

Senate Calendar

THURSDAY, MARCH 21, 2013

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ACTION CALENDAR

CONSIDERATION POSTPONED TO FRIDAY, MARCH 22, 2013

Second Reading

S. 41.

An act relating to water and sewer service.

PENDING QUESTION: Shall the bill be amended as recommended by the Committee on Government Operations?

(For text of the report of the Committee on Government Operations, see Senate Journal for March 19, 2013, page 246.)

UNFINISHED BUSINESS OF WEDNESDAY, MARCH 20, 2013

Second Reading

Favorable with Recommendation of Amendment

S. 18.

An act relating to automated license plate recognition systems.

Reported favorably with recommendation of amendment by Senator Campbell for the Committee on Transportation.

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

Sec. 1. 23 V.S.A. § 1607 is added to read:

§ 1607. AUTOMATED LICENSE PLATE RECOGNITION SYSTEMS

(a) Definitions. As used in this section:

(1) “Active data” is distinct from historical data as defined in subdivision (3) of this subsection and means data uploaded to individual automated license plate recognition system units before operation as well as data gathered during the operation of an ALPR system. Any data collected by an ALPR system shall be considered collected for a legitimate law enforcement purpose.

(2) “Automated license plate recognition system” (ALPR) means a system of one or more mobile or fixed high-speed cameras combined with computer algorithms to convert images of registration plates into computer-readable data.

(3) “Historical data” means any data collected by an ALPR system and stored on the statewide ALPR server operated by the Vermont Justice Information Sharing System of the Department of Public Safety. Any data collected by an ALPR system shall be considered collected for a legitimate law enforcement purpose. Entry of any data into the system other than data collected by the ALPR system itself must be approved by a supervisor and shall have a legitimate law enforcement purpose.

(4) “Law enforcement officer” means a state police officer, municipal police officer, motor vehicle inspector, capitol police officer, constable, sheriff, or deputy sheriff certified by the Vermont Criminal Justice Training Council as having satisfactorily completed the approved training programs required to meet the minimum training standards applicable to that person under 20 V.S.A. § 2358.

(5) “Legitimate law enforcement purpose” applies to access to active or historical data and means crime investigation, detection, and analysis or operation of AMBER alerts or missing or endangered person searches.

(6) “Vermont Information and Analysis Center Analyst” means any sworn or civilian employee who through his or her employment with the Vermont Information and Analysis Center (VTIAC) has access to secure databases that support law enforcement investigations.

(b) Operation. A Vermont law enforcement officer shall be certified in ALPR operation by the Vermont Criminal Justice Training Council in order to operate an ALPR system.

(c) Confidentiality and access to ALPR data.

(1)(A) Active ALPR data may only be accessed by a law enforcement officer operating the ALPR system who has a legitimate law enforcement purpose for the data. Entry of any data into the system other than data collected by the ALPR system itself must be approved by a supervisor and shall have a legitimate law enforcement purpose.

(B) Deployment of ALPR equipment is intended to provide access to stolen and wanted files and to further legitimate law enforcement purposes. Use of ALPR systems and access to active data are restricted to these purposes.

(C)(i) Requests to review active data shall be in writing and include the name of the requester, the law enforcement agency the requester is employed by, and the law enforcement agency’s Originating Agency Identifier (ORI) number. The request shall describe the legitimate law enforcement purpose. The written request and the outcome of the request shall be transmitted to VTIAC and retained for not less than three years.

(ii) In each department operating an ALPR system, access to active data shall be limited to designated personnel who have been provided account access by the department to conduct authorized ALPR stored data queries. Access to active data shall be restricted to data collected within the past seven days.

(2) Requests for historical data, whether from Vermont or out-of-state law enforcement officers, shall be made in writing to an analyst at VTIAC. The request shall include the name of the requester, the law enforcement agency the requester is employed by, and the law enforcement agency's ORI number. The request shall describe the legitimate law enforcement purpose. VTIAC shall retain all requests as well as the outcome of the request and shall record in writing any information that was provided to the requester or why the request was denied or not fulfilled. ALPR requests shall be retained by VTIAC for not less than three years.

(d) Retention.

(1) Any ALPR information gathered by a Vermont law enforcement agency shall be sent to the Department of Public Safety to be retained pursuant to the requirements of subdivision (2) of this subsection. The Department of Public Safety shall maintain the ALPR storage system for Vermont law enforcement agencies.

(2) Except as provided in section 1608 of this title, information gathered through use of an ALPR system shall only be retained for 18 months after the date it was obtained. When the permitted 18-month period for retention of the information has expired, the Department of Public Safety and any local law enforcement agency with custody of the information shall destroy it and cause to have destroyed any copies or back-ups made of the original data. Data may be retained beyond the 18-month period pursuant to a preservation request made or disclosure order issued under Section 1608 of this title, or pursuant to a warrant issued under Rule 41 of the Vermont or Federal Rules of Criminal Procedure.

(e) Oversight; rulemaking.

(1) The Department of Public Safety shall establish a review process to ensure that information obtained through use of ALPR systems is used only for the purposes permitted by this section. The Department shall report the results of this review annually on or before January 15 to the Senate and House Committees on Judiciary and on Transportation. The report shall contain the following information based on prior calendar year data:

(A) The total number of ALPR units being operated in the State and the number of units submitting data to the statewide ALPR database.

(B) The total number of ALPR reads each agency submitted to the statewide ALPR database.

(C) The 18-month accumulative number of ALPR reads being housed on the statewide ALPR database.

(D) The total number of requests made to VTAC for ALPR data.

(E) The total number of requests that resulted in release of information from the statewide ALPR database.

(F) The total number of out-of-state requests.

(G) The total number of out-of-state requests that resulted in release of information from the statewide ALPR database.

(2) The Department of Public Safety may adopt rules to implement this section.

Sec. 2. 23 V.S.A. § 1608 is added to read:

§ 1608. PRESERVATION OF DATA

(a) Preservation request.

(1) A governmental entity may apply to the Criminal Division of the Superior Court for an extension of up to 90 days of the 18-month retention period established under subdivision 1607(d)(2) of this title if the governmental entity offers specific and articulable facts showing that there are reasonable grounds to believe that the captured plate data are relevant and material to an ongoing criminal or missing persons investigation, or to a pending proceeding in the Judicial Bureau. Requests for additional 90-day extensions or for longer periods may be made to the Superior Court subject to the same standards applicable to an initial extension request under this subdivision.

(2) A governmental entity making a preservation request under this section shall submit an affidavit stating:

(A) the particular camera or cameras for which captured plate data must be preserved, or the particular license plate for which captured plate data must be preserved; and

(B) the date or dates and time frames for which captured plate data must be preserved.

(b) Captured plate data shall be destroyed on the schedule specified in section 1607 of this title if the preservation request is denied, or 14 days after the denial of the application for disclosure, whichever is later.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2013.

(Committee vote: 5-0-0)

S. 30.

An act relating to siting of electric generation plants.

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

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

* * * Findings * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Climate change from the emission of greenhouse gases such as carbon dioxide (CO₂) is one of the most serious issues facing Vermont today. In this State, the change in climate already has resulted in significant damage from increased heavy rain events and flooding and in fundamental alterations to average annual temperatures and the length and characteristics of the seasons. As climate change accelerates, the hazards to human health and safety and the environment in Vermont will rise, including an increased frequency of violent storm events, heat waves, and one- to two-month droughts; threats to the productivity of cold-weather crops and dairy cows and to cold-water fish and wildlife species; reduced seasons for skiing, snowmobiling, and sugaring; and increasing risks to infrastructure such as roads and bridges near streams and rivers.

(2) Vermont currently encourages the in-state siting of renewable electric generation projects in order to contribute to reductions in global climate change caused by greenhouse gas emissions. Yet significant controversy exists over whether in-state development of renewable energy actually reduces Vermont's greenhouse gas emissions, since these projects typically sell renewable energy credits to utilities in other states, and those credits are netted against the greenhouse gas emissions of those states.

(3) Vermont's electric energy consumption does not contribute significantly to the State's carbon footprint. In 2010, CO₂ and equivalent emissions from Vermont energy consumption totaled approximately eight million metric tons (MMT CO₂). Of this total, transportation fuel use accounted for approximately 3.5, nonelectric fuel use by homes and businesses for approximately 2.5 and, in contrast, electric energy use for approximately 0.04 MMT CO₂.

(4) The in-state siting of renewable electric generation projects carries the potential for significant adverse impacts. For example, in Vermont, developers site industrial wind generation projects and wind meteorological stations on ridgelines, which often contain sensitive habitat and important natural areas. Vermont's ridgelines also define and enhance the State's natural and scenic beauty. Vermont has invested substantial time and effort to develop regulatory policy and programs to protect its ridgelines.

(5) Ridgeline wind generation plants have potential impacts on natural resources, scenic beauty, and quality of life, including effects on endangered and threatened species, wildlife habitat, and aesthetics and impacts from blasting and turbine noise. Residents near installed wind generation plants have raised concerns about health impacts, including sleep loss. Significant controversy has arisen over whether the Public Service Board review process adequately protects the public and the environment from the negative impacts caused by these and other electric generation projects.

(6) Vermont has a long history of supporting community-based land use planning. Under 24 V.S.A. chapter 117, Vermont's 11 regional planning commissions and its municipal planning commissions are enabled and encouraged to adopt plans to guide development, including energy and utility facilities. These plans are adopted through a public hearing and comment process after substantial effort by the regions and the municipalities, often with extensive involvement of citizens in the affected communities. Yet under current law, the Public Service Board when reviewing an electric generation project may set aside the results of this planning process for any reason the Board considers to affect the general good of the State, even if the project is not needed for reliability of the electric system.

(7) No statewide analysis and planning is performed to address the environmental, land use, and health impacts of siting wind generation projects in Vermont. Instead, the Public Service Board examines the impacts on a case-by-case basis only.

(8) The current case-by-case system of regulating electric generation projects must be revised to ensure the best possible siting of these projects. To achieve this goal, the siting of electric generation projects must be directed by community-based land use planning. Each electric generation project must comply with the same environmental and land use criteria as other development projects unless the generation project is for the purpose of system reliability. A statewide assessment must be made and a process must be developed that integrates and strengthens the role of community-based land use planning and supports effective review and optimal siting of all electric generation projects. This assessment also must evaluate whether encouraging

in-state siting of renewable electric generation is the most appropriate means at Vermont's disposal to reduce its carbon footprint.

* * * Assessment; Report * * *

Sec. 2. ELECTRIC GENERATION SITING; ASSESSMENT; REPORT

(a) Charge. On or before November 15, 2013, the Department of Public Service, in consultation with and assisted by the Agencies of Commerce and Community Development and of Natural Resources, the Natural Resources Board, and the state's regional planning commissions, shall conduct and complete the assessment and submit the report to the General Assembly required by this section.

(b) Definitions. In this section:

(1) "ACCD" means the Agency of Commerce and Community Development.

(2) "ANR" means the Agency of Natural Resources.

(3) "Board" means the Natural Resources Board.

(4) "Department" means the Department of Public Service.

(5) "Electric generation plant" means a plant that produces electricity and has a plant capacity that exceeds 500 kilowatts.

(6) "Plant" and "plant capacity" shall have the same meaning as in 30 V.S.A. § 8002, except that they shall not be limited to renewable energy.

(7) "Regional planning commission" shall have the meaning as in 24 V.S.A. § 4303.

(8) "Wind generation plant" means an electric generation plant that captures the energy of the wind and converts it into electricity. The term includes all associated facilities and infrastructure such as wind turbines, towers, guy wires, power lines, roads, and substations.

(9) "Wind meteorological station" means any tower, and associated guy wires and attached instrumentation, constructed to collect and record wind speed, wind direction, and atmospheric conditions.

(c) Governor's Siting Policy Commission. In performing its tasks under this section, the Department shall use the information and data collected by the Governor's Energy Siting Policy Commission (the Siting Policy Commission) created by Executive Order No. 10-12 dated October 2, 2012 (the Executive Order) and shall consider the recommendations of that Commission.

(d) Assessment. The Department, assisted by ACCD, ANR, the Board, and the regional planning commissions, shall assess each of the following:

(1) the appropriateness and economic efficiency of investing or encouraging investment in renewable electric generation plants to reduce Vermont's greenhouse gas emissions in comparison to other measures to reduce those emissions such as transportation fuel efficiency and thermal energy efficiency;

(2) the current policy and practice of selling renewable energy credits from renewable electric generation plants in Vermont to utilities in other jurisdictions and the effect of this policy and practice on reducing Vermont's greenhouse gas emissions;

(3) methods to integrate state energy planning and local and regional land use planning as they apply to electric generation plants;

(4) methods to strengthen the role of local and regional plans in the siting review process for electric generation plants and to assure that the siting review process reflects the outcome of the local and regional planning processes;

(5) methods to fund intervenors in the siting review process for electric generation projects; and

(6) with respect to wind generation plants and wind meteorological stations:

(A) health impacts of plants and stations located in and outside Vermont;

(B) sound and infrasound emitted from plants and stations located in and outside Vermont as they affect public health and quality of life;

(C) setback requirements on such plants and stations adopted by other jurisdictions in and outside the United States;

(D) the impacts on the environment, natural resources, and quality of life of the plants and stations in Vermont in existence or under construction as of the effective date of this section; and

(E) the economic and environmental costs and benefits of such plants and stations, including the value of any ecosystem services affected by them.

(e) Report; proposed legislation. On or before November 15, 2013, the Department, assisted by ACCD, ANR, the Board, and the regional planning commissions, shall submit a report to the House and Senate Committees on Natural Resources and Energy and the Electric Generation Oversight

Committee created under subsection (g) of this section that contains each of the following:

(1) The results of each assessment to be conducted under subsection (d) of this section.

(2) Recommendations and proposed legislation to:

(A) establish a comprehensive planning process for the siting of electric generation plants that integrates state energy and local and regional land use planning;

(B) ensure that the outcome of this integrated planning process directs the siting review process for electric generation plants and that local and regional land use plans have a determinative role in this siting review process;

(C) establish a method to fund intervenors participating in the siting review process for electric generation plants;

(D) maximize the reductions in Vermont's greenhouse gas emissions supported by revenues raised from Vermont taxpayers and ratepayers;

(E) establish standards applicable to all wind generation plants and wind meteorological stations to address their impacts on the public health, environment, land use, and quality of life, including standards to protect natural areas and wildlife habitat and to establish noise limits and setback requirements applicable to such plants and stations; and

(F) establish a procedure to measure a property owner's loss of value, if any, due to proximity to a wind generation plant and to propose a method to compensate the property owner for the loss in value, including a determination of who shall pay for such loss.

(f) Public notice and participation.

(1) The Department shall give widespread public notice of the assessment and report required by this section and shall maintain on its website a prominent page concerning this process that provides notice of all public meetings held and posts relevant information and documents.

(2) In performing the assessment and developing the report required by this section, the Department shall provide an opportunity for local legislative bodies, local planning commissions, affected businesses and organizations, and members of the public to submit relevant factual information, analysis, and comment. This opportunity shall include meetings conducted by the DPS at locations that are geographically distributed around the State to receive such information, analysis, and comment.

(g) Oversight committee. There is created the Electric Generation Oversight Committee (the Committee). The purpose of the Committee shall be to perform legislative oversight of the conduct of the assessment and report required by this section and to discuss potential legislation on planning for and siting of electric generation plants.

(1) Membership. The Committee shall be composed of six members who shall be appointed within 30 days of this section's effective date. Three of the members shall be members of the Senate Committee on Natural Resources and Energy appointed by the Committee on Committees of the Senate. Three of the members shall be members of the House Committee on Natural Resources and Energy appointed by the Speaker of the House.

(2) Meetings. During adjournment of the General Assembly, the Committee shall be authorized to conduct up to three meetings, at which meetings the Committee may:

(A) direct the Department, ACCD, ANR, the Board, and one or more regional planning commissions to appear and provide progress reports on the assessment and report required by this section and discuss proposals of draft legislation on planning for and siting of electric generation plants; and

(B) direct members of the Siting Policy Commission to appear and provide information and testimony related to the Commission's report and recommendations issued pursuant to the Executive Order and to the siting of electric generation plants in Vermont. This authority shall continue for the duration of the Committee's term whether or not the Siting Policy Commission ceases to exist prior to the end of the Committee's term.

(3) Reimbursement. For attendance at authorized 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.

(4) For the purpose of its tasks under this subsection, the Committee shall have the administrative and legal assistance of the Office of Legislative Council.

(5) Term of committee. The Committee shall cease to exist on February 1, 2014.

Sec. 3. APPROPRIATION

For fiscal year 2014, the sum of \$75,000.00 is appropriated to the Department of Public Service from the General Fund for the purpose of Sec. 2 of this act (electric generation siting; assessment; report).

* * * Regional Planning for Electric Generation Plants * * *

Sec. 4. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include ~~but need not be limited to~~ the following:

* * *

(3) An energy element, which:

(A) may include an analysis of energy resources, needs, scarcities, costs, and problems within the region, a statement of policy on the conservation of energy and the development of renewable energy resources, and a statement of policy on patterns and densities of land use and control devices likely to result in conservation of energy; and

(B) shall include the electric energy siting plan under section 4348c of this title;

* * *

Sec. 5. 24 V.S.A. § 4348c is added to read:

§ 4348c. ELECTRIC ENERGY SITING PLAN

(a) In this section:

(1) “Electric generation plant” means a plant that produces electricity and has a plant capacity that exceeds 500 kilowatts.

(2) “Plant” and “plant capacity” shall have the same meaning as in 30 V.S.A. § 8002, except that they shall not be limited to renewable energy.

(b) Each regional planning commission shall adopt a plan concerning the siting of electric generation plants within the region. This plan shall be adopted as part of or an amendment to the regional plan.

(c) The plan shall state the region’s specific policies on the siting of electric generation plants and identify the appropriate locations within the region, if any, for the siting of electric generation plants.

(d) In developing the siting plan, the regional planning commission shall apply the resource maps developed by the Secretary of Natural Resources under 10 V.S.A. § 127, protect the resources under 10 V.S.A. § 6086(a), and consider the energy policy set forth in 30 V.S.A. §§ 202a and 8001 and the state energy plans adopted under 30 V.S.A. §§ 202 and 202b.

(e) Notwithstanding section 4350 of this title, the plan for a municipality shall not be considered incompatible with the regional plan for the reason that the municipal plan prohibits the siting of an electric generation plant that the regional plan would allow within the municipality.

Sec. 6. IMPLEMENTATION

On or before December 15, 2014, each regional planning commission shall adopt a renewable electric energy siting plan under Sec. 5 of this act, 24 V.S.A. § 4348c.

* * * Municipal Officers; Ethics Disclosure * * *

Sec. 7. 24 V.S.A. § 873 is added to read:

§ 873. DISCLOSURE; FINANCIAL INTEREST; WIND GENERATION

PLANTS

A member of a municipality's legislative body or other municipal officer shall not participate in any meeting or proceeding or take any official action concerning a wind generation plant proposed to be located within the municipality the member or officer may have in the construction or operation of the plant, including the retention of the member or officer by the plant developer an agreement under which the plant developer will compensate the member or officer for potential impacts to land of the member or officer.

(1) In this section, a financial interest of a member or officer shall include a financial interest in the construction or operation of the plant of any natural person to which the member or officer is related within the fourth degree of consanguinity or affinity or of any corporation of which an officer, director, trustee, or agent is related to the member or officer within such degree.

(2) This section shall not require disclosure of a financial interest shared generally by the residents of the municipality such as the municipality's receipt of property taxes or other payments from the plant.

Sec. 8. 24 V.S.A. § 4461 is amended to read:

§ 4461. DEVELOPMENT REVIEW PROCEDURES

(a) Meetings; rules of procedure and ethics. An appropriate municipal panel shall elect its own officers and adopt rules of procedure, subject to this section and other applicable state statutes, and shall adopt rules of ethics with respect to conflicts of interest.

(1) Meetings of any appropriate municipal panel shall be held at the call of the chairperson and at such times as the panel may determine. The officers

of the panel may administer oaths and compel the attendance of witnesses and the production of material germane to any issue under review. All meetings of the panel, except for deliberative and executive sessions, shall be open to the public. The panel shall keep minutes of its proceedings, showing the vote of each member upon each question, or, if absent or failing to vote, indicating this, and shall keep records of its examinations and other official actions, all of which shall be filed immediately in the office of the clerk of the municipality as a public record. For the conduct of any hearing and the taking of any action, a quorum shall be not less than a majority of the members of the panel, and any action of the panel shall be taken by the concurrence of a majority of the panel.

(2) The provisions of section 873 of this title (disclosure; financial interest; wind generation plant) shall apply to each member of an appropriate municipal panel.

* * *

* * * Electric Generation Siting Jurisdiction; Public Service Board * * *

Sec. 9. 30 V.S.A. § 248 is amended to read:

§ 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND FACILITIES; CERTIFICATE OF PUBLIC GOOD

(a)(1) No company, as defined in section 201 of this title, may:

(A) In any way purchase electric capacity or energy from outside the ~~state~~ State:

(i) for a period exceeding five years, that represents more than three percent of its historic peak demand, unless the purchase is from a plant as defined in subdivision 8002(14) of this title that produces electricity from renewable energy as defined under subdivision 8002(17); or

(ii) for a period exceeding ten years, that represents more than ten percent of its historic peak demand, if the purchase is from a plant as defined in subdivision 8002(14) of this title that produces electricity from renewable energy as defined under subdivision 8002(17); or

(B) invest in an electric generation or transmission facility located outside this ~~state~~ State unless the ~~public service board~~ Public Service Board first finds that the same will promote the general good of the ~~state~~ State and issues a certificate to that effect.

(2) Except for the replacement of existing facilities with equivalent facilities in the usual course of business, and except for electric generation facilities that are operated solely for on-site electricity consumption by the owner of those facilities:

(A) no company, as defined in section 201 of this title, and no person, as defined in 10 V.S.A. § 6001(14), may begin site preparation for or construction of an electric generation facility or electric transmission facility within the ~~state~~ State which is designed for immediate or eventual operation at any voltage; and

(B) no such company may exercise the right of eminent domain in connection with site preparation for or construction of any such transmission or generation facility, unless the ~~public service board~~ Public Service Board first finds that the same will promote the general good of the ~~state~~ State and issues a certificate to that effect.

* * *

(b) Before the ~~public service board~~ 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:

(1)(A) with respect to an in-state electric generation facility exceeding 500 kilowatts, will be in conformance with the duly adopted plans under 24 V.S.A. chapter 117 for the municipality and region in which the facility is located, and due consideration has been given to the land conservation measures contained in the plan of any other affected municipality. Notwithstanding subsection (a) of this section, the Board shall not issue a certificate under this section for such an in-state facility without finding that this subdivision (1)(A) is met. However, this subdivision (1)(A) shall not apply to an electric generation facility the principal effect of which, if approved, would be to remediate a constraint in the electric transmission or distribution system;

(B) with respect to ~~an~~ any other in-state facility subject to this section, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. However, with respect to a natural gas transmission line subject to board review, the line shall be in conformance with any applicable provisions concerning such lines contained in the duly adopted regional plan; and, in addition, upon application of any party, the ~~board~~ Board shall condition any certificate of public good for a natural gas transmission line issued under this section so as to prohibit service connections that would not be in conformance with the adopted municipal plan in any municipality in which the line is located;

* * *

(5) with respect to an in-state facility, will not have an undue adverse effect on esthetics, historic sites, air and water purity, the natural environment, the use of natural resources, and the public health and safety, ~~with~~ and:

(A) with respect to an in-state electric generation facility exceeding 500 kilowatts, will comply with the criteria of 10 V.S.A. § 6086(a)(1)–(9)(L). Notwithstanding subsection (a) of this section, the Board shall not issue a certificate under this section for such an in-state facility without finding that this subdivision (5)(A) is met. However, this subdivision (5)(A) shall not apply to an electric generation facility the principal effect of which, if approved, would be to remediate a constraint in the electric transmission or distribution system;

(B) with respect to any other in-state facility subject to this section, due consideration ~~having~~ has been given to the criteria specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K) and greenhouse gas impacts.

* * *

(q) When reviewing a facility under this section pursuant to the criteria of 10 V.S.A. § 6086(a), the Public Service Board shall consider the relevant precedents of the former Environmental Board and of the Environmental Division of the Superior Court and shall apply the relevant precedents of the Vermont Supreme Court.

Sec. 10. RETROACTIVE APPLICATION

Notwithstanding 1 V.S.A. §§ 213 and 214, Sec. 9 (new gas and electric purchases, investments, and facilities; certificate of public good) of this act shall apply to applications that are filed on and after March 1, 2013 and are pending as of this section's effective date.

* * * State Lands * * *

Sec. 11. 10 V.S.A. chapter 88 is added to read:

CHAPTER 88. PROHIBITION; COMMERCIAL CONSTRUCTION; CERTAIN PUBLIC LANDS

§ 2801. POLICY

Vermont's state parks, state forests, natural areas, wilderness areas, wildlife management areas, and wildlife refuges are intended to remain in a natural or wild state forever and shall be protected and managed accordingly.

§ 2802. PROHIBITION

(a) Construction for any commercial purpose, including the generation of electric power, shall not be permitted within any state park or forest, wilderness area designated by law, or natural area designated under section 2607 of this title.

(b) This section shall not prohibit:

(1) the construction of a concession or other structure for the use of visitors to state parks or forests;

(2) a modification or improvement to a dam in existence as of the effective date of this section, if the modification or improvement is:

(A) to ensure public safety; or

(B) to allow the dam's use for the generation of electricity, and the construction of any power lines and facilities necessary for such use;

(3) the construction of telecommunications facilities, as defined in 30 V.S.A. § 248a(b) (certificate of public good; communications facilities), in accordance with all other applicable state law;

(4) a temporary structure or road for forestry purposes as may be permitted on a state land;

(5) tapping of maple trees and associated activities on state forestland authorized under a license pursuant to section 2606b of this title; or

(6) construction on state land that is permitted under a lease or license that was in existence on this act's effective date and, in the case of a ski area, the renewal of such a lease or license or its modification to allow expansion of the ski area.

Sec. 12. REPEAL

10 V.S.A. § 2606(c) (state forests; parks; leases for mining or quarrying) is repealed.

* * * Effective Date * * *

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage, except Sec. 3 (appropriation) of this act shall take effect on July 1, 2013.

(Committee vote: 4-1-0)

**SUBSTITUTE AMENDMENT FOR THE RECOMMENDATION OF
AMENDMENT OF THE COMMITTEE ON NATURAL RESOURCES**

**AND ENERGY TO S. 30, TO BE OFFERED BY SENATOR SNELLING,
ON BEHALF OF THE COMMITTEE ON NATURAL RESOURCES
AND ENERGY**

Senator Snelling, on behalf of the Committee on Natural Resources and Energy, moves to substitute an amendment for the recommendation of amendment of the Committee on Natural Resources and Energy as follows:

By striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Findings * * *

Sec. 1. FINDINGS

The General Assembly finds:

(1) Vermont currently encourages the in-state siting of renewable electric generation projects. As with other land uses such as ski resorts or mountainside condominiums, the development of renewable electric generation projects brings both benefits and costs, which must be considered according to statutory criteria for development and siting review.

(2) To address concerns raised regarding the siting processes for electric generation projects and related recommendations in the 2011 Comprehensive Energy Plan, the Governor signed Executive Order No. 10-12 (the Executive Order) creating the Governor's Energy Generation Siting Policy Commission (the Commission). The Commission's charge is to survey best practices for siting approval of electric generation projects, except for net metering systems, and for public participation and representation in the siting review process, and to recommend modifications or improvements to be made to the process through legislation.

(3) In accordance with the Executive Order, the General Assembly anticipates receiving the report and recommendations from the Commission on or before April 30, 2013 and therefore establishes a process for further assessments of issues related to electric generation siting and to consider the report and recommendations in advance of the 2014 legislative session.

* * * Joint Energy Committee * * *

Sec. 2. 2 V.S.A. § 601 is amended to read:

§ 601. CREATION OF COMMITTEE

* * *

(b) The ~~committee~~ Committee shall elect a chair, ~~vice chair~~ vice chair, and clerk and shall adopt rules of procedure. The ~~chair~~ Chair shall rotate biennially

between the house and the senate members. The ~~committee~~ Committee may meet during a session of the ~~general assembly~~ General Assembly at the call of the ~~chair~~ Chair or a majority of the members of the ~~committee~~ Committee. The ~~committee~~ Committee may meet no more than six times during adjournment ~~subject to approval of the speaker of the house and the president pro tempore of the senate,~~ except that the Speaker of the House and the President Pro Tempore of the Senate may approve one or more additional meetings of the Committee during adjournment. A majority of the membership shall constitute a quorum.

* * * Electric Generation Siting; Assessment; Report * * *

Sec. 3. DEFINITIONS

In Secs. 3 through 5 of this act:

(1) “ACCD” means the Agency of Commerce and Community Development.

(2) “ANR” means the Agency of Natural Resources.

(3) “Board” means the Natural Resources Board.

(4) “Department” means the Department of Public Service.

(5) “Electric generation plant” means a plant that produces electricity and has a plant capacity that exceeds 500 kilowatts.

(6) “Executive Order” means Executive Order No. 10-12 dated October 2, 2012 creating the Siting Policy Commission.

(7) “Joint Energy Committee” means the Joint Energy Committee created under 2 V.S.A. chapter 17.

(8) “Plant” and “plant capacity” shall have the same meaning as in 30 V.S.A. § 8002, except that they shall not be limited to renewable energy.

(9) “Regional planning commission” shall have the meaning as in 24 V.S.A. § 4303.

(10) “Siting Policy Commission” means the Governor’s Energy Siting Policy Commission created by Executive Order No. 10-12 dated October 2, 2012.

(11) “VDH” means the Department of Health.

(12) “Wind generation plant” means an electric generation plant that captures the energy of the wind and converts it into electricity. The term includes all associated facilities and infrastructure such as wind turbines, towers, guy wires, power lines, roads, and substations.

(13) “Wind meteorological station” means any tower, and associated guy wires and attached instrumentation, constructed to collect and record wind speed, wind direction, and atmospheric conditions.

Sec. 4. DEPARTMENT; ELECTRIC GENERATION SITING;
ASSESSMENT; REPORT

(a) Charge. On or before November 15, 2013, the Department, in consultation with and assisted by the ACCD, ANR, the Board, the Department of Taxes, VDH, and the regional planning commissions, shall conduct and complete each assessment and submit the report and recommendations required by this section.

(b) Governor’s Siting Policy Commission. In performing its tasks under this section, the Department shall use the information and data collected by and consider the report and recommendations of the Siting Policy Commission.

(c) Assessment. The Department, assisted by ACCD, ANR, the Board, the Department of Taxes, VDH, and the regional planning commissions, shall complete a written assessment of each of the following:

(1) the appropriateness and economic efficiency of investing or encouraging investment in renewable electric generation plants to reduce Vermont’s greenhouse gas emissions in comparison to other measures to reduce those emissions such as transportation fuel efficiency and thermal and electric energy efficiency;

(2) the current policy and practice of selling renewable energy credits from renewable electric generation plants in Vermont to utilities in other jurisdictions and the effect of this policy and practice on reducing Vermont’s greenhouse gas emissions;

(3) methods to integrate state energy planning and local and regional land use planning as they apply to electric generation plants;

(4) methods to strengthen the role of local and regional plans in the siting review process for electric generation plants and to assure that the siting review process reflects the outcome of the local and regional planning processes;

(5) methods to fund intervenors in the siting review process for electric generation plants; and

(6) with respect to wind generation plants and wind meteorological stations:

(A) health impacts of plants and stations located in and outside Vermont;

(B) sound and infrasound emitted from plants and stations located in and outside Vermont as they affect public health and quality of life;

(C) setback requirements on such plants and stations adopted by other jurisdictions in and outside the United States;

(D) the impacts on the environment, natural resources, and quality of life of the plants and stations in Vermont in existence or under construction as of the effective date of this section; and

(E) the economic and environmental costs and benefits of such plants and stations, including the value of any ecosystem services affected by them.

(d) Report; proposed legislation. On or before November 15, 2013, the Department, assisted by ACCD, ANR, the Board, the Department of Taxes, VDH, and the regional planning commissions, shall submit a report to the House and Senate Committees on Natural Resources and Energy, the Senate Committee on Finance, the House Committee on Commerce and Economic Development, and the Joint Energy Committee that contains each of the following:

(1) The results of each assessment to be conducted under subsection (c) of this section.

(2) Recommendations and proposed legislation to:

(A) establish a comprehensive planning process for the siting of electric generation plants that integrates state energy and local and regional land use planning;

(B) ensure that the outcome of this integrated planning process directs the siting review process for electric generation plants and that local and regional land use plans have a determinative role in this siting review process;

(C) establish a method to fund intervenors participating in the siting review process for electric generation plants;

(D) maximize the reductions in Vermont's greenhouse gas emissions supported by revenues raised from Vermont taxpayers and ratepayers;

(E) establish standards applicable to all wind generation plants and wind meteorological stations to address their impacts on the public health, environment, land use, and quality of life, including standards to protect natural areas and wildlife habitat and to establish noise limits and setback requirements applicable to such plants and stations; and

(F) establish a procedure to measure a property owner's loss of value, if any, due to proximity to a wind generation plant and to propose a method to

compensate the property owner for the loss in value, including a determination of who shall pay for such loss.

(e) Public notice and participation.

(1) The Department shall give widespread public notice of the assessment and report required by this section and shall maintain on its website a prominent page concerning this process that provides notice of all public meetings held and posts relevant information and documents.

(2) In performing the assessment and developing the report required by this section, the Department shall provide an opportunity for local legislative bodies, local planning commissions, affected businesses and organizations, and members of the public to submit relevant factual information, analysis, and comment. This opportunity shall include meetings conducted by the Department at locations that are geographically distributed around the State to receive such information, analysis, and comment.

(f) Joint Energy Committee. During adjournment between the 2013 and 2014 sessions, the Joint Energy Committee (the Committee) shall review the conduct and content of the assessment and report required by this section and the report and recommendations of the Siting Policy Commission and discuss potential legislation on planning for and siting of electric generation plants. To this end, the Committee may:

(1) direct the Department, ACCD, ANR, the Board, the Department of Taxes, VDH, and one or more regional planning commissions to appear and provide progress reports on the assessment and report required by this section and discuss proposals of draft legislation on planning for and siting of electric generation plants; and

(2) direct members of the Siting Policy Commission to appear and provide information and testimony related to the Commission's report and recommendations issued pursuant to the Executive Order and to the siting of electric generation plants in Vermont. This authority shall continue until the General Assembly reconvenes in 2014 whether or not the Siting Policy Commission ceases to exist prior to that date.

Sec. 5. APPROPRIATION

For fiscal year 2014, the sum of \$75,000.00 is appropriated to the Department of Public Service from Special Fund No. 21698 (Department of Public Service; Energy and Regulation Fund) for the purpose of Sec. 4 of this act (electric generation siting; assessment; report).

* * * Electric Generation Siting Jurisdiction; Public Service
Board * * *

Sec. 6. 30 V.S.A. § 248 is amended to read:

§ 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND
FACILITIES; CERTIFICATE OF PUBLIC GOOD

(a)(1) No company, as defined in section 201 of this title, may:

(A) In any way purchase electric capacity or energy from outside the ~~state~~ State:

(i) for a period exceeding five years, that represents more than three percent of its historic peak demand, unless the purchase is from a plant as defined in subdivision 8002(14) of this title that produces electricity from renewable energy as defined under subdivision 8002(17); or

(ii) for a period exceeding ten years, that represents more than ten percent of its historic peak demand, if the purchase is from a plant as defined in subdivision 8002(14) of this title that produces electricity from renewable energy as defined under subdivision 8002(17); or

(B) invest in an electric generation or transmission facility located outside this ~~state~~ State unless the ~~public service board~~ Public Service Board first finds that the same will promote the general good of the ~~state~~ State and issues a certificate to that effect.

(2) Except for the replacement of existing facilities with equivalent facilities in the usual course of business, and except for electric generation facilities that are operated solely for on-site electricity consumption by the owner of those facilities:

(A) no company, as defined in section 201 of this title, and no person, as defined in 10 V.S.A. § 6001(14), may begin site preparation for or construction of an electric generation facility or electric transmission facility within the ~~state~~ State which is designed for immediate or eventual operation at any voltage; and

(B) no such company may exercise the right of eminent domain in connection with site preparation for or construction of any such transmission or generation facility, unless the ~~public service board~~ Public Service Board first finds that the same will promote the general good of the ~~state~~ State and issues a certificate to that effect.

* * *

(b) Before the ~~public service board~~ 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:

(1)(A) with respect to an in-state electric generation facility exceeding 2.2 megawatts, will be in conformance with the duly adopted plans under 24 V.S.A. chapter 117 for the municipality and region in which the facility is located, and due consideration has been given to the land conservation measures contained in the plan of any other affected municipality. Notwithstanding subsection (a) of this section, the Board shall not issue a certificate under this section for such an in-state facility without finding that this subdivision (1)(A) is met. However, this subdivision (1)(A) shall not apply to an electric generation facility the principal effect of which, if approved, would be to remediate a constraint in the electric transmission or distribution system;

(B) with respect to ~~an~~ any other in-state facility subject to this section, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. However, with respect to a natural gas transmission line subject to board review, the line shall be in conformance with any applicable provisions concerning such lines contained in the duly adopted regional plan; and, in addition, upon application of any party, the ~~board~~ Board shall condition any certificate of public good for a natural gas transmission line issued under this section so as to prohibit service connections that would not be in conformance with the adopted municipal plan in any municipality in which the line is located;

* * *

(5) with respect to an in-state facility, will not have an undue adverse effect on esthetics, historic sites, air and water purity, the natural environment, the use of natural resources, and the public health and safety, ~~with~~ and:

(A) with respect to an in-state electric generation facility exceeding 2.2 megawatts, will comply with the criteria of 10 V.S.A. § 6086(a)(1)–(9)(L). Notwithstanding subsection (a) of this section, the Board shall not issue a certificate under this section for such an in-state facility without finding that this subdivision (5)(A) is met. However, this subdivision (5)(A) shall not apply to an electric generation facility the principal effect of which, if approved, would be to remediate a constraint in the electric transmission or distribution system;

(B) with respect to any other in-state facility subject to this section, due consideration ~~having~~ has been given to the criteria specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K) and greenhouse gas impacts.

* * *

(q) When reviewing a facility under this section pursuant to the criteria of 10 V.S.A. § 6086(a), the Public Service Board shall consider the relevant precedents of the former Environmental Board and of the Environmental Division of the Superior Court and shall apply the relevant precedents of the Vermont Supreme Court.

Sec. 7. RETROACTIVE APPLICATION

Notwithstanding 1 V.S.A. §§ 213 and 214, Sec. 6 (new gas and electric purchases, investments, and facilities; certificate of public good) of this act shall apply retroactively to applications that are filed on and after March 1, 2013 and are pending as of this section's effective date.

Sec. 8. 30 V.S.A. § 248 is amended to read:

§ 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND FACILITIES; CERTIFICATE OF PUBLIC GOOD

* * *

(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:

~~(1)(A) with respect to an in state electric generation facility exceeding 2.2 megawatts, will be in conformance with the duly adopted plans under 24 V.S.A. chapter 117 for the municipality and region in which the facility is located, and due consideration has been given to the land conservation measures contained in the plan of any other affected municipality. Notwithstanding subsection (a) of this section, the Board shall not issue a certificate under this section for such an in state facility without finding that this subdivision (1)(A) is met. However, this subdivision (1)(A) shall not apply to an electric generation facility the principal effect of which, if approved, would be to remediate a constraint in the electric transmission or distribution system;~~

~~(B) with respect to any other an in-state facility subject to this section, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in~~

the plan of any affected municipality. However, with respect to a natural gas transmission line subject to board review, the line shall be in conformance with any applicable provisions concerning such lines contained in the duly adopted regional plan; and, in addition, upon application of any party, the ~~board~~ Board shall condition any certificate of public good for a natural gas transmission line issued under this section so as to prohibit service connections that would not be in conformance with the adopted municipal plan in any municipality in which the line is located;

* * *

(5) with respect to an in-state facility, will not have an undue adverse effect on esthetics, historic sites, air and water purity, the natural environment, the use of natural resources, and the public health and safety ~~and:~~

~~(A) with respect to an in state electric generation facility exceeding 2.2 megawatts, will comply with the criteria of 10 V.S.A. § 6086(a)(1) (9)(L). Notwithstanding subsection (a) of this section, the Board shall not issue a certificate under this section for such an in state facility without finding that this subdivision (5)(A) is met. However, this subdivision (5)(A) shall not apply to an electric generation facility the principal effect of which, if approved, would be to remediate a constraint in the electric transmission or distribution system;~~

~~(B) with respect to any other in-state facility subject to this section, with due consideration has having been given to the criteria specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K) and greenhouse gas impacts.~~

* * *

~~(q) When reviewing a facility under this section pursuant to the criteria of 10 V.S.A. § 6086(a), the Public Service Board shall consider the relevant precedents of the former Environmental Board and of the Environmental Division of the Superior Court and shall apply the relevant precedents of the Vermont Supreme Court. [Repealed.]~~

* * * State Lands * * *

Sec. 9. 10 V.S.A. chapter 88 is added to read:

CHAPTER 88. PROHIBITION; COMMERCIAL CONSTRUCTION;
CERTAIN PUBLIC LANDS

§ 2801. POLICY

Vermont's state parks, state forests, natural areas, wilderness areas, wildlife management areas, and wildlife refuges are intended to remain in a natural or wild state forever and shall be protected and managed accordingly.

§ 2802. PROHIBITION

(a) Construction for any commercial purpose, including the generation of electric power, shall not be permitted within any state park or forest, wilderness area designated by law, or natural area designated under section 2607 of this title.

(b) This section shall not prohibit:

(1) the construction of a concession or other structure for the use of visitors to state parks or forests;

(2) a modification or improvement to a dam in existence as of the effective date of this section, if the modification or improvement is:

(A) to ensure public safety; or

(B) to allow the dam's use for the generation of electricity, and the construction of any power lines and facilities necessary for such use;

(3) the construction of telecommunications facilities, as defined in 30 V.S.A. § 248a(b) (certificate of public good; communications facilities), in accordance with all other applicable state law;

(4) a structure, road, or landing for forestry purposes as may be permitted on a state land;

(5) tapping of maple trees and associated activities on state forestland authorized under a license pursuant to section 2606b of this title; or

(6) construction on state land that is permitted under a lease or license that was in existence on this act's effective date and, in the case of a ski area, the renewal of such a lease or license or its modification to allow expansion of the ski area.

Sec. 10. REPEAL

10 V.S.A. § 2606(c) (state forests; parks; leases for mining or quarrying) is repealed.

* * * Effective Dates * * *

Sec. 11. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Sec. 5 (appropriation) of this act shall take effect on July 1, 2013; and

(2) Sec. 8 (new gas and electric purchases, investments, and facilities; certificate of public good) of this act shall take effect on July 1, 2014.

Reported without recommendation by Senator Ashe for the Committee on Finance.

(Committee voted: 3-2-2)

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

The Committee recommends that the bill be amended as recommended by the Committee on Natural Resources and Energy with the following amendment thereto:

In Sec. 3 (appropriation) by striking out the words “the General Fund” and inserting in lieu thereof: Special Fund No. 21698 (Department of Public Service; Energy and Regulation Fund)

(Committee vote: 7-0-0)

S. 58.

An act relating to Act 250 and oil pipelines.

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

The Committee recommends that the bill be amended as follows:

First: In Sec. 2, 10 V.S.A. § 6081, in subsection (b), by striking out the last sentence and inserting in lieu thereof:

Subsection (a) of this section also shall apply to an oil or petroleum transmission pipeline and associated facilities excepted under this subsection if there is any change to the pipeline or associated facilities, unless the change is solely for the purpose of repair in the usual course of business.

Second: By striking out Secs. 3 and 4 in their entirety and inserting in lieu thereof new Secs. 3 and 4 to read:

Sec. 3. 10 V.S.A. § 6086 is amended to read:

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

* * *

(g) When applying the criteria of this section to an oil or petroleum transmission pipeline, the district commission shall not consider the safety of the pipeline and shall issue no permit condition that regulates pipeline safety or has an effect on pipeline safety that is not permitted under the Pipeline Safety Act, 49 U.S.C. §§ 60101–60137.

Sec. 4. APPLICATION

Notwithstanding 1 V.S.A. §§ 213 and 214, this act shall apply to any change to an oil or petroleum pipeline and associated facilities that is made after the act's effective date regardless of whether a jurisdictional opinion under 10 V.S.A. chapter 151 (Act 250) was issued prior to that date concerning the applicability of that chapter to the change.

(Committee vote: 4-0-1)

S. 128.

An act relating to updating mental health judicial proceedings.

Reported favorably with recommendation of amendment by Senator Fox for the Committee on Health and Welfare.

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

Sec. 1. 18 V.S.A. chapter 171 is amended to read:

CHAPTER 171. GENERAL PROVISIONS

§ 7101. DEFINITIONS

As used in this part of this title, the following words, unless the context otherwise requires, shall have the following meanings:

* * *

(4) “Designated hospital” means a public or private hospital, other facility, or part of a hospital or facility designated by the ~~commissioner~~ Commissioner as adequate to provide appropriate care for ~~the mentally ill patient~~ persons with mental illness.

(5) “Elopement” means the leaving of a designated hospital or designated program ~~or training school~~ without lawful authority.

* * *

(9) “Interested party” means a guardian, spouse, parent, adult child, close adult relative, a responsible adult friend, or person who has the individual in his or her charge or care. It also means a mental health professional, a law enforcement officer, or a licensed physician, ~~a head of a hospital, a selectman, a town service officer, or a town health officer.~~

* * *

(15) “Patient” means a resident of or person in Vermont ~~qualified under this title for hospitalization or treatment as a mentally ill or mentally retarded individual~~ who is subject to involuntary or voluntary mental health treatment or evaluation.

* * *

(26) “No refusal system” means a system of designated hospitals and intensive residential recovery facilities, secure residential recovery facilities, and residential treatment programs under contract with the ~~department of mental health~~ Department of Mental Health that provides high intensity services, in which the facilities shall admit any individual for care if the individual meets the eligibility criteria established by the ~~commissioner~~ Commissioner in contract.

(27) “Participating hospital” means a designated hospital under contract with the ~~department of mental health~~ Department of Mental Health to participate in the no refusal system.

(28) “Secure,” when describing a residential recovery facility, means that the residents can be physically prevented from leaving the facility by means of locking devices or other mechanical or physical mechanisms.

(29) “Secure residential recovery facility” means a residential facility owned and operated by the State and licensed as a therapeutic community residence, as defined in 33 V.S.A. § 7102(11), for an individual who no longer requires acute inpatient care but who remains in need of treatment within a secure setting for an extended period of time or for an individual transferred pursuant to 28 V.S.A. § 705a.

(30) “Successor in interest” means the mental health hospital owned and operated by the ~~state~~ State that provides acute inpatient care and replaces the Vermont State Hospital.

* * *

§ 7104. ~~WRONGFUL HOSPITALIZATION PLACEMENT IN CUSTODY OR DENIAL OF RIGHTS; FRAUD; ELOPEMENT~~

Any person who ~~wilfully~~ willfully causes, or conspires with, or assists another to cause any of the following shall be fined not more than \$500.00 or imprisoned not more than one year, or both:

(1) the hospitalization of an individual knowing that the individual is not mentally ill or in need of hospitalization or treatment as a ~~mentally ill or mentally retarded individual~~ person with a mental illness; or

(2) the denial to any individual of any rights granted to him or her under this part of this title; ~~or~~

(3) the voluntary admission to a hospital of an individual knowing that he or she is not mentally ill or eligible for treatment thereby attempting to defraud the ~~state~~ State; or

(4) the elopement of any patient ~~or student~~ from a hospital ~~or training school~~, or who knowingly harbors any ~~sick person~~ patient who has eloped from a hospital, or who aids in abducting a patient ~~or student~~ who has been conditionally discharged from the person or persons in whose care and service that patient ~~or student~~ has been legally placed; ~~shall be fined not more than \$500.00 or imprisoned not more than one year, or both.~~

§ 7105. ~~ARREST APPREHENSION OF ELOPED PERSONS~~

Any sheriff, deputy sheriff, ~~constable~~, or officer of ~~state~~ State or local police, and any officer or employee of any designated hospital, ~~designated program, or training school~~ a secure residential recovery facility may ~~arrest any take into custody and return to a designated hospital or a secure residential recovery facility a person in the custody of the Commissioner who has eloped from a designated hospital or designated program or training school and return such person.~~

§ 7106. NOTICE OF ~~HOSPITALIZATION CUSTODY AND DISCHARGE~~

Whenever a patient has been admitted to a designated hospital other than upon his or her own application, the head of the designated hospital shall immediately notify the patient's legal guardian, ~~spouse, parent or parents, or nearest known relative or interested party, if known~~ and agent as defined in section 9701 of this title, if any, or if a minor, the patient's parent or legal guardian. If the involuntary hospitalization or admission was without court order, notice shall also be given to the superior court judge for the ~~family division of the superior court~~ Family Division of the Superior Court in the unit wherein the designated hospital is located. If the hospitalization or admission was by order of any court, the head of the designated hospital admitting or

discharging ~~an individual~~ the patient shall forthwith make a report thereof to the ~~commissioner~~ Commissioner and to the court which entered the order for hospitalization or admission.

§ 7107. ~~EXTRAMURAL WORK~~

~~Any hospital or training school in the state dealing with mental health may do, or procure to be done, extramural work in the way of prevention, observation, care, and consultation with respect to mental health. [Repealed.]~~

§ 7108. ~~CANTEENS~~

~~The chief executive officer of the Vermont State Hospital or its successor in interest may conduct a canteen or commissary, which shall be accessible to patients, employees, and visitors of the Vermont State Hospital or its successor in interest at designated hours and shall be operated by employees of the hospital. A revolving fund for this purpose is authorized. The salary of an employee of the hospital shall be charged against the canteen fund. Proceeds from sales may be used for operation of the canteen and the benefit of the patients and employees of the hospital under the direction of the chief executive officer and subject to the approval of the commissioner. All balances of such funds remaining at the end of any fiscal year shall remain in such fund for use during the succeeding fiscal year. An annual report of the status of the funds shall be submitted to the commissioner. [Repealed.]~~

§ 7109. ~~SALE OF ARTICLES; REVOLVING FUND~~

~~(a) The superintendent of a hospital or training school may sell articles made by the patients or students in the handiwork or occupational therapy departments of the institution and the proceeds thereof shall be credited to a revolving fund. When it is for their best interest, the superintendent may, with the consent of the patients or their legal representatives, employ patients or students or permit them to be employed on a day placement basis.~~

~~(b) The consent of the patient or the legal representative of the patient or student shall, in consideration of the undertaking of the superintendent, contain the further agreement that one-half the earnings of the patient or student shall be credited to the personal account of the patient or student so employed at interest for benefit of the patient or student and the balance shall be credited to the fund. The superintendent shall hold and expend the fund for the purchase of equipment and materials for the handiwork or group therapy departments and for the educational and recreational welfare of the patient or student group. He or she shall submit an annual report of the fund to the commissioner. Balances remaining in it at the end of a fiscal year shall be carried forward and be available for the succeeding fiscal year.~~

~~(c) For purposes of this section the legal representative of the patient or student shall be the duly appointed guardian, the spouse, the parents or the next of kin legally responsible for the patient or student. In their absence, the commissioner shall be the legal representative. [Repealed.]~~

* * *

§ 7111. RIGHT TO LEGAL COUNSEL

In any proceeding before, or notice to, a court of this ~~state~~ State involving a patient ~~or student~~, or a proposed patient ~~or student~~, that person shall be afforded counsel, and if the patient ~~or student~~ or proposed patient ~~or student~~ is unable to pay for counsel, compensation shall be paid by the ~~state~~ State to counsel assigned by the court; however, this section shall not apply to a proceeding under section 7505 of this title.

* * *

§ 7113. INDEPENDENT EXAMINATION: PAYMENT

Whenever a court orders an independent examination by a mental health professional ~~or a qualified mental retardation professional~~ pursuant to this title or 13 V.S.A. § 4822, the cost of the initial examination shall be paid by the ~~department of disabilities, aging, and independent living or of health~~ Department of Mental Health. The mental health professional ~~or qualified mental retardation professional~~ may be selected by the court but the ~~commissioner of disabilities, aging, and independent living or the commissioner of mental health~~ Commissioner of Mental Health may adopt a reasonable fee schedule for examination, reports, and testimony.

Sec. 2. 18 V.S.A. § 7205 is amended to read:

§ 7205. SUPERVISION ~~OF INSTITUTIONS~~

(a) The ~~department of mental health~~ Department of Mental Health shall operate the Vermont State Hospital or its successor in interest and a secure residential recovery facility. The Department shall be responsible for patients receiving involuntary treatment.

(b) The ~~commissioner of the department of mental health~~ Commissioner of Mental Health, in consultation with the ~~secretary~~ Secretary, shall appoint a chief executive officer of the Vermont State Hospital or its successor in interest and a facility director of the secure residential recovery facility to oversee the operations of the hospital and the secure residential recovery facility, respectively. The chief executive officer position shall be an exempt position.

Sec. 3. PURPOSE OF THE MENTAL HEALTH CARE OMBUDSMAN

Due to the State's unique role in coordinating and providing services for Vermonters with one or more diagnosed mental health conditions, the General Assembly created the Office of the Mental Health Care Ombudsman, and now finds it necessary to clarify the Office's role, which is to safeguard access to services and those rights and protections that may be at risk. Due to the fact that the Office of the Mental Health Care Ombudsman addresses methods of care that are not as prevalent as among other health conditions, the Office's existence remains consistent with the principles of parity and achieving integration throughout Vermont's health care system.

Sec. 4. 18 V.S.A. chapter 178 is added to read:

CHAPTER 178. MENTAL HEALTH CARE OMBUDSMAN

§ 7451. DEFINITIONS

As used in this chapter:

(1) "Agency" means the organization designated by the Governor as the protection and advocacy system for the State pursuant to 42 U.S.C. § 10801 et seq.

(2) "Department" means the Department of Mental Health.

(3) "Intensive residential recovery facility" shall have the same meaning as in section 7252 of this title.

(4) "Mental Health Care Ombudsman" or "Ombudsman" means an individual providing protection and advocacy services pursuant to this chapter.

(5) "Office" means the Office of the Mental Health Care Ombudsman.

(6) "Secure residential recovery facility" shall have the same meaning as in section 7620 of this title.

(7) "State agency" means any office, department, board, bureau, division, agency, or instrumentality of the State.

§ 7452. OFFICE OF THE MENTAL HEALTH CARE OMBUDSMAN

(a) The Department of Mental Health shall establish the Office of the Mental Health Care Ombudsman within the Agency by executing a memorandum of designation between the Department and the Agency.

(b) The Office shall represent the interests of Vermonters with one or more diagnosed mental health conditions, including individuals receiving services at designated hospitals, emergency rooms, correctional facilities, intensive residential recovery facilities, secure residential recovery facilities, or within a community setting.

(c) The Office shall be directed by an individual, to be known as the Mental Health Care Ombudsman, who shall be selected from among individuals within the Agency executing the memorandum of designation with the Department of Mental Health.

§ 7453. RESPONSIBILITIES OF THE OFFICE

(a) The Office may:

(1) investigate individual cases of abuse, neglect, and other serious violations of individuals in Vermont with diagnosed mental health conditions;

(2) analyze, monitor, and aim to reduce the use of seclusion, restraint, coercion, and involuntary mental health procedures;

(3)(A) review emergency involuntary procedure reports provided by the Department;

(B) confer with the Department at least twice annually regarding any findings or recommendations for improvement made by the Office in response to the emergency involuntary procedure reports;

(4)(A) review any reports provided by the Department of untimely deaths of individuals with a diagnosed mental health condition in designated hospitals, intensive residential recovery facilities, secure residential recovery facilities, or community settings;

(B) confer with the Department regarding any findings or recommendations for improvement made by the Office in response to the untimely death reports;

(5) participate on state panels reviewing the treatment of individuals with a diagnosed mental health condition;

(6) integrate efforts with the Health Care Ombudsman's Office established under 8 V.S.A. chapter 107, subchapter 1A and the Long-Term Care Ombudsman's Office established under 33 V.S.A. chapter 75 to minimize duplication of efforts; and

(7) annually, on or before January 15th, submit a report to the Department and General Assembly detailing all activities performed pursuant to this chapter and recommending improvements to the mental health system.

(b)(1) A person shall not impose any additional duties on the Office in excess of the requirements set forth in subsection (a) of this section or otherwise imposed on agencies under federal law.

(2) Nothing in this chapter shall supersede the authorities or responsibilities granted to the Agency under Protection and Advocacy for Individuals with Mental Illness, 42 U.S.C. §§ 10801–10851.

(3) The General Assembly may at any time allocate funds it deems necessary to supplement federal funding used to maintain the Office.

§ 7454. AUTHORITY OF THE MENTAL HEALTH CARE OMBUDSMAN

In fulfilling the responsibilities of the Office, the Mental Health Care Ombudsman may:

(1) Hire or contract with persons or organizations to fulfill the purposes of this chapter.

(2) Communicate and visit with any individual with a diagnosed mental health condition, provided that the Ombudsman shall discontinue interactions with any individual when requested to do so by that individual. Toward that end, designated hospitals, emergency rooms, correctional facilities, intensive residential recovery facilities, secure residential recovery facilities, and other community treatment facilities shall provide the Ombudsman access to their facilities and to individuals for whom they provide mental health services. If the individual with a diagnosed mental health condition has a guardian, the Office shall take no formal action without consent of the guardian or a court order, unless an emergency situation arises.

(3) Delegate to employees any part of the Mental Health Care Ombudsman's authority.

(4) Take such further actions as are necessary in order to fulfill the purpose of this chapter.

§ 7455. COOPERATION OF STATE AGENCIES

(a) All state agencies shall comply with requests of the Mental Health Care Ombudsman for information and assistance necessary to carry out the responsibilities of the Office.

(b) The Secretary of Human Services may adopt rules necessary to ensure that departments within the Agency of Human Services cooperate with the Office.

§ 7456. CONFIDENTIALITY

In the absence of written consent by an individual with a diagnosed mental health condition about whom a report has been made, or by his or her guardian or legal representative, or a court order, the Mental Health Care Ombudsman shall not disclose the identity of such person, unless otherwise provided for

under Protection and Advocacy for Individuals with Mental Illness, 42 U.S.C. §§ 10801–10851.

§ 7457. IMMUNITY

Civil liability shall not attach to the Mental Health Care Ombudsman or his or her employees for good faith performance of the duties imposed by this chapter.

§ 7458. INTERFERENCE AND RETALIATION

(a) A person who intentionally hinders a representative of the Office acting pursuant to this chapter shall be imprisoned not more than one year or fined not more than \$5,000.00, or both.

(b) A person who takes discriminatory, disciplinary, or retaliatory action against an employee, a resident, or a volunteer of a designated hospital, correctional facility, intensive residential recovery facility, secure residential recovery facility, community treatment facility, or state agency for any communication made, or information disclosed, to aid the Office in carrying out its duties and responsibilities shall be imprisoned not more than one year or fined not more than \$5,000.00, or both. An employee, a resident, or a volunteer of such facilities or state agencies may seek damages in superior court against a person who takes an action prohibited by this subsection.

§ 7459. CONFLICT OF INTEREST

The Mental Health Care Ombudsman, an employee of the Ombudsman, or an immediate family member of the Ombudsman or of an employee shall not have any financial interest in or authority over a designated hospital, correctional facility, intensive residential recovery facility, secure residential recovery facility, or community treatment facility and from providing mental health services, which creates a conflict of interest in carrying out the Ombudsman's responsibilities under this chapter.

Sec. 5. 18 V.S.A. § 7505 is amended to read:

§ 7505. WARRANT FOR IMMEDIATE EXAMINATION

(a) In emergency circumstances where a certification by a physician is not available without serious and unreasonable delay, and when personal observation of the conduct of a person constitutes reasonable grounds to believe that the person is a person in need of treatment, and he or she presents an immediate risk of serious injury to himself or herself or others if not restrained, a law enforcement officer or mental health professional may make an application, not accompanied by a physician's certificate, to any district or superior court judge for a warrant for an immediate examination when:

(A) a certification by a physician is not available without serious and unreasonable delay;

(B) personal observation of the conduct of a person constitutes reasonable grounds to believe that the person is a person in need of treatment; and

(C) the person presents an immediate risk of serious injury to himself or herself or others if not restrained.

(b) The law enforcement officer or mental health professional, or both, may take the person into temporary custody and shall apply to the court without delay for the warrant.

(c) If the judge is satisfied that a physician's certificate is not available without serious and unreasonable delay, and that probable cause exists to believe that the person is in need of an immediate examination pursuant to subsection (a) of this section, he or she the judge may grant the warrant and order the person to submit to an immediate examination at a designated hospital.

(d) ~~If necessary~~ By granting a warrant, the court ~~may order the~~ authorizes a law enforcement officer or mental health professional to transport the person to a designated hospital for an immediate examination.

(e) Upon admission to a designated hospital pursuant to a warrant for immediate examination, the person shall be ~~immediately~~ examined by a licensed physician immediately. If the physician certifies that the person is a person in need of treatment, the person shall be held for an emergency examination in accordance with section 7508 of this title. If the physician does not certify that the person is a person in need of treatment, ~~he or she~~ the physician shall immediately discharge the person and cause him or her to be returned to the place from which he or she was taken, or to such place as the person reasonably directs.

Sec. 6. 18 V.S.A. chapter 181 is amended to read:

CHAPTER 181. JUDICIAL PROCEEDINGS

* * *

§ 7612. APPLICATION FOR INVOLUNTARY TREATMENT

(a) An interested party may, by filing a written application, commence proceedings for the involuntary treatment of an individual by judicial process.

(b) The application shall be filed in the ~~criminal division of the superior court of~~ Family Division of the Superior Court for the district in which the

proposed ~~patient's residence~~ patient resides or, in the case of a nonresident, in any ~~district~~ superior court.

(c) If the application is filed under section 7508 or 7620 of this title, it shall be filed in the ~~criminal division of the superior court~~ Family Division of the Superior Court in which the hospital is located.

(d) The application shall contain:

(1) The name and address of the applicant; and

(2) A statement of the current and relevant facts upon which the allegation of mental illness and need for treatment is based. The application shall be signed by the applicant under penalty of perjury.

(e) The application shall be accompanied by:

(1) A certificate of a licensed physician, which shall be executed under penalty of perjury stating that he or she has examined the proposed patient within five days of the date the petition is filed, and is of the opinion that the proposed patient is a person in need of treatment, including the current and relevant facts and circumstances upon which the physician's opinion is based; or

(2) A written statement by the applicant that the proposed patient refused to submit to an examination by a licensed physician.

(f) Before an examining physician completes the certificate of examination, he or she shall consider available alternative forms of care and treatment that might be adequate to provide for the person's needs, without requiring hospitalization.

§ 7613. NOTICE—APPOINTMENT OF COUNSEL

(a) When the application is filed, the court shall appoint counsel for the proposed patient, and transmit a copy of the application, the physician's certificate, if any, and a notice of hearing to the proposed patient, his or her attorney, guardian, ~~or any person having custody and control of the proposed patient, if any, the state's attorney, State's Attorney~~ or the attorney general Attorney General, and any other person the court believes has a concern for the proposed patient's welfare. A copy of the notice of hearing shall also be transmitted to the applicant and certifying physician.

* * *

§ 7617. FINDINGS; ORDER

(a) If the court finds that the proposed patient was not a person in need of treatment at the time of admission or application or is not a patient in need of

further treatment at the time of the hearing, the court shall enter a finding to that effect and shall dismiss the application.

(b)(1) If the proposed patient is found to have been a person in need of treatment at the time of admission or application and a patient in need of further treatment at the time of the hearing, the court may order the person:

(1)(A) hospitalized in a designated hospital;

(2)(B) hospitalized in any other public or private hospital if he or she and the hospital agree; or

(3)(C) to undergo a program of treatment other than hospitalization.

(2) If the application for treatment was made in accordance with 28 V.S.A. § 705a and the proposed patient is found to be a person in need of treatment at the time of application and at the time of the hearing, the only order for treatment other than hospitalization that a court may enter is an order of nonhospitalization at a secure residential recovery facility.

(c) Prior to ordering any course of treatment, the court shall determine whether there exists an available program of treatment for the person which is an appropriate alternative to hospitalization. The court shall not order hospitalization without a thorough consideration of available alternatives.

(d) Before making its decision, the court shall order testimony by an appropriate representative of a hospital, a community mental health agency, public or private entity or agency, or a suitable person, who shall assess the availability and appropriateness for the individual of treatment programs other than hospitalization.

* * *

§ 7620. APPLICATION FOR CONTINUED TREATMENT

(a) If, prior to the expiration of any order issued in accordance with section 7623 of this title, the ~~commissioner~~ Commissioner believes that the condition of the patient is such that the patient continues to require treatment, the ~~commissioner~~ Commissioner shall apply to the court for a determination that the patient is a patient in need of further treatment and for an order of continued treatment.

(b) An application for an order authorizing continuing treatment shall contain a statement setting forth the reasons for the ~~commissioner's~~ Commissioner's determination that the patient is a patient in need of further treatment, a statement describing the treatment program provided to the patient, and the results of that course of treatment.

(c) Any order of treatment issued in accordance with section 7623 of this title shall remain in force pending the court's decision on the application.

(d) If the ~~commissioner~~ Commissioner seeks to have the patient receive the further treatment in a secure residential recovery facility, the application for an order authorizing continuing treatment shall expressly state that such treatment is being sought. The application shall contain, in addition to the statements required by subsection (b) of this section, a statement setting forth the reasons for the ~~commissioner's~~ Commissioner's determination that clinically appropriate treatment for the patient's condition can be provided safely only in a secure residential recovery facility.

(e) As used in this chapter:

(1) ~~"Secure," when describing a residential facility, means that the residents can be physically prevented from leaving the facility by means of locking devices or other mechanical or physical mechanisms.~~

(2) ~~"Secure residential recovery facility" means a residential facility, licensed as a therapeutic community residence as defined in 33 V.S.A. § 7102(11), for an individual who no longer requires acute inpatient care but who does remain in need of treatment within a secure setting for an extended period of time. A, "secure residential recovery facility" shall have the same meaning as in section 7101 of this title. Except as provided in 28 V.S.A. § 705a, a secure residential recovery facility shall not be used for any purpose other than the purposes permitted by this section.~~

§ 7621. HEARING ON APPLICATION FOR CONTINUED TREATMENT; ORDERS

(a) The hearing on the application for continued treatment shall be held in accordance with the procedures set forth in sections 7613, 7614, 7615, and 7616 of this title.

(b) If the court finds that the patient is a patient in need of further treatment ~~and requires hospitalization,~~ it shall order ~~hospitalization~~ continued treatment for up to one year.

* * *

Sec. 7. 18 V.S.A. § 7708 is amended to read:

§ 7708. ~~SURGICAL OPERATIONS~~

~~If the superintendent finds that a patient supported by the state requires a surgical operation or that a surgical operation would promote the possibility of his or her discharge from the hospital, the superintendent, with the consent of the patient, his or her attorney, or his or her legally appointed guardian, if any,~~

~~or next of kin, if any be known, may make the necessary arrangements with some surgeon and hospital for the operation. The expense of the operation shall be borne by the state in the same proportion as the patient is supported by the state. [Repealed.]~~

Sec. 8. 18 V.S.A. chapter 189 is amended to read:

CHAPTER 189. RELEASE AND DISCHARGE

§ 8003. PERSONAL NEEDS OF PATIENT

The ~~commissioner~~ Commissioner shall make any necessary arrangements to ensure:

(1) that no patient is discharged ~~or granted a conditional release~~ from a designated hospital without suitable clothing; and

(2) that any indigent patient discharged ~~or granted a conditional release~~ is furnished suitable transportation for his or her return home and an amount of money as may be prescribed by the head of ~~the~~ a designated hospital to enable the patient to meet his or her immediate needs.

* * *

§ 8006. VISITS

(a) ~~The head of a hospital may grant a visit permit of not more than 30 days to any patient under his or her charge. [Repealed.]~~

(b) The granting and revocation of visits shall be made in accordance with rules and procedures adopted by the head of the designated hospital.

§ 8007. ~~CONDITIONAL DISCHARGES~~

~~(a) The board or the head of a hospital may conditionally discharge from a hospital any patient who may be safely and properly cared for in a place other than the hospital.~~

~~(b) A conditional discharge may extend for a term of six months, but shall not exceed 60 days unless the head of the hospital determines that a longer period will materially improve the availability of a program of treatment which is an alternative to hospitalization.~~

~~(c) Unless sooner revoked or renewed, a conditional discharge shall become absolute at the end of its term.~~

~~(d) A conditional discharge may be granted subject to the patient's agreement to participate in outpatient, after care, or follow up treatment programs, and shall be subject to such other conditions and terms as are established by the granting authority.~~

~~(e) Each patient granted a conditional discharge shall be provided, so far as practicable and appropriate, with continuing treatment on an outpatient or partial hospitalization basis.~~

~~(f) Each patient granted a conditional discharge shall be given a written statement of the conditions of his or her release, the violation of which can cause revocation.~~

~~(g) A conditional discharge may be renewed by the granting authority at any time before it becomes absolute if the head of a hospital first determines that such renewal will substantially reduce the risk that the patient will become a person in need of treatment in the near future. [Repealed.]~~

§ 8008. REVOCATION OF CONDITIONAL DISCHARGE

~~(a) The board or the head of the hospital may revoke a conditional discharge at any time before that discharge becomes absolute if the patient fails to comply with the conditions of the discharge.~~

~~(b) A revocation by the board or the head of the hospital shall authorize the return of the patient to the hospital and shall be sufficient warrant for a law enforcement officer or mental health professional to take the patient into custody and return him or her to the hospital from which he or she was conditionally discharged.~~

~~(c) Immediately upon his or her return to the hospital, the patient shall be examined by a physician who shall orally explain to the patient the purpose of the examination and the reasons why the patient was returned to the hospital.~~

~~(d) If the examining physician certifies in writing to the head of the hospital that, in his or her opinion, the patient is a person in need of treatment, setting forth the recent and relevant facts supporting this opinion, the revocation shall become effective and the patient shall be readmitted to the hospital. If the examining physician does not so certify, the revocation shall be cancelled and the patient shall be returned to the place from which he or she was taken.~~

~~(e) If the patient is readmitted to the hospital, he or she may apply immediately for a judicial review of his or her admission, and he or she shall be given a written notice of this right and of his or her right to legal counsel. [Repealed.]~~

§ 8009. ADMINISTRATIVE DISCHARGE

~~(a) The head of the a designated hospital may at any time discharge a voluntary or judicially hospitalized patient whom he or she deems clinically suitable for discharge.~~

(b) The head of ~~the~~ a designated hospital shall discharge a judicially hospitalized patient when the patient is no longer a patient in need of further treatment. When a judicially hospitalized patient is discharged, the head of ~~the~~ a designated hospital shall notify the ~~applicant, the certifying physician Commissioner, the family division of the superior court~~ Family Division of the Superior Court, and anyone who was notified at the time the patient was hospitalized.

(c) ~~A person~~ An individual responsible for providing treatment other than hospitalization to ~~an individual~~ a person ordered to undergo a program of alternative treatment, under section 7618 or 7621 of this title, may terminate the alternative treatment to the ~~individual~~ person if the provider of this alternative treatment considers the ~~individual~~ person clinically suitable for termination of treatment. Upon termination of alternative treatment, the ~~family division of the superior court~~ the Commissioner and Family Division of the Superior Court shall be so notified by the provider of the alternative treatment. Upon receipt of the notice, the Court shall vacate the order.

* * *

Sec. 9. 18 V.S.A. chapter 197 is amended to read:

CHAPTER 197. MENTALLY ILL USERS OF ALCOHOL OR DRUGS

* * *

§ 8404. ~~CONDITIONAL DISCHARGE~~

~~The board of mental health, in its discretion, may grant a conditional discharge to a patient admitted under this chapter after the expiration of one month from the date of admission and may revoke any conditional discharge so granted. A revocation of a conditional discharge by the board of mental health at any time prior to the expiration of the original term of hospitalization shall be sufficient warrant for the return of the patient to the hospital from which he or she was discharged, there to remain until a subsequent conditional discharge or the expiration of the full term from the date of the original admission. [Repealed.]~~

§ 8405. OUTSIDE VISITS

In the discretion of the head of a designated hospital, a patient admitted under this chapter may be permitted to visit a specifically designated place for a period not to exceed five days and return to the same hospital. The visit may be allowed to see a dying relative, to attend the funeral of a relative, to obtain special medical services, to contact prospective employers, or for any compelling reason consistent with the welfare or rehabilitation of the patient.

Sec. 10. 18 V.S.A. § 8847 is added to read:

§ 8847. INDEPENDENT EXAMINATION: PAYMENT

Whenever a court orders an independent examination by a qualified intellectual disabilities professional pursuant to this title or 13 V.S.A. § 4822, the cost of the examination shall be paid by the Department of Disabilities, Aging, and Independent Living. The qualified intellectual disabilities professional may be selected by the court but the Commissioner of Disabilities, Aging, and Independent Living may adopt a reasonable fee schedule for examination, reports, and testimony.

Sec. 11. 18 V.S.A. § 8848 is added to read:

§ 8848. APPREHENSION OF ELOPED PERSONS

Any sheriff, deputy sheriff, or officer of the State or local police and any officer or employee of any designated program may arrest any person who has eloped from a designated program and return such person.

Sec. 12. 28 V.S.A. § 705a is added to read:

§ 705a. TRANSFER TO SECURE RESIDENTIAL RECOVERY FACILITY

(a) If in the discretion of the Commissioner of Mental Health it becomes necessary and appropriate, the Commissioner of Mental Health may file an application, in consultation with the Commissioner of Corrections, in the Family Division of the Superior Court for the involuntary treatment of an incarcerated person pursuant to 18 V.S.A. § 7612 which specifies admission to a secure residential recovery facility as the proposed plan of treatment for the person if it is determined that the person:

- (1) has a mental illness as defined in 18 V.S.A. § 7101;
- (2) poses a danger to himself or herself or others; and
- (3) requires treatment at a secure residential recovery facility.

(b) If the Court finds that the person is in need of treatment pursuant to 18 V.S.A. § 7617(b), the only order of nonhospitalization that a court may order is for a program of treatment at a secure residential recovery facility. This limitation pertains only to applications filed by the Commissioner of Mental Health under this subsection.

(c)(1) When a person is transferred to a secure residential recovery facility pursuant to this section, he or she shall be subject to the supervision of the Commissioner of Mental Health except that the time during which the person is in the custody of the Commissioner of Mental Health shall be computed as part of the term for which he or she was sentenced. He or she shall continue

to be eligible for good behavior reductions pursuant to section 811 of this title, and he or she shall continue to be eligible for parole pursuant to chapter 7 of this title.

(2) When the Commissioner of Mental Health determines that a person whose sentence has not expired no longer requires treatment at a secure residential recovery facility, the Commissioner of Mental Health shall return the person to the custody of the Commissioner of Corrections in accordance with 18 V.S.A. chapter 189.

(d) As used in this section, “secure residential recovery facility” shall have the same meaning as in 18 V.S.A. § 7101.

Sec. 13. MENTAL HEALTH LEGISLATIVE WORK GROUP

(a) On or before July 15, 2013, the Commissioner of Mental Health shall convene a work group of stakeholders to examine current Vermont statutes pertaining to judicial proceedings in Title 18, Part 8 and to make recommendations that would more closely align the statutes to the Department of Mental Health’s current practices while respecting the rights of affected individuals. Members of the Work Group shall include:

(1) the Commissioner of Mental Health or designee;

(2) the Commissioner of Corrections or designee;

(3) a representative of the Vermont Association of Hospitals and Health Systems;

(4) the Mental Health Care Ombudsman;

(5) the Administrative Judge or designee;

(6) a representative of Vermont Legal Aid’s Mental Health Law Project;

(7) a representative of the law enforcement community;

(8) a representative of a designated agency’s emergency response team; and

(9) two representatives of the peer community.

(b) The Work Group shall consider:

(1) the Department’s current preadmission practices through the time of hospital admission;

(2) emergency examination procedures, including temporary custody;

(3) immediate examination procedures, including reliable reports of conduct and warrants for entering residences;

(4) time limits for certification and judicial proceedings;

(5) processes for referral to and discharge from the secure residential recovery facility;

(6) manners of reducing wait times in emergency departments, including the use of technology and streamlined processes;

(7) a protocol that the Departments of Corrections and of Mental Health may use in serving individuals diverted from court-ordered inpatient treatment due to lack of available bed space; and

(8) any other topic the Commissioner of Mental Health deems appropriate.

(c) On or before November 15, 2013, the Commissioner shall submit a report containing the Work Group's recommendations for legislation to the Mental Health Oversight Committee, the Senate Committee on Health and Welfare, and the House Committee on Human Services.

Sec. 14. REPEAL

18 V.S.A. § 7259 (mental health care ombudsman) is repealed.

Sec. 15. REDESIGNATION

18 V.S.A. chapters 217 (genetic testing), 219 (health information technology), and 220 (Green Mountain Care Board) shall be redesignated to appear within 18 V.S.A. part 9 (unified health care system).

Sec. 16. EFFECTIVE DATE

This act shall take effect on July 1, 2013.

(Committee vote: 5-0-0)

AMENDMENT TO S. 128 TO BE OFFERED BY SENATOR SEARS

Senator Sears moves that the recommendation of amendment of the Committee on Health and Welfare be amended in Sec. 12, 29 V.S.A. § 705a, after subsection (c) by inserting a new subsection (d) as follows:

(d) If the person's sentence expires while the person is receiving treatment at a secure residential recovery facility and the Commissioner of Mental Health believes that the person continues to meet the criteria in subsection (a) of this section, the Commissioner of Mental Health shall submit an application for continued treatment of the person to the Family Division of the Superior Court pursuant to 18 V.S.A. § 7620.

And by relettering the remaining subsection to be alphabetically correct.

S. 129.

An act relating to workers' compensation liens.

Reported favorably with recommendation of amendment by Senator MacDonald for the Committee on Finance.

The Committee recommends that the bill be amended as follows:

First: by striking out Sec. 1 in its entirety

Second: In Sec. 2, 21 V.S.A. § 643a, after the sentence that reads: "The extension shall be specific as to the number of days needed and the reason for the extension and must be received by the Commissioner prior to the end of the 21-day limit." by inserting a new sentence to read as follows: No extension approved by the Commissioner shall exceed 21 days.

And by renumbering the remaining sections to be numerically correct.

(Committee vote: 5-1-1)

AMENDMENT TO S. 129 TO BE OFFERED BY SENATOR MULLIN

Senator Mullin moves to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 21 V.S.A. § 640 is amended to read:

§ 640. MEDICAL BENEFITS; ASSISTIVE DEVICES; HOME AND AUTOMOBILE MODIFICATIONS

* * *

(d) The liability of the employer to pay for medical, surgical, hospital, and nursing services and supplies, prescription drugs, and durable medical equipment provided to the injured employee under this section shall not exceed the maximum fee for a particular service, prescription drug, or durable medical equipment as provided by a schedule of fees and rates prepared by the ~~commissioner~~ Commissioner. The reimbursement rate for services and supplies in the fee schedule shall include consideration of medical necessity, clinical efficacy, cost-effectiveness, and safety, and those services and supplies shall be provided on a nondiscriminatory basis consistent with workers' compensation and health care law. The ~~commissioner~~ Commissioner shall authorize reimbursement at a rate higher than the scheduled rate if the employee demonstrates to the ~~commissioner's~~ Commissioner's satisfaction that reasonable and necessary treatment, prescription drugs, or durable medical equipment is not available at the scheduled rate. An employer shall establish direct billing and payment procedures and notification procedures as necessary for coverage of medically-necessary prescription medications for chronic

conditions of injured employees, in accordance with rules adopted by the ~~commissioner~~ Commissioner. The employer shall not be liable to pay for drugs or treatments which are not approved by the Food and Drug Administration. The Department shall not authorize the use of drugs or treatments that are not approved by the Food and Drug Administration.

* * *

Sec. 2. 21 V.S.A. § 640b is amended to read:

§ 640b. REQUEST FOR PREAUTHORIZATION TO DETERMINE IF PROPOSED TREATMENT IS NECESSARY

(a) Within ~~14~~ 21 days of receiving a request for preauthorization for a proposed medical treatment and all relevant medical evidence supporting the requested treatment, a workers' compensation insurer shall:

* * *

(3) notify the health care provider, the injured worker, and the ~~department~~ Department that the insurer has scheduled an examination of the employee or ordered a medical record review pursuant to section 655 of this title. Based on the examination or review, the insurer shall authorize or deny the treatment and notify the ~~department~~ Department and the injured worker of the decision within ~~45~~ 50 days of a request for preauthorization. The ~~commissioner~~ Commissioner may in his or her sole discretion grant a 10-day extension to the insurer to authorize or deny treatment, and such an extension shall not be subject to appeal.

(b) If the insurer fails to authorize or deny the treatment pursuant to subsection (a) of this section within ~~14~~ 21 days of receiving a request, the claimant or health care provider may request that the ~~department~~ Department issue an order authorizing treatment. After receipt of the request, the ~~department~~ Department shall issue an interim order within five days after notice to the insurer, and five days in which to respond, absent evidence that the entire claim is disputed. Upon request of a party, the ~~commissioner~~ Commissioner shall notify the parties that the treatment has been authorized by operation of law.

* * *

Sec. 3. 21 V.S.A. § 643a is amended to read:

§ 643a. DISCONTINUANCE OF BENEFITS

Unless an injured worker has successfully returned to work, an employer shall notify both the ~~commissioner~~ Commissioner and the employee prior to terminating benefits under either section 642 or 646 of this title. The notice of

intention to discontinue payments shall be filed on forms prescribed by the ~~commissioner~~ Commissioner and shall include the date of the proposed discontinuance, the reasons for it, and, if the employee has been out of work for 90 days, a verification that the employer offered vocational rehabilitation screening and services as required under this chapter. ~~All relevant evidence, including evidence that does not support discontinuance in the possession of the employer not already filed, shall be filed with the notice~~ The employer shall file evidence that is relevant to the discontinuance with the notice of discontinuance. The liability for the payments shall continue for seven days after the notice is received by the ~~commissioner~~ Commissioner and the employee. Those payments shall be made without prejudice to the employer and may be deducted from any amounts due pursuant to section 648 of this title if the ~~commissioner~~ Commissioner determines that the discontinuance is warranted or if otherwise ordered by the ~~commissioner~~ Commissioner. Every notice shall be reviewed by the ~~commissioner~~ Commissioner to determine the sufficiency of the basis for the proposed discontinuance. If, after review of all the evidence in the file, the ~~commissioner~~ Commissioner finds that a preponderance of all the evidence in the file does not reasonably support the proposed discontinuance, the ~~commissioner~~ Commissioner shall order that payments continue until a hearing is held and a decision is rendered. Prior to a formal hearing, an injured worker may request reinstatement of benefits by providing additional new evidence to the ~~department~~ Department that establishes that a preponderance of all evidence now supports the claim. If the ~~commissioner's~~ Commissioner's decision, after a hearing, is that the employee was not entitled to any or all benefits paid between the discontinuance and the final decision, upon request of the employer, the ~~commissioner~~ Commissioner may order that the employee repay all benefits to which the employee was not entitled. The employer may enforce a repayment order in any court of law having jurisdiction.

Sec. 4. 21 V.S.A. § 648 is amended to read:

§ 648. PERMANENT PARTIAL DISABILITY BENEFITS

* * *

(b) Any determination of the existence and degree of permanent partial impairment shall be made only in accordance with the whole person determinations as set out in the ~~fifth~~ sixth or subsequent edition of the American Medical Association Guides to the Evaluation of Permanent Impairment. In order to utilize any subsequent edition of the American Medical Association Guides to the Evaluation of Permanent Impairment or any other appropriate guides to the evaluation of permanent impairment, the ~~commissioner~~ Commissioner, in consultation with the ~~department of labor~~

~~advisory council~~ Department of Labor Advisory Council, shall adopt a rule. The ~~commissioner~~ Commissioner shall adopt a supplementary schedule for injuries that are not rated by the impairment guide authorized for use by the ~~department~~ Department to determine permanent disability.

* * *

Sec. 5. 21 V.S.A. § 655 is amended to read:

§ 655. PROCEDURE IN OBTAINING COMPENSATION; MEDICAL EXAMINATION; VIDEO AND AUDIO RECORDING

After an injury and during the period of disability, if so requested by his or her employer, or ordered by the ~~commissioner~~ Commissioner, the employee shall submit to examination, at reasonable times and places, by a duly licensed physician or surgeon designated and paid by the employer. The employer may designate an alternative physician or surgeon in order to avoid unnecessary delay. The employee may make a video or audio recording of any examination performed by the insurer's physician or surgeon or have a licensed health care provider designated and paid by the employee present at the examination. The employer may make an audio recording of the examination. The right of the employee to record the examination shall not be construed to deny to the employer's physician the right to visit the injured employee at all reasonable times and under all reasonable conditions during total disability. If an employee refuses to submit to or in any way obstructs the examination, the employee's right to prosecute any proceeding under the provisions of this chapter shall be suspended until the refusal or obstruction ceases, and compensation shall not be payable for the period which the refusal or obstruction continues.

Sec. 6. 21 V.S.A. § 663b is added to read:

§ 663b. FRAUD

(a) Claims of fraud submitted by an employer shall be investigated by the Commissioner, and the Commissioner shall make a decision on the claim within 30 days of receipt of the claim. A party may appeal the decision of the Commissioner.

(b) An employee found to have committed fraud in order to receive compensation under this chapter shall be ordered to repay all compensation received. The employer shall not be charged for these payments when the employer's experience rating is determined.

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2013.

NEW BUSINESS

Third Reading

S. 7.

An act relating to social networking privacy protection.

**AMENDMENT TO S. 7 TO BE OFFERED BEFORE THIRD READING
BY SENATOR ZUCKERMAN**

Senator Zuckerman moves that the bill be amended in Sec. 1, Social Networking Privacy Protection Study Committee, by striking out subsection (a) and inserting in lieu thereof the following:

(a) A Committee is established to study how to create statutory language to prohibit employers from requiring employees or applicants for employment to disclose a means of accessing the employee's or applicant's social network account.

**AMENDMENT TO S. 7 TO BE OFFERED BY SENATORS
GALBRAITH, NITKA, HARTWELL AND BENNING BEFORE THIRD
READING**

Senators Galbraith, Nitka, Hartwell and Benning move to amend the bill by adding a new section to be numbered Sec. 2 to read as follows:

Sec. 2. 21 V.S.A. § 495j is added to read:

§ 495j. PRIVACY PROTECTION

An employer shall not require or request that an applicant for employment disclose a means for accessing the applicant's personal computer, e-mail account, or telephone.

And by renumbering the remaining section of the bill to be numerically correct.

**AMENDMENT TO S. 7 TO BE OFFERED BY SENATOR GALBRAITH
BEFORE THIRD READING**

Senator Galbraith moves to amend the bill by adding a new section to be numbered Sec. 2 to read as follows:

Sec. 2. 21 V.S.A. § 495j is added to read:

§ 495j. PRIVACY PROTECTION

An employer shall not require or request that an employee disclose a means for accessing the employee's personal computer, e-mail account, or telephone.

or require or request access to an employee's personal documents, files, personal letters, or diaries created prior to employment.

And by renumbering the remaining section of the bill to be numerically correct.

S. 20.

An act relating to increasing the statute of limitations for certain sex offenses against children.

S. 47.

An act relating to protection orders and second degree domestic assault.

**AMENDMENT TO S. 47 TO BE OFFERED BY SENATOR FLORY
BEFORE THIRD READING**

Senator Flory moves to amend the bill in Sec. 4, 15 V.S.A. § 1103, by striking out subdivision (c)(2)(H) and inserting in lieu thereof the following:

(H) an order that the defendant return any personal documentation in his or her possession, including immigration documentation, birth certificates, and identification cards:

(i) pertaining to the plaintiff; or

(ii) pertaining to the plaintiff's children if relief is sought for the children or for good cause shown.

S. 73.

An act relating to the moratorium on home health agency certificates of need.

S. 81.

An act relating to the regulation of octaBDE, pentaBDE, decaBDE, and flame retardant known as Tris in consumer products.

S. 88.

An act relating to telemedicine services delivered outside a health care facility.

S. 104.

An act relating to expedited partner therapy.

S. 156.

An act relating to home visiting standards.

**AMENDMENT TO S. 156 TO BE OFFERED BY SENATOR AYER
BEFORE THIRD READING**

Senator Ayer moves to amend the bill in Sec. 2, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) The Department for Children and Families and the Department of Health in consultation with the Secretary of Human Services, the Home Visiting Alliance, and other stakeholders shall adopt rules on or before July 1, 2014, establishing consistent standards for the delivery of home visiting services throughout Vermont.

Committee Bills for Second Reading

S. 159.

An act relating to various amendments to Vermont's land use control law and related statutes.

By the Committee on Natural Resources and Energy. (Senator MacDonald for the Committee.)

S. 161.

An act relating to mitigation of traffic fines and approval of a DLS Diversion Program contract.

By the Committee on Judiciary. (Senator Benning for the Committee.)

Favorable with Recommendation of Amendment

S. 11.

An act relating to the Austine School.

Reported favorably with recommendation of amendment by Senator Rodgers for the Committee on Institutions.

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

Sec. 1. PROPERTY TRANSACTION; AUSTINE SCHOOL

(a) Notwithstanding 16 V.S.A. § 3823, on or before July 1, 2016, the Vermont Center for the Deaf and Hard of Hearing is authorized to sell a total of up to 15 acres of undeveloped land associated with the Austine School for the Deaf with no obligation to repay any state capital appropriations made to or for the benefit of the Austine School.

(b) Notwithstanding any sale of undeveloped land pursuant to subsection (a) of this section, the first priority lien created under 16 V.S.A. § 3823(b) in

favor of the State for all capital appropriations made to or for the benefit of the Austine School for the Deaf shall remain for the full obligation that is owed to the State.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

Reported favorably by Senator Nitka for the Committee on Appropriations.

(Committee vote: 7-0-0)

S. 40.

An act relating to establishing an interim committee that will develop policies to restore the 1980 ratio of state funding to student tuition at Vermont State Colleges and to make higher education more affordable.

Reported favorably with recommendation of amendment by Senator McCormack for the Committee on Education.

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

Sec. 1. FINDINGS

The General Assembly finds that:

(1) In 1980, 51 percent of the revenue supporting our Vermont State Colleges came from state appropriations and 49 percent came from student tuition. Now, after decades of underfunding, state appropriations provide less than 20 percent of the Vermont State Colleges' revenue and over 80 percent comes from student tuition. This is a huge cost shift onto students and families, many of whom simply cannot afford it.

(2) On a per-capita basis, Vermont now provides less state support to its public colleges than almost any other state.

(3) In FY 2011–2012, Vermont ranked 49th among the states, next to last, in state appropriations per \$1,000.00 of personal income.

(4) In the 21 years between 1990 and 2011, the state appropriation per full-time Vermont student at Vermont State Colleges fell from \$3,342.00 to \$3,231.00.

(5) Eighty-one percent of the students at Vermont State Colleges are from Vermont, and 54 percent of these students are the first in their families to

attend college. Eighty-four percent of Vermont State College graduates stay in Vermont.

Sec. 2. INTERIM STUDY OF HIGHER EDUCATION FUNDING

(a) The higher education subcommittee of the Prekindergarten-16 Council established in 16 V.S.A. § 2905 shall study and develop policies to make the State Colleges and the University of Vermont more affordable for Vermont residents by lowering costs and restoring the 1980 ratio of state funding to tuition costs.

(b) In addition to the members of the higher education subcommittee identified in 16 V.S.A. § 2905(d), the following individuals shall be members of the subcommittee solely for purposes of this interim study:

(1) one faculty member of the University of Vermont to be appointed by United Professions American Federation of Teachers Vermont;

(2) one faculty member and one staff member of the Vermont State Colleges to be appointed by United Professions American Federation of Teachers Vermont; and

(3) two students, one from the University of Vermont and one from the Vermont State Colleges, appointed by their respective student government associations.

(c) Powers and duties.

(1) The higher education subcommittee shall develop policies to:

(A) lower student and family costs and debt so that Vermont colleges are more affordable for Vermonters; and

(B) return to the 1980 level of state funding to student tuition support ratio.

(2) In developing these policies, the subcommittee shall consider:

(A) higher education funding for state colleges and universities in other states, with a particular focus on tuition ratios and funding methods;

(B) the best policies for increasing the enrollment of Vermont students and keeping students in Vermont after they graduate from college;

(C) administrative as compared to instructional costs;

(D) the portability of Vermont Student Assistance Corporation funds;

and

(E) any information available from the state colleges and universities regarding the impact of Vermont State College graduates on Vermont's economy and on job creation and retention.

(d) On or before November 15, 2013, the subcommittee shall report to the General Assembly on its findings and any recommendations for legislative action.

(e) The subcommittee may meet no more than six times between July 1, 2013 and November 15, 2013 for the purposes of this interim study. For attendance at meetings during adjournment of the General Assembly, legislative members of the subcommittee shall be entitled to compensation and reimbursement for expenses under 2 V.S.A. § 406, and other members of the subcommittee who are not employees of the State of Vermont shall be reimbursed at the per diem rate under 32 V.S.A. § 1010.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2013.

(Committee vote: 5-0-0)

Reported favorably by Senator Westman for the Committee on Appropriations.

(Committee vote: 7-0-0)

AMENDMENT TO S. 40 TO BE OFFERED BY SENATOR McCORMACK

Senator McCormack moves to amend the recommendation of amendment of the Committee on Education as follows:

First: In Sec. 2(c)(2)(E) after "Vermont State College" by inserting the words and University of Vermont

Second: In Sec. 2(e) after "State of Vermont" by striking out the word "shall" and inserting in lieu thereof the word may

Third: In Sec. 2(e) after "32 V.S.A. § 1010" by inserting the words if not otherwise compensated or benefited

NOTICE CALENDAR

Second Reading

Favorable with Recommendation of Amendment

S. 26.

An act relating to providing state financial support for school meals for children of low-income households.

Reported favorably by Senator Collins for the Committee on Education.

(Committee voted: 5-0-0)

Reported favorably by Senator Fox for the Committee on Appropriations.

(Committee vote: 7-0-0)

S. 61.

An act relating to the shipment of malt beverages.

Reported favorably with recommendation of amendment by Senator Mullin for the Committee on Economic Development, Housing and General Affairs.

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

Sec. 1. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:

* * *

(19) “Second class license”: a license granted by the ~~control commissioners~~ Control Commissioners permitting the licensee to export malt or vinous beverages and to sell malt or vinous beverages to the public for consumption off the premises for which the license is granted.

* * *

(28) “Fourth class license” or “farmers’ market license”: the license granted by the ~~liquor control board~~ Liquor Control Board permitting a manufacturer or rectifier of malt or vinous beverages or spirits to sell by the unopened container and distribute, by the glass with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth class and farmers’ market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth class license location, a manufacturer or rectifier of vinous beverages, malt beverages, or spirits may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages, malt beverages, or spirits produced by no more than

five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages, malt beverages, or spirits may sell its product to no more than five additional manufacturers or rectifiers. A fourth class licensee may distribute by the glass no more than two ounces of malt or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits with a total of one ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A farmers' market license is valid for all dates of operation for a specific farmers' market location.

* * *

(32) "Art gallery or bookstore permit": a permit granted by the liquor control board permitting an art gallery or bookstore to conduct an event at which malt or vinous beverages or both are served by the glass to the public, provided that the event is approved by the local licensing authority. A permit holder may purchase malt or vinous beverages directly from a licensed retailer. A permit holder shall be subject to the provisions of this title and the rules of the board regarding the service of alcoholic beverages. A request for a permit shall be submitted to the department in a form required by the ~~department~~ Department at least five days prior to the event and shall be accompanied by the permit fee required by subdivision 231(a)(22) of this title. As used in this section, "art gallery" means a fixed establishment whose primary purpose is to exhibit and offer for sale works of art subject to federal copyright protection; and "bookstore" means a fixed establishment whose primary purpose is to offer books for sale.

* * *

Sec. 2. 7 V.S.A. § 66 is amended to read:

§ 66. MALT AND VINOUS BEVERAGE SHIPPING LICENSE; IN STATE; OUT OF STATE; PROHIBITIONS; PENALTIES

(a) A manufacturer or rectifier of vinous beverages or malt beverages licensed in Vermont may be granted an in-state consumer shipping license by filing with the ~~department of liquor control~~ Department of Liquor Control an application in a form required by the ~~department~~ Department accompanied by a copy of the applicant's current Vermont manufacturer's license and the fee as required by subdivision 231(7)(A) of this title. This consumer shipping license may be renewed annually by filing the renewal fee as required by subdivision 231(7)(A) of this title accompanied by a copy of the licensee's current Vermont manufacturer's license.

(b) A manufacturer or rectifier of vinous beverages or malt beverages licensed in another state that operates a winery or brewery in the United States and holds valid state and federal permits and licenses may be granted an out-of-state consumer shipping license by filing with the ~~department of liquor control~~ Department an application in a form required by the ~~department~~ Department accompanied by copies of the applicant's current out-of-state manufacturer's license and the fee as required by subdivision 231(7)(B) of this title. This consumer shipping license may be renewed annually by filing the renewal fee as required by subdivision 231(7)(B) of this title accompanied by the licensee's current out-of-state manufacturer's license. For the purposes of this subsection and subsection (c) of this section, "out-of-state" means any state other than Vermont, any territory or possession of the United States, and does not include a foreign country.

* * *

(d) Pursuant to a consumer shipping license granted under subsection (a) or (b) of this section, the licensee may ship vinous beverages or malt beverages produced by the licensee:

(1) Only to private residents for personal use and not for resale.

(2) No more than 12 cases containing no more than 29 gallons of vinous beverages or no more than 12 cases of malt beverages containing no more than 36 gallons of malt beverages to any one Vermont resident in any calendar year.

(3) Only by common carrier certified by the ~~department~~ Department. The common carrier shall comply with all the following:

(A) ~~Deliver~~ deliver vinous beverages pursuant to an invoice that includes the name of the licensee and the name and address of the purchaser;

(B) ~~On~~ on delivery, require a valid form of photographic identification from a recipient who appears to be under ~~the age of~~ 30;

(C) ~~Require~~ require the recipient to sign an electronic or paper form or other acknowledgement of receipt.

(e) A holder of any shipping license granted pursuant to this section shall:

(1) ~~Ensure~~ ensure that all containers of alcoholic beverages shipped under this section are clearly labeled: "contains alcohol; signature of individual age 21 or older required for ~~delivery.~~" delivery";

(2) ~~Not~~ not ship to any address in a municipality that the ~~department~~ Department identified as having voted to be "~~dry.~~" dry";

(3) ~~Retain~~ retain a copy of each record of sale for a minimum of five years from the date of shipping;

(4) ~~Report report~~ at least twice a year to the ~~department of liquor control~~ Department of Liquor Control if the holder of a direct consumer shipping license and once a year if the holder of a retail shipping license in a manner and form required by the ~~department~~ Department all the following information:

(A) ~~The~~ the total amount of vinous beverages or malt beverages shipped into or within the ~~state~~ State for the preceding six months if a holder of a direct consumer shipping license or every 12 months if a holder of a retail shipping license;

(B) ~~The~~ the names and addresses of the purchasers to whom the ~~vinous~~ beverages were shipped;

(C) ~~The~~ the date purchased, if appropriate, the name of the common carrier used to make each delivery, and the quantity and value of each shipment.

(5) ~~Pay pay~~ directly to the ~~commissioner of taxes~~ Commissioner of Taxes the amount of tax on the vinous beverages or malt beverages shipped under this section pursuant to subsection 421(a) of this title, and comply with the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery in this ~~state~~ State shall be deemed to constitute a sale in this ~~state~~ State at the place of delivery and shall be subject to all appropriate taxes levied by the ~~state~~ State of Vermont;

(6) ~~Permit the state treasurer~~ permit the State Treasurer, the ~~department of liquor control~~ Department of Liquor Control, and the ~~department of taxes~~ Department of Taxes, separately or jointly, upon request, to perform an audit of its records;

(7) ~~If~~ if an out-of-state license holder, be deemed to have consented to the jurisdiction of the ~~department of liquor control~~ Department of Liquor Control or any other state agency and the Vermont state courts concerning enforcement of this or other applicable laws and regulations;

(8) ~~Not~~ not have any direct or indirect financial interest in a Vermont wholesale dealer or retail dealer, including a first, second, or third class license;

(9) ~~Comply~~ comply with all ~~liquor control board~~ Liquor Control Board laws and regulations; and

(10) comply with the beverage container deposit redemption system pursuant to 10 V.S.A. chapter 53.

(f) A common carrier shall not deliver vinous beverages or malt beverages until it has complied with the training provisions in subsections 239(a) and (b) of this title and been certified by the ~~department of liquor control~~ Department

of Liquor Control. No employee of a certified common carrier may deliver vinous beverages or malt beverages until that employee completes the training provisions in subsection 239(c) of this title. A common carrier shall deliver only vinous beverages or malt beverages that have been shipped by the holder of a license issued under this section or a vinous beverage storage license issued under section 68 of this title.

(g) The ~~department of liquor control and the department of taxes~~ Departments of Liquor Control and of Taxes may adopt rules and forms necessary to implement this section.

(h) Direct shipments of vinous beverages or malt beverages are prohibited if the shipment is not specifically authorized and in compliance with this section. Any person who knowingly makes, participates in, imports, or receives a direct shipment of vinous beverages or malt beverages from a person who is not licensed or certified as required by this section may be fined not more than \$1,000.00 or imprisoned not more than one year, or both.

(i) A licensee under this section or a common carrier that ships vinous beverages or malt beverages to an individual under 21 years of age shall be fined not less than \$1,000.00 or more than \$3,000.00 or imprisoned not more than two years, or both.

(j) For any violation of this section, the ~~liquor control board~~ Liquor Control Board may suspend or revoke a license issued under this section, among all other remedies available to the board.

Sec. 3. 7 V.S.A. § 232 is amended to read:

§ 232. TERMS OF ~~PERMITS AND~~ LICENSES

All ~~permits and~~ licenses shall expire at midnight, April 30, ~~of each year and, upon~~ of each year, except that annual licenses issued beginning July 1, 2013 shall expire at midnight one year from the date of issuance, and six month licenses shall expire at midnight six months from the date of issuance. Upon the payment of a new fee, licenses may be renewed by the ~~control commissioners~~ Control Commissioners with the approval of the ~~liquor control board as provided in section 222 of this title~~ Liquor Control Board, provided the licensee is entitled thereto.

Sec. 4. 7 V.S.A. § 239 is amended to read:

§ 239. LICENSEE EDUCATION

(a) ~~No new first or second class license~~ A new first class, second class, third class, fourth class, or farmer's market license shall not be granted until the applicant has met with a liquor control investigator or training specialist for the purpose of being informed of the Vermont liquor laws, rules, and

regulations pertaining to the purchase, storage, and sale of alcohol beverages. A corporation, partnership, or association shall designate a director, partner, or manager who shall comply with the terms of this subsection.

(b) Every ~~first and second class licensee~~ first class, second class, third class, fourth class, or farmer's market licensee and every holder of a manufacturer's license shall complete the ~~department of liquor control~~ Department of Liquor Control licensee ~~enforcement training~~ enforcement training seminar at least once every ~~three~~ two years. A corporation, partnership, or association shall designate a director, partner, or manager who shall comply with the terms of this subsection. ~~No first or second class license~~ A first class, second class, third class, fourth class, or farmer's market license or manufacturer's license shall not be renewed unless the records of the ~~department of liquor control~~ Department of Liquor Control show that the licensee has complied with the terms of this subsection.

(c) Each licensee shall ensure that every employee who is involved in the sale or serving of alcohol beverages completes a training program approved by the ~~department of liquor control~~ Department of Liquor Control before the employee begins serving or selling alcoholic beverages and at least once every 24 months thereafter. Each licensee shall maintain written documentation, signed by each employee trained, of each training program conducted. A licensee may comply with this requirement by conducting its own training program on its premises, using information and materials furnished or approved by the ~~department of liquor control~~ Department of Liquor Control. A licensee who fails to comply with the requirements of this subsection shall be subject to a suspension of no less than one day of the license issued under this title.

Sec. 5. 7 V.S.A. § 602 is amended to read:

§ 602. EXHIBITION OF CARD

An individual shall exhibit "a valid authorized form of identification," which means a valid photographic operator's license, enhanced driver's license, or valid photographic nondriver identification card issued by Vermont or another state or foreign jurisdiction, a United States military identification card, or a valid passport or passport card bearing the photograph and signature of the individual upon demand of a licensee, an employee of a licensee, or a law enforcement officer. On the failure of an individual to produce and exhibit a valid authorized form of identification upon demand of a licensee, the licensee shall be entitled to refuse to sell the individual any alcoholic beverage. Sale or furnishing of any alcoholic beverages by a licensee to an individual exhibiting a valid authorized form of identification shall be prima facie

evidence of the licensee's compliance with the law prohibiting the sale or furnishing of alcoholic beverages to minors.

Sec. 6. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON SPIRITUOUS LIQUOR

A tax is assessed on the gross revenue on the retail sale of spirituous liquor in the ~~state~~ State of Vermont, including fortified wine, sold by the ~~liquor control board~~ Liquor Control Board or sold by a manufacturer or rectifier of spirituous liquor in accordance with the provisions of this title. The tax shall be at the following rates based on the gross revenue of the retail sales by the seller in the previous year:

(1) if the gross revenue of the seller is ~~\$100,000.00~~ \$200,000.00 or lower, the rate of tax is five percent;

(2) if the gross revenue of the seller is between ~~\$100,000.00~~ \$200,000.00 and ~~\$200,000.00~~ \$400,000.00, the rate of tax is ~~\$15,000.00~~ \$10,000.00 plus 15 percent of gross revenues over ~~\$100,000.00~~ \$200,000.00;

(3) if the gross revenue of the seller is over ~~\$200,000.00~~ \$400,000.00, the rate of tax is 25 percent.

Sec. 7. REPEAL

The following sections of 2011 Acts and Resolves No. 17 (An act relating to powers and immunities of the liquor control investigators) are repealed:

(1) Sec. 3 (amending 7 V.S.A. § 561(a), effective July 1, 2013);

(2) Sec. 4 (amending 23 V.S.A. § 4(11), effective July 1, 2013); and

(3) Sec. 5(b) (effective date of Secs. 3 and 4).

Sec. 8. EFFECTIVE DATE

This section and Sec. 7 shall take effect on passage. All other sections shall take effect on July 1, 2013.

And that after passage the title of the bill be amended to read: "An act relating to alcoholic beverages".

(Committee vote: 5-0-0)

Reported favorably with recommendation of amendment by Senator Mullin for the Committee on Finance.

The Committee recommends that the bill be amended by the Committee on Economic Development, Housing and General Affairs with the following amendment thereto:

First: By striking out Sec. 3 in its entirety and inserting in lieu thereof a new Sec. 3 to read:

Sec. 3. 7 V.S.A. § 232 is amended to read:

§ 232. TERMS OF ~~PERMITS AND~~ LICENSES

All ~~permits and~~ licenses shall expire at midnight, April 30, ~~of each year and, upon~~ of each year. A person acquiring a new license in the first quarter of the license period shall pay the full amount of the license; a person acquiring a new license in the second quarter of the licensing period shall pay 75 percent of the license fee; a person acquiring a new license in the third quarter of the licensing period shall pay 50 percent of the license fee; and a person acquiring a new license in the final quarter of the licensing period shall pay 25 percent of the license fee. Six-month licenses issued to third class licensees beginning July 1, 2013 shall expire at midnight six months from the date of issuance. Upon the payment of a new fee, licenses may be renewed by the ~~control commissioners~~ Control Commissioners with the approval of the ~~liquor control board as provided in section 222 of this title~~ Liquor Control Board, provided the licensee is entitled thereto.

Second: By striking out Sec. 6 in its entirety

Third: In Sec 8, EFFECTIVE DATE, by striking out “Sec. 7” and inserting in lieu thereof “Sec. 6”

And by renumbering the remaining sections to be numerically correct.

(Committee vote: 7-0-0)

AMENDMENT TO S. 61 TO BE OFFERED BY SENATOR GALBRAITH

Senator Galbraith moves that the recommendation of amendment of the Committee on Economic Development, Housing and General Affairs be amended in Sec. 1, 7 V.S.A. § 2, (definitions) in subdivision (32), by striking out the last sentence in its entirety and inserting in lieu thereof a new sentence to read: As used in this section, “art gallery” means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art subject to federal copyright protection or works of art that would be subject to federal copyright protection had they been created in the prior year; and “bookstore” means a fixed establishment whose primary purpose is to offer books for sale.

CONCURRENT RESOLUTIONS FOR NOTICE

S.C.R. 17 - 18 (For text of Resolutions, see Addendum to Senate Calendar for March 21, 2013)

H.C.R. 61-72 (For text of Resolutions, see Addendum to House Calendar for

March 21, 2013)

CONFIRMATIONS

Heidi Pelletier of Montpelier – Member of Vermont State Colleges Board of Trustees – By Sen. Doyle for the Committee on Education. (3/13/13)

M. Jerome Diamond of Montpelier – Member of Vermont State Colleges Board of Trustees – By Sen. Doyle for the Committee on Education. (3/13/13)

Harlan Sylvester of Burlington – Chair of the Vermont Racing Commission – By Sen. Mullin for the Committee on Economic Development, Housing and General Affairs. (3/14/13)

Cheryl DeVos of North Ferrisburgh – Member of the Vermont Housing and Conservation Board – By Sen. Collins for the Committee on Economic Development, Housing and General Affairs. (3/19/13)

Megan Smith of Mendon – Commissioner, Tourism and Marketing - By Sen. Mullin for the Committee on Economic Development, Housing and General Affairs. (3/19/13)

Lawrence Miller of Montpelier – Secretary, Agency of Commerce and Community Development – By Sen. Doyle for the Committee on Economic Development, Housing and General Affairs. (3/19/13)

Chris Recchia of Randolph – Commissioner of Department of Public Service - By Sen. MacDonald for the Committee on Finance. (3/22/13)

PUBLIC HEARINGS

Thursday, April 18, 2013 - Room 11 - 6:00 - 8:00 P.M. Re: H. 208 Earned Sick Days - House Committee on General, Housing and Military Affairs.

NOTICE OF JOINT ASSEMBLY

Thursday, March 28, 2013 - 10:30 A.M. – House Chamber - Retention of seven Superior Court Judges and one Magistrate Judge.

JFO NOTICE

INFORMATION NOTICE

The following items were recently received by the Joint Fiscal Committee:

JFO #2614 – \$2,167,747 grant from the U.S. Department of Health and Human Service to the Department of Vermont Health Access. These funds will be used to design and implement an In-Person Assistance program to help individuals, families, employees, and small businesses use the health benefits exchange as required by the federal Affordable Care Act. Five (5) limited service positions are associated with this request. Expedited review has been

requested. Joint Fiscal Committee members will be contacted by March 27th with a request to waive the balance of the review period and accept this grant.

JFO #2615 – \$68,000 grant from the Lintilhac Foundation to the Vermont Department of Forests, Parks and Recreation (FPR). These funds will be used to accelerate structural changes (within the Department) intended to centralize the responsibility for statewide recreation management in the new Division of Parks and Recreation. One (1) limited service position is associated with this request.

FOR INFORMATION ONLY

CROSSOVER DEADLINES

(1) The date for standing committees to report bills out of committee was March 15, 2013.

(2) Senate bills referred pursuant to Senate Rule 31, must be reported out of the Committees on Appropriations and Finance on or before March 22, 2013.

(3) These deadlines may be waived for any bill or committee **only** by consent given by the Committee on Rules.