House members of the Committee of Conference be instructed to concur in Sec. C. 103 of the Senate Proposal of Amendment as moved by Rep. Poirier of Barre City, et al? was decided in the negative. Yeas, 24. Nays, 105.

Those who voted in the affirmative are:

Bouchard of Colchester	Higley of Lowell	Reis of St. Johnsbury
Browning of Arlington	Hubert of Milton	Savage of Swanton
Burditt of West Rutland	Komline of Dorset	Scheuermann of Stowe
Clark of Vergennes	Larocque of Barnet	Shaw of Pittsford
Davis of Washington	Lewis of Derby	South of St. Johnsbury
Dickinson of St. Albans Town	McFaun of Barre Town	Strong of Albany
Donahue of Northfield	Pearson of Burlington	Winters of Williamstown
Fagan of Rutland City	Peaslee of Guildhall	
	Poirier of Barre City	

Those who voted in the negative are:

Acinapura of Brandon	Andrews of Rutland City	Bartholomew of Hartland
Ancel of Calais	Atkins of Winooski	Bissonnette of Winooski

Bohi of Hartford	Helm of Fair Haven	Mrowicki of Putney
Botzow of Pownal	Hooper of Montpelier	Munger of South Burlington
Burke of Brattleboro	Howard of Cambridge	Myers of Essex
Buxton of Tunbridge	Howrigan of Fairfield	Nuovo of Middlebury
Campion of Bennington	Jerman of Essex	O'Sullivan of Burlington
Canfield of Fair Haven	Jewett of Ripton	Partridge of Windham
Cheney of Norwich	Johnson of South Hero	Pearce of Richford
Christie of Hartford	Johnson of Canaan	Peltz of Woodbury
Clarkson of Woodstock	Keenan of St. Albans City	Perley of Enosburgh
Condon of Colchester	Kilmartin of Newport City	Potter of Clarendon
Conquest of Newbury	Kitzmiller of Montpelier	Pugh of South Burlington
Consejo of Sheldon	Klein of East Montpelier	Ralston of Middlebury
Copeland-Hanzas of Bradford	Krebs of South Hero	Ram of Burlington
Courcelle of Rutland City	Krowinski of Burlington	Russell of Rutland City
Crawford of Burke	Kupersmith of South Burlington	Shand of Weathersfield
Dakin of Chester	Lanpher of Vergennes	Sharpe of Bristol
Deen of Westminster	Lawrence of Lyndon	Smith of New Haven
Degree of St. Albans City	Lenes of Shelburne	Stevens of Waterbury
Devereux of Mount Holly	Leriche of Hardwick	Stevens of Shoreham
Donovan of Burlington	Lippert of Hinesburg	Stuart of Brattleboro
Edwards of Brattleboro	Lorber of Burlington	Sweaney of Windsor
Ellis of Waterbury	Macaig of Williston	Taylor of Barre City
Emmons of Springfield	Malcolm of Pawlet	Toll of Danville
Evans of Essex	Manwaring of Wilmington	Townsend of Randolph
Fisher of Lincoln	Marcotte of Coventry	Trieber of Rockingham
Frank of Underhill	Marek of Newfane	Waite-Simpson of Essex
French of Shrewsbury	Martin of Springfield	Webb of Shelburne
French of Randolph	Martin of Wolcott	Wilson of Manchester
Grad of Moretown	McAllister of Highgate	Wizowaty of Burlington
Greshin of Warren	McCullough of Williston	Wright of Burlington
Haas of Rochester	Miller of Shaftsbury	Yantachka of Charlotte
Head of South Burlington	Mook of Bennington	Young of Glover
Heath of Westford	Moran of Wardsboro	Zagar of Barnard

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

Aswad of Burlington	Gilbert of Fairfax	O'Brien of Richmond
Batchelor of Derby	Hebert of Vernon	Olsen of Jamaica
Branagan of Georgia	Koch of Barre Town	Spengler of Colchester
Brennan of Colchester	Lewis of Berlin	Till of Jericho
Corcoran of Bennington	Masland of Thetford	Turner of Milton
Donaghy of Poultney	McNeil of Rutland Town	Woodward of Johnson
Eckhardt of Chittenden	Morrissey of Bennington	

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed; Rules Suspended
and Bill was Ordered Messaged to the Senate Forthwith**

H. 782

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to miscellaneous tax changes for 2012

Was taken up for immediate consideration.

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

* * * Administrative Provisions * * *

Sec. 1. 10 V.S.A. § 1942(b) is amended to read:

(b) There is assessed against every seller receiving more than \$10,000.00 annually for the bulk retail sale of heating oil, kerosene, or other dyed diesel fuel sold in this state and ~~not used to propel a motor vehicle~~, a licensing fee of one cent per gallon of such heating oil, kerosene, or other dyed diesel fuel. This fee shall be subject to the collection, administration, and enforcement provisions of 32 V.S.A. chapter 233 of Title 32, and the fees collected under this subsection by the commissioner of taxes shall be deposited into the petroleum cleanup fund established pursuant to subsection 1941(a) of this title. The secretary, in consultation with the petroleum cleanup fund advisory committee established pursuant to subsection 1941(e) of this title, shall annually report to the legislature on the balance of the heating fuel account of the fund and shall make recommendations, if any, for changes to the program. The secretary shall also determine the unencumbered balance of the heating fuel account of the fund as of May 15 of each year, and if the balance is equal to or greater than \$3,000,000.00, then the licensing fee shall not be assessed in the upcoming fiscal year. The secretary shall promptly notify all sellers assessing this fee of the status of the fee for the upcoming fiscal year. This fee provision shall terminate April 1, 2016.

Sec. 2. PETROLEUM CLEANUP FUND OUTREACH

The secretary of agriculture, food and markets shall publish or broadcast in media designed to reach a farming audience information advising Vermont farmers of the existence of the petroleum cleanup fund under 10 V.S.A. chapter 59 and the terms of available assistance to farmers from that fund. The

secretary shall publish or broadcast this information no fewer than four times each year that the fund is in existence.

Sec. 3. 14 V.S.A. § 3502(f) is added to read:

(f) Notwithstanding any other provision of law, a power of attorney appointing a representative to represent a person before the Vermont department of taxes that conforms to the requirements of the United States Internal Revenue Service for a valid power of attorney and declaration of representative pursuant to 25 C.F.R. § 601.503 shall be deemed to be legally executed and shall be of the same force and effect for purposes of representation before the department of taxes as if executed in the manner prescribed in this chapter.

Sec. 4. 32 V.S.A. § 3102(e) is amended to read:

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

* * *

(14) to the office of the state treasurer, only in the form of mailing labels, with only the last address known to the department of taxes of any person identified to the department by the treasurer by name and Social Security number, for the treasurer's use in notifying owners of unclaimed property; and

(15) to the department of liquor control provided that the information is limited to information concerning the sales and use tax and meals and rooms tax filing history with respect to the most recent five years of a person seeking a liquor license or a renewal of a liquor license.

Sec. 5. 32 V.S.A. § 3102(j) and (k) are added to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating adjustments under chapter 154 of this title, information provided by the commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

(k) Notwithstanding subsection (j) of this section, the commissioner or a municipal official acting as his or her agent may provide the information in

subsection 6066a(f) of this title to the following people without incurring liability under this section:

(1) an escrow agent, the owner of the property to which the adjustment applies, a town auditor, or a person hired by the town to serve as an auditor;

(2) a lawyer, including a paralegal or assistant of the lawyer, an employee or agent of a financial institution as that term is defined in 8 V.S.A. § 11101, a realtor, or a certified public accountant as that term is defined in 26 V.S.A. § 13(12) who represents that he or she has a need for the information as it pertains to a real estate transaction or to a client or customer relationship; and

(3) any other person as long as the taxpayer has filed a written consent to such disclosure with the municipality.

Sec. 6. 32 V.S.A. § 3206 is added to read:

§ 3206. RECOMMENDATION FOR EXTRAORDINARY RELIEF

(a) The taxpayer advocate may make a written recommendation for extraordinary relief to the commissioner under the provisions of this section. A recommendation for extraordinary relief may be made only in response to a request from a taxpayer and after a thorough investigation of the taxpayer's circumstances by the taxpayer advocate which results in findings by the taxpayer advocate that:

(1) Vermont tax laws apply to the taxpayer's circumstances in a way that is unfair and unforeseen or that results in significant hardship; and

(2) the taxpayer has no available appeal rights or administrative remedies to correct the issue that led to such unfair result or hardship.

(b) For purposes of this section, "extraordinary relief" means a remedy that is within the power of the commissioner to grant under this title, a remedy that compensates for the result of inaccurate classification of property as homestead or nonresidential pursuant to section 5410 of this title through no fault of the taxpayer, or a remedy that makes changes to a taxpayer's property tax adjustment or renter rebate claim necessary to remedy the problem identified by the taxpayer advocate.

(c) Notwithstanding any other provision of law, if in response to the taxpayer advocate's recommendation, the commissioner determines that the taxpayer should receive a refund or other monetary adjustment, the commissioner shall certify that amount to the commissioner of finance and

management who shall issue his or her warrant in favor of the taxpayer for payment by the treasurer from the appropriate fund.

(d) A recommendation for extraordinary relief shall be in writing, shall be addressed to the commissioner, and shall include a description of the problem sought to be remedied along with specific recommendations to the commissioner. The taxpayer advocate's decision to make or not make a recommendation for extraordinary relief shall be final and not subject to review.

(e) The commissioner may choose to act on the recommendation of the taxpayer advocate, not act on the recommendation, or act on part of the taxpayer advocate's recommendation, and the commissioner's decision shall be final and not subject to any further review. Nothing in this section shall be construed to limit any other power or authority granted to the commissioner in this title.

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

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2010~~ 2011, but without regard to federal income tax rates under Section 1 of the Internal Revenue Code, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 8. 32 V.S.A. § 6061(5) is amended to read:

(5) "Modified adjusted gross income" means "federal adjusted gross income":

(A) before the deduction of any trade or business loss, loss from a partnership, loss from a small business or "subchapter S" corporation, loss from a rental property, or capital loss, except that in the case of a business which sells a business property with respect to which it is required, under the Internal Revenue Code, to report a capital gain, a business loss incurred in the same tax year with respect to the same business may be netted against such capital gain, and except that a business loss incurred in the same tax year with respect to a different business may be netted against any business gain;

Sec. 9. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For individuals and amounts stated in the notice to towns on July 1, municipalities ~~shall include on the~~ create and send to taxpayers a homestead property tax bill notice to the taxpayer of, separate from the bill required under

subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes.

* * *

Sec. 10. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States, relating to federal estate and gift taxes as in effect on ~~January 1, 2009~~ December 31, 2011, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) the credit for state death taxes shall remain as provided for under Sections 2011 and 2604 of the Internal Revenue Code as in effect on January 1, 2001;

(2) the applicable credit amount shall remain as provided for under Section 2010 of the Internal Revenue Code as in effect on January 1, 2008; and

(3) the deduction for state death taxes under Section 2058 of the Internal Revenue Code shall not apply.

Sec. 11. Sec. 1(c) of No. 71 of the Acts of the 2011 Adj. Sess. (2012) is amended to read:

(c) Use. ~~Residents of the state of Vermont may display an approved commemorative plate on a motor vehicle registered as a pleasure car and on motor trucks registered~~ An approved Vermont Strong commemorative plate may be displayed on a motor vehicle registered in Vermont as a pleasure car or on a motor truck registered in Vermont for less than 26,001 pounds (but excluding vehicles registered under the International Registration Plan) by covering the front registration plate with the commemorative plate any time from the effective date of this act until June 30, 2014. The regular front registration plate shall not be removed. The regular rear registration plate shall be in place and clearly visible at all times.

* * * Compliance Provisions * * *

Sec. 12. 7 V.S.A. § 421(c) is amended to read:

(c) For the purpose of ascertaining the amount of tax, on or before the tenth day of each calendar month, each bottler and wholesaler shall transmit to the commissioner of taxes, upon a form prepared and furnished by the commissioner, a statement or return under oath or affirmation showing the

quantity of malt and vinous beverages sold by the bottler or wholesaler during the preceding calendar month, and report any other information requested by the commissioner accompanied by payment of the tax required by this section. The amount of tax computed under subsection (a) of this section shall be rounded to the nearest whole cent. At the same time this form is due, each bottler and wholesaler also shall transmit to the commissioner in electronic format a separate report showing the description, quantity, and price of malt and vinous beverages sold by the bottler or wholesaler to each retail dealer as defined in 7 V.S.A. § 2(18); provided, however, for direct sales to retail dealers by manufacturers or rectifiers of vinous beverages the report required by this subsection may be submitted in a nonelectronic format.

Sec. 13. 32 V.S.A. § 3108 is amended to read:

§ 3108. ESTABLISHMENT OF INTEREST RATE

(a) Not later than December 15 of each year, the commissioner shall establish a rate of interest applicable to ~~unpaid tax liabilities and~~ tax overpayments which shall be equal to the average prime rate charged by banks during the immediately preceding 12 months commencing on October 1 of the prior year, rounded upwards to the nearest ~~whole~~ quarter percent. ~~The~~ An annual rate thus established ~~may~~ shall be converted to a monthly rate which shall be rounded upwards to the nearest tenth of a percent. Not later than December 15 of each year, the commissioner shall establish annual and monthly rates of interest applicable to unpaid tax liabilities, which in each instance shall be equal to the annual and monthly rates established for tax overpayments plus 200 basis points. The ~~rate~~ rates established hereunder shall be effective on January 1 of the immediately following year. For purposes of this section, the term “prime rate charged by banks” shall mean the average predominate prime rate quoted by commercial banks to large businesses as determined by the board of governors of the Federal Reserve ~~System~~ Board.

(b) Whenever the commissioner is authorized or directed to pay interest on an overpayment of any taxes, nevertheless no interest shall be paid on such overpayment:

(1) where the commissioner finds that such overpayment was made with the intention or expectation of receiving a payment of interest thereon and for no other reason;

(2) for any period of time prior to: 45 days after the date the return other than a corporate income tax return was due, including any extensions of time thereto; or 45 days after the return was filed, whichever is the later date, and with respect to corporate income tax returns, for any period of time prior to 90

days after the date the return was due or 90 days after the return was filed, whichever is the later date;

* * *

* * * Income Tax Provisions * * *

Sec. 14. 32 V.S.A. § 5832(2) is amended to read:

(2)(A) \$75.00 for small farm corporations. “Small farm corporation” means any corporation organized for the purpose of farming, which during the taxable year is owned solely by active participants in that farm business and receives less than \$100,000.00 gross receipts from that farm operation, exclusive of any income from forest crops; or

(B) An amount determined in accordance with section 5832a of this title for a corporation which qualifies as and has elected to be taxed as a digital business entity for the taxable year; or

(C) ~~\$250.00 for all other corporations~~ For C corporations with gross receipts from \$0–\$2,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$250.00; or

(D) For C corporations with gross receipts from \$2,000,001.00–\$5,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$500.00; or

(E) For C corporations with gross receipts greater than \$5,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$750.00.

Sec. 15. 32 V.S.A. § 5920(g) is added to read:

(g)(1) Subsection (c) of this section shall not apply to a partnership or limited liability company engaged solely in the business of operating one or more federal new market tax credit projects in this state, provided such partnership or limited liability company shall:

(A) notify its nonresident partners or nonresident members of their obligation under subchapter 6 of this chapter to file Vermont personal income tax returns and under subchapter 2 of this chapter to pay a tax on income earned from such investment;

(B) instruct each nonresident partner or nonresident member to pay such tax; and

(C) in addition to filing copies of all schedules K-1 with its partnership or limited liability company return, file with the commissioner segregated duplicate copies of all nonresident schedules K-1.

(2) For purposes of this subsection, "federal new market tax credit project" means a business that is intended primarily to benefit low income Vermont residents throughout the period of investment and that is subject to the following:

(A) has been determined by the United States Department of the Treasury to be a community development entity;

(B) has been awarded an allocation of federal new market tax credits under 26 U.S.C. § 45D; and

(C) is a partnership or limited liability corporation which is a pass-through of the federal new market tax credit to the nonresident investor.

Sec. 16. 32 V.S.A. § 5930b(c)(9) is amended to read:

(9) Incentive claims must be filed annually no later than the last day of April of each year of the utilization period. For a claim to be considered a timely filing and eligible for an incentive payment, all forms and workbooks must be complete and all underlying documentation, such as that required pursuant to subsection 5842(b) of this title, must be filed with the department of taxes. Incomplete claims may be considered to have been timely filed if a complete claim is filed within the time prescribed by the department of taxes. If a claim is not filed each year of the utilization period, any incentive installment previously paid shall be recaptured in accordance with subsection (d) of this section. The incentive return shall be subject to all provisions of this chapter governing the filing of tax returns. No interest shall be paid by the department of taxes for any reason with respect to incentives allowed under this section.

Sec. 17. 32 V.S.A. § 5930b(e) is amended to read:

(e) Reporting. ~~By May 1, 2008 and by May 1~~ September 1 each year ~~thereafter~~, the council and the department of taxes shall file a joint report on the employment growth incentives authorized by this section with the chairs of the house committee on ways and means, the house committee on commerce and economic development, the senate committee on finance, the senate committee on economic development, housing and general affairs, the house and senate committees on appropriations, and the joint fiscal committee of the general assembly and provide notice of the report to the members of those committees. The joint report shall contain the total ~~authorized award~~ amount

of incentives ~~granted~~ authorized during the preceding year, ~~amounts actually earned and paid from inception of the program to the date of the report, including the date and amount of the award, the expected calendar year or years in which the award will be exercised, whether the award is currently available, the date the award will expire, and the amount and date of all incentives exercised~~ and, with respect to each recipient, the date and amount of authorization, the calendar year or years in which the authorization is expected to be exercised, whether the authorization is active, and the date the authorization will expire. The joint report shall also include ~~information on recipient performance in the year in which the incentives were applied, including the number of applications for the incentive, the number of approved applicants who complied with all their requirements for the incentive,~~ the following aggregate information: total number of claims and total incentive payments made in the current and prior claim years, the balance of credits not yet allocated, the aggregate number of qualifying new jobs created, the aggregate and qualifying payroll of those jobs and the identity of businesses whose applications were approved, and qualifying new capital investments. The council and department shall use measures to protect proprietary financial information, such as reporting information in an aggregate form. Data and information in the joint report ~~made available to the public~~ shall be presented in a searchable format.

Sec. 18. Sec. 3(c) of No. 184 of the Acts of the 2005 Adj. Sess. (2006), as amended by Sec. 2 of No. 52 of the Acts of 2011, is amended to read:

(c) Beginning April 1, 2009, the economic incentive review board is authorized to grant payroll-based growth incentives pursuant to the Vermont employment growth incentive program established by Sec. 9 of this act. Unless extended by act of the General Assembly, as of July 1, ~~2012~~ 2017, no new Vermont employment growth incentive (VEGI) awards under 32 V.S.A. § 5930b may be made. Any VEGI awards granted prior to July 1, ~~2012~~ 2017 may remain in effect until used.

Sec. 19. 32 V.S.A. § 5930u(g) is amended to read:

(g) In any fiscal year, the allocating agency may award up to \$400,000.00 in total first-year credit allocations to all applicants for rental housing projects; and may award up to ~~\$100,000.00~~ \$300,000.00 per year for owner-occupied unit applicants. In any fiscal year, total first-year allocations plus succeeding-year deemed allocations shall not exceed ~~\$2,500,000.00~~ \$3,500,000.00.

Sec. 20. 32 V.S.A. § 5930bb(d) is added to read:

(d) Notwithstanding any other provision of this subchapter, qualified applicants may apply to the state board at any time prior to June 30, 2013 to obtain a tax credit not otherwise available under subsections 5930cc(a)–(c) of this title of 10 percent of qualified expenditures resulting from damage caused by a federally declared disaster in Vermont in 2011. The credit shall only be claimed against the taxpayer’s state individual income tax under section 5822 of this title. To the extent that any allocated tax credit exceeds the taxpayer’s tax liability for the first tax year in which the qualified project is completed, the taxpayer shall receive a refund equal to the unused portion of the tax credit. If within two years after the date of the credit allocation no claim for a tax credit or refund has been filed, the tax credit allocation shall be rescinded and recaptured pursuant to subdivision 5930ee(6) of this title. The total amount of tax credits available under this subsection shall not be less than \$500,000.00 and not more than \$700,000.00 and shall not be subject to the limitations contained in section 5930ee(2) of this subchapter.

Sec. 21. CREDIT LIMIT FOR FISCAL YEAR 2013

Notwithstanding any other provision of law, for fiscal year 2013 only, the limitation provided in 32 V.S.A. § 5930ee(1) shall be \$2,200,000.00 instead of \$1,700,000.00.

Sec. 21a. 32 V.S.A. § 9603(23) is amended to read:

(23) Transfers of leasehold or fee interests made to low income individuals by organizations qualifying under Section 501(c)(3) of the Internal Revenue Code of 1986 or from a wholly-owned subsidiary of such an organization when such a transfer is made concurrently with the transfer of an improvement located on the leasehold or fee property, or is a renewal of such a lease where the purpose of the lease is to provide affordable housing, or to ensure the continued affordability of such housing, or both.

* * * Property Tax Adjustment and Renter Rebate Provisions * * *

Sec. 22. 32 V.S.A. § 5410(b) is amended to read:

(b)(1) Annually on or before the due date for filing the Vermont income tax return, without extension, each homestead owner shall, on a form prescribed by the commissioner, which shall be verified under the pains and penalties of perjury, declare his or her homestead, if any, as of, or expected to be as of, April 1 of the year in which the declaration is made ~~for property that was acquired by the declarant or was made the declarant’s homestead after April 1~~

~~of the previous year. The declaration of homestead shall remain in effect until the earlier of:~~

~~(A) the transfer of title of all or any portion of the homestead; or~~

~~(B) that time that the property or any portion of the property ceases to qualify as a homestead.~~

(2) Within 30 days of the transfer of title of all or any portion of the homestead, or upon any portion of the property ceasing to be a homestead, the declarant shall provide notice to the commissioner on a form to be prescribed by the commissioner.

Sec. 23. 32 V.S.A. § 6061(5)(D) is amended to read:

(D) without the inclusion of adjustments to total income except certain business expenses of reservists, one-half of self-employment tax paid, alimony paid, deductions for tuition and fees, ~~and~~ health insurance costs of self-employed individuals, and health savings account deductions; and

Sec. 24. 32 V.S.A. § 6066a is amended to read:

§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

(a) Annually, the commissioner shall determine the property tax adjustment amount under section 6066 of this title, related to a homestead owned by the claimant. The commissioner shall notify the municipality in which the housesite is located of the amount of the property tax adjustment for the claimant for homestead property tax liabilities, on July 1 for ~~timely filed~~ timely filed claims and on ~~September 15~~ November 1 for late claims filed by ~~September 1~~ October 15. The tax adjustment of a claimant who was assessed property tax by a town which revised the dates of its fiscal year, however, is the excess of the property tax which was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year as determined under section 6066 of this title, related to a homestead owned by the claimant.

* * *

(c) The commissioner shall notify the municipality of any claim and refund amounts unresolved by ~~September 15~~ November 1 at the time of final resolution, including adjudication if any; provided, however, that towns will not be notified of any additional adjustment amounts after ~~September 15~~ November 1 of the claim year, and such amounts shall be paid to the claimant by the commissioner.

* * *

(f) Property tax bills.

* * *

(2) For property tax adjustment amounts for which municipalities receive notice on or after ~~September 15~~ November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

* * *

(g) Annually, on August 1 and on ~~September 15~~ November 1, the commissioner of taxes shall pay to each municipality the amount of property tax adjustment of which the municipality was notified on July 1 for the August 1 transfer, or ~~September 15~~ November 1 for the ~~September 15~~ November 1 transfer, related to municipal property tax on homesteads within that municipality, as determined by the commissioner of taxes.

Sec. 25. 32 V.S.A. § 6074 is amended to read:

§ 6074. AMENDMENT OF CERTAIN CLAIMS

At any time within three years after the date for filing claims under subsection 6068(a) of this chapter, a claimant who filed a claim by ~~September 1~~ October 15 may file to amend that claim to correct the amount of household income reported on that claim.

Sec. 26. 32 V.S.A. § 6068 is amended to read:

(a) A tax adjustment claim or request for allocation of an income tax refund to homestead property tax payment shall be filed with the commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the adjustment or allocation is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter rebate claim shall be filed with the commissioner on or before the due date for filing the Vermont income tax return, without extension.

(b) Late-filing penalties. If the claimant fails to file a timely claim, the amount of the property tax adjustment under this chapter shall be reduced by \$15.00, but not below \$0.00, which shall be paid to the municipality for the cost of issuing an adjusted homestead property tax bill. No benefit shall be allowed in the calendar year unless the claim is filed with the commissioner on or before ~~September 1~~ October 15.

(c) No request for allocation of an income tax refund or for a renter rebate claim may be made after ~~September 1~~ October 15.

Sec. 27. 32 V.S.A. § 6067 is amended to read:

§ 6067. CREDIT LIMITATIONS

Only one individual per household per taxable year shall be entitled to a benefit under this chapter. An individual who received a homestead exemption or adjustment with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive an adjustment under this chapter. No taxpayer shall receive an adjustment under subsection 6066(b) of this title in excess of \$3,000.00. No taxpayer shall receive total adjustments under this chapter in excess of \$8,000.00 related to any one property tax year.

Sec. 28. RENTER REBATE CLAIM

The office of legislative council is authorized to change references to “renter credit claim” in 32 V.S.A. chapter 154 to read “renter rebate claim.”

Sec. 29. Sec. 51(b) of No. 160 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

(b) ~~The following sections of Title 32 relating to homestead education property tax income sensitivity adjustments are repealed for claims filed on and after January 1, 2013:~~

~~(1) 32 V.S.A. § 6061(5)(E) (requiring adjustment for interest and dividend income for purposes of calculating modified adjusted gross income).~~

~~(2) The amendments in this act to 32 V.S.A. § 6066(a) regarding the equalized value of a housesite in excess of \$500,000.00~~ The amendments in this act related to 32 V.S.A. § 6066(a), regarding the equalized value of a housesite in excess of \$500,000.00, are repealed on January 1, 2013.

Sec. 30. LANDLORD CERTIFICATES

The commissioner of taxes shall report to the senate committee on finance and the house committee on ways and means no later than January 15, 2013 on how to develop an electronic system for the reporting and issuance of the landlord certificate under 32 V.S.A. § 6069. The commissioner’s report shall include recommendations for legislative changes to implement such a system.

* * * Property Tax Provisions * * *

Sec. 31. 27A V.S.A. § 1-105 is amended to read:

§ 1-105. SEPARATE TITLES AND TAXATION

(a) In a condominium or planned community:

(1) if there is any unit owner other than a declarant, each unit that has been created, together with its interest in the common elements, constitutes for all purposes a separate parcel of real estate;

(2) if there is any unit owner other than a declarant, each unit shall be separately taxed and assessed, and no separate tax or assessment may be rendered against any common elements for which a declarant has reserved no development rights; provided, however, that if a portion of the common elements is located in a town other than the town in which the unit is located, the town in which the common elements are located may designate that portion of the common elements within its boundaries as a parcel for property tax assessment purposes and may tax each unit owner at an appraisal value pursuant to 32 V.S.A. § 3481.

* * *

Sec. 32. 32 V.S.A. § 3409 is amended to read:

§ 3409. PREPARATION OF PROPERTY MAPS

Consistent with available resources and pursuant to a memorandum of understanding entered into between the commissioner and the Vermont center for geographic information, the center shall provide regional planning commissions, state agencies, and the general public with orthophotographic maps of the state at a scale appropriate for the production and revision of town property maps. Periodically, such ~~maps~~ digital imagery shall be ~~revised and updated to reflect~~ updated to capture land use changes, new settlement patterns and such additional information as may have become available to the director or the center.

(1) The center shall supply to ~~the clerk and to the listers or assessors of~~ each town such ~~maps~~ orthophotographic imagery as ~~have~~ has been prepared by it of the total area of that town. Any map shall be available, without charge, for public inspection in the office of the town clerk to whom the map was supplied.

(2) ~~The state of Vermont shall retain the copyright of any map prepared by the Vermont mapping program, and the center and the Vermont mapping program shall jointly own the copyright to any map prepared on or after the effective date of this act.~~

~~(3) A person who, without the written authorization of the director and the center, copies, reprints, duplicates, sells, or attempts to sell any map prepared under this chapter shall be fined an amount not to exceed \$1,000.00.~~

(4) At a reasonable charge to be established by the center and the director, the center shall supply to any person or agency other than a town clerk or lister a copy of any ~~map~~ digital format orthophotographic imagery prepared created under this section.

(3) Hardcopy or nondigital format orthophotographic imagery created under this section shall be available for public review at the state archives.

Sec. 33. 32 V.S.A. § 4301 is amended to read:

§ 4301. BASIS FOR COUNTY TAXES

(a) The equalized municipal property tax grand lists for each town, unorganized town and gore, and the unified towns and gores of Essex County shall be the basis of taxation for county purposes.

(b) Annually, on or before January 1, the director shall provide to each county treasurer the equalized municipal property tax grand list for each town, unorganized town, and gore, and the unified towns and gores of Essex County within the county. "Equalized municipal property tax grand list" in this section shall mean the equalized education property tax grand list as defined in chapter 135 of this title plus inventory, machinery and equipment subject to municipal tax in that municipality at its grand list value.

Sec. 34. 32 V.S.A. chapter 133, subchapter 5 is amended to read:

Subchapter 5. Assessment and Collection in
Unified Unorganized Towns and Gores

* * *

Sec. 35. 32 V.S.A. § 5401(13) is amended to read:

(13) "District spending adjustment" means the greater of: one or a fraction in which the numerator is the district's education spending plus excess spending, per equalized pupil, for the school year; and the denominator is the base education amount for the school year, as defined in 16 V.S.A. § 4001. For a district that pays tuition to a public school or an approved independent school, or both, for all of its resident students in any year, and which has decided by a majority vote of its school board to opt into this provision, the district spending adjustment shall be the average of the district spending adjustment calculated under this subdivision for the previous year and for the current year. Any district opting for a two-year average under this subdivision

may not opt out of such treatment, and the averaging shall continue until the district no longer qualifies for such treatment.

Sec. 36. FISCAL YEAR 2013 EDUCATION PROPERTY TAX RATE

(a) For fiscal year 2013 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rates of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.38 per \$100.00; and

(2) the tax rate for homestead property shall be \$0.89 multiplied by the district spending adjustment for the municipality per \$100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2013 only, “applicable percentage” in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.80 percent multiplied by the fiscal year 2013 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.80 percent.

Sec. 37. FISCAL YEAR 2013 BASE EDUCATION AMOUNT

Notwithstanding 16 V.S.A. § 4011(b) or any other provision of law, the base education amount for fiscal year 2013 shall be \$8,723.00.

Sec. 38. SUPPLEMENTAL PROPERTY TAX RELIEF

Notwithstanding any other provision of law, on October 1, 2012, the commissioner shall determine the balance in the supplemental property tax relief fund and determine by how much the “applicable percentage” in 32 V.S.A. § 6066(a)(2) could be reduced if the entire balance of the fund was transferred to the education fund for that purpose, while maintaining the existing balance in the education fund. If the “applicable percentage” could be reduced by 0.1 of one percent or more for the upcoming fiscal year, the commissioner shall disregard 32 V.S.A. § 6075(b), and recommend in 32 V.S.A. § 5402(b) that the balance of the property tax relief fund be transferred to the education fund and the applicable percentage be lowered by the amount determined under that subsection, even if that recommendation would take the applicable percentage below 1.8 percent.

Sec. 39. 32 V.S.A. § 5402b(b) is amended to read:

(b) If the commissioner makes a recommendation to the general assembly to adjust the education tax rates under section 5402 of this title, the commissioner shall also recommend a proportional adjustment to the

applicable percentage base for homestead income based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below ~~4.8~~ 1.7 percent.

* * * Current Use Provisions * * *

Sec. 40. 32 V.S.A. § 3752(5) is amended to read:

(5) “Development” means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road or other structure, or any mining, excavation or landfill activity. “Development” also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then “development” shall not apply to any portion of the ~~newly created~~ newly created parcel or parcels which qualifies for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the use value appraisal program. “Development” also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the commissioner of forests, parks and recreation. The term “development” shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

Sec. 41. 32 V.S.A. § 3753(b) is amended to read:

(b) The membership of the board shall consist of:

(1) The following persons or their designees:

* * *

(E) ~~Dean of the college of natural resources, agriculture and life sciences of the University of Vermont.~~ [Deleted.]

* * *

Sec. 42. 32 V.S.A. § 3755(b) is amended to read:

(b) Managed ~~forest land~~ forestland shall be eligible for use value appraisal under this subchapter only if:

(1) the land is subject to a forest management plan, or subject to a conservation management plan in the case of lands certified under 10 V.S.A. § 6306(b), which:

(A) is signed by the owner of a tract the parcel;

(B) which complies with subdivision 3752(9) of this title;

(C) is filed with and approved by the department of forests, parks and recreation; and

(D) by October 1, which provides for continued conservation management or forest crop production on the tract parcel for at least ten years. During a period of use value appraisal under this subchapter, a conservation or forest management plan for at least ten years, including the 12 month period beginning April 1 of the year for which use value appraisal is sought, signed by the owner, shall be on file with the department in such a manner and in such form as is prescribed by the department. Upon the An initial forest management plan or conservation management plan must be filed with the department of forests, parks and recreation no later than October 1 and shall be effective for a ten-year period beginning the following April 1. Prior to expiration of a ten-year ten-year plan and no later than April 1 of the year in which the plan expires, the owner shall file a new conservation or forest management plan for at least the next succeeding ten years to remain in the program.

* * *

* * * Wastewater permit provisions * * *

Sec. 43. 32 V.S.A. § 3752(5) is amended to read:

(5) “Development” means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road or other structure, or any mining, excavation or landfill activity. “Development” also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then

“development” shall not apply to any portion of the newly created parcel or parcels which qualifies for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the use value appraisal program. “Development” also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the commissioner of forests, parks and recreation. Enrolled land is also considered “developed” under this section if a wastewater system permit has been issued for the land pursuant to 10 V.S.A. § 1973 and the commissioner of the department of forest, parks, and recreation has certified to the director that (1) the permit is contrary to a forest or conservation management plan or the minimum acceptable standards for forest management; (2) use of the parcel would violate the conservation management standards; or (3) after consulting with the secretary of agriculture, the permit is not part of a farm operation. The commissioner of forests, parks and recreation may develop standards regarding circumstances under which land with wastewater system and potable water permits will not be certified to the director. The term “development” shall not include the construction, reconstruction, structural alteration, relocation, issuance of a wastewater system permit under 10 V.S.A. § 1973 or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure or wastewater system permit for other than farming, logging, or forestry purposes.

Sec. 44. 32 V.S.A. § 3757 is amended to read:

§ 3757. LAND USE CHANGE TAX

(a) Land which has been classified as agricultural land or managed forest land pursuant to this chapter shall be subject to a land use change tax ~~on the earliest of either upon~~ the development of that land, as defined in section 3752 of this chapter, ~~or two years after the issuance of all permits legally required by a municipality for any action constituting development, or two years after the issuance of a wastewater system and potable water supply permit under 10 V.S.A. § 1973.~~ Said tax shall be at the rate of 20 percent of the full fair market value of the changed land determined without regard to the use value appraisal; or the tax shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of the director that the parcel has been enrolled continuously

more than 10 years. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land prorated on the basis of acreage, divided by the common level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

* * *

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the taxpayer unless, in the case of land use change tax due with respect to development occurring as a result of the issuance of a wastewater system permit, the landowner enters into a payment agreement with the commissioner of taxes. The tax shall be paid to the commissioner for deposit into the general fund. The commissioner shall issue a form to the assessing officials which shall provide for a description of the land developed, the amount of tax payable, and the fair market value of the land at the time of development or withdrawal from use value appraisal. The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of payment, the commissioner shall furnish the owner with one copy, shall retain one copy and shall forward one copy to the local assessing officials and one to the register of deeds of the municipality in which the land is located. Thereafter, the land which has been developed shall be appraised and listed at its full fair market value in accordance with the provisions of chapter 121 of this title.

* * *

Sec. 45. 32 V.S.A. § 3758(d) is amended to read:

(d) Any owner who is aggrieved by a decision of the department of forests, parks and recreation concerning the filing of an adverse inspection report or denial of approval of a management plan or certification to the director with respect to land for which a wastewater permit is issued may appeal to the commissioner of the department of forests, parks and recreation. An appeal of this decision of the commissioner may be taken to the superior court in the same manner and under the same procedures as an appeal from a decision of a board of civil authority, as set forth in chapter 131, subchapter 2 ~~of chapter 131~~ of this title.

Sec. 46. REPEAL

Sec. 13h of No. 45 of the Acts of 2011 (tracking wastewater permits) is repealed.

* * * Sales and Use Tax Provisions * * *

Sec. 47. 24 V.S.A. § 138(g) is added to read:

(g) If the legislative body of a municipality by a majority vote recommends, or by petition of ten percent of the voters of a municipality recommends, the voters of a municipality may, at an annual or special meeting warned for that purpose, by a majority vote of those present and voting, rescind any or all of the local option taxes assessed under subsection (b) of this section.

Sec. 48. 32 V.S.A. § 9741(48) is amended to read:

(48) Sales of tangible personal property sold by an auctioneer licensed under 26 V.S.A. chapter 89 of Title 26, including any buyer's premium charged by the auctioneer, that are conducted on the premises of the owner of the property, provided that no other person's property is sold on the auction premises and provided that the property was obtained by the owner, through purchase or otherwise, for his or her own use.

Sec. 49. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in the state. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

* * *

(8) Specified digital products transferred electronically to an end user regardless of whether for permanent use or less than permanent use and regardless of whether or not conditioned upon continued payment from the purchaser.

Sec. 50. 32 V.S.A. § 9817(a) is amended to read:

(a) Any aggrieved taxpayer may, within 30 days after any decision, order, finding, assessment or action of the commissioner made under this chapter, appeal to the Washington superior court or the superior court of the county in which the taxpayer resides or has a place of business. The appellant shall give security, approved by the commissioner, conditioned to pay the tax levied, if it

remains unpaid, with interest and costs, as set forth in subsection (c) of this section.

Sec. 51. SALES TAX ON PREWRITTEN SOFTWARE DOES NOT APPLY TO REMOTELY ACCESSED SOFTWARE

The general assembly finds that assessments for the sale of remotely accessed software were based on a technical bulletin, No. TB-54 (originally issued 9/13/10), issued by the department of taxes. The imposition of sales and use tax on prewritten computer software by 32 V.S.A. chapter 233 shall not be construed to apply to charges for remotely accessed software made after December 31, 2006. Taxes paid on such charges shall be refunded upon request if within the statute of limitations and documented to the satisfaction of the commissioner. "Charges for remotely accessed software" means charges for the right to access and use prewritten software run on underlying infrastructure that is not managed or controlled by the consumer. Enforcement of the sales and use tax imposed on the purchase of specified digital products pursuant to 32 V.S.A. § 9771(8) is not affected by this section.

Sec. 52. STUDY COMMITTEE ON CLOUD COMPUTING

(a) Creation of committee. There is created a cloud computing study committee to examine issues related to the taxation of software as a service.

(b) Membership. The committee shall be composed of seven members. Four members of the committee shall be members of the general assembly. The committee on committees of the senate shall appoint two members of the senate and the speaker of the house shall appoint two members of the house. The committee on committees shall appoint a chair of the study committee who shall be a committee member who is also a member of the general assembly. Three members of the committee shall be as follows:

(1) the governor shall appoint a member representing consumers of software and software services;

(2) the secretary of administration or his or her designee;

(3) the commissioner of taxes or his or her designee;

(c) Powers and duties.

(1) The committee established by this section shall study the taxation of software as a service, including the character of sales transactions involving software accessed remotely, the sourcing of such sales, and experience of other jurisdictions in taxing software as a service.

(2) For purposes of its study of these issues, the committee shall have the assistance of the office of legislative council, the joint fiscal office, and the department of taxes.

(d) Report. By January 15, 2013, the committee shall report to the senate committee on finance and the house committee on ways and means on its findings and any recommendations for legislative action.

(e) Reimbursement. For attendance at meetings during adjournment of the general assembly, legislative members of the committee shall be entitled to compensation and reimbursement for expenses as provided in 2 V.S.A. § 406; and other members of the committee who are not employees of the state of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010.

Sec. 53. SECONDARY PACKAGING

The commissioner of taxes shall study the taxation and exemption of secondary packaging machinery and no later than January 15, 2013 shall report to the senate committee on finance and the house committee on ways and means on its findings. The commissioner shall specifically examine and report on the various types of secondary machinery typically used in manufacturing, the use of secondary packaging machinery in Vermont, the different options for exempting secondary packaging machinery that are administratively feasible, and how other states tax or exempt secondary packaging machinery.

Sec. 54. SALES AND USE TAX REBATES FOR MOBILE HOMES

(a) Notwithstanding the provisions of 32 V.S.A. chapters 231 and 233 and 24 V.S.A. § 138, sales and use tax, local option sales tax, or property transfer tax shall not apply to sales to individuals of mobile homes purchased after April 1, 2011 but before July 1, 2012 to replace a mobile home that was damaged or destroyed as a result of flooding and storm damage that occurred as a result of a federally declared disaster in Vermont in 2011.

(b) Any resident of Vermont who purchased a mobile home that meets the criteria under subsection (a) of this section shall be entitled to a reimbursement in the amount of any sales and use tax, local option sales tax, or property transfer tax paid.

(c) The department of taxes may establish standards and procedures necessary to implement this section. The department of taxes shall reimburse taxpayers that qualify under subsection (a) of this section.

Sec. 54a. 32 V.S.A. § 9741(2) is amended to read:

(2) Drugs intended for human use, durable medical equipment, mobility enhancing equipment, and prosthetic devices and supplies, including blood, blood plasma, insulin, and medical oxygen, used in treatment intended to alleviate human suffering or to correct, in whole or in part, human physical disabilities; provided however, that toothbrushes, floss, and similar items of nominal value given by dentists and hygienists to patients during treatment are supplies used in treatment to alleviate human suffering or to correct, in whole or part, human physical disabilities and are exempt under this subdivision.

* * * Electrical energy generating tax provisions * * *

Sec. 55. REPEAL

32 V.S.A. § 5402a (electric generating plant education property tax) is repealed.

Sec. 56. 32 V.S.A § 8661 is amended to read:

§ 8661. TAX LEVY

(a) There is hereby assessed ~~each year~~ upon electric generating plants constructed in the state subsequent to July 1, 1965, and having a name plate generating capacity of 200,000 kilowatts, or more, a state tax ~~in accordance with the following table:~~ at the rate of \$0.0025 per kWh of electrical energy produced.

If megawatt hour production is:	tax is:
Less than 2,300,000 megawatt hours	\$2.0 million
2,300,000 to 3,800,000 megawatt hours	\$2.0 million plus \$0.40 per megawatt hour over 2,300,000
3,800,001 to 4,200,000 megawatt hours	\$2.6 million
Over 4,200,000 megawatt hours	\$2.6 million plus \$0.40 per megawatt hour over 4,200,000

~~For purposes of this section, "megawatt hour production" means the average of net production for sale in the three most recent preceding calendar years. The tax imposed by this section shall be paid to the commissioner in equal quarterly installments on the electrical energy generated in the prior quarter on or before the 25th day of the calendar month succeeding the quarter~~

ending on the last day of March, June, September, and December by the person or corporation then owning or operating such electric generating plant.

(b) ~~If an entity subject to this tax generates no electricity during the tax year due to termination or expiration of a necessary license, or due to permanent cessation of operations, no tax shall be due for that year.~~

(e) A person or corporation failing to make returns or pay the tax imposed by this section within the time required shall be subject to and governed by the provisions of sections 3202, ~~3203, 5868,~~ and ~~5873~~ 3203 of this title.

Sec. 57. TRANSITION

An electric generating plant shall receive a credit against the tax under 32 V.S.A. § 8661 for any sums it has irrevocably paid to the state after March 21, 2012 under agreements for operation under a certificate of public good or pending a public service board proceeding for the issuance of a certificate of public good. Any credit under this section shall be applied to any current liability of the taxpayer, and if the amount of the credit exceeds the amount of the current liability, the credit may be carried forward to the next return period.

* * * Meals and rooms tax provisions * * *

Sec. 58. 32 V.S.A. § 9202(3) is amended to read:

(3) "Hotel" means an establishment which holds itself out to the public by offering sleeping accommodations for a consideration, whether or not the major portion of its operating receipts is derived therefrom and whether or not the sleeping accommodations are offered to the public by the owner or proprietor or lessee, sublessee, mortgagee, licensee, or any other person or the agent of any of the foregoing. The term includes but is not limited to, inns, motels, tourist homes and cabins, ski dormitories, ski lodges, lodging homes, rooming houses, furnished-room houses, boarding houses, and private clubs, as well as any building or structure or part thereof to the extent to which any such building or structure or part thereof in fact is held out to the public by offering sleeping accommodations for a consideration. The term shall not include the following:

(A) a hospital, licensed under 18 V.S.A. chapter 43 ~~of Title 18,~~ or a ~~sanatorium, convalescent home, nursing home, or a home for the aged residential care home, assisted living residence, home for the terminally ill, therapeutic community residence as defined pursuant to 33 V.S.A. chapter 71,~~ or independent living facility;

* * *

Sec. 59. 32 V.S.A. § 9202(10)(D)(ii)(IV) is amended to read:

(IV) prepared and served by the employees ~~thereof and served in, volunteers, or contractors of~~ any hospital licensed under 18 V.S.A. chapter 43 of Title 18, or sanitorium, convalescent home, nursing home or home for the aged, residential care home, assisted living residence, home for the terminally ill, therapeutic community residence as defined pursuant to 33 V.S.A. chapter 71, or independent living facility; provided, however, that “contractor” under this subsection excludes:

(aa) persons or entities that lease space from one of these organizations, and

(bb) means provided by a restaurant as defined by subdivision (15) of this section when furnished to residents of a nursing home, residential care home, assisted living residence, home for the terminally ill, therapeutic community residence as defined pursuant to 33 V.S.A. chapter 71, or independent living facility, when not otherwise available generally to residents of the facility;

Sec. 60. 32 V.S.A. § 9202(18) is added to read:

(18) “Independent living facility” means a congregate living environment, however named, for profit or otherwise, that meets the definitions of housing complexes for older persons as enumerated in 9 V.S.A. § 4503(b) and (c), or housing programs designed to meet the needs of individuals with a handicap or disability as defined in 9 V.S.A. § 4501(2) and (3).

Sec. 60a. 32 V.S.A. § 8557(a) is amended to read:

(a) Sums for the expenses of the operation of training facilities and curriculum of the Vermont fire service training council not to exceed ~~\$800,000.00~~ \$950,000.00 per year shall be paid to the fire safety special fund created by 20 V.S.A. § 3157 by insurance companies, including surplus lines companies, writing fire, homeowners multiple peril, allied lines, farm owners multiple peril, commercial multiple peril (fire and allied lines), private passenger and commercial auto, and inland marine policies on property and persons situated within the state of Vermont within 30 days after notice from the commissioner of banking, insurance, securities, and health care administration of such estimated expenses. Captive companies shall be excluded from the effect of this section. The commissioner shall annually, on or before July 1, apportion such charges among all such companies and shall assess them for the same on a fair and reasonable basis as a percentage of their gross direct written premiums on such insurance written during the second

prior calendar year on property situated in the state. An amount not less than \$100,000.00 shall be specifically allocated to the provision of what are now or formerly referred to as Level I, units I, II, and III (basic) courses for entry level firefighters. An amount not less than \$150,000.00 shall be specifically allocated to the emergency medical services special fund established under 18 V.S.A. § 908 for the provision of training programs for emergency medical technicians, advanced emergency medical technicians, and paramedics. An entity seeking funds allocated to the emergency medical services fund shall present a plan to the joint fiscal committee which shall review the plan prior to release of any funds.

Sec. 61. EFFECTIVE DATES

This act shall take effect upon passage, except:

(1) Secs. 1 (conforming petroleum cleanup fee base to fuel gross receipts tax base), 2 (petroleum cleanup fund outreach), 6 (extraordinary relief), 8 (Irene checkoff), 12 (reporting requirements), 20 (downtown tax credit for disaster expenses), 21 (limitation on downtown tax credits for fiscal year 2013), 21a (low income property transfer tax exemption), and 54a (dental equipment) of this act shall take effect on July 1, 2012.

(2) Secs. 7 (link to Internal Revenue Code) of this act shall apply to taxable years beginning on and after January 1, 2011, and Sec. 10 (estate tax link to Internal Revenue Code) shall apply to decedents on or after January 1, 2011.

(3) Sec. 14 (increasing minimum tax on certain C corporations) of this act shall apply to taxable years beginning on and after January 1, 2012.

(4) Secs. 23 (health savings accounts) 24, 25, and 26 (moving final date for filing renter rebate or property tax adjustment claims), and 27 (renter rebate cap) of this act shall take effect on January 1, 2013 and apply to property tax adjustments and renter rebate claims for 2013 and after.

(5) Secs. 36 (education base rates) and 37 (education base amount) shall take effect on passage and apply to education property tax rates and the base education amount for fiscal year 2013.

(6) Secs. 43 through 46 (wastewater permits) shall take effect retroactively on July 1, 2011.

(7) Sec. 48 (auction sale exemption) of this act is effective retroactively to May 24, 2011.

(8) Secs. 55 (repeal), 56 (electrical generation tax), and 57 (transition) shall take effect on July 1, 2012 and apply to power generated after that date.

(9) Secs. 58 (rooms tax definitions), 59 (meals tax definitions), and 60 (definition of independent living facility) shall take effect on passage and apply retroactively to July 1, 2012.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Ancel of Calais** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Ancel of Calais
Rep. Branagan of Georgia
Rep. Condon of Colchester

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Consideration Resumed; Bill Read the Third Time and Passed

H. 718

Consideration resumed on House bill, entitled

An act relating to An act relating to the department of public service and the public service board

Pending third reading of the bill, **Reps. Browning of Arlington, Burditt of West Rutland, Davis of Washington and Kilmartin of Newport City** moved to amend the bill as follows:

By adding Sec. 17b to read as follows:

Sec. 17b. 30 V.S.A. § 107a is added to read:

§ 107a. MERGERS; ACQUISITIONS; LEGISLATIVE APPROVAL

(a) If a consolidation or merger of companies, or the acquisition of control of one utility company by another company, would result in one company having direct or indirect control of 50 percent or more of Vermont's generation, distribution, or transmission market, the board may commence proceedings under section 311 or 107 of this title, as applicable, and may issue a final order; however, such order, if it approves of the proposed consolidation, merger, or acquisition, shall not take effect unless the general assembly finds that the merger, consolidation, or acquisition will promote the general good of

the state and approves the merger, consolidation, or acquisition by legislative enactment, which may include additional terms and conditions.

(b) Notwithstanding 1 V.S.A. §§ 213 and 214(b), subsection (a) of this section shall apply to all petitions filed with the public service board on or after September 1, 2011.

Thereupon, **Rep. Deen of Westminster** raised a Point of Order that the amendment was in violation of Sec. 111(3) of Mason's Manual of Legislative Proceedings.

Thereupon, **Rep. Deen of Westminster** asked and was granted leave of the House to withdraw his Point of Order.

Thereupon, the recommendation of proposal of amendment offered by Reps. Browning of Arlington, et al, was disagreed to and the bill was read the third time and passed.

Recess

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

At seven o'clock in the evening, the Speaker called the House to order.

Message from the Senate No. 57

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 485. An act relating to establishing universal recycling of solid waste.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered House proposal of amendment to Senate proposal of amendment to House bill of the following title:

H. 785. An act relating to capital construction and state bonding budget adjustment.

And has concurred therein.

Pursuant to the request of the House for Committees of Conference on the disagreeing votes of the two Houses on the following House bills the President announced the appointment as members of such Committees on the part of the Senate:

H. 464. An act relating to a moratorium on hydraulic fracturing wells for natural gas and oil production.

Senator Lyons
Senator Benning
Senator MacDonald

H. 496. An act relating to preserving Vermont's working landscape.

Senator Illuzzi
Senator Lyons
Senator Giard

H. 559. An act relating to health care reform implementation.

Senator Ayer
Senator Mullin
Senator Carris.

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Alexandra Maclean, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-seventh day of April, 2012, he approved and signed bills originating in the House of the following titles:

H. 550 An act relating to the Vermont administrative procedure act

H. 459 An act relating to approval of amendments to the charter of the town of Brattleboro

H. 768 An act relating to ignition interlock restricted driver's licenses and civil suspensions

Proposal of Amendment Agreed to; Third Reading Ordered

S. 230

Rep. Marcotte of Coventry, for the committee on Commerce and Economic Development, to which had been referred Senate bill, entitled

An act relating to property and casualty insurers and electronic notices

Reported in favor of its passage in concurrence with proposal of amendment as follows:

By striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 8 V.S.A. § 3666 is added to read:

§ 3666. DELIVERY OF NOTICES BY ELECTRONIC MEANS

(a) As used in this section:

(1) "Delivered by electronic means" includes:

(A) delivery to an electronic mail address at which a party has consented to receive notice; and

(B) posting on an electronic network, together with separate notice to a party sent to the electronic mail address at which the party has consented to receive notice of the posting.

(2) "Party" means an applicant, an insured, or a policyholder.

(b) Subject to subsection (d) of this section, any notice to a party required under section 3880, 3881, 4224, 4225, 4712, or 4713 of this title may be, but is not required to be delivered by electronic means provided the process used to obtain consent of the party to have notice delivered by electronic means meets the requirements of 9 V.S.A. chapter 20, the Uniform Electronic Transactions Act.

(c) Delivery of a notice pursuant to subsection (b) of this section shall be considered equivalent to any delivery method required under section 3883, 4226, or 4714 of this title, including delivery by first-class mail, certified mail, or certificate of mailing.

(d) A notice may be delivered by electronic means by an insurer to a party under this section if:

(1) The party has affirmatively consented to such method of delivery and not subsequently withdrawn consent.

(2) The party, before giving consent, is provided with a clear and conspicuous statement informing the party of:

(A) the right of the party to have the notice provided or made available in paper or another nonelectronic form at no additional cost;

(B) the right of the party to withdraw consent to have notice delivered by electronic means;

(C) whether the party's consent applies:

(i) only to the particular transaction as to which the notice must be given; or

(ii) to identified categories of notices that may be delivered by electronic means during the course of the party's relationship with the insurer;

(D) how, after consent is given, the party may obtain a paper copy of a notice delivered by electronic means at no additional cost; and

(E) the procedures the party must use to withdraw consent to have notice delivered by electronic means and to update information needed to contact the party electronically.

(3) The party:

(A) before giving consent, is provided with a statement of the hardware and software requirements for access to and retention of a notice delivered by electronic means; and

(B) consents electronically and confirms consent electronically, in a manner that reasonably demonstrates that the party can access information in the electronic form that will be used for notices delivered by electronic means as to which the party has given consent.

(4) After consent of the party is given, the insurer, in the event a change in the hardware or software requirements needed to access or retain a notice delivered by electronic means creates a material risk that the party will not be able to access or retain a subsequent notice to which the consent applies:

(A) provides the party with a statement of:

(i) the revised hardware and software requirements for access to and retention of a notice delivered by electronic means; and

(ii) a revised statement required by subdivision (2) of this subsection; and

(B) the party affirmatively consents to continued delivery of notices by electronic means.

(e) Every notice delivered pursuant to subsection (b) of this section shall include the statement required by subdivision (d)(2) of this section. This section does not otherwise affect the content or timing of any notice required under chapter 105, 113, or 128 of this title.

(f) If a provision of chapter 105, 113, or 128 of this title requiring notice to be provided to a party expressly requires verification or acknowledgment of receipt of the notice, the notice may be delivered by electronic means only if the method used provides for verification or acknowledgment of receipt. Absent verification or acknowledgement of receipt of the initial notice on the part of the party, the insurer shall send two subsequent notices at intervals of five business days.

(g) The legal effectiveness, validity, or enforceability of any contract or policy of insurance may not be made contingent upon obtaining electronic consent or confirmation of consent of a party in accordance with subdivision (d)(3)(B) of this section.

(h)(1) A withdrawal of consent by a party does not affect the legal effectiveness, validity, or enforceability of a notice delivered by electronic means to the party before the withdrawal of consent is effective.

(2) A withdrawal of consent by a party is effective within 30 days after receipt of the withdrawal by the insurer.

(3) Failure to comply with subdivision (d)(4) of this section shall be treated as a withdrawal of consent for purposes of this section.

(i) A party who does not consent to delivery of notices by electronic means under subsection (b) of this section, or who withdraws his or her consent, shall not be subjected to any additional fees or costs for having notices provided or made available in paper or another nonelectronic form.

(j) This section shall not be construed to modify, limit, or supersede the provisions of the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. chapter 96, relating to the use of an electronic record to provide or make available information that is required to be provided or made available in writing to a party.

Sec. 2. INTERPRETATION

The delivery of notice in accordance with Sec. 1 of this act is intended and shall be construed to meet the requirements of state insurance regulation 78-01, section 1, as revised.

Sec. 3. STATEMENT OF CONSUMER RIGHTS; ELECTRONIC NOTICES

The commissioner of financial regulation shall issue a bulletin regarding the statement to be provided to a party under 8 V.S.A. § 3666(d)(2). The bulletin shall require insurance companies to clearly and conspicuously inform the party of the types of notices (cancellation and nonrenewal) permitted to be

delivered by electronic means; the risks associated with electronic notifications and the party's assumption of those risks if he or she consents to receive electronic notifications; the party's right to receive notices by mail at no additional cost; and any other provisions the commissioner deems necessary to protect the interests of Vermonters and otherwise carry out the purposes of this act. In addition, the bulletin shall provide guidance to insurers on the appropriate form of the electronic notices and their provisions as well as on the specific withdrawal of consent procedures required under 8 V.S.A. § 3666(d)(2)(D).

Sec. 4. 21 V.S.A. § 618 is amended to read:

§ 618. COMPENSATION FOR PERSONAL INJURY

* * *

(f) If an injured worker voluntarily consents in writing, the worker may be paid compensation benefits by means of direct deposit or an electronic payroll card account in accord with the requirements of section 342 of this title, and any rules adopted by the commissioner to implement this section. An electronic payroll card account may be used only for weekly payment of benefits and not for the payment of a lump sum award.

Sec. 5. EFFECTIVE DATES

This section and Sec. 4 of this act shall be effective on July 1, 2012 and Secs. 1, 2, and 3 of this act shall take effect on January 1, 2013 and apply to all policies and certificates delivered, issued for delivery, or renewed in this state on or after that date.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

Message from the Senate No. 58

A message was received from the Senate by Mr. Marshall, its Assitant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 789. An act relating to reapportioning the final representative districts of the House of Representatives.

And has accepted and adopted the same on its part.

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

H. 781. An act relating to making appropriations for the support of government.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Kitchel
Senator Sears
Senator Snelling.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 138

Rep. Lippert of Hinesburg, for the committee on Judiciary, to which had been referred Senate bill, entitled

An act relating to calculation of criminal sentences and record keeping for search warrants

Reported in favor of its passage in concurrence with proposal of amendment as follows:

By striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. § 61 is amended to read:

§ 61. RESTRICTIONS; EXCEPTIONS

A person, partnership, association, or corporation shall not furnish or sell, or expose or keep with intent to sell, any malt or vinous beverage, or spirits, or manufacture, sell, barter, transport, import, export, deliver, prescribe, furnish, or possess any alcohol, except as authorized by this title. However, this chapter shall not apply to the furnishing of such beverages or spirits by a person in his or her private dwelling, ~~unless to an habitual drunkard, or~~ unless such dwelling becomes a place of public resort, nor to the sale of fermented cider by the barrel or cask of not less than 32 liquid gallons capacity, provided the same is delivered and removed from the vendor's premises in such barrel or cask at the time of such sale, nor to the use of sacramental wine, nor to the furnishing, purchase, sale, barter, transportation, importation, exportation, delivery, prescription, or possession of alcohol for manufacturing, mechanical, medicinal, and scientific purposes, provided the same is done under and in

accordance with rules and regulations made and permits issued by the liquor control board as hereinafter provided, nor to the furnishing of such beverages or spirits by the Vermont criminal justice training council to drinking subjects during DUI enforcement courses of instruction at the Vermont police academy.

Sec. 2. 13 V.S.A. § 7031 is amended to read:

§ 7031. FORM OF SENTENCES; MAXIMUM AND MINIMUM TERMS

(a) When a respondent is sentenced to any term of imprisonment, other than for life, the court imposing the sentence shall not fix the term of imprisonment, unless such term is definitely fixed by statute, but shall establish a maximum and may establish a minimum term for which such respondent may be held in imprisonment. The maximum term shall not be more than the longest term fixed by law for the offense of which the respondent is convicted and the minimum term shall be not less than the shortest term fixed by law for such offense. If the court suspends a portion of said sentence, the unsuspended portion of such sentence shall be the minimum term of sentence solely for the purpose of any reductions of term for good behavior as provided for in 28 V.S.A. § 811. A sentence shall not be considered fixed as long as the maximum and minimum terms are not identical.

(b) The sentence of imprisonment of any person convicted of an offense shall commence to run from the date on which the person is received at the correctional facility for service of the sentence. The court shall give the person credit toward service of his or her sentence for any days spent in custody ~~in connection with the offense for which sentence was imposed~~ as follows:

(1) The period of credit for concurrent and consecutive sentences shall include all days served from the date of arraignment or the date of the earliest detention for the offense, whichever occurs first, and end on the date of the sentencing. Only a single credit shall be awarded in cases of consecutive sentences, and no credit for one period of time shall be applied to a later period.

(2) In sentencing a violation of probation, the court shall give the person credit for any days spent in custody from the time the violation is filed or the person is detained on the violation, whichever occurs first, until the violation is sentenced. In a case in which probation is revoked and the person is ordered to serve the underlying sentence, the person shall receive credit for all time previously served in connection with the offense.

(c) If any such person is committed to a jail or other place of detention to await transportation to the place at which his or her sentence is to be served,

his or her sentence shall commence to run from the date on which he or she is received at such jail or such place of detention.

(d) A person who receives a zero minimum sentence for a conviction of a nonviolent misdemeanor or nonviolent felony as defined in 28 V.S.A. § 301 shall report to probation and parole as directed by the court and begin to serve the sentence in the community immediately, unless the person is serving a prior sentence at such time.

Sec. 3. 13 V.S.A. § 7032(c) is amended to read:

(c) In all cases where multiple or additional sentences have been or are imposed, the term or terms of imprisonment under those sentences shall be determined in accordance with the following definitions.

(1) When terms run concurrently, the shorter minimum terms merge in and are satisfied by serving the longest minimum and the shorter maximum terms merge in and are satisfied by discharge of the longest maximum term.

(2) When terms run consecutively, the minimum terms are added to arrive at an aggregate minimum to be served equal to the sum of all minimum terms and the maximum terms are added to arrive at an aggregate maximum equal to the sum of all maximum terms. No person shall serve more time on consecutive minimum sentences than the sum of the minimum terms, regardless of whether the sentences are imposed on the same or different dates. If a person has served a minimum term and subsequently incurs another criminal charge, the time the person spends in custody awaiting disposition of the new charge shall count toward the minimum term of the new sentence, if one is imposed. This subdivision shall not require the department of corrections to release a person from incarceration to community supervision at the person's minimum term.

Sec. 4. 18 V.S.A. § 4216 is amended to read:

§ 4216. AUTHORIZED POSSESSION BY INDIVIDUALS

(a) A person to whom or for whose use any regulated drug has been prescribed, sold or dispensed, and the owner of any animal for which any such drug has been prescribed, sold or dispensed, may lawfully possess the same on the condition that such drug was prescribed, sold or dispensed by a physician, dentist, pharmacist, or veterinarian licensed under this chapter or under the laws of another state or country wherein such person has his or her practice, and further that all,

(b)(1) Except as otherwise provided in subdivision (2) of this subsection, all amounts of the drug are shall be retained in the lawful container in which it

was delivered to ~~him~~ the patient by the person selling or dispensing the same; ~~provided however, that for the purposes of this section an amount of regulated drugs of not more than two days' individual prescribed dosage may be possessed by a patient for his personal use.~~

(2) A patient may possess an amount of regulated drugs of not more than seven days' individual prescribed dosage, for personal use, which shall not be required to be retained in its lawful container. A patient may possess an amount of regulated drugs of more than seven days' individual prescribed dosage, for personal use, which shall not be required to be retained in its lawful container, provided the patient personally possesses proof of a lawful, written prescription.

Sec. 5. 28 V.S.A. § 808a(a) is amended to read:

(a) ~~As~~ When recommended by the department and ordered by the court, an offender may be sentenced to serve a term of imprisonment, but placed by a court on treatment furlough to participate in such programs administered by the department in the community that reduce the offender's risk to reoffend or that provide reparation to the community in the form of supervised work activities.

Sec. 6. FEASIBILITY STUDY FOR A STATEWIDE ONLINE SENTENCING TOOL

(a) The general assembly established the Nonviolent Misdemeanor Sentence Review Committee (committee) in No. 41 of the Acts of 2011, an act relating to effective strategies to reduce criminal recidivism, to propose alternatives to incarceration for nonviolent, low-risk misdemeanor offenses. In its report, the committee expressed concern regarding "the varying degrees of justice meted out by the different counties in Vermont" and concluded that "any efforts to reduce recidivism and increase alternatives to incarceration must foster statewide equity in treatment of those charged or convicted with a criminal offense."

(b) The committee believes that judicial discretion is the cornerstone of sentencing in Vermont courts and that sentencing is at its best when the decision-makers have accurate and timely information about the offender, the offenses, and the options available for sentencing.

(c) Evidence-based practice research suggests that sentencing of criminal defendants should be based on the seriousness of the offense, risk, and probability of recidivism. Criminal sentencing that is based on these three principles is more likely to protect the public, reduce recidivism, and reduce costs than sentencing practices that are based on anecdotal experience.

(d) The committee took testimony on a new sentencing tool developed by the Missouri Sentencing Advisory Commission which employs these principles and which is available electronically to judges, attorneys, and other people involved in Missouri's criminal justice system. According to the commission, the "goal of the system is to ensure sentencing that is fair, protects the public, uses corrections resources wisely, and reduces sentence disparity."

(e) There is created a sentencing task force for the purpose of conducting a feasibility study to determine whether a set of sentencing data based on the seriousness of the offense, risk, and probability of recidivism can be developed and implemented in Vermont. The task force shall comprise the following members:

(1) A member of the senate committee on judiciary appointed by the committee on committees.

(2) A member of the house committee on judiciary appointed by the speaker of the house.

(3) A judge appointed by the chief justice of the Vermont supreme court.

(4) The commissioner of corrections.

(5) A state's attorney appointed by the executive committee of the department of state's attorneys.

(6) The defender general.

(f) The Vermont Center for Justice Research, the state's criminal justice statistical analysis center, has been involved with the analysis of criminal sentencing data in Vermont for the past 20 years. At the direction of the task force, the center shall undertake the statistical analysis necessary to develop the policy decisions required for the sentencing matrices which are the foundation of the project. The pilot analysis shall focus on five to ten felony or misdemeanor crimes prosecuted in Vermont during a two-year period. The center shall evaluate the availability and quality of data which would be required to generate sentencing information similar to those used in the Missouri model.

(g) The task force shall report the sentencing information for the crimes selected for the feasibility study along with a report with recommendations regarding the feasibility of a Vermont online sentencing tool to the senate and house committees on judiciary by March 15, 2013.

(h) The secretary of administration shall seek sources of grants and funding in fiscal year 2013 for the purpose of aiding the sentencing task force with a feasibility study to determine whether a set of sentencing data based on the seriousness of the offense, risk, and probability of recidivism can be developed and implemented in Vermont. The cost is currently estimated to be \$33,600.00.

Sec. 7. Sec. 4 of No. 41 of the Acts of 2011 is amended to read:

Sec. 4. NONVIOLENT MISDEMEANOR SENTENCE REVIEW COMMITTEE

(a) Creation of committee. There is created a nonviolent misdemeanor sentence review committee to propose alternatives to incarceration for nonviolent, low-risk misdemeanor offenses and to study whether records produced by public agencies in the course of the detection and investigation of crime should be open to public inspection or confidential.

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

(1) a former member of either the house committee on judiciary or the senate committee on judiciary appointed jointly by the speaker of the house and the senate ~~committee on committees~~ president pro tempore;

(2) the chair of the senate committee on judiciary;

(3) the chair of the house committee on judiciary;

(4) a member of the senate appointed by the senate committee on committees;

(5) a member of the house appointed by the speaker of the house;

(6) the governor's special assistant on corrections; and

(7) the administrative judge.

(c) Powers and duties.

* * *

(2) The committee shall study whether records produced by public agencies in the course of the detection and investigation of crime, including those maintained on any individual or compiled in the course of a criminal investigation by law enforcement, should be open to public inspection or confidential. The committee's study shall include:

(A) A determination of which records dealing with the detection and investigation of a crime should be public records and which records should be confidential.

(B) Consideration of the need to balance public safety and privacy when determining which criminal investigation records should be public and which records should be confidential.

(C) Legislation to implement the policy recommended by the committee.

~~(2)~~(3) The committee shall consult with stakeholders ~~while engaging in its mission,~~ including the following:

(A) The secretary of human services or designee.

(B) The secretary of state or designee.

(C) The executive director of the American Civil Liberties Union of Vermont or designee.

(D) A representative of the Vermont Press Association.

(E) The defender general or designee.

(F) The attorney general or designee.

(G) The executive director of the Vermont association of chiefs of police or designee.

(H) The executive director of the Vermont Bar Association or designee.

(I) A representative from the department of public safety.

(J) The executive director of the state's attorneys and sheriffs' association or designee.

(K) A member of the supreme court public access to court records advisory rules committee appointed by the chief justice.

(L) The executive director of the Vermont Center for Crime Victims Services or designee.

~~(3)~~(4) For purposes of its study of these issues, the committee shall have the legal and administrative assistance of the office of legislative council and the department of corrections.

(d) Report. ~~By December 1, 2011, the~~ The committee shall report annually to the general assembly on its findings and any recommendations for

legislative action.

(e) Number of meetings; term of committee; reimbursement. The committee may meet no more than ~~five~~ seven times annually and shall cease to exist on January 1, ~~2012~~ 2014.

* * *

and that after passage the title of the bill be amended to read: "An act relating to calculation of criminal sentences and expansion of the Misdemeanor Sentence Review Committee"

Rep. Keenan of St. Albans City, for the committee on Appropriations, recommended that the bill ought to pass in concurrence when amended as recommended by the committee on Judiciary.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the report of the committees on Judiciary and Appropriations agreed to and third reading ordered.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 214

Rep. Cheney of Norwich, for the committee on Natural Resources and Energy, to which had been referred Senate bill, entitled

An act relating to customer rights regarding smart meters

Reported in favor of its passage in concurrence with proposal of amendment as follows:

By striking all after the enacting clause and inserting in lieu thereof the following:

* * * Renewable Energy Goals, Definitions * * *

Sec. 1. 30 V.S.A. § 8001 is amended to read:

§ 8001. RENEWABLE ENERGY GOALS

(a) The general assembly finds it in the interest of the people of the state to promote the state energy policy established in section 202a of this title by:

(1) Balancing the benefits, lifetime costs, and rates of the state's overall energy portfolio to ensure that to the greatest extent possible the economic benefits of renewable energy in the state flow to the Vermont economy in general, and to the rate paying citizens of the state in particular.

(2) Supporting development of renewable energy and related planned energy industries in Vermont, and the jobs and economic benefits associated with such development, while retaining and supporting existing renewable energy infrastructure.

(3) Providing an incentive for the state's retail electricity providers to enter into affordable, long-term, stably priced renewable energy contracts that mitigate market price fluctuation for Vermonters.

(4) Developing viable markets for renewable energy and energy efficiency projects.

(5) Protecting and promoting air and water quality by means of renewable energy programs.

(6) Contributing to reductions in global climate change and anticipating the impacts on the state's economy that might be caused by federal regulation designed to attain those reductions.

~~(7) Supporting and providing incentives for small, distributed renewable energy generation, including~~ Providing support and incentives that support locating such generation to locate renewable energy plants of small and moderate size in a manner that is distributed across the state's electric grid, including locating such plants in areas that will provide benefit to the operation and management of the state's electric that grid through such means as reducing line losses and addressing transmission and distribution constraints.

(8) Promoting the inclusion, in Vermont's electric supply portfolio, of renewable energy plants that are diverse in plant capacity and type of renewable energy technology.

(b) The board shall provide, by order or rule, the regulations and procedures that are necessary to allow the board and the department to implement and supervise programs pursuant to this chapter.

Sec. 2. 30 V.S.A. § 8002 is amended to read:

§ 8002. DEFINITIONS

For purposes of this chapter:

* * *

(2) "Renewable energy" means energy produced using a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate.

(A) For purposes of this subdivision (2), methane gas and other flammable gases produced by the decay of sewage treatment plant wastes or landfill wastes and anaerobic digestion of agricultural products, byproducts, or wastes shall be considered renewable energy resources, but no form of solid waste, other than agricultural or silvicultural waste, shall be considered renewable.

(B) For purposes of this subdivision (2), no form of nuclear fuel shall be considered renewable.

(C) The only portion of electricity produced by a system of generating resources that shall be considered renewable is that portion generated by a technology that qualifies as renewable under this subdivision (2).

(D) After conducting administrative proceedings, the board may add technologies or technology categories to the definition of "renewable energy," provided that technologies using the following fuels shall not be considered renewable energy supplies: coal, oil, propane, and natural gas.

(E) For the purposes of this chapter, renewable energy refers to either "existing renewable energy" or "new renewable energy."

(3) "Existing renewable energy" means all types of renewable energy sold from the supply portfolio of a Vermont retail electricity provider that is not considered to be from a new renewable energy source produced by a plant that came into service prior to or on December 31, 2004.

(4) "New renewable energy" means renewable energy produced by a generating resource specific and identifiable plant coming into service after December 31, 2004.

(A) With respect to Energy from within a system of generating resources plants that includes renewable energy, the percentage of the system that constitutes shall not constitute new renewable energy shall be determined through dividing the plant capacity of the system's generating resources coming into service after December 31, 2004 that produce renewable energy by the total plant capacity of the system, regardless of whether the system includes specific plants that came or come into service after December 31, 2004.

(B) "New renewable energy" also may include the additional energy from an existing renewable facility energy plant retrofitted with advanced technologies or otherwise operated, modified, or expanded to increase the kWh output of the facility plant in excess of an historical baseline established by

calculating the average output of that facility plant for the 10-year period that ended December 31, 2004. If the production of new renewable energy through changes in operations, modification, or expansion involves combustion of the resource, the system also must result in an incrementally higher level of energy conversion efficiency or significantly reduced emissions. ~~For the purposes of this chapter, renewable energy refers to either “existing renewable energy” or “new renewable energy.”~~

(5) ~~“Qualifying SPEED resources” means contracts for in-state resources in the SPEED program established under section 8005 of this title that meet the definition of new renewable energy under this section, whether or not renewable energy credits environmental attributes are attached.~~

~~(6) “Nonqualifying SPEED resources” means contracts for in-state resources in the SPEED program established under section 8005 of this title that are fossil fuel-based, combined heat and power (CHP) facilities that sequentially produce both electric power and thermal energy from a single source or fuel. In addition, at least 20 percent of a facility’s fuel’s total recovered energy must be thermal and at least 13 percent must be electric, the design system efficiency (the sum of full load design thermal output and electric output divided by the heat input) must be at least 65 percent, and the facility must meet air quality standards established by the agency of natural resources.~~

~~(7) “Energy conversion efficiency” means the effective use of energy and heat from a combustion process.~~

~~(7) “Environmental attributes” means the characteristics of a plant that enable the energy it produces to qualify as renewable energy and include any and all benefits of the plant to the environment such as avoided emissions or other impacts to air, water, or soil that may occur through the plant’s displacement of a nonrenewable energy source.~~

(8) “Tradeable renewable energy credits” means all of the environmental attributes associated with a single unit of energy generated by a renewable energy source where:

(A) those attributes are transferred or recorded separately from that unit of energy;

(B) the party claiming ownership of the tradeable renewable energy credits has acquired the exclusive legal ownership of all, and not less than all, the environmental attributes associated with that unit of energy; and

(C) exclusive legal ownership can be verified through an auditable contract path or pursuant to the system established or authorized by the board or any program for tracking and verification of the ownership of environmental attributes of energy legally recognized in any state and approved by the board.

(9) “Retail electricity provider” or “provider” means a company engaged in the distribution or sale of electricity directly to the public.

(10) “Board” means the public service board under section 3 of this title, except when used to refer to the clean energy development board.

(11) “Commissioned” or “commissioning” means the first time a plant is put into operation following initial construction or modernization if the costs of modernization are at least 50 percent of the costs that would be required to build a new plant including all buildings and structures technically required for the new plant’s operation. However, these terms shall not include activities necessary to establish operational readiness of a plant.

(12) “Plant” means ~~any~~ an independent technical facility that generates electricity from renewable energy. A group of newly constructed facilities, such as wind turbines, shall be considered one plant if the group is part of the same project and uses common equipment and infrastructure such as roads, control facilities, and connections to the electric grid.

* * *

(21) “Distributed renewable generation” means a renewable energy plant that is connected to the subtransmission or distribution system of a Vermont retail electricity provider and has a plant capacity of less than 5 MW.

(22) “Vermont composite electric utility system” means the combined generation, transmission, and distribution resources along with the combined retail load requirements of the Vermont retail electricity providers.

* * * Renewable Portfolio Standard * * *

Sec. 3. 30 V.S.A. § 8004 is amended to read:

§ 8004. RENEWABLE PORTFOLIO STANDARDS FOR SALES OF ELECTRIC ENERGY

(a) Environmental attributes; ownership. ~~Except as otherwise provided in section 8005 of this title, in order for Vermont retail electricity providers to~~ To achieve the goals established in section 8001 of this title, no retail electricity provider shall sell or otherwise provide or offer to sell or provide electricity in the state of Vermont without ownership of sufficient ~~energy produced by renewable resources as described in this chapter, or sufficient tradeable~~

~~renewable energy credits that reflect the required renewable energy environmental attributes as provided for in subsection (b) of this section. Such ownership may be demonstrated through possession of tradeable renewable energy credits; contracts for energy supplied by a plant to the provider if the provider's purchase from the plant includes the energy's environmental attributes; or both. In the case of members of the Vermont Public Power Supply Authority, the requirements of this chapter may be met in the aggregate.~~

(b) Amounts required; schedule.

~~(1) New renewable energy. Each retail electricity provider in Vermont shall provide a certain amount of new renewable resources in its portfolio. Subject to subdivision 8005(d)(1) of this title each retail electricity provider in Vermont shall supply an amount of energy equal to its total incremental energy growth between January 1, 2005 and January 1, 2012 through the use of electricity generated by new renewable resources. The retail electricity provider may meet this requirement through eligible new renewable energy credits, new renewable energy resources with renewable energy credits still attached, or a combination of those credits and resources. No retail electricity provider shall be required to provide in excess of a total of 10 percent of its calendar year 2005 retail electric sales with electricity generated by new renewable resources own the environmental attributes of new renewable energy that is delivered or capable of delivery to Vermont in an amount that is not less than the percentages of its annual retail electric sales during each of the compliance periods shown on the table contained in this subdivision (b)(1).~~

<u>Compliance Period</u>	<u>SPEED</u>	<u>SPEED</u>
<u>(begins January 1 of stated year)</u>	<u>Goal Not Met</u>	<u>Goal Met</u>
<u>Three years commencing 2014</u>	<u>4 percent</u>	<u>4 percent</u>
<u>Three years commencing 2017</u>	<u>11 percent</u>	<u>8 percent</u>
<u>Three years commencing 2020</u>	<u>17 percent</u>	<u>14 percent</u>
<u>Three years commencing 2023</u>	<u>22 percent</u>	<u>19 percent</u>
<u>Three years commencing 2026</u>	<u>26 percent</u>	<u>26 percent</u>
<u>Three years commencing 2029</u>	<u>31 percent</u>	<u>31 percent</u>
<u>Each year commencing 2032</u>	<u>35 percent</u>	<u>35 percent</u>

(A) If, pursuant to subdivision 8005(d)(1) (2017 SPEED goal) of this title, the board concludes that the goal of that subdivision has been met, then the percentages in the table column labeled "SPEED Goal Met" shall apply; otherwise, the percentages in the table column labeled "SPEED Goal Not Met" shall apply.

(B) A retail electricity provider shall meet the requirements of this subdivision (b)(1) in a manner reasonably consistent with subdivisions 8001(7) (small to moderate size plants; geographic distribution; benefit to electric system) and (8) (diversity of plant capacities and technologies) of this title.

(C) With respect to the compliance periods established in the table contained in this subdivision (b)(1), the board may allow a retail electricity provider to apply environmental attributes that are generated or purchased during a compliance period, and are in excess of the requirement for that period, toward meeting the requirement of the immediately succeeding compliance period. The board shall establish reasonable standards and limits to govern such application.

(2) Distributed renewable generation. Each retail electricity provider in Vermont shall own, in the amounts and allocations established under this subdivision (b)(2), the environmental attributes of new renewable energy produced by distributed renewable generation owned by any Vermont retail electricity provider or under a contract of 10 or more years to any such provider.

(A) During each year commencing January 1, 2032, the amount established under this subdivision (b)(2) shall be not less than 10 percent of a provider's annual retail electric sales.

(B) Between the effective date of this subdivision (b)(2) and January 1, 2032, the amount established under this subdivision (b)(2) shall be determined by the board. During this period, the board shall require each retail electricity provider to own the environmental attributes of eligible distributed renewable generation in increasing amounts such that each provider achieves compliance, by January 1, 2032, with the requirements of subdivision (2)(A) (2032; 10 percent) of this subsection. The board shall ensure that this determination is consistent with the pace and implementation of the standard offer program under section 8005a of this title.

(C) The board shall allocate the amounts established under this subdivision (b)(2) among different categories of renewable energy technologies. These categories shall include at least each of the following: methane derived from an agricultural operation; methane derived from a

landfill; solar power; wind power with a plant capacity of 100 kW or less; wind power with a plant capacity greater than 100 kW; hydroelectric power; and biomass power using a fuel other than methane derived from an agricultural operation or landfill. In making these allocations, the board shall take into account the provisions of section 8005a (standard offer) of this title.

(D) For the purpose of this subdivision (b)(2), all net metering systems under section 219a of this title shall be considered to be under a contract of 10 or more years with the net metering customer's retail electricity provider.

(E) Energy produced by a plant used to satisfy this subdivision (b)(2) shall be applied to the requirements of subdivision (b)(1) of this section.

(F) A provider shall be exempt from the requirements of this subdivision (2) if the provider is exempt from the standard offer purchase requirements under subdivision 8005a(k)(2) of this title.

~~(c) The requirements of subsection (b) of this section shall apply to all retail electricity providers in this state, unless the retail electricity provider demonstrates and the board determines that compliance with the standard would impair the provider's ability to meet the public's need for energy services after safety concerns are addressed, at the lowest present value life cycle cost, including environmental and economic costs.~~ Use of SPEED power. The use of energy from a plant to satisfy the requirements of section 8005 of this title shall not preclude the use of the same energy to satisfy the requirements of this section, as long as the provider possesses the energy's environmental attributes.

(d) Regulations and procedures. The board shall provide, by order or rule, the regulations and procedures that are necessary to allow the board and the department to implement and supervise further the implementation and maintenance of a renewable portfolio standard.

(e) Alternative compliance payments. In lieu of, ~~or in addition to~~ purchasing tradeable renewable energy credits to satisfy the portfolio requirements of this section, a retail electricity provider in this state may pay to the Vermont clean energy development fund established under section 8015 of this title an amount not less than the number of kWh necessary to bring the provider's portfolio into compliance with those requirements multiplied by a rate per kWh as established by the board. ~~As an alternative, the board may require any proportion of this amount to be paid to the energy conservation fund established under subsection 209(d) of this title.~~

~~(f) Before December 30, 2007 and biennially thereafter through December 30, 2013, the board shall file a report with the senate committees on finance and on natural resources and energy and the house committees on commerce and on natural resources and energy. The report shall include the following:~~

~~(1) the total cumulative growth in electric energy usage in Vermont from 2005 through the end of the year that precedes the date on which the report is due;~~

~~(2) a report on the market for tradeable renewable energy credits, including the prices at which credits are being sold;~~

~~(3) a report on the SPEED program, and any projects using the program;~~

~~(4) a summary of other contracts held or projects developed by Vermont retail electricity providers that are likely to be eligible under the provisions of subsection 8005(d) of this title;~~

~~(5) an estimate of potential effects on rates, economic development and jobs, if the target established in subsection 8005(d) of this section is met, and if it is not met;~~

~~(6) an assessment of the supply portfolios of Vermont retail electricity providers, and the resources available to meet new supply requirements likely to be triggered by the expiration of major power supply contracts;~~

~~(7) an assessment of the energy efficiency and renewable energy markets and recommendations to the legislature regarding strategies that may be necessary to encourage the use of these resources to help meet upcoming supply requirements;~~

~~(8) any recommendations for statutory change related to this section, including recommendations for rewarding utilities that make substantial investments in SPEED resources; and~~

~~(9) the board's recommendations on how the state might best continue to meet the goals established in section 8001 of this title, including whether the state should meet its growth in energy usage over the succeeding 10 years by a continuation of the SPEED program.~~

* * * SPEED Program; General * * *

Sec. 4. 30 V.S.A. § 8005 is amended to read:

§ 8005. SUSTAINABLY PRICED ENERGY ENTERPRISE DEVELOPMENT (SPEED) PROGRAM; TOTAL RENEWABLES TARGETS

(a) ~~In order to~~ Creation. To achieve the goals of section 8001 of this title, there is created the Sustainably Priced Energy Enterprise Development (SPEED) program. ~~The SPEED program shall have two categories of projects: qualifying SPEED resources and nonqualifying SPEED resources.~~

(b) Board; powers and duties. The SPEED program shall be established, by rule, order, or contract, by the board. As part of the SPEED program, the board may, and in the case of subdivisions (1), (2), and (5) of this subsection, shall:

(1) Name one or more entities to become engaged in the purchase and resale of electricity generated within the state by means of ~~qualifying SPEED resources or nonqualifying SPEED resources, and shall implement the standard offer required by subdivision (2) of this subsection through this entity or entities.~~ An entity appointed under this subdivision shall be known as a SPEED facilitator.

(2) Issue standard offers for ~~qualifying SPEED resources with a plant capacity of 2.2 MW or less in accordance with section 8005a of this title.~~ These standard offers shall be available until the cumulative plant capacity of all such resources commissioned in the state that have accepted a standard offer under this subdivision (2) equals or exceeds 50 MW; provided, however, that a plant owned and operated by a Vermont retail electricity provider shall count toward this 50 MW ceiling if the plant has a plant capacity of 2.2 MW or less and is commissioned on or after September 30, 2009. The term of a standard offer required by this subdivision (2) shall be 10 to 20 years, except that the term of a standard offer for a plant using solar power shall be 10 to 25 years. The price paid to a plant owner under a standard offer required by this subdivision shall include an amount for each kWh generated that shall be set as follows:

~~(A) Until the board determines the price to be paid to a plant owner in accordance with subdivision (2)(B) of this subsection, the price shall be:~~

~~(i) For a plant using methane derived from a landfill or an agricultural operation, \$0.12 per kWh.~~

~~(ii) For a plant using wind power that has a plant capacity of 15 kW or less, \$0.20 per kWh.~~

~~(iii) For a plant using solar power, \$0.30 per kWh.~~

~~(iv) For a plant using hydropower, wind power with a plant capacity greater than 15 kW, or biomass power that is not subject to subdivision (2)(A)(i) of this subsection, a price equal, at the time of the plant's commissioning, to the average residential rate per kWh charged by all of the state's retail electricity providers weighted in accordance with each such provider's share of the state's electric load.~~

~~(B) In accordance with the provisions of this subdivision, the board by order shall set the price to be paid to a plant owner under a standard offer, including the owner of a plant described in subdivisions (2)(A)(i)-(iv) of this subsection.~~

~~(i) The board shall use the following criteria in setting a price under this subdivision:~~

~~(I) The board shall determine a generic cost, based on an economic analysis, for each category of generation technology that constitutes renewable energy. In conducting such an economic analysis the board shall:~~

~~(aa) Include a generic assumption that reflects reasonably available tax credits and other incentives provided by federal and state governments and other sources applicable to the category of generation technology. For the purpose of this subdivision (2)(B), the term "tax credits and other incentives" excludes tradeable renewable energy credits.~~

~~(bb) Consider different generic costs for subcategories of different plant capacities within each category of generation technology.~~

~~(II) The board shall include a rate of return on equity not less than the highest rate of return on equity received by a Vermont investor owned retail electric service provider under its board approved rates as of the date a standard offer goes into effect.~~

~~(III) The board shall include such adjustment to the generic costs and rate of return on equity determined under subdivisions (2)(B)(i)(I) of this subsection as the board determines to be necessary to ensure that the price provides sufficient incentive for the rapid development and commissioning of plants and does not exceed the amount needed to provide such an incentive.~~

~~(ii) No later than September 15, 2009, the board shall open and complete a noncontested case docket to accomplish each of the following tasks:~~

~~(I) Determine whether there is a substantial likelihood that one or more of the prices stated in subdivision (2)(A) of this subsection do not constitute a reasonable approximation of the price that would be paid applying the criteria of subdivision (2)(B)(i).~~

~~(II) If the board determines that one or more of the prices stated in subdivision (2)(A) of this subsection do not constitute such an approximation, set interim prices that constitute a reasonable approximation of the price that would be paid applying the criteria of subdivision (2)(B)(i). Once the board sets such an interim price, that interim price shall be used in subsequent standard offers until the board sets prices under subdivision (2)(B)(iii) of this subsection.~~

~~(iii) Regardless of its determination under subdivision (2)(B)(ii) of this subsection, the board shall proceed to set, no later than January 15, 2010, the price to be paid to a plant owner under a standard offer applying the criteria of subdivision (2)(B)(i) of this subsection.~~

~~(C) On or before January 15, 2012 and on or before every second January 15 after that date, the board shall review the prices set under subdivision (2)(B) of this subsection and determine whether such prices are providing sufficient incentive for the rapid development and commissioning of plants. In the event the board determines that such a price is inadequate or excessive, the board shall reestablish the price, in accordance with the requirements of subdivision (2)(B)(i) of this subsection, for effect on a prospective basis commencing two months after the price has been reestablished.~~

~~(D) Once the board determines, under subdivision (2)(B) or (C) of this subsection, the generic cost and rate of return elements for a category of renewable energy, the price paid to a plant owner under a subsequently executed standard offer contract shall comply with that determination.~~

~~(E) A plant owner who has executed a contract for a standard offer under this section prior to a determination by the board under subdivision (2)(B) or (C) of this subsection shall continue to receive the price agreed on in that contract.~~

~~(F) Notwithstanding any other provision of this section, on and after June 8, 2010, a standard offer shall be available for a qualifying existing plant.~~

~~(i) For the purpose of this subdivision, “qualifying existing plant” means a plant that meets all of the following:~~

~~(I) The plant was commissioned on or before September 30, 2009.~~

~~(II) The plant generates electricity using methane derived from an agricultural operation and has a plant capacity of 2.2 MW or less.~~

~~(III) On or before September 30, 2009, the plant owner had a contract with a Vermont retail electricity provider to supply energy or attributes, including tradeable renewable energy credits from the plant, in connection with a renewable energy pricing program approved under section 8003 of this title.~~

~~(ii) Plant capacity of a plant accepting a standard offer pursuant to this subdivision (2)(F) shall not be counted toward the 50 MW amount under this subsection (b).~~

~~(iii) Award of a standard offer under this subdivision (2)(F) shall be on condition that the plant owner and the retail electricity provider agree to modify any existing contract between them described under subdivision (i)(III) of this subdivision (2)(F) so that the contract no longer requires energy from the plant to be provided to the retail electricity provider. Those provisions of such a contract that concern tradeable renewable energy credits associated with the plant may remain in force.~~

~~(iv) The price and term of a standard offer contract under this subdivision (2)(F) shall be the same, as of the date such a contract is executed, as the price and term otherwise in effect under this subsection (b) for a plant that uses methane derived from an agricultural operation.~~

~~(G) Notwithstanding the requirement of this subsection (b) that a standard offer be available for qualifying SPEED resources, the board shall make a standard offer available under this subdivision (2) to an existing hydroelectric plant that does not exceed the 2.2 MW plant capacity limit of this subsection. To such plants, the board shall not allocate more of the cumulative 50-MW plant capacity under this subdivision (2) than exceeds the amount of such capacity that is unsubscribed as of January 1, 2012. Before making this standard offer available, the board shall notify potentially eligible plants known to it and shall publish broad public notice of the future availability of the standard offer. The notice shall direct that all potentially eligible plants shall file with the board a statement of interest in the standard offer by a date to be no less than 30 days from the date of the notice. No plant may participate in this standard offer unless it timely files such a statement. The filing of such a~~

~~statement shall constitute the consent of the plant owner to produce such information as the board may reasonably require to carry out this subdivision (2)(G), including information the board deems necessary to determine a generic cost in setting the price. The board shall have authority to require the production of such information from a plant that files a statement of interest. For the purpose of this subdivision (2)(G):~~

~~(i) “Existing hydroelectric plant” means a hydroelectric plant located in the state that was in service as of January 1, 2009 and does not, as of the effective date of this subdivision (2)(G), have an agreement with the board’s purchasing agent for the purchase of its power pursuant to subdivision 209(a)(8) of this title and board rules adopted under that subdivision. The term includes hydroelectric plants that have never had such an agreement and hydroelectric plants for which such an agreement expired prior to May 25, 2011.~~

~~(ii) The provisions of subdivisions (2)(B)(i)(I)-(III) of this subsection (standard offer pricing criteria) shall apply, except that:~~

~~(I) The term “generic cost,” when applied by the board to determine the price of a standard offer for an existing hydroelectric plant, shall mean the cost to own, reliably operate, and maintain such a plant for the duration of the standard offer contract. In determining this cost, the board shall consider including a generic assumption with respect to rehabilitation costs based on relevant factors such as the age of the potentially eligible plants; recently constructed or currently proposed rehabilitations to such plants; the investment that a reasonably prudent person would have made in such a plant to date under the circumstances of the plant, including the price received for power; and the availability for such a plant of improved technology.~~

~~(II) The incentive described under subdivision (2)(B)(i)(III) of this subsection shall be an incentive for continued safe, efficient, and reliable operation of existing hydroelectric plants.~~

~~(3) Maximize the benefit to rate payers from the sale of tradeable renewable energy credits or other credits that may be developed in the future, especially with regard to those plants that accept the standard offer issued under subdivision (2) of this subsection.~~

~~(4) Encourage retail electricity provider and third party developer sponsorship and partnerships in the development of in-state renewable energy projects.~~

~~(5) Require In accordance with section 8005a of this section, require all Vermont retail electricity providers to purchase from the SPEED facilitator, ~~in~~~~

~~accordance with subdivision (g)(2) of this section, the power generated by the plants that accept the standard offer required to be issued under subdivision (2) of this subsection section 8005a. For the purpose of this subdivision (5), the board and the SPEED facilitator constitute instrumentalities of the state.~~

(6) Establish a method for Vermont retail ~~electrical~~ electricity providers to obtain beneficial ownership of the renewable energy credits associated with any SPEED projects, ~~in the event that a renewable portfolio standard comes into effect under the provisions of section 8004 of this title. It shall be a condition of a standard offer required to be issued under subdivision (2) of this subsection that tradeable renewable energy credits associated with a plant that accepts the standard offer are owned by the retail electric providers purchasing power from the plant, except that in the case of a plant using methane from agricultural operations, the plant owner shall retain such credits to be sold separately at the owner's discretion.~~

(7) ~~Create a mechanism by which a retail electricity provider may establish that it has a sufficient amount of renewable energy, or resources that would otherwise qualify under the provisions of subsection (d) of this section, in its portfolio so that equity requires that the retail electricity provider be relieved, in whole or in part, from requirements established under this subsection that would require a retail electricity provider to purchase SPEED power, provided that this mechanism shall not apply to the requirement to purchase power under subdivision (5) of this subsection. However, a retail electricity provider that establishes that it receives at least 25 percent of its energy from qualifying SPEED resources that were in operation on or before September 30, 2009, shall be exempt and wholly relieved from the requirements of subdivisions (b)(5) (requirement to purchase standard offer power) and (g)(2) (allocation of standard offer electricity and costs) of this section. [Repealed.]~~

(8) Provide that in any proceeding under subdivision 248(a)(2)(A) of this title for the construction of a renewable energy plant, a demonstration of compliance with subdivision 248(b)(2) of this title, relating to establishing need for the facility plant, shall not be required if the facility plant is a SPEED resource and if no part of the facility plant is financed directly or indirectly through investments, other than power contracts, backed by Vermont electricity ratepayers.

(9) Take such other measures as the board finds necessary or appropriate to implement SPEED.

(c) VEDA; eligible facilities. Developers of ~~qualifying and nonqualifying in-state~~ SPEED resources shall be entitled to classification as an eligible

facility under ~~chapter 12 of Title 10 V.S.A. chapter 12~~, relating to the Vermont Economic Development Authority.

(d) Goals and targets. To advance the goals stated in section 8001 of this title, the following goals and targets are established.

~~(1) The board shall meet on or before January 1, 2012 and open a proceeding to determine the total amount of qualifying SPEED resources that have been supplied to Vermont retail electricity providers or have been issued a certificate of public good. If the board finds that the amount of qualifying SPEED resources coming into service or having been issued a certificate of public good after January 1, 2005 and before July 1, 2012 equals or exceeds total statewide growth in electric retail sales during that time, and in addition, at least five percent of the 2005 total statewide electric retail sales is provided by qualified SPEED resources or would be provided by qualified SPEED resources that have been issued a certificate of public good, or if it finds that the amount of qualifying SPEED resources equals or exceeds 10 percent of total statewide electric retail sales for calendar year 2005, the portfolio standards established under this chapter shall not be in force. The board shall make its determination by January 1, 2013. If the board finds that the goal established has not been met, one year after the board's determination the portfolio standards established under subsection 8004(b) of this title shall take effect.~~

~~(2)(1) 2017 SPEED Goal.~~ A state goal is to assure that 20 percent of total statewide electric retail sales before July 1, 2017 during the year commencing January 1, 2017 shall be generated by SPEED resources that constitute new renewable energy. ~~The board shall report to the house and senate committees on natural resources and energy and to the joint energy committee by December 31, 2011 with regard to the state's progress in meeting this goal. In addition, the board shall report to the house and senate committees on natural resources and energy and to the joint energy committee by December 31, 2013 with regard to the state's progress in meeting this goal and, if necessary, shall include any appropriate recommendations for measures that will make attaining the goal more likely. On or before January 31, 2018, the board shall meet and open a proceeding to determine, for the calendar year 2017, the total amount of SPEED resources that were supplied to Vermont retail electricity providers and the total amount of statewide retail electric sales.~~

~~(3)~~ For the purposes of the determination to be made under this ~~subsection~~, subdivision (d)(1), the total amount of SPEED resources shall be the amount of electricity produced at all facilities SPEED resources owned by

or under long-term contract to Vermont retail electricity providers, whether it is generated inside or outside Vermont, that is new renewable energy shall be counted in the calculations under subdivisions (1) and (2) of this subsection. A conclusion by the board that the goal of this subdivision has been met shall have the effect stated in subdivision 8004(b)(1)(A) (RPS percentages; SPEED goal) of this title.

(2) Total renewables targets. This subdivision establishes, as percentages of annual electric sales, target amounts of total renewable energy within the supply portfolio of each renewable electricity provider.

(A) The target amounts of total renewable energy established by this subsection shall be 55 percent of each retail electricity provider's annual electric sales during the year beginning January 1, 2017, increasing by an additional four percent each third January 1 thereafter, until reaching 75 percent on and after January 1, 2032.

(B) Energy and environmental attributes used to satisfy the requirements of section 8004 (renewable portfolio standards) of this title shall apply toward meeting the target amounts established by this subdivision (2). The balance of these target amounts shall be met with SPEED resources.

(C) Each retail electricity provider shall manage its supply portfolio to be reasonably consistent with the target amounts established by this subdivision (2). The board shall consider such consistency during the course of reviewing a retail electricity provider's charges and rates under this title, integrated resource plans under section 218c of this title, and petitions under section 248 (new gas and electric purchases, investments, and facilities) of this title. However, nothing in this subdivision (2) shall relieve a retail electricity provider from the obligations of section 8004 (renewable portfolio standards) of this title.

(e) Regulations and procedures. The board shall provide, by order or rule, the regulations and procedures that are necessary to allow the board and the department to implement, and to supervise further the implementation and maintenance of the SPEED program. These rules shall assure that decisions with respect to certificate of public good applications for construction of SPEED resources shall be made in a timely manner.

(f) Preapproval. In order to encourage joint efforts on the part of regulated companies to purchase power that meets or exceeds the SPEED standards and to secure stable, long-term contracts beneficial to Vermonters, the board may establish standards for pre-approving the recovery of costs incurred on a SPEED project that is the subject of that joint effort.

~~(g) With respect to executed contracts for standard offers under this section:~~

~~(1) Such a contract shall be transferable. The contract transferee shall notify the SPEED facilitator of the contract transfer within 30 days of transfer.~~

~~(2) The SPEED facilitator shall distribute the electricity purchased to the Vermont retail electricity providers at the price paid to the plant owners, allocated to the providers based on their pro rata share of total Vermont retail kWh sales for the previous calendar year, and the Vermont retail electricity providers shall accept and pay the SPEED facilitator for the electricity.~~

~~(3) The SPEED facilitator shall transfer any tradeable renewable energy credits attributable to electricity purchased under standard offer contracts to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (2) of this subsection, except that in the case of a plant using methane from agricultural operations, the plant owner shall retain such credits to be sold separately at the owner's discretion.~~

~~(4) The SPEED facilitator shall transfer all capacity rights attributable to the plant capacity associated with the electricity purchased under standard offer contracts to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (2) of this subsection.~~

~~(5) All reasonable costs of a Vermont retail electricity provider incurred under this subsection shall be included in the provider's revenue requirement for purposes of ratemaking under sections 218, 218d, 225, and 227 of this title. In including such costs, the board shall appropriately account for any credits received under subdivisions (2) and (3) of this subsection. Costs included in a retail electricity provider's revenue requirement under this subdivision shall be allocated to the provider's ratepayers as directed by the board.~~

~~(h) With respect to standard offers under this section, the board shall by rule or order:~~

~~(1) Determine a SPEED facilitator's reasonable expenses arising from its role and the allocation of such expenses among plant owners and Vermont retail electricity providers.~~

~~(2) Determine the manner and timing of payments by a SPEED facilitator to plant owners for energy purchased under an executed contract for a standard offer.~~

~~(3) Determine the manner and timing of payments to the SPEED facilitator by the Vermont retail electricity providers for energy distributed to them under executed contracts for standard offers.~~

~~(4) Establish reporting requirements of a SPEED facilitator, a plant owner, and a Vermont retail electricity provider.~~

~~(i) With respect to standard offers under this section, the board shall determine whether its existing rules sufficiently address metering and the allocation of metering costs, and make such rule revisions as needed to implement the standard offer requirements of this section.~~

~~(j) Wood biomass resources that would otherwise constitute qualifying SPEED resources may receive a standard offer under subdivision (b)(2) of this section only if they have a design system efficiency (the sum of full load design thermal output and electric output divided by the heat input) of at least 50 percent.~~

~~(k) A Vermont retail electricity provider shall not be eligible for a standard offer contract under subdivision (b)(2) of this section. However, under subdivision (g)(1) of this section, a plant owner may transfer to such a provider all rights associated with a standard offer contract that has been offered to the plant without affecting the plant's status under the standard offer program. In the case of such a transfer of rights, the plant shall not be considered a utility-owned and -operated plant under subdivisions (b)(2) and (g)(2) of this section.~~

~~(l) The existence of a standard offer under subdivision (b)(2) of this section shall not preclude a voluntary contract between a plant owner and a Vermont retail electricity provider on terms that may be different from those under the standard offer. A plant owner who declines a voluntary contract may still accept a standard offer under this section.~~

~~(m) State; nonliability. The state and its instrumentalities shall not be liable to a plant owner or retail electricity provider with respect to any matter related to SPEED, including costs associated with a standard offer contract under this section or section 8005a of this title or any damages arising from breach of such a contract, the flow of power between a plant and the electric grid, or the interconnection of a plant to that grid.~~

~~(n) On or before January 15, 2011 and every second January 15 afterward, the board shall report to the house and senate committees on natural resources and energy concerning the status of the standard offer program under this section. In its report, the board at a minimum shall:~~

~~(1) Assess the progress made toward attaining the cumulative statewide capacity ceiling stated in subdivision (b)(2) of this section.~~

~~(2) If that cumulative statewide capacity ceiling has not been met, identify the barriers to attaining that ceiling and detail the board's recommendations for overcoming such barriers.~~

~~(3) If that cumulative statewide capacity has been met or is likely to be met within a year of the date of the board's report, recommend whether the standard offer program under this section should continue and, if so, whether there should be any modifications to the program.~~

* * * SPEED Program; Standard Offer * * *

Sec. 5. 30 V.S.A. § 8005a is added to read:

§ 8005a. SPEED; STANDARD OFFER PROGRAM

(a) Establishment. A standard offer program is established within the SPEED program. To achieve the goals of section 8001 of this title, the board shall issue standard offers for renewable energy plants that meet the eligibility requirements of this section. The board shall implement these standard offers through the SPEED facilitator.

(b) Eligibility. To be eligible for a standard offer under this section, a plant must constitute a qualifying small power production facility under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292, must not be a net metering system under section 219a of this title, and must be a new standard offer plant. For the purpose of this section, "new standard offer plant" means a renewable energy plant that is located in Vermont, that has a plant capacity of 2.2 MW or less, and that is commissioned on or after September 30, 2009.

(c) Cumulative capacity. In accordance with this subsection, the board shall issue standard offers to new standard offer plants until a cumulative plant capacity amount of 150 MW is reached.

(1) Pace. Annually commencing April 1, 2013, the board shall increase the cumulative plant capacity of the standard offer program by 10 MW until the 150-MW cumulative plant capacity of this subsection (c) is reached (the 10-MW annual increase).

(A) Of this 10-MW annual increase, 2.5 MW shall be reserved for new standard offer plants proposed by Vermont retail electricity providers (the 2.5-MW provider block) and 7.5 MW shall be reserved for new standard offer plants proposed by persons who are not providers (the 7.5-MW independent developer block).

(B) If the 2.5-MW provider block for a given year is not fully subscribed, any unsubscribed capacity within that block shall be added to the 10-MW annual increase for each following year until that capacity is subscribed and shall be made available to new standard offer plants proposed by persons who are not providers.

(C) If the 7.5-MW independent developer block for a given year is not fully subscribed, any unsubscribed capacity within that block shall be added to the 10-MW annual increase for each following year until that capacity is subscribed and:

(i) Shall be made available to new standard offer plants proposed by persons who are not providers; and

(ii) May be made available to a provider following a written request and specific proposal submitted to and approved by the board.

(2) Technology allocations. The board shall allocate the 150-MW cumulative plant capacity of this subsection among different categories of renewable energy technologies. These categories shall include at least each of the following: methane derived from a landfill; solar power; wind power with a plant capacity of 100 kW or less; wind power with a plant capacity greater than 100 kW; hydroelectric power; and biomass power using a fuel other than methane derived from an agricultural operation or landfill. The categories and allocations reasonably shall correspond to those developed by the board for the same renewable energy technologies to implement subdivision 8004(b)(2) of this title (renewable portfolio standard; distributed renewable generation).

(d) Plants outside cumulative capacity. The following categories of plants shall not count toward the cumulative capacity amount of subsection (c) of this section, and the board shall make standard offers available to them provided that they are otherwise eligible for such offers under this section:

(1) Plants using methane derived from an agricultural operation.

(2) New standard offer plants that the board determines will have substantial benefits to the operation and management of the electric grid because of their design, characteristics, and location. To enhance the ability of new standard offer plants to mitigate transmission and distribution constraints, the board shall require Vermont retail electricity providers to make sufficient information concerning these constraints available to developers who propose new standard offer plants. Nothing in this subdivision shall require the disclosure of information in contravention of federal law.

(e) Term. The term of a standard offer required by this section shall be 10 to 20 years, except that the term of a standard offer for a plant using solar power shall be 10 to 25 years.

(f) Price. The categories of renewable energy for which the board shall set standard offer prices shall include at least each of the categories established pursuant to subdivision (c)(2) of this section. The board by order shall set the price paid to a plant owner under a standard offer required by this section that shall include an amount for each kWh generated and that shall vary by category of renewable energy. The board shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25.

(1) Avoided cost. Except as provided in subdivision (2) of this subsection, the price paid for each category of renewable energy shall be the avoided cost of the Vermont composite electric utility system.

(A) For the purpose of this subsection (f), the term “avoided cost” means the incremental cost to retail electricity providers of electric energy or capacity or both, which, but for the purchase through the standard offer, such providers would obtain from distributed renewable generation that uses the same generation technology as the category of renewable energy for which the board is setting the price. For the purpose of this subsection (f), the term “avoided cost” also includes the board’s consideration of each of the following:

(i) The relevant cost data of the Vermont composite electric utility system.

(ii) The terms of the contract, including the duration of the obligation.

(iii) The availability, during the system’s daily and seasonal peak periods, of capacity or energy purchased through the standard offer, and the estimated savings from mitigating peak load.

(iv) The relationship of the availability of energy or capacity purchased through the standard offer to the ability of the Vermont composite electric utility system or a portion thereof to avoid costs.

(v) The costs or savings resulting from variations in line losses and other impacts to the transmission or distribution system from those that would have existed in the absence of purchases through the standard offer.

(vi) The supply and cost characteristics of plants eligible to receive the standard offer.

(B) The board shall establish the first set of avoided cost prices under this subdivision (1) no later than March 1, 2013 for effect on April 1, 2013. Annually thereafter, the board shall review the prices previously set under this subdivision (1) and determine whether such prices remain in compliance with the criteria of subdivision (1)(A) of this subsection. In the event the board determines that such a price must be revised to comply with those criteria, the board shall reestablish the price in accordance with the criteria for effect on a prospective basis commencing one month after the price has been reestablished. Once a standard offer price established or reestablished under this subdivision (1) goes into effect, the price set out in a subsequently executed standard offer contract shall comply with the most recently established price.

(2) Market-based mechanisms. For new standard offer projects, in the alternative to the pricing mechanism described under subdivision (1) (avoided costs) of this subsection, the board may use a market-based mechanism, such as a reverse auction or other procurement tool, to obtain a particular amount of a category of renewable energy, if it first finds that:

(A) Use of the mechanism is consistent with applicable federal law.

(B) Use of the mechanism is reasonably likely to result in prices sufficient to encourage the deployment of new standard offer projects within the applicable category of renewable energy.

(C) Use of the mechanism is reasonably likely to result in prices lower than the price that would apply under subdivision (1) of this subsection.

(3) Price stability. Once a plant owner has executed a contract for a standard offer under this section, the plant owner shall continue to receive the price agreed on in that contract regardless of whether the board subsequently changes the price applicable to the plant's category of renewable energy.

(g) Qualifying existing agricultural plants. Notwithstanding any other provision of this section, on and after June 8, 2010, a standard offer shall be available for a qualifying existing plant as defined in Sec. 3 of No. 159 of the Acts of the 2009 Adj. Sess. (2010) (Act 159). The provisions of 30 V.S.A. § 8005(b)(2), as they existed on June 4, 2010, the effective date of Act 159, shall govern a standard offer under this subsection. Standard offers for these plants shall not be subject to subsection (c) of this section (cumulative capacity; new standard offer plants).

(h) Application process. The board shall administer the process of applying for and obtaining a standard offer contract in a manner that ensures

that the resources and capacity of the standard offer program are used for plants that are reasonably likely to achieve commissioning.

(i) Interconnection application. No contract under this section for a new standard offer plant shall be executed unless and until the plant owner submits a complete application to interconnect the plant to the subtransmission or distribution system of the applicable retail electricity provider.

(j) Termination; reallocation. In the event a proposed plant accepting a standard offer fails to meet the requirements of the program in a timely manner, the plant's standard offer contract shall terminate, and any capacity reserved for the plant within the program shall be reallocated to one or more eligible plants.

(1) For the purpose of this subsection, the requirements of the program shall include commissioning of all new standard offer plants, except plants using methane derived from an agricultural operation, within the following periods after execution of the plant's standard offer contract:

(A) 24 months if the plant is solar power or is wind power with a plant capacity of 100 kW or less; and

(B) 36 months if the plant uses a fuel source not described in subdivision 1(A) of this subsection (j) or is wind power of greater than 100 kW capacity.

(2) At the request of a plant owner, the board may extend a period described in subdivision (1) of this subsection (j) if it finds that the plant owner has proceeded diligently and in good faith and that commissioning of the plant has been delayed because of litigation or appeal or because of the need to obtain an approval the timing of which is outside the board's control.

(k) Executed standard offer contracts; transferability; allocation of benefits and costs. With respect to executed contracts for standard offers under this section:

(1) A contract shall be transferable. The contract transferee shall notify the SPEED facilitator of the contract transfer within 30 days of transfer.

(2) The SPEED facilitator shall distribute the electricity purchased to the Vermont retail electricity providers at the price paid to the plant owners, allocated to the providers based on their pro rata share of total Vermont retail kWh sales for the previous calendar year, and the Vermont retail electricity providers shall accept and pay the SPEED facilitator for the electricity. However, during any given calendar year, a retail electricity provider shall be exempt and wholly relieved from the requirements of this subdivision and

subdivision 8005(b)(5) (requirement to purchase standard offer power) of this title if, during the immediately preceding 12-month period ending October 31, the amount of renewable energy supplied to the provider by generation owned by or under contract to the provider, regardless of whether the provider owned the energy's environmental attributes, was not less than the amount of energy sold by the provider to its retail customers.

(3) The SPEED facilitator shall transfer the environmental attributes, including any tradeable renewable energy credits, of electricity purchased under standard offer contracts to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (2) of this subsection (k), except that in the case of a plant using methane from agricultural operations, the plant owner shall retain such attributes and credits to be sold separately at the owner's discretion. Environmental attributes transferred to a retail electricity provider under this section shall be included in assessing the provider's compliance with section 8004 (renewable portfolio standards) of this title.

(4) The SPEED facilitator shall transfer all capacity rights attributable to the plant capacity associated with the electricity purchased under standard offer contracts to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (2) of this subsection (k).

(5) All reasonable costs of a Vermont retail electricity provider incurred under this subsection shall be included in the provider's revenue requirement for purposes of ratemaking under sections 218, 218d, 225, and 227 of this title. In including such costs, the board shall appropriately account for any credits received under subdivisions (3) and (4) of this subsection (k). Costs included in a retail electricity provider's revenue requirement under this subdivision shall be allocated to the provider's ratepayers as directed by the board.

(1) SPEED facilitator; expenses; payments. With respect to standard offers under this section, the board shall by rule or order:

(1) Determine a SPEED facilitator's reasonable expenses arising from its role and the allocation of the expenses among plant owners and Vermont retail electricity providers.

(2) Determine the manner and timing of payments by a SPEED facilitator to plant owners for energy purchased under an executed contract for a standard offer.

(3) Determine the manner and timing of payments to the SPEED facilitator by the Vermont retail electricity providers for energy distributed to them under executed contracts for standard offers.

(4) Establish reporting requirements of a SPEED facilitator, a plant owner, and a Vermont retail electricity provider.

(m) Metering. With respect to standard offers under this section, the board shall make rule revisions concerning metering and the allocation of metering costs as needed to implement the standard offer requirements of this section.

(n) Wood biomass. Wood biomass resources that would otherwise constitute qualifying SPEED resources may receive a standard offer under this section only if they have a design system efficiency (the sum of full load design thermal output and electric output divided by the heat input) of at least 50 percent.

(o) Voluntary contracts. The existence of a standard offer under this section shall not preclude a voluntary contract between a plant owner and a Vermont retail electricity provider on terms that may be different from those under the standard offer. A plant owner who declines a voluntary contract may still accept a standard offer under this section.

Sec. 6. STANDARD OFFER; PRIOR CAPACITY; INTERCONNECTION APPLICATION

(a) Prior capacity included. In Sec. 5 (SPEED; standard offer program) of this act, the cumulative capacity amount of 150 MW contained in 30 V.S.A. § 8005a(c) includes the 50 MW of capacity previously authorized for the standard offer program under 30 V.S.A. § 8005(b)(2) as it existed immediately prior to the effective date of Sec. 5. Portions of this previously authorized 50-MW capacity that become available after that effective date shall be made immediately available to other eligible new standard offer projects, as defined in Sec. 5 of this act, in addition to the 10-MW annual increase under 30 V.S.A. § 8005a(c)(1) (standard offer; pace). Such capacity:

(1) Shall be made available to new standard offer plants proposed by persons who are not providers; and

(2) May be made available to a provider following a written request and specific proposal submitted to and approved by the board.

(b) Prior capacity; pricing. In a standard offer contract under 30 V.S.A. chapter 89, the board shall use the price that would apply under 30 V.S.A. § 8005(b)(2) as it existed immediately prior to the effective date of Sec. 5 (SPEED; standard offer program) of this act, if both of the following apply:

(1) The contract pertains to capacity within the standard offer program as it existed immediately prior to that effective date.

(2) The capacity becomes available and the contract is executed prior to April 1, 2013.

(c) Interconnection application.

(1) No later than September 1, 2012, each owner of a new standard offer plant, as defined in Sec. 5 of this act, that executed or executes a standard offer contract under 30 V.S.A. chapter 89 prior to the effective date of this section shall submit a complete application to interconnect the plant to the subtransmission or distribution system of the applicable retail electricity provider. Failure to file such an application or to remit any required interconnection fees or deposits shall terminate the contract.

(2) The purpose of this subsection is to provide assurance that any reserved capacity within the standard offer program under 30 V.S.A. chapter 89 is allocated to proposed plants that are likely to be commissioned within the meaning of 30 V.S.A. § 8002.

* * * Renewable Energy; Reporting * * *

Sec. 7. 30 V.S.A. § 8005b is added to read:

§ 8005b. RENEWABLE ENERGY PROGRAMS; BIENNIAL REPORT

(a) On or before January 15, 2013 and no later than every second January 15 thereafter through January 15, 2033, the board shall file a report with the general assembly in accordance with this section. The board shall prepare the report in consultation with the department. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(b) The report under this section shall include at least each of the following:

(1) The retail sales, in kWh, of electricity in Vermont during the preceding calendar year. The report shall include the statewide total and the total sold by each retail electricity provider.

(2) The amount of environmental attributes of renewable energy owned by the Vermont retail electricity providers, expressed as a percentage of retail kWh sales. The report shall include the statewide total and the total owned by each retail electricity provider and shall discuss the progress of each provider in meeting the requirements of section 8004 (renewable portfolio standards) of this title. The requirements of this subdivision (b)(2) shall not apply to the

report to be filed under this section on or before January 15, 2013 and shall apply to all reports to be filed subsequently under this section.

(3) The amount of SPEED resources owned by the Vermont retail electricity providers, expressed as a percentage of retail kWh sales. The report shall include the statewide total and the total owned by each retail electricity provider and shall discuss the progress of each provider toward achieving the goals and targets of subsection 8005(d) (SPEED) of this title. The report to be filed under this subsection on or before January 15, 2019 shall discuss and attach the board's determination under subdivision 8005(d)(1) (2017 SPEED goal) of this title.

(4) A summary of the activities of the SPEED program under section 8005 of this title, including the name, location, plant capacity, and average annual energy generation, of each SPEED resource within the program.

(5) A summary of the activities of the standard offer program under section 8005a of this title, including the number of plants participating in the program, the prices paid by the program, and the plant capacity and average annual energy generation of the participating plants. The report shall present this information as totals for all participating plants and by category of renewable energy technology. The report also shall identify the number of applications received, the number of participating plants under contract, and the number of participating plants actually in service.

(6) A report on the market for tradeable renewable energy credits, including the prices at which credits are being sold.

(7) An assessment of the energy efficiency and renewable energy markets and recommendations to the general assembly regarding strategies that may be necessary to encourage the use of these resources to help meet upcoming supply requirements.

(8) An assessment of whether strict compliance with the requirements of section 8004 (renewable portfolio standards) or 8005a (SPEED program; standard offer) of this title will cause one or more retail electricity providers to incur unexpected costs that will impair the provider's ability to meet the public's need for energy services in the manner set forth under section 218c of this title (least-cost integrated planning) and, if so, whether statutory changes should be made to grant providers additional flexibility in meeting one or more of those requirements.

(9) Any recommendations for statutory change related to sections 8004, 8005, and 8005a of this title.

* * * Renewable Energy Statutes; Technical Corrections * * *

Sec. 8. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO REQUIREMENT

(a) In this section:

(1) “Baseload renewable power” means a plant that generates electricity from renewable energy; that, during normal operation, is capable of taking all or part of the minimum load on an electric transmission or distribution system; and that produces electricity essentially continuously at a constant rate.

(2) “Baseload renewable power portfolio requirement” means an annual average of 175,000 MWh of baseload renewable power from an in-state woody biomass plant that was commissioned prior to September 30, 2009, has a nominal capacity of 20.5 MW, and was in service as of January 1, 2011.

(3) “Biomass” means organic nonfossil material of biological origin constituting a source of renewable energy within the meaning of ~~30 V.S.A. § subdivision 8002(2) of this title.~~

~~(4) “Vermont composite electric utility system” means the combined generation, transmission, and distribution resources along with the combined retail load requirements of the Vermont retail electricity providers.~~

(b) ~~Notwithstanding subsection 8004(a) and subdivision 8005(d)(1) of this title, commencing~~ Commencing November 1, 2012, the electricity supplied by each Vermont retail electricity provider to its customers shall include the provider’s pro rata share of the baseload renewable power portfolio requirement, which shall be based on the total Vermont retail kWh sales of all such providers for the previous calendar year. The obligation created by this subsection shall cease on November 1, 2022.

* * *

(f) With respect to a plant used to satisfy the baseload renewable power portfolio requirement:

(1) The SPEED facilitator shall purchase the baseload renewable power, and the electricity purchased and any associated costs shall be allocated by the SPEED facilitator to the Vermont retail electricity providers based on their pro rata share of total Vermont retail kWh sales for the previous calendar year, and the Vermont retail electricity providers shall accept and pay those costs.

(2) Any environmental attributes, including tradeable renewable energy credits attributable to, of the electricity purchased shall be transferred to the

Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (1) of this subsection.

* * *

Sec. 9. 30 V.S.A. § 8015 is amended to read:

§ 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

(a) Creation of fund.

(1) There is established the Vermont clean energy development fund to consist of each of the following:

(A) The proceeds due the state under the terms of the memorandum of understanding between the department of public service and Entergy Nuclear VY and Entergy Nuclear Operations, Inc. that was entered under public service board docket 6812; together with the proceeds due the state under the terms of any subsequent memoranda of understanding entered before July 1, 2005 between the department of public service and Entergy Nuclear VY and Entergy Nuclear Operations, Inc.

(B) All payments made by a retail electricity provider pursuant to subsection 8004(e) (alternative compliance payments) of this title.

(C) Any other monies that may be appropriated to or deposited into the fund.

(2) Balances in the fund shall be expended solely for the purposes set forth in this subchapter and shall not be used for the general obligations of government. All balances in the fund at the end of any fiscal year shall be carried forward and remain part of the fund. Interest earned by the fund shall be deposited in the fund. This fund is established in the state treasury pursuant to ~~subchapter 5 of chapter 7 of Title 32 V.S.A. chapter 7, subchapter 5.~~

* * *

Sec. 10. STATUTORY REVISION

(a) The office of legislative council shall reorganize 30 V.S.A. § 8002 (definitions) so that the definitions are in alphabetical order.

(b) In the Vermont Statutes Annotated, the office of legislative council shall revise each cross-reference to a definition contained in 30 V.S.A. § 8002 so that it refers to the definition as reorganized under subsection (a) of this section.

* * * Net Metering; Environmental Attributes * * *

Sec. 11. 30 V.S.A. § 219a(n) is added to read:

(n) An electric company shall own the environmental attributes of all net metering systems that interconnect with the company's distribution system. The company shall not sell these environmental attributes and shall apply them toward the requirements of section 8004 (renewable portfolio standards) of this title. For the purpose of this subsection, "environmental attributes" shall have the same meaning as under section 8002 (renewable energy chapter; definitions) of this title.

* * * Utility Planning and Implementation; Consistency with Renewable Energy Goals and Targets * * *

Sec. 12. 30 V.S.A. § 218c is amended to read:

§ 218c. LEAST COST INTEGRATED PLANNING

(a)(1) A "least cost integrated plan" for a regulated electric or gas utility is a plan for meeting the public's need for energy services, after safety concerns are addressed, at the lowest present value life cycle cost, including environmental and economic costs, through a strategy combining investments and expenditures on energy supply, transmission and distribution capacity, transmission and distribution efficiency, and comprehensive energy efficiency programs. Economic costs shall be ~~determined~~ assessed with due regard to:

(A) the greenhouse gas inventory developed under the provisions of 10 V.S.A. § 582;

(B) the state's progress in meeting its greenhouse gas reduction goals; ~~and~~

(C) the value of the financial risks associated with greenhouse gas emissions from various power sources; and

(D) consistency with section 8001 (renewable energy goals) of this title.

(2) "Comprehensive energy efficiency programs" shall mean a coordinated set of investments or program expenditures made by a regulated electric or gas utility or other entity as approved by the board pursuant to subsection 209(d) of this title to meet the public's need for energy services through efficiency, conservation or load management in all customer classes and areas of opportunity which is designed to acquire the full amount of cost effective savings from such investments or programs.

(b) Each regulated electric or gas company shall prepare and implement a least cost integrated plan for the provision of energy services to its Vermont customers. ~~Proposed plans shall be submitted~~ At least every third year on a schedule directed by the public service board, each such company shall submit a proposed plan to the department of public service and the public service board. The board, after notice and opportunity for hearing, may approve a company's least cost integrated plan if it determines that the company's plan complies with the requirements of subdivision (a)(1) of this section, is reasonably consistent with achieving the goals and targets of subsection 8005(d) (2017 SPEED goal; total renewables targets) of this title and, if the plan is submitted by an electric company on or after January 1, 2014, demonstrates that the company is and will be in compliance with the requirements of section 8004 (renewable portfolio standard) of this title.

* * *

Sec. 13. 30 V.S.A. § 248(b) is amended to read:

(b) Before the public service board issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment or construction:

* * *

(2) is required to meet the need for present and future demand for service which could not otherwise be provided in a more cost effective manner through energy conservation programs and measures and energy-efficiency and load management measures, including but not limited to those developed pursuant to the provisions of subsection 209(d), section 218c, and subsection 218(b) of this title. In determining whether this criterion is met, the board shall assess the environmental and economic costs of the purchase, investment, or construction in the manner set out under subdivision 218c(a)(1) (least cost integrated plan) of this title;

* * *

* * * Total Energy * * *

Sec. 14. TOTAL ENERGY; REPORT

(a) The general assembly finds that, in the comprehensive energy plan issued in December 2011, the department of public service recommends that Vermont achieve, by 2050, a goal that 90 percent of the energy consumed in the state be renewable energy. This goal would apply across all energy sectors in Vermont, including electricity consumption, thermal energy, and transportation (total energy).

(b) The commissioner of public service shall convene an interagency and stakeholder working group to study and report to the general assembly on policies and funding mechanisms that would be designed to achieve the goal described in subsection (a) of this section in an integrated and comprehensive manner. The study and report shall include consideration of a total energy standard that would work with and complement the mechanisms enacted in Secs. 3 (renewable portfolio standards), 4 (SPEED; total renewables targets); and 5 (SPEED; standard offer program) of this act. The group's report shall include its recommended policy and funding mechanisms and the reasons for the recommendations. The report shall be submitted to the general assembly by December 15, 2013.

(c) Prior to submitting the report to the general assembly, the group shall offer an opportunity to submit information and comment to affected and interested persons such as business organizations, consumer advocates, energy efficiency entities appointed under Title 30, energy and environmental advocates, fuel dealers, relevant state agencies, transportation-related organizations, and Vermont electric and gas utilities.

* * * Greenhouse Gas Accounting * * *

Sec. 15. 10 V.S.A. § 582 is amended to read:

§ 582. GREENHOUSE GAS INVENTORIES; REGISTRY;
ACCOUNTING

* * *

(e) Rules. The secretary may adopt rules to implement the provisions of this section and shall review existing and proposed international, federal, and state greenhouse gas emission reporting programs and make reasonable efforts to promote consistency among the programs established pursuant to this section and other programs, and to streamline reporting requirements on greenhouse gas emission sources. ~~Nothing~~ Except as provided in subsection (g) of this section, nothing in this section shall limit a state agency from adopting any rule within its authority.

(f) Participation by government subdivisions. The state and its municipalities may participate in the inventory for purposes of registering reductions associated with their programs, direct activities, or efforts, including the registration of emission reductions associated with the stationary and mobile sources they own, lease, or operate.

(g) Greenhouse gas accounting. In consultation with the department of public service created under 30 V.S.A. § 1, the secretary shall research and

adopt by rule greenhouse gas accounting protocols that achieve transparent and accurate life cycle accounting of greenhouse gas emissions, including emissions of such gases from the use of fossil fuels and from renewable fuels such as biomass. On adoption, such protocols shall be the official protocols to be used by any agency or political subdivision of the state in accounting for greenhouse gas emissions.

* * * Energy Efficiency * * *

Sec. 16. 30 V.S.A. § 209(d)(7) is amended to read:

(7) Net revenues above costs associated with payments from the New England Independent System Operator (ISO-NE) for capacity savings resulting from the activities of the energy efficiency utility designated under subdivision (2) of this subsection shall be deposited into the electric efficiency fund established by this section. Any such net revenues not transferred to the state PACE reserve fund under 24 V.S.A. § 3270(c) shall be used by the entity appointed under subdivision (2) of this subsection to deliver heating and process-fuel energy efficiency services to Vermont consumers of such fuel on a whole-buildings basis to help meet the state's building efficiency goals established by 10 V.S.A. § 581. In delivering such services with respect to heating systems, the entity shall give priority to incentives for the installation of ~~woody~~ high efficiency biomass heating systems and shall have a goal of offering an incentive that is equal to 25 percent of the installed cost of such a system. For the purpose of this subdivision (7), "~~woody~~ biomass" means organic nonfossil material ~~from trees or woody plants~~ constituting a source of renewable energy within the meaning of subdivision 8002(2) of this title. ~~Provision of an incentive under this subdivision (7) for a woody biomass heating system shall not be contingent on the making of other energy efficiency improvements at the property on which the system will be installed.~~

Sec. 17. EFFECTIVE DATES; IMPLEMENTATION

(a) This section and Secs. 1 (renewable energy chapter; goals), 2 (renewable energy chapter; definitions), 3 (renewable portfolio standards), 4 (SPEED; total renewables targets); 5 (SPEED; standard offer program), 6 (standard offer; prior capacity; interconnection application), and 14 (total energy; report) of this act shall take effect on passage.

(b) All sections of this act not referenced in subsection (a) of this section shall take effect on July 1, 2012.

(c) The public service board shall:

(1) No later than March 1, 2013, adopt rules or orders sufficient to implement 30 V.S.A. § 8005a(d)(3) (new standard offer plants; transmission and distribution constraints).

(2) No later than July 1, 2013, adopt rules or orders sufficient to implement 30 V.S.A. § 8004 (renewable portfolio standards) as amended by Sec. 3 of this act.

(d) No later than September 1, 2013, the secretary of natural resources shall adopt rules pursuant to Sec. 15 of this act, 10 V.S.A. § 582(g) (greenhouse gas accounting).

and that after passage the title of the bill be amended to read: “An act relating to the Vermont energy act of 2012”

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

Thereupon, **Rep. Higley of Lowell** raised a Point of Order that the proposal of amendment was not germane to the bill, which Point of Order the Speaker ruled not well taken citing Sec. 617(1) of Mason’s Manual of Legislative Procedure.

Thereupon, the recommendation of proposal of amendment offered by the committee on Natural Resources and Energy was agreed to and third reading ordered.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 252

Rep. Consejo of Sheldon, for the committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to the repeal or revision of reporting requirements

Reported in favor of its passage in concurrence with proposal of amendment as follows:

TO THE HOUSE OF REPRESENTATIVES:

The Committee on Government Operations to which was referred Senate Bill No. 252 entitled “An act relating to the repeal or revision of reporting requirements” respectfully reports that it has considered the same and recommends that 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. 3 V.S.A. § 18 is amended to read:

 § 18. SPOUSE ABUSE PROGRAMS; ELIGIBILITY; ~~REPORTING~~

* * *

(c) ~~The center shall, on or before January 1 of each year, forward to the speaker of the house and president of the senate an annual report on the status of the program. This report shall include, but not be limited to, such areas as:~~

- ~~(1) actual disbursements;~~
- ~~(2) number of facilities and programs served;~~
- ~~(3) the impact of the monies relative to the continued success of each particular program;~~
- ~~(4) incidence of spouse abuse in the state;~~
- ~~(5) identification of potential funding sources. [Repealed.]~~

* * *

Sec. 2. 3 V.S.A. § 117(c) is amended to read:

(c) The secretary shall adopt policies and procedures necessary to carry out the provisions of this section ~~and shall report annually to the governor and the general assembly on the state archives and records administration program.~~

Sec. 3. 3 V.S.A. § 2473a(e) is amended to read:

(e) The receipt and expenditure of moneys from the revolving fund shall be under the supervision of the business manager and at the direction of the publisher, subject to the provisions of this section. Vermont Life magazine shall maintain accurate and complete records of all receipts and expenditures by and from the fund, ~~and shall make an annual report on the condition of the fund to the secretary of the agency, who shall in turn provide the report to the secretary of administration.~~

Sec. 4. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

(a) The secretary shall be responsible to the governor and shall plan, coordinate, and direct the functions vested in the agency. The secretary shall prepare and submit to the governor an annual budget ~~and shall prepare and submit to the governor and the general assembly in November of each year a report concerning the operation of the agency for the preceding fiscal year and the future goals and objectives of the agency.~~

* * *

(g) The secretary shall make all practical efforts to process permits in a prompt manner. The secretary shall establish time limits for the processing of each permit as well as procedures and time periods within which to notify applicants whether an application is complete. The secretary shall report no later than the third Tuesday of each annual legislative session to the ~~house and senate committees on natural resources and government operations~~ general assembly by electronic submission. The annual report shall assess the agency's performance in meeting the limits; identify areas which hinder effective agency performance; list fees collected for each permit; summarize changes made by the agency to improve performance; describe staffing needs for the coming year; ~~and~~ certify that the revenue from the fees collected is at least equal to the costs associated with those positions; ~~and discuss the operation of the agency during the preceding fiscal year and the future goals and objectives of the agency. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.~~ This report is in addition to the fee report and request, required by ~~subchapter 6 of chapter 7 of Title 32 V.S.A. chapter 7, subchapter 6.~~

* * *

Sec. 5. 10 V.S.A. § 126 is amended to read:

§ 126. ~~REPORTS AND AUDITS~~ AUDIT

~~On or before January 15 of each year, the center shall prepare and submit to the governor a three-year work plan which describes the goals, objectives and activities of the center and cooperating state agencies and other public and private organizations. The plan also should include the estimated cost of each major activity of the center, and a report concerning data gathered, documents generated, and problems and opportunities for use of VGIS information. Control of funds appropriated and all procedures incident to the carrying out of the purposes of this chapter shall be vested in the board of directors. The books of account of the center shall be audited annually and a report filed with the secretary of administration not later than October 1 of each year.~~

Sec. 6. 10 V.S.A. § 374f is amended to read:

§ 374f. ~~RECORDS; ANNUAL REPORT; AUDIT~~

The corporation shall keep an accurate account of all its activities ~~and report to the authority and to the governor and the general assembly in accordance with section 217 of this title.~~ The administrative costs of the program shall be accurately stated in the report.

Sec. 7. 10 V.S.A. § 1978(e)(3) is amended to read:

(3) The technical advisory committee shall provide annual reports, starting January 15, 2003, to the chairs of the house committee on corrections and institutions and the senate committees committee on natural resources and energy institutions. The reports shall include information on the following topics: the implementation of this chapter and the rules adopted under this chapter; the number and type of alternative or innovative systems approved for general use, approved for use as a pilot project, and approved for experimental use; the functional status of alternative or innovative systems approved for use as a pilot project or approved for experimental use; the number of permit applications received during the preceding calendar year; the number of permits issued during the preceding calendar year; and the number of permit applications denied during the preceding calendar year, together with a summary of the basis of denial.

Sec. 8. 10 V.S.A. § 2609a is amended to read:

§ 2609a. INCOME FROM LEASE OF MOUNTAINTOP
COMMUNICATION SITES

Annually on February 15, the agency of natural resources shall submit a report to the senate and house ~~appropriations committees, the senate finance committee and the house ways and means committee~~ on natural resources and energy containing an itemization of the income generated through the end of the previous fiscal year from the use of sites for communication purposes.

Sec. 9. 10 V.S.A. § 4143(a) is amended to read:

(a) The commissioner may sell fish fry, fingerlings, and adult trout to residents of this state for the purpose of stocking waters in the state and he or she may sell to residents fish reared by the state. Such fish shall be sold at a price sufficient to return the state a reasonable profit. The commissioner shall keep an itemized account of such sales ~~and include the same in his or her biennial report.~~

Sec. 10. 10 V.S.A. § 6083(d) is amended to read:

(d) The panels of the board and commissions shall make all practical efforts to process matters before the board and permits in a prompt manner. The land use panel shall establish time limits for the processing of land use permits issued under section 6086 of this title as well as procedures and time periods within which to notify applicants whether an application is complete. The land use panel shall report annually by February 15 to the ~~house and senate committees on natural resources and energy and on government operations, and the house committee on fish, wildlife and water resources~~ general assembly by electronic submission. The annual report shall assess the

performance of the board and commissions in meeting the limits; identify areas which hinder effective performance; list fees collected for each permit; summarize changes made to improve performance; and describe staffing needs for the coming year. The annual report shall list the number of enforcement actions taken by the land use panel, the disposition of such cases, and the amount of penalties collected. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

Sec. 11. 10 V.S.A. § 6630 is amended to read:

§ 6630. TOXICS USE REDUCTION AND HAZARDOUS WASTE
REDUCTION PERFORMANCE REPORT

(a) On or before March 31, 1994, or March 31 of the year following the first plan, whichever is later, and annually thereafter, each generator or large user shall prepare and submit a hazardous materials management performance report to the house and senate committees on natural resources and energy documenting toxics use reduction and hazardous waste reduction methods implemented by the generator or large user.

* * *

Sec. 12. 10 V.S.A. § 7113(a) is amended to read:

(a) There is created an advisory committee on mercury pollution to consist of one member of the house of representatives, appointed by the speaker; one member of the senate, appointed by the committee on committees; the secretary of natural resources or the secretary's designee; the commissioner of fish and wildlife or the commissioner's designee; and the following persons, as appointed by the governor: one representative of an industry that manufactures consumer products that contain mercury; one public health specialist; one hospital representative; one representative of the Abenaki Self-Help Association, Inc.; one toxicologist; one representative of a municipal solid waste district; and one scientist who is knowledgeable on matters related to mercury contamination. The advisory committee shall advise the general assembly, the executive branch, and the general public on matters relating to the prevention and cleanup of mercury pollution and the latest science on the remediation of mercury pollution. ~~By January 15 of each year, the advisory committee will report to the general assembly updated information on the following:~~

~~(1) The extent of mercury contamination in the soil, waters, air, and biota of Vermont.~~

~~(2) The extent of any health risk from mercury contamination in Vermont, especially to pregnant women, children of the Abenaki Self Help Association, Inc., and other communities that use fish as a major source of food.~~

~~(3) Methods available for minimizing risk of further contamination or increased health risk to the Vermont public.~~

~~(4) Potential costs of minimizing further risk and recommendations of how to raise funds necessary to reduce contamination and minimize risk of mercury related problems in Vermont.~~

~~(5) Coordination needed with other states to address effectively mercury contamination.~~

~~(6) The effectiveness of the established programs, including manufacturer based reverse distribution systems for in state collection, subsequent transportation, and subsequent recycling of mercury from waste mercury added products, and recommendations for altering the programs to make them more effective.~~

~~(7) Ways to reduce the extent to which solid waste produced within the state is incinerated at incinerators, regardless of location, that fail to use the best available technology in scrubbing and filtering emissions from the incinerator stack.~~

Sec. 13. 13 V.S.A. § 5256 is amended to read:

§ 5256. REPORTS

The defender general shall submit an annual report of his or her activities to the governor, the general assembly, and the supreme court house and senate committees on judiciary showing the number of persons represented under this chapter, the crimes involved, the outcome of each case, and the expenditures ~~totalled~~ totaled by kind made in carrying out the responsibilities imposed by this chapter.

Sec. 14. 16 V.S.A. § 2733 is amended to read:

§ 2733. ~~REPORTS BY MEMBERS TO GOVERNOR~~ ACCOUNTS

The members from this state shall obtain accurate accounts of all the board's receipts and disbursements ~~and shall report to the governor on or before the fifteenth day of November, in even numbered years, the transactions of the board for the biennium ending on the preceding June thirtieth. They shall include in such report recommendations for any legislation which they~~

~~consider necessary or desirable to carry out the intent and purposes of the compact.~~

Sec. 15. 16 V.S.A. § 2885(g) is amended to read:

(g) The University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation shall review expenditures made from the fund, and evaluate the impact of the expenditures on higher education in Vermont, and report this information to the state treasurer each year in January.

Sec. 16. 18 V.S.A. § 9405(b)(6) is amended to read:

(6) The plan or any revised plan proposed by the commissioner shall be the health resource allocation plan for the state after it is approved by the governor or upon passage of three months from the date the governor receives the plan, whichever occurs first, unless the governor disapproves the plan, in whole or in part. If the governor disapproves, he or she shall specify the sections of the plan which are objectionable and the changes necessary to meet the objections. The sections of the plan not disapproved shall become part of the health resource allocation plan. ~~Upon its adoption, the plan shall be submitted to the appropriate legislative committees.~~

Sec. 17. 20 V.S.A. § 2735 is amended to read:

§ 2735. STATE BUILDINGS

The commissioner shall establish a risk classification system for all state buildings. State buildings classified as high or medium risk shall be inspected at least every five years, ~~and the commissioner's findings and recommendations shall be reported to the secretary of administration.~~

Sec. 18. 24 V.S.A. § 290b is amended to read:

§ 290b. ~~QUARTERLY REPORTS; AUDITS~~

(a) ~~Quarterly, on or before April 30, July 31, October 31 and January 31, the sheriff and each full-time deputy sheriff shall furnish to the finance and management commissioner and to the assistant judges for filing with the county clerk, on forms provided by the commissioner, a sworn statement of all sums in addition to full-time salaries received by each of them as compensation acquired by virtue of their offices. Such reports shall be public records. The sheriff shall revoke the commission of any full-time deputy sheriff who fails to file such a report. The commissioner of finance and management shall withhold payments of salary and expenses to any sheriff or full-time deputy sheriff who fails to file such a report. [Repealed.]~~

* * *

(d) Annually each sheriff shall furnish the auditor of accounts on forms provided by the auditor, a financial report reflecting the financial transactions and condition of the sheriff's department. The sheriff shall submit a copy of this report to the assistant judges of the county. The assistant judges shall prepare a report reflecting funds disbursed by the county in support of the sheriff's department and forward a copy of their report to the auditor of accounts. The auditor of accounts shall compile the reports and submit one report to the ~~general assembly~~ house and senate committees on judiciary.

* * *

Sec. 19. 24 V.S.A. § 1939(d) is amended to read:

(d) The board shall meet no fewer than six times a year to develop policies and recommendations for law enforcement priority needs, including retirement benefits, recruitment of officers, training needs, homeland security issues, dispatching, and comprehensive drug enforcement. The board shall present its findings and recommendations in brief summary to the ~~general assembly and the governor~~ house and senate committees on judiciary annually by

January 15.

Sec. 20. 24 V.S.A. § 4025 is amended to read:

§ 4025. REPORT

At least once a year, an authority shall file with the clerk (~~or in the case of the state authority, with the governor~~) a report of its activities for the preceding year and shall make recommendations with reference to such additional legislation or other actions as it deems necessary in order to carry out the purpose of this chapter.

Sec. 21. 28 V.S.A. § 102(b)(16) is amended to read:

(16) With the approval of the secretary of human services, to accept federal grants made available through federal crime bill legislation, provided that the commissioner shall report the receipt of a grant under this subdivision to the chairs of the ~~senate~~ senate house committee on corrections and institutions, and the house senate committee on corrections and institutions, and the joint fiscal committee.

Sec. 22. 28 V.S.A. § 104 is amended to read:

§ 104. NOTIFICATION OF COMMUNITY PLACEMENTS

* * *

(e) The commissioner of corrections shall annually, by January 15, report to the house committee on corrections and institutions and the senate committees committee on institutions and on judiciary on the implementation of this section during the previous 12 months.

Sec. 23. 28 V.S.A. § 452 is amended to read:

§ 452. OFFICIAL SEAL; RECORDS; ~~ANNUAL REPORT~~

* * *

(c) ~~At the close of each fiscal year, the board shall submit to the governor and to the general assembly a report of its work with statistical and other data, including research studies which it may conduct of sentencing, parole or related functions. [Repealed.]~~

Sec. 24. 29 V.S.A. § 152(a) is amended to read:

(a) The commissioner of buildings and general services, in addition to the duties expressly set forth elsewhere by law, shall have the authority to:

* * *

(23) With the approval of the secretary of administration, transfer during any fiscal year to the department of buildings and general services for use only for major maintenance within the ~~Capitol Complex~~ capitol complex in Montpelier, any unexpended balances of funds appropriated in any capital construction act for any executive or judicial branch project, excluding any appropriations for state grant-in-aid programs, which is completed or substantially completed as determined by the commissioner. On or before January 15 of each year, the commissioner shall report to the house ~~and senate committees~~ committee on corrections and institutions and the senate committee on institutions regarding:

(A) all transfers and expenditures made pursuant to this subdivision; and

(B) the unexpended balance of projects completed for two or more years.

* * *

(25) Transfer any unexpended project balances from previous capital construction acts for the purpose of emergency projects not authorized in a capital construction act in an amount not to exceed \$100,000.00; provided the commissioner shall send timely written notice of such expenditures to the chairs of the house ~~and senate committees on~~ committee on corrections and institutions and the senate committee on institutions.

* * *

(33) Accept grants of funds, equipment, and services from any source, including federal appropriations, for the installation, operation, implementation, or maintenance of energy conservation measures or improvements at state buildings, provided that the commissioner shall report receipt of a grant under this subdivision to the chairs of the ~~senate~~ house committee on corrections and institutions, ~~and the house~~ senate committee on ~~corrections and institutions, and the joint fiscal committee.~~

* * *

Sec. 25. 29 V.S.A. § 160(e) is amended to read:

(e) The commissioner of buildings and general services shall supervise the receipt and expenditure of moneys comprising the property management revolving fund, subject to the provisions of this section. He or she shall maintain accurate and complete records of all such receipts and expenditures, and shall make an annual report on the condition of the fund to the ~~secretary of administration~~ house committee on corrections and institutions and the senate committee on institutions. All balances remaining at the end of a fiscal year shall be carried over to the following year.

Sec. 26. 29 V.S.A. § 172 is amended to read:

§ 172. CAPITOL COMPLEX SECURITY

The commissioner of buildings and general services shall be responsible for all security operations pertaining to the lands and structures within the capitol complex, except the interior of the state house and the space occupied by the supreme court, which is provided for in section 171 of this title. ~~Biennially, the commissioner shall, in cooperation with the sergeant at arms and the supreme court, develop and present a capitol complex security budget recommendation to the house and senate committees on appropriations and on institutions.~~

Sec. 27. 30 V.S.A. § 21(e) is amended to read:

(e) On or before January 15, 2011, and annually thereafter, the agency of natural resources shall report to the senate and house committees on natural resources and energy, ~~the senate committee on finance, and the house committee on ways and means~~ the total amount of expenses allocated under this section during the previous fiscal year. The report shall include the name of each applicant or public service company to whom expenses were allocated and the amount allocated to each applicant or company.

Sec. 28. 30 V.S.A. § 24 is amended to read:

§ 24. PAYMENTS FROM SPECIAL FUNDS; BIENNIAL REPORT

All payments from the special fund for the maintenance of the engineering and accounting forces and from the public service reserve fund shall be dispensed from the state treasury only upon warrants issued by the commissioner of finance and management after receipt of proper statements describing services rendered and expenses incurred. A complete, detailed, and full accounting of all receipts from the taxes assessed in sections 22 and 23 of this title and all disbursements from the special fund for the maintenance of the engineering and accounting force and from the public service reserve fund shall be contained in the department's biennial report to the general assembly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this section.

Sec. 29. 30 V.S.A. § 8071 is amended to read:

§ 8071. QUARTERLY AND ANNUAL REPORTS; AUDIT

* * *

(c) Quarterly Reports. Within 30 days of the end of each quarter, the authority shall, in addition to any other reports required under this section, submit a report of its activities for the preceding quarter to the ~~secretary of administration~~ house committee on corrections and institutions and the senate committee on institutions which shall include the following:

* * *

(d) The authority shall include in the annual report required under subsection (a) of this section a summary of all the information quarterly reported to the ~~secretary of administration~~ house committee on corrections and institutions and the senate committee on institutions under subsection (c) of this section, as well as a summary of any and all instances in which service providers that have entered into contracts or binding commitments with the authority have materially defaulted, been unable to fulfill their commitments, or have requested or been granted relief from contractual or binding commitments.

Sec. 30. 31 V.S.A. § 612 is amended to read:

§ 612. ~~REPORTS~~ AUDITS

~~The commission shall make an annual report to the governor on or before the 1st day of February of each year with an account of revenues received and disbursements made.~~ The commission shall procure an audit report of the

activities of each track for every calendar year by the 1st day of February following, prepared by a firm of certified public accountants which is not employed by the licensee.

Sec. 31. 32 V.S.A. § 110 is amended to read:

§ 110. REPORTS

(a) The treasurer shall prepare and submit, consistent with 2 V.S.A. § 20(a), reports on the following subjects:

(1) The Vermont higher education endowment trust fund, pursuant to 16 V.S.A. § 2885(e).

(2) ~~The firefighters' survivors benefit expendable trust fund, pursuant to 20 V.S.A. § 3175(b).~~ [Repealed.]

(3) The trust investment account, pursuant to subdivision 434(a)(5) of this title.

(4) ~~Charges for credit card usage by agency, department, or the judiciary, pursuant to subsection 583(f) of this title.~~ [Repealed.]

(5) [Repealed.]

* * *

Sec. 32. 32 V.S.A. § 434(a)(5) is amended to read:

(5) Annually, the treasurer shall prepare a report to the general assembly house committee on ways and means and the senate committee on finance on the financial activity of the trust investment account.

Sec. 33. 32 V.S.A. § 584(c) is amended to read:

(c) All program balances at the end of the fiscal year shall be carried forward and shall not revert to the general fund. Interest earned shall remain in the program. ~~The treasurer's annual financial report to the governor and the general assembly shall contain an accounting of receipts, disbursements, and earnings of the state-sponsored affinity card program.~~

Sec. 34. 32 V.S.A. § 1010(e) is amended to read:

(e) The governor may authorize per diem compensation and expense reimbursement in accordance with this section for members of boards and commissions, including temporary study commissions, created by executive order. ~~By January 15 of each year, the secretary of administration shall report to the general assembly a list of all such boards and commissions that are authorized to receive per diem compensation.~~

Sec. 35. 32 V.S.A. § 5922(f) is amended to read:

(f) A qualified person who claims and is awarded tax credits under this section shall report, on a form approved by the commissioner of taxes, such person's qualified payroll expenses as of July 1, 1996. No credits shall be available for taxable years beginning on or after January 1, 2007, unless the general assembly specifically authorizes the allowance of credits under this section for taxable years 2007 and after. The department of economic, housing and community development shall evaluate ~~and report to the house committee on commerce and the house committee on ways and means and the senate committee on finance on an annual basis~~ the effectiveness of the financial services development tax credit. ~~This brief report shall include an update on the financial services industry in Vermont, including the number of new jobs, new companies, payroll growth, and the amount of credit claimed.~~

Sec. 36. 32 V.S.A. § 5930z(g) is amended to read:

(g) On a regular basis, the department shall notify the ~~treasurer and the clean energy development board~~ house and senate committees on natural resources and energy of solar energy tax credits claimed pursuant to this section, and the board shall cause to be transferred from the clean energy development fund to the general fund an amount equal to the amount of solar energy tax credits as and when the credits are claimed.

Sec. 37. 33 V.S.A. § 601(d) is amended to read:

(d) The commissioner of corrections and the commissioner for children and families shall be responsible for maintaining and providing staffing for the center ~~and shall report every two years to the corrections oversight committee on the accomplishments of the center.~~

Sec. 38. Sec. 13(c) of No. 58 of the Acts of 1997 is amended to read:

(c) The ~~Department~~ department shall report to the ~~General Assembly~~ house committee on general, housing and military affairs, the senate committee on economic development, housing and general affairs, and the tobacco evaluation and review board annually on January 15 the methodology and results of compliance tests conducted during the previous year.

Sec. 39. Sec. 96 of No. 49 of the Acts of 1999 is amended to read:

Sec. 96. VERMONT ECONOMIC PROGRESS COUNCIL; REPORTING

The Vermont Economic Progress Council shall provide a report of all economic advancement tax incentives awarded pursuant to

~~32 V.S.A. chapter 151, subchapter 11E of chapter 151 of Title 32 to the Senate Committee~~ senate committees on Finance finance and on economic development, housing and general affairs and the House Committee house committees on Ways and Means ways and means and on commerce and economic development. The reports of incentives granted shall be made in a timely manner as soon possible following the granting of the incentives.

Sec. 40. Sec. 12 of No. 66 of the Acts of 2003 is amended to read:

Sec. 12. AUTHORITY TO CHARGE

(a) The commissioner of finance and management is authorized to charge departments for recurrent VISION processing errors, and such charges shall be deposited into the financial management internal service fund. Prior to any such charge, the department of finance and management shall develop and establish a schedule of charges with an appeal and forgiveness process. ~~Annually, by September 1, the department of finance and management shall submit to the joint fiscal committee a report on rates established and charges made during the prior fiscal year.~~

Sec. 41. Sec. 255(a)(7)(B) of No. 71 of the Acts of 2005 is amended to read:

(B) \$1,039,000 to the office of Vermont health access to fund the Vermont Blueprint for Health: The Chronic Care Initiative. The goals of the initiative are to: (1) implement a statewide system of care that enables Vermonters with, and at risk for, chronic disease to lead healthier lives; (2) develop a system of care that is financially sustainable; and (3) forge a public-private partnership to develop and sustain the new system of care. ~~On or before January 1, 2006, and annually thereafter, the director of the office of Vermont health access, in consultation with the commissioner of health, shall file a report with the general assembly detailing progress made in reaching these three goals.~~

Sec. 42. Sec. 7 of No. 154 of the Acts of the 2005 Adj. Sess. (2006) is amended to read:

Sec. 7. AGENCY OF NATURAL RESOURCES ORPHAN
STORMWATER SYSTEM ANNUAL REPORT

Annually, by no later than January 15, the agency of natural resources shall submit a report to the house committee on ~~fish, wildlife and water resources, the senate committee on natural resources and energy, the house and senate committees on corrections and institutions, and the house and senate committees~~ committee on appropriations institutions regarding implementation

by the agency of the orphan stormwater system construction, renovation, or repair program under 10 V.S.A. § 1264c. The report shall include:

* * *

Sec. 43. Sec. 4 of No. 192 of the Acts of the 2005 Adj. Sess. (2006), as amended by Sec. 2a of No. 1 of the Acts of 2009, is further amended to read:

Sec. 4. SEXUAL VIOLENCE PREVENTION TASK FORCE

* * *

(c) ~~On or before January 15, 2007, and on or before January 15 for seven years thereafter, the task force shall report on its activities during the preceding year to the house and senate committees on education and judiciary. The task force shall cease to exist after it files the report due on January 15, 2014.~~

Sec. 44. Sec. 6(a)(4) of No. 46 of the Acts of 2007, as amended by Sec. 8 of No. 54 of the Acts of 2009, is amended to read:

(4) issuing an annual report to the ~~governor and the general assembly~~ house committee on commerce and economic development and the senate committee on economic development, housing and general affairs on or before December 1, which shall include a systematic evaluation of the accomplishments of the system and the participating agencies and institutions and all the following:

* * *

Sec. 45. Sec. 78a of No. 65 of the Acts of 2007 is amended to read:

Sec. 78a. MEMORIAL GARDEN; LOAN

(a) The executive director of the center for crime victims services may lend up to \$100,000, without interest, from the crime victims' restitution special fund, created pursuant to 13 V.S.A. § 5363, to the memorial garden special account which can be used to provide funding to the department of buildings and general services for the purpose of constructing the courage-in-bloom memorial garden at the designated site between ~~10-12~~ 10-12 Baldwin Street. The center for crime victims services shall repay the loan in annual installments made over a period not to exceed five years. The repayment of the loan is anticipated to come from fundraising by the center for crime victims services. ~~The center shall report annually to the state treasurer on the payments and receivables related to the loan.~~

Sec. 46. Sec. 170 of No. 65 of the Acts of 2007 is amended to read:

Sec. 170. UNEXPECTED COST OF PERSONNEL; LOAN

(a) The executive director of the center for crime victims services shall lend up to \$300,000, without interest, from the crime victims' restitution special fund, created pursuant to 13 V.S.A. § 5363, to a school district to pay for a budget deficit that arose solely from the unexpected cost of paying for additional personnel who were needed purely because of extraordinary circumstances resulting in the loss of life of school personnel on school grounds, if the district's loan request is approved by the commissioner of education. The district shall fully repay the loan in installments made over a period not to exceed five years. ~~The center shall report annually to the state treasurer on the payments and receivables related to the loan.~~

Sec. 47. Sec. 18(f) of No. 179 of the Acts of the 2007 Adj. Sess. (2008) is amended to read:

(f) The joint fiscal office and the ~~office~~ department of finance and management shall jointly document the impact of the policies and provisions of this act on corrections costs and shall report their findings to the ~~general assembly~~ house committee on corrections and institutions and the senate committee on institutions on or before January 15, 2010, and in January of each year for five years thereafter.

Sec. 48. Sec. 30(b) of No. 200 of the Acts of the 2007 Adj. Sess. (2008) is amended to read:

(b) Each receipt of a grant or gift authorized by this section shall be reported by the commissioner of the department receiving the funds to the chairs of the ~~senate~~ house committee on corrections and institutions and the ~~house senate committee on corrections and institutions and to the joint fiscal committee.~~

Sec. 49. Sec. 20 of No. 161 of the Acts of 2010 is amended to read:

Sec. 20. VERMONT CENTER FOR CRIME VICTIM SERVICES

The sum of \$50,000 is appropriated to the Vermont Center for Crime Victim Services for Americans with Disabilities Act improvements at domestic violence shelters. Annually, on or before December 1, the Vermont Center for Crime Victim Services shall file with the ~~commissioner of buildings and general services~~ house committee on corrections and institutions and the senate committee on institutions a report which details the status of the improvements funded in whole or in part by state capital appropriations.

Total Appropriation – Section 20

\$50,000

Sec. 50. Sec. E.321.1(a) of No. 63 of the Acts of 2011 is amended to read:

(a) The agency of human services shall develop a baseline to measure results of the investment in the emergency shelter grants and case management to assist the homeless population. These measurements shall include homelessness prevention outcome measures for the clients served by the investment. The outcomes shall be reported annually to the house committees on appropriations and on human services and the senate committees on appropriations and on health and welfare during the department's budget testimony.

Sec. 51. REPEAL

(a) The following sections of Title 3 are repealed:

(1) § 21(c) (report on status of sexual assault victim program);

(2) § 631(c)(2) (assessment of the status of alignment between chronic care management programs provided to state employees through the health coverage benefit and the Vermont Blueprint for Health strategic plan);

(3) § 924(a) (detail of work done by labor relations board in hearing and deciding cases);

(4) § 3026(d) (findings and recommendations relating to improving the effectiveness of state and local health, human services, and education programs); and

(5) § 3085b(h) (findings of commission on Alzheimer's disease during preceding year regarding community recognition and understanding of Alzheimer's disease and dementia-related disorders).

(b) 6 V.S.A. § 4828(d) (report on performance of and results achieved by providing capital assistance to custom applicators and farms for new or innovative manure injection equipment) is repealed.

(c) The following sections of Title 10 are repealed:

(1) § 328(e) (grant application and proposed work plan of sustainable jobs fund program);

(2) § 2612(c) (report on activities of Vermont Youth Conservation Corps, Inc.); and

(3) § 7116(d)(5) (report on the collection and recycling of mercury-containing thermostats).

(d) 13 V.S.A. § 5452(b) (report on Vermont sentencing commission activities; recommendations) is repealed.

(e) 15 V.S.A. § 1172(c) (Vermont council on domestic violence report) is repealed.

(f) The following sections of Title 16 are repealed:

(1) § 113 (report on activities of council on the arts);

(2) § 1709 (report to professional educator standards board: licensure and endorsements; complaints; accounting); and

(3) § 2805 (report on income from lease of mountaintop communication sites).

(g) 18 V.S.A. § 104b(e) (status report of the program for grants to comprehensive community health and wellness projects) is repealed.

(h) 19 V.S.A. § 2501(b) (report on scenic roads) is repealed.

(i) The following sections of Title 20 are repealed:

(1) § 1883(b) (copy of law enforcement overall strategic plan); and

(2) § 3175(b) (report on status of the emergency personnel survivors benefit special fund).

(j) 21 V.S.A. § 497b(b) (report on activities of Vermont governor's committee on employment of people with disabilities) is repealed.

(k) 29 V.S.A. § 924 (report on degree of voluntary compliance of vendors regarding code of conduct for contractors who supply apparel, footwear, or textiles to the state) is repealed.

(l) The following sections of Title 30 are repealed:

(1) § 211(b) (quarterly report of purchases and resales of electric energy); and

(2) § 218(c)(5) (annual report on the implementation and effectiveness of the telephone lifeline service).

(m) The following sections of Title 32 are repealed:

(1) § 583(e) (report on bank charges, service fees, and fees charged to consumers related to credit card transactions according to credit card usage by agency, department, or the judiciary); and

(2) § 8557(b) (report on status of Vermont fire service training).

(n) 33 V.S.A. § 1901(a)(3) (notification of proposed rules filed regarding Medicaid changes) is repealed.

(o) The following sections of the Acts of the 1999 Adj. Sess. (2000) are repealed:

(1) Sec. 111a(d) of No. 152 (report on family partnership programs); and

(2) Sec. 269(a)(4) of No. 152 (report of all space-, custodial- and occupancy-related charges).

(p) Sec. 123c(e) of No. 63 of the Acts of 2001 (report on progress in implementing federally qualified health centers) is repealed.

(q) The following sections of the Acts of 2005 are repealed:

(1) Sec. 1(b)(2)(A) of No. 56, as amended by Sec. 112a of No. 65 of the Acts of 2007 (report on Medicaid waivers); and

(2) Sec. 26 of No. 72 (accounting of the revenue raised by the aquatic nuisance sticker program).

(r) The following sections of the Acts of 2007 are repealed:

(1) Sec. 22a of No. 80 (report on amounts paid by the state in connection with any litigation challenging the validity of this act relating to increasing transparency of prescription drug pricing and information); and

(2) Sec. 13 of No. 82 (report on cost drivers of education spending).

(s) The following sections of the Acts of 2009 are repealed:

(1) Sec. 31(f)(2) of No. 43 (report on progress toward completing a facility and developing a residential recovery program); and

(2) Sec. 44(b) of No. 44 (report on progress toward achieving 100 percent secondary school completion rate).

(t) Sec. H.55 of No. 1 of the Acts of the 2009 Spec. Sess. (report on income reported to date by businesses electing to be taxed as digital businesses) is repealed.

(u) Sec. 3(d) of No. 148 of the Acts of the 2009 Adj. Sess. (2010) (report on progress of transition of payment of milk hauling costs to purchasers) is repealed.

(v) The requirement for the January 1 annual report in Resolution No. R-207 of 2003 of the expenditures by the state and local school districts made in order to comply with the No Child Left Behind (NCLB) Act is repealed.

Sec. 52. EFFECTIVE DATE

This act shall take effect on 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 recommendation of proposal of amendment offered by the committee on Government Operations be agreed to? **Rep. Campion of Bennington** moved to amend the recommendation of proposal of amendment offered by the committee on Government Operations, as follows:

First: By striking out Sec. 15, 16 V.S.A. § 2885(g) in its entirety and inserting in lieu thereof the following:

Sec. 15. 16 V.S.A. § 2885(g) is amended to read:

(g) The University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation shall review expenditures made from the fund; and evaluate the impact of the expenditures on higher education in Vermont, and report this information to the ~~state treasurer~~ house and senate committees on education each year in January.

Second: By striking out Sec. 51(s)(2) (report on progress toward achieving 100 percent secondary school completion rate) in its entirety and inserting in lieu thereof the following:

(2) [Deleted.]

Which was agreed to and the recommendation of proposal of amendment offered by the committee on Government Operations, as amended, was agreed to and third reading ordered.

**Favorable Report; Third Reading Ordered; Rules Suspended
Bill Read the Third Time and Passed in Concurrence**

S. 128

Rep. Stevens of Waterbury, for the committee on General, Housing and Military Affairs, to which had been referred Senate bill, entitled

An act relating to recognition of the Missisquoi, St. Francis-Sokoki Band as a Native American Indian tribe

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

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill placed on all remaining stages of passage in concurrence. The bill was read the third time and passed in concurrence.

**Favorable Report; Third Reading Ordered; Rules Suspended;
Bill Read the Third Time and Passed in Concurrence**

S. 129

Rep. Stevens of Waterbury, for the committee on General, Housing and Military Affairs, to which had been referred House bill, entitled

An act relating to recognition of the Koasek Abenaki of the Koas as a Native American Indian tribe

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

On motion of **Rep. Savage of Swanton**, the rules were suspended and the bill placed on all remaining stages of passage in concurrence. The bill was read the third time and passed in concurrence.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 113

Rep. Donovan of Burlington, for the committee on Education, to which had been referred Senate bill, entitled

An act relating to prevention, identification, and reporting of child abuse and neglect at independent schools

Reported in favor of its passage in concurrence with proposal of amendment as follows:

TO THE HOUSE OF REPRESENTATIVES:

The Committee on Education to which was referred Senate Bill No. 113 entitled "An act relating to prevention, identification, and reporting of child abuse and neglect at independent schools" respectfully reports that it has considered the same and recommends that the House propose to the Senate that the bill be amended as follows:

First: In Sec. 2, 33 V.S.A. § 4913(a), in the first sentence, in the phrase "and any other individual who is regularly employed by a school district" by striking out the word "regularly"

Second: In Sec. 2, 33 V.S.A. § 4913(a), in the first sentence, by striking out the words “for five or more hours per week during the school year”

Third: By striking out Sec. 3 in its entirety and inserting in lieu thereof nine new sections to be Secs. 3–11 to read:

* * * Educational Opportunities Working Group * * *

Sec. 3. EDUCATIONAL OPPORTUNITIES WORKING GROUP

(a) There is created a working group to review and evaluate how Vermont’s current education system spends education dollars in a way that promotes high quality, equitable educational opportunities for students throughout the state. Using a facilitated process, the working group shall identify the data needed to fulfill its charge, the availability of the data, and the process by which it will obtain the data.

(b) The working group shall be composed of:

(1) one member of the house appointed by the speaker of the house;

(2) one member of the senate appointed by the committee on committees;

(3) one member of the administration appointed by the governor; and

(4) three members of the public, one each appointed by the governor, the speaker, and the committee on committees.

(c) The office of legislative council, the joint fiscal office, the office of finance and management, and the departments of education, of information and innovation, and of taxes shall assist the working group to identify the data required for its examination of the issues outlined in this section.

(d) Appointments pursuant to subsection (b) of this section shall be made by June 1, 2012. The office of legislative council shall convene the first meeting of the working group by July 1, 2012, at which meeting the members shall elect a chair and design the facilitated process to guide the group’s work.

(e) By December 15, 2012, the working group shall report to the house and senate committees on education its findings and recommendations for the design of further studies and implementation strategies.

(f) The working group may meet no more than six times during the 2012–2013 interim. For attendance at meetings during adjournment of the general assembly, members of the committee shall be entitled to compensation and reimbursement for expenses as provided in 2 V.S.A. § 406. Members of the public shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010.

(g) The committee may spend up to \$30,000.00 by using funds appropriated to the legislature for fiscal year 2013 to hire experts to assist it to establish a work plan and conduct its evaluations.

* * * Kindergarten Education * * *

Sec. 4. 16 V.S.A. § 821 is amended to read:

§ 821. SCHOOL DISTRICT TO MAINTAIN PUBLIC ELEMENTARY SCHOOLS OR PAY TUITION

(a) Elementary school. Each school district shall ~~provide, furnish, and~~ maintain one or more approved schools within the district in which elementary education for its resident pupils in kindergarten through grade six is provided unless:

(1) ~~The the~~ electorate authorizes the school board to provide for the elementary education of the pupils ~~residing in the district~~ by paying tuition in accordance with law to one or more public elementary schools in one or more school districts;

(2) ~~The the~~ school district is organized to provide only high school education for its pupils; or

(3) ~~Otherwise provided for by~~ the general assembly provides otherwise.

(b) ~~Kindergarten program. Each school district shall provide public kindergarten education within the district. However, a school district may pay tuition for the kindergarten education of its pupils:~~

~~(1) at one or more public schools under subdivision (a)(1) of this section; or~~

~~(2) if the electorate authorizes the school board to pay tuition to one or more approved independent schools or independent schools meeting school quality standards, but only if the school district did not operate a kindergarten on September 1, 1984, and has not done so afterward. [Repealed.]~~

(c) Notwithstanding subsection (a) of this section, without previous authorization by the electorate, a school board ~~without previous authorization by the electorate~~ in a district that operates an elementary school may pay tuition for elementary pupils who reside near a public elementary school in an adjacent district upon request of the pupil's parent or guardian, if in the board's judgment the pupil's education can be more conveniently furnished there due to geographic considerations. Within 30 days of the board's decision, a parent or guardian who is dissatisfied with the decision of the board under this subsection may request a determination by the commissioner, who shall have

authority to direct the school board to pay all, some, or none of the pupil's tuition and whose decision shall be final.

(d) Notwithstanding ~~subsection (a)~~ subdivision (a)(1) of this section, the electorate of a school district that does not maintain an elementary school may grant general authority to the school board to pay tuition for an elementary pupil at an approved independent elementary school or an independent school meeting school quality standards pursuant to sections 823 and 828 of this chapter upon notice given by the pupil's parent or legal guardian before April 15 for the next academic year.

* * * Harassment, Hazing, and Bullying * * *

Sec. 5. REPEAL

16 V.S.A. § 565 (harassment and hazing prevention policies) is repealed.

Sec. 6. 16 V.S.A. chapter 9, subchapter 5 is added to read:

Subchapter 5. Harassment, Hazing, and Bullying

§ 570. HARASSMENT, HAZING, AND BULLYING PREVENTION POLICIES

(a) State policy. It is the policy of the state of Vermont that all Vermont educational institutions provide safe, orderly, civil, and positive learning environments. Harassment, hazing, and bullying have no place and will not be tolerated in Vermont schools. No Vermont student should feel threatened or be discriminated against while enrolled in a Vermont school.

(b) Prevention policies. Each school board shall develop, adopt, ensure the enforcement of and make available in the manner described under subdivision 563(1) of this title harassment, hazing, and bullying prevention policies that shall be at least as stringent as model policies developed by the commissioner. Any school board that fails to adopt one or more of these policies shall be presumed to have adopted the most current model policy or policies published by the commissioner.

(c) Notice. Annually, prior to the commencement of curricular and cocurricular activities, the school board shall provide notice of the policy and procedures developed under this subchapter to students, custodial parents or guardians of students, and staff members, including reference to the consequences of misbehavior contained in the plan required by section 1161a of this title. Notice to students shall be in age-appropriate language and should include examples of harassment, hazing, and bullying. At a minimum, this notice shall appear in any publication that sets forth the comprehensive rules,

procedures, and standards of conduct for the school. The school board shall use its discretion in developing and initiating age-appropriate programs to inform students about the substance of the policy and procedures in order to help prevent harassment, hazing, and bullying. School boards are encouraged to foster opportunities for conversations between and among students regarding tolerance and respect.

(d) Duties of the commissioner. The commissioner shall:

(1) develop and, from time to time, update model harassment, hazing, and bullying prevention policies; and

(2) establish an advisory council to review and coordinate school and statewide activities relating to the prevention of and response to harassment, hazing, and bullying. The council shall report annually in January to the state board and the house and senate committees on education. The council shall include:

(A) the executive director of the Vermont Principals' Association or designee;

(B) the executive director of the Vermont School Boards Association or designee;

(C) the executive director of the Vermont Superintendents Association or designee;

(D) the president of the Vermont-National Education Association or designee;

(E) the executive director of the Vermont Human Rights Commission or designee;

(F) the executive director of the Vermont Independent Schools Association or designee; and

(G) other members selected by the commissioner.

(e) Definitions. In this subchapter:

(1) "Educational institution" and "school" mean a public school or an approved or recognized independent school as defined in section 11 of this title.

(2) "Harassment," "hazing," and "bullying" have the same meanings as in subdivisions 11(a)(26), (30), and (32) of this title.

(3) "Organization," "pledging," and "student" have the same meanings as in subdivisions 140a(2), (3), and (4) of this title.

(4) "School board" means the board of directors or other governing body of an educational institution when referring to an independent school.

§ 570a. HARASSMENT

(a) Policies and plan. The harassment prevention policy required by section 570 of this title and its plan for implementation shall include:

(1) A statement that harassment, as defined in subdivision 11(a)(26) of this title, is prohibited and may constitute a violation of the public accommodations act as more fully described in section 14 of this title.

(2) Consequences and appropriate remedial action for staff or students who commit harassment. At all stages of the investigation and determination process, school officials are encouraged to make available to complainants alternative dispute resolution methods, such as mediation, for resolving complaints.

(3) A procedure that directs students, staff, parents, and guardians how to report violations and file complaints.

(4) A description of the circumstances under which harassment may be reported to a law enforcement agency.

(5) A procedure for investigating reports of violations and complaints. The procedure shall provide that, unless special circumstances are present and documented by the school officials, an investigation is initiated no later than one school day from the filing of a complaint and the investigation and determination by school officials are concluded no later than five school days from the filing of the complaint with a person designated to receive complaints under subdivision (7) of this section. All internal reviews of the school's initial determination, including the issuance of a final decision, shall, unless special circumstances are present and documented by the school officials, be completed within 30 days after the review is requested.

(6) A description of how the school board will ensure that teachers and other staff members receive training in preventing, recognizing, and responding to harassment.

(7) Annual designation of two or more people at each school campus to receive complaints and a procedure for publicizing those people's availability.

(8) A procedure for publicizing the availability of the Vermont human rights commission and the federal Department of Education's Office of Civil Rights and other appropriate state and federal agencies to receive complaints of harassment.

(9) A statement that acts of retaliation for the reporting of harassment or for cooperating in an investigation of harassment are unlawful pursuant to 9 V.S.A. § 4503.

(b) Independent review.

(1) A student who desires independent review under this subsection because the student is either dissatisfied with the final determination of the school officials as to whether harassment occurred or believes that, although a final determination was made that harassment occurred, the school's response was inadequate to correct the problem shall make such request in writing to the headmaster or superintendent of schools. Upon such request, the headmaster or superintendent shall initiate an independent review by a neutral person selected from a list developed jointly by the commissioner of education and the human rights commission and maintained by the commissioner. Individuals shall be placed on the list on the basis of their objectivity, knowledge of harassment issues, and relevant experience.

(2) The independent review shall proceed expeditiously and shall consist of an interview of the student and the relevant school officials and review of written materials involving the complaint maintained by the school or others.

(3) Upon the conclusion of the review, the reviewer shall advise the student and the school officials as to the sufficiency of the school's investigation, its determination, the steps taken by the school to correct any harassment found to have occurred, and any future steps the school should take. The reviewer shall advise the student of other remedies that may be available if the student remains dissatisfied and, if appropriate, may recommend mediation or other alternative dispute resolution.

(4) The independent reviewer shall be considered an agent of the school for the purpose of being able to review confidential student records.

(5) The costs of the independent review shall be borne by the public school district or independent school.

(6) Nothing in this subsection shall prohibit the school board from requesting an independent review at any stage of the process.

(7) Evidence of conduct or statements made in connection with an independent review shall not be admissible in any court proceeding. This subdivision shall not require exclusion of any evidence otherwise obtainable from independent sources merely because it is presented in the course of an independent review.

(8) The commissioner may adopt rules implementing this subsection.

§ 570b. HAZING

The hazing prevention policy required by section 570 of this title and its plan for implementation shall include:

- (1) A statement that hazing, as defined in subdivision 11(a)(30) of this title, is prohibited and may be subject to civil penalties pursuant to subchapter 9 of chapter 1 of this title.
- (2) A procedure that directs students, staff, parents, and guardians how to report violations and file complaints.
- (3) A procedure for investigating reports of violations and complaints.
- (4) A description of the circumstances under which hazing may be reported to a law enforcement agency.
- (5) Appropriate penalties or sanctions or both for organizations that or individuals who engage in hazing and revocation or suspension of an organization's permission to operate or exist within the institution's purview if that organization knowingly permits, authorizes, or condones hazing.
- (6) A description of how the school board will ensure that teachers and other staff members receive training in preventing, recognizing, and responding to hazing.
- (7) Annual designation of two or more people at each school campus to receive complaints and a procedure for publicizing those people's availability.

§ 570c. BULLYING

The bullying prevention policy required by section 570 of this title and its plan for implementation shall include:

- (1) A statement that bullying, as defined in subdivision 11(a)(32) of this title, is prohibited.
- (2) A procedure that directs students, staff, parents, and guardians how to report violations and file complaints.
- (3) A procedure for investigating reports of violations and complaints.
- (4) A description of the circumstances under which bullying may be reported to a law enforcement agency.
- (5) Consequences and appropriate remedial action for students who commit bullying.

(6) A description of how the school board will ensure that teachers and other staff members receive training in preventing, recognizing, and responding to bullying.

(7) Annual designation of two or more people at each school campus to receive complaints and a procedure both for publicizing the availability of those people and clarifying that their designation does not preclude a student from bringing a complaint to any adult in the building.

Sec. 7. IMPLEMENTATION

School boards shall adopt and implement bullying prevention policies as required by Sec. 6 of this act no later than January 1, 2013.

* * * Prekindergarten-16 Council; Afterschool Programs * * *

Sec. 8. 16 V.S.A. § 2905(b) is amended to read:

(b) The council shall be composed of:

* * *

(15) a member of the senate, who shall be selected by the committee on committees and shall serve until the beginning of the biennium immediately after the one in which the member is appointed; ~~and~~

(16) a member of the faculty of the Vermont State Colleges, the University of Vermont, or a Vermont independent college selected by United Professions AFT Vermont, Inc.; and

(17) a representative of after-school, summer, and expanded learning programs selected by the Vermont Center for Afterschool Excellence.

* * * Regional Technical Center School Districts;

Unorganized Towns, Grants, and Gores * * *

Sec. 9. 16 V.S.A. § 1572(b)(1) is amended to read:

(1) The makeup of the governing board. At least 60 percent of the board members shall be elected by direct vote of the voters, or chosen from member school district boards by the member school district boards, or a combination of the two. If the board is to have additional members, who may constitute up to 40 percent of the board, the additional members shall be appointed by the elected and chosen members from member school district boards for the purpose of acquiring expertise in areas they consider desirable. The appointed members may be selected from nominations submitted by the regional workforce investment board or other workforce organizations, or may be chosen without nomination by an organization. Notwithstanding any provision

of law to the contrary, a resident of an unorganized town, grant, or gore that sits within the regional technical center school district who is otherwise eligible to vote under 17 V.S.A. § 2121 may vote for the board members and may be elected to or appointed as a member of the governing board;

* * * Designated Schools; Tuition * * *

Sec. 10. 16 V.S.A. § 827(e) is amended to read:

(e) Notwithstanding any other provision of law to the contrary:

(1) the school districts of Pawlet, Rupert, and Wells may designate a public high school located in New York as the public high school of the district pursuant to the provisions of this section; ~~and~~

(2) unless otherwise directed by an affirmative vote of the school district, when the Wells board approves parental requests to pay tuition to a nondesignated approved independent or public school, the board shall pay tuition in an amount not to exceed the base education amount as determined under section 4011 of this title for the fiscal year in which tuition is being paid; and

(3) unless otherwise directed by an affirmative vote of the school district, when the Strafford board approves a parental request to pay tuition to a nondesignated approved independent or public school, the board shall pay tuition to the nondesignated school pursuant to section 824 of this title for the year in which the pupil is enrolled; provided, however, that it shall not pay tuition in an amount that exceeds the tuition paid to the designated school for the same academic year.

* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on passage; provided, however, Sec. 10 shall apply to enrollment in the 2012–2013 academic year and after.

Rep. Manwaring of Wilmington, for the committee on Appropriations, recommended that the bill ought to pass in concurrence when amended as recommended by the committee on Education.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the report of the committees on Education and Appropriations agreed to and third reading ordered.

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith:

H. 718

House bill, entitled

An act relating to the department of public service and the public service board

S. 128

Senate bill, entitled

An act relating to recognition of the Missisquoi, St. Francis-Sokoki Band as a Native American Indian tribe

S. 129

Senate bill, entitled

An act relating to recognition of the Koasek Abenaki of the Koas as a Native American Indian tribe

S. 148

Senate bill, entitled

An act relating to expediting development of small and micro hydroelectric projects

S. 183

Senate bill, entitled

An act relating to the testing of potable water supplies

S. 202

Senate bill, entitled

An act relating to regulation of flood hazard areas, river corridors, and stream alteration

Adjournment

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