

Senate Calendar

WEDNESDAY, APRIL 24, 2013

SENATE CONVENES AT: 1:30 P.M.

TABLE OF CONTENTS

Page No.

ACTION CALENDAR

UNFINISHED BUSINESS OF APRIL 18, 2013

Third Reading

H. 39 An act relating to the PSB and the DPS	1088
Amendment - Sen. Rodgers	1088
Amendment - Sen. Galbraith	1089
Amendment - Sens. Bray and Ayer	1090

NEW BUSINESS

Third Reading

S. 119 Amending perpetual conservation easements	1092
S. 165 Collective bargaining for deputy state's attorneys	1092
H. 401 An act relating to planning and flood resilience.....	1092
H. 406 An act relating to listers and assessors	1092
H. 527 An act relating to the charter of the Town of Northfield.....	1092

Second Reading

Favorable

H. 518 An act relating to misc. amendments to Vt. retirement laws	
Government Operations Report - Sen. White	1092

Favorable with Proposal of Amendment

H. 105 An act relating to adult protective services reporting requirements	
Health and Welfare Report - Sen. Ayer	1093

House Proposal of Amendment

S. 73 The moratorium on home health agency certificates of need
House Proposal of Amendment 1094

NOTICE CALENDAR

Second Reading

Favorable with Recommendation of Amendment

S. 37 The creation of a tax increment financing district
Finance Report - Sen. Ashe 1094

Favorable with Proposal of Amendment

H. 2 An act relating to the Governor’s Snowmobile Council
Transportation Report - Sen. Westman 1111

H. 95 An act relating to unclaimed life insurance benefits
Finance Report - Sen. Mullin 1111

H. 205 An act relating to professions and occupations regulated by the OPR
Government Operations Report - Sen. Pollina 1113

H. 377 An act relating to neighborhood planning for municipalities with designated centers
Econ. Dev., Housing and General Affairs Report - Sen. Cummings 1113
Finance Report - Senator Mullin 1115

H. 513 An act relating to the Department of Financial Regulation
Finance Report - Sen. Ashe 1115

H. 533 An act relating to capital construction and state bonding
Institutions Report - Sen. Flory 1117

ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF THURSDAY, APRIL 18, 2013

Third Reading

H. 39.

An act relating to the Public Service Board and the Department of Public Service.

**AMENDMENT TO SENATE PROPOSAL OF AMENDMENT TO H. 39
TO BE OFFERED BY SENATOR RODGERS BEFORE THIRD
READING**

Senator Rodgers moves that the Senate proposal of amendment be amended as follows:

First: In Sec. 6, 30 V.S.A. § 248, by striking out subsection (f) and inserting in lieu thereof a new subsection (f) to read:

(f) ~~However, the~~

(1) The petitioner shall submit a notice of intent to construct such a facility within the State to the municipal and regional planning commissions at least six months prior to an application for a certificate of public good under this section. The Board shall specify by rule the content of such a notice of intent, which shall be designed to provide a reasonable description of the facility to be built, its size and location, and related infrastructure to be constructed. A notice of intent under this subdivision shall not be required for a facility that the Board determines to be eligible for treatment under subsection (j) (facilities of limited size and scope) of this section.

(2) The petitioner shall submit plans for the construction of such a facility within the state must be submitted by the petitioner State to the municipal and regional planning commissions no less than 45 days prior to application for a certificate of public good under this section, unless the municipal and regional planning commissions shall waive such requirement. Such municipal or regional planning commission may hold a public hearing on the proposed plans. Such commissions shall may make recommendations, if any, to the public service board Public Service Board and to the petitioner at least seven days prior to filing of the petition within 21 days after the date the petition is filed with the public service board Board.

Second: By adding Sec. 6a to read as follows:

Sec. 6a. APPLICATION

(a) In Sec. 6, 30 V.S.A. § 248(f)(1) (notice of intent) shall apply to applications for a certificate of public good filed with the Public Service Board on or after January 1, 2014 and shall not apply to complete applications filed with the Board before that date.

(b) The Public Service Board shall commence rulemaking under 30 V.S.A. § 248(f)(1) (notice of intent) within 21 days after this act's effective date and shall make all reasonable efforts to adopt a final rule under that section before January 1, 2014.

**AMENDMENT TO SENATE PROPOSAL OF AMENDMENT TO H. 39
TO BE OFFERED BY SENATOR GALBRAITH BEFORE THIRD
READING**

Senator Galbraith moves to amend the Senate proposal of amendment as follows:

First: After Sec. 5, by striking out the internal caption and inserting in lieu thereof a new internal caption and inserting a Sec. 5a to read as follows:

* * * CPG: Recommendations of Municipal and Regional Planning
Commissions; Wind Generation in Windham * * *

Sec. 5a. FINDINGS

The General Assembly finds that:

(1) In a 2006 survey, 287 residents of the Town of Windham opposed the siting of a wind generation plant, with 15 residents in favor.

(2) In 2008, the Town of Windham included the following statement in Sec. B.1 of its municipal plan adopted under 24 V.S.A. chapter 117:

Commercial wind energy systems (wind farms) are defined as those that are regulated under Section 248 of Title 30 of the Vermont Statutes but not including net metering applications (as per 30 V.S.A. §219a) or temporary meteorological towers. These are generally large-scale projects with multiple turbines designed to generate electricity. It is the policy of the Town of Windham that commercial wind energy systems are prohibited throughout all of town.

(3) On June 2, 2012, Gov. Peter Shumlin, speaking on Vermont Public Television, stated:

I have always said and I will always say I believe that no energy project should be built in a town in Vermont where the residents of

that community don't vote affirmatively to host it. We shouldn't send them into towns that don't want them. So the answer is, I've been clear on this right from the beginning. Lowell is a great example. The people of Lowell voted, overwhelmingly, to have the Lowell project built. I support the Lowell project. If the people of any other project in Vermont in their community, in that town vote no, I support it not going in that community. We shouldn't build energy projects where they are not wanted.

(4) On October 9, 2012, the Department of Public Service filed a letter with the Public Service Board in Docket No. 7905 that opposed granting a certificate of public good (CPG) for wind meteorological stations to be sited in Windham, stating that "the Board should defer to the clear mandate of the Town Plan and not grant a CPG for the temporary siting of any MET towers in Windham."

Second: In Sec. 6, 30 V.S.A. § 248, after the second ellipsis, by inserting subsection (q) to read as follows:

(q) Notwithstanding the Board's assessment of the general good of the State under subsection (a) of this section or the requirement of subdivision (b)(1) of this section to give due consideration to the land conservation measures in the plan of any affected municipality, the Board may issue a certificate of public good for a wind generation plant to be located in the Town of Windham only if it finds, in addition to all other criteria of this section, that the plant is in conformance with the duly adopted municipal plan under 24 V.S.A. chapter 117. For the purpose of this subsection, "plant" shall have the same meaning as under section 8002 of this title.

**AMENDMENT TO SENATE PROPOSAL OF AMENDMENT TO H. 39
TO BE OFFERED BY SENATORS BRAY AND AYER BEFORE
THIRD READING**

Senators Bray and Ayer move to amend the Senate proposal of amendment as follows:

First: In Sec. 6, 30 V.S.A. § 248, before the first ellipsis, by inserting the following:

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

* * *

(4)(A) With respect to a facility located in the ~~state~~ State, the ~~public service board~~ Public Service Board shall hold a nontechnical public hearing on

each petition for such finding and certificate in at least one county in which any portion of the construction of the facility is proposed to be located.

(B) The ~~public service board~~ Public Service Board shall hold technical hearings at locations which it selects.

(C) At the time of filing its application with the ~~board~~ Board, copies shall be given by the petitioner to the ~~attorney general~~ Attorney General and the ~~department of public service~~ Department of Public Service, and, with respect to facilities within the ~~state~~ State, the ~~department of health, agency of natural resources, historic preservation division, agency of transportation, the agency of agriculture, food and markets~~ Department of Health, Agency of Natural Resources, Division for Historic Preservation, Agency of Transportation, and Agency of Agriculture, Food and Markets and to the chairperson or director of the municipal and regional planning commissions and the municipal legislative body for each town and city in which the proposed facility will be located. At the time of filing its application with the ~~board~~ Board, the petitioner shall give the ~~byways advisory council~~ Byways Advisory Council notice of the filing.

(D) Notice of the public hearing shall be published and maintained on the board's website for at least 12 days before the day appointed for the hearing. Notice of the public hearing shall be published once in a newspaper of general circulation in the county or counties in which the proposed facility will be located, and the notice shall include an Internet address where more information regarding the proposed facility may be viewed.

(E) The ~~agency of natural resources~~ Agency of Natural Resources shall appear as a party in any proceedings held under this subsection, shall provide evidence and recommendations concerning any findings to be made under subdivision (b)(5) of this section, and may provide evidence and recommendations concerning any other matters to be determined by the ~~byways advisory council~~ Byways Advisory Council in such a proceeding.

(F) With respect to an in-state facility, the legislative body and municipal and regional planning commissions for each municipality in which the proposed facility will be located shall be parties to any proceedings held under this subsection (a) and may provide evidence and recommendations on any findings to be made under this section.

(i) If requested by letter submitted to the Board by such a body or commission on or before 15 days after filing of an application for a certificate of public good under this subsection (a), the Board shall stay any proceedings on the application for a period of 45 days from the date on which the application was filed. Such body or commission shall provide a copy of the

letter to the petitioner and to those persons entitled to receive a copy of the application under subdivision (C) of this subdivision (4).

(ii) During the 45-day period under this subdivision (4)(F), the Board may schedule a prehearing conference to occur after the end of the period and may issue a notice of that prehearing conference.

(iii) The 45-day period under this subdivision (4)(F) shall not be required for a facility that the Board determines to be eligible for treatment under subsection (j) (facilities of limited size and scope) of this section.

(G) The Public Service Board shall provide written guidance on participation in proceedings under this section to the legislative body and municipal and regional planning commissions for each municipality in which the proposed facility will be located and to all persons who seek to become a party to such a proceeding.

Second: In Sec. 6, 30 V.S.A. § 248, in subsection (f), after the last sentence, by inserting the following: However, if the 45-day period under subdivision (a)(4)(F) of this section is invoked, such recommendations may be made at the end of that period.

NEW BUSINESS

Third Reading

S. 119.

An act relating to amending perpetual conservation easements.

S. 165.

An act relating to collective bargaining for deputy state's attorneys.

H. 401.

An act relating to municipal and regional planning and flood resilience.

H. 406.

An act relating to listers and assessors.

H. 527.

An act relating to approval of the adoption and the codification of the charter of the Town of Northfield.

Second Reading

Favorable

H. 518.

An act relating to miscellaneous amendments to Vermont retirement laws.

Reported favorably by Senator White for the Committee on Government Operations.

(Committee vote: 4-0-1)

(No House amendments.)

Favorable with Proposal of Amendment

H. 105.

An act relating to adult protective services reporting requirements.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, by striking out subdivisions (2) and (3), and by renumbering the remaining subdivisions to be numerically correct

Second: In Sec. 1, in the newly renumbered subdivision (4), by striking out the second sentence and inserting in lieu thereof:

The request for proposals for the grants contained an acknowledgment by the Self-Neglect Task Force that data are lacking at both the state and community levels to determine the scope of the problem of self-neglect.

Third: In Sec. 3, subsection (a), by striking out the first sentence and inserting in lieu thereof:

On or before January 15, 2006 and on or before January 15 of each year thereafter until January 15, 2018, ~~the secretary of the agency of human services~~ Secretary of Human Services shall submit a report to the following committees: ~~the house and senate committees on judiciary, the house committee on human services, and the senate committee on health and welfare~~ House and Senate Committees on Judiciary, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

Fourth: In Sec. 3, subdivision (a)(1)(A)(iv), by inserting before “, including” the following: regardless of whether reports were opened, substantiated, or unsubstantiated

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 20, 2013, page 419.)

House Proposal of Amendment

S. 73.

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

The House proposes to the Senate to amend the bill as follows:

In Sec. 1, 2010 Acts and Resolves No. 83, Sec. 2, subsection (d), before the period, by inserting the words: "or to a licensed home for the terminally ill as defined in 33 V.S.A. § 7102"

NOTICE CALENDAR

Second Reading

Favorable with Recommendation of Amendment

S. 37.

An act relating to the creation of a tax increment financing district.

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

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. RESOLUTION OF TAX INCREMENT FINANCING DISTRICT
AUDIT REPORT ISSUES

In 2011 and 2012, the State Auditor of Accounts performed and reported on required reviews and audits of all active tax increment financing districts. However, the tax increment financing laws currently lack a specific remedy to recover amounts identified in the Auditor's Reports or an enforcement mechanism to address issues identified in the Reports. The General Assembly seeks to address issues identified in the 2011 and 2012 Auditor's Reports by clarifying tax increment financing laws and specifying a process for future oversight and enforcement. Accordingly, it is the intent of the General Assembly not to consider amounts identified as underpayments to the Education Fund by the 2011 and 2012 Auditor's Reports as owed to the State unless and until the amounts are identified as owed to the State through rulemaking, as described in Sec. 14 of this act. If the rule identifies amounts as owed to the State, these amounts shall begin to accumulate upon the adoption date of the rule.

Sec. 2. 24 V.S.A. § 1891 is amended to read:

§ 1891. DEFINITIONS

When used in this subchapter:

* * *

(4) “Improvements” means ~~the installation, new construction, or reconstruction of streets, utilities, and other infrastructure needed for transportation, telecommunications, wastewater treatment, and water supply, parks, playgrounds, land acquisition, parking facilities, brownfield remediation, and other public improvements necessary for carrying out the objectives of this chapter~~ infrastructure that will serve a public purpose and fulfill the purpose of tax increment financing districts as stated in section 1893 of this subchapter, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation.

(5) “Original taxable ~~property~~ value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district on the day the district was created under as of the creation date as set forth in section 1892 of this subchapter, provided that no parcel within the district shall be divided or bisected by the district boundary.

(6) “Related costs” means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the tax increment financing district and, including reimbursement of sums previously advanced by the municipality for those purposes, and attaining the purposes and goals for which the tax increment financing district was created, as approved by the Vermont economic progress council. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the district to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the required percentage in servicing the debt as determined in accordance with subsection 1894(f) of this subchapter.

(7) “Financing” means ~~the following types of debt incurred, including principal, interest, and any fees or charges directly related to that debt, or other instruments or borrowing used by a municipality to pay for improvements in a tax increment financing district;~~

~~(A) Bonds.~~

~~(B) Housing and Urban Development Section 108 financing instruments.~~

~~(C) Interfund loans within a municipality.~~

~~(D) State of Vermont revolving loan funds.~~

~~(E) United States Department of Agriculture loans~~

only if authorized by the legal voters of the municipality in accordance with section 1894 of this subchapter. Payment for the cost of district improvements may also include direct payment by the municipality using the district increment. However, such payment is also subject to a vote by the legal voters of the municipality in accordance with section 1894 of this subchapter and, if not included in the tax increment financing plan approved under subsection 1894(d) of this subchapter, is also considered a substantial change and subject to the review process provided by subdivision 1901(3) of this subchapter. If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(8) "Committed" means pledged and appropriated for the purpose of the current and future payment of tax increment financing incurred in accordance with section 1894 of this subchapter and related costs as defined in this section.

Sec. 3. 24 V.S.A. § 1892 is amended to read:

§ 1892. CREATION OF DISTRICT

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

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

(c) A municipality that has approved the creation of a district under this section may designate a coordinating agency from outside the municipality's departments or offices to administer the district to ensure compliance with this subchapter and any statutory or other requirements and may claim this expense

as a related cost. However, the coordinating agency shall not be authorized to enter into any agreement or make any covenant on behalf of the municipality.

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

- (1) the City of Burlington, Downtown;
- (2) the City of Burlington, Waterfront;
- (3) the Town of Milton, North and South;
- (4) the City of Newport;
- (5) the City of Winooski;
- (6) the Town of Colchester;
- (7) the Town of Hartford;
- (8) the City of St. Albans; and
- (9) the City of Barre.

Sec. 4. 24 V.S.A. § 1894 is amended to read:

§ 1894. POWER AND LIFE OF DISTRICT

(a) Incurring indebtedness.

~~(1) A municipality may incur indebtedness against revenues of the tax increment financing district at any time during a period of up to 20 years following the creation of the district, if approved as required under 32 V.S.A. § 5404a(h). The creation of the district shall occur at 12:01 a.m. on April 1 of the year so voted. Any indebtedness incurred during this 20 year period may be retired over any period authorized by the legislative body of the municipality under section 1898 of this title.~~

~~(2) If no indebtedness is incurred within the first five years after creation of the district, no indebtedness may be incurred unless the municipality obtains reapproval from the Vermont economic progress council under 32 V.S.A. § 5404a(h). When considering reapproval, the Vermont economic progress council shall consider only material changes in the application under 32 V.S.A. § 5404a(h). The Vermont economic progress council shall presume that an applicant qualifies for reapproval upon a showing that the inability of the district to incur indebtedness was the result of the macro-economic conditions in the first five years after the creation of the district. Upon reapproval, the~~

~~Vermont economic progress council shall grant a five year extension of the period to incur indebtedness.~~

~~(3) The district shall continue until the date and hour the indebtedness is retired.~~

(1) A municipality approved under 32 V.S.A. § 5404a(h) may incur indebtedness against revenues of the tax increment financing district at any time during a period of up to ten years following the creation of the district. If no debt is incurred during this ten-year period, the district shall terminate.

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

(3) If no indebtedness is incurred within the first ten years after the creation of the district, no indebtedness may be incurred against revenues of the tax increment financing district.

(4) The district shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, ten years following the creation of the district.

(b) Use of the education property tax increment. For any only debt and related costs incurred within the first five ten years after creation of the district, or within the first five years after reapproval by the Vermont economic progress council, but for no other debt, up to 75 percent of the education tax increment may be retained for up to 20 years, beginning with the initial date of the first debt incurred within the first five years education tax increment generated the year in which the first debt incurred for improvements financed in whole or in part with incremental education property tax revenue. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the 20-year retention period of education tax increment.

(c) Prior to requesting municipal approval to secure financing, the municipality shall provide the council with all information related to the proposed financing necessary for approval and to assure its consistency with the plan approved pursuant to 32 V.S.A. § 5404a(h). The council shall also assure the viability and reasonableness of any proposed financing other than bonding and least cost financing Use of the municipal property tax increment. For only debt and related costs incurred within the first ten years after creation of the district, not less than an equal share of the municipal tax increment pursuant to subsection (f) of this section shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.

(d) Approval of tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a public vote to pledge the credit of that municipality under subsection (h) of this section. The tax increment financing plan shall include all information related to the proposed financing necessary for approval by the Council and to assure its viability and consistency with the tax increment financing district plan approved by the Council pursuant to 32 V.S.A. § 5404a(h). The tax increment financing plan may be submitted to and approved by the Council concurrently with the tax increment financing district plan.

(e) Proportionality. The municipal legislative body may pledge and appropriate the state education and municipal tax increments received from properties contained within the tax increment financing district for the financing of improvements and for related costs only in the same proportion by which the improvement or related costs serve the district, as determined by the Council when approved in accordance with 32 V.S.A. § 5404a(h), and in the case of an improvement that does not reasonably lend itself to a proportionality formula, the Council shall apply a rough proportionality and rational nexus test.

(f) Equal share required. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), no more than 75 percent of the state property tax increment and no less than an equal percent of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.

(g) Adjustment of percentage. During the tenth year following the creation of the tax increment financing district, the municipality shall submit an updated tax increment financing plan to the Council which shall include adjustments and updates of appropriate data and information sufficient for the Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first ten years, whether the percentages approved under subsection (f) of this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

(h) Vote required on each instance of debt. Notwithstanding any provision of any municipal charter, each instance of borrowing to finance or otherwise pay for tax increment financing district improvements shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the

municipality, borrow, or otherwise secure the debt for the specific purposes so warned; provided that each request to pledge the credit of the municipality for the purposes of financing tax increment financing district improvements shall include the new amount of debt proposed to be incurred and the total outstanding tax increment financing debt approved to date.

(i) Notice to voters. A municipal legislative body shall provide information to the public prior to the public vote required under subsection (h) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees, terms of the debt, the improvements to be financed, the expected development to occur because of the improvements, and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, for whatever reason, including a decrease in property value or repeal of a state property tax source, unless determined otherwise at the time of such repeal, the municipality shall remain liable for the full payment of the principal and interest for the term of indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of such loan. If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

Sec. 5. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

~~On or about 12:01 a.m., April 1, of the first year~~ As of the date the district is created, the lister or assessor for the municipality shall certify the ~~assessed valuation of all taxable real property within the district as then most recently determined, which is referred to in this subchapter as the “original taxable value,”~~ original taxable value and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the original taxable value has increased or decreased; and the proportion which any such increase bears to the total assessed valuation of the real property for that year or the proportion which any such decrease bears to the original taxable value.

Sec. 6. 24 V.S.A. § 1896 is amended to read:

§ 1896. TAX INCREMENTS

(a) In each ~~subsequent~~ year following the creation of the district, the listers or assessor shall include no more than the original taxable value of the real property in the assessed valuation upon which the listers or assessor computes the rates of all taxes levied by the municipality, the school district, and every other taxing district in which the tax increment financing district is situated; but the listers or assessor shall extend all rates so determined against the entire

assessed valuation of real property for that year. In each year for which the assessed valuation exceeds the original taxable value, the municipality ~~treasurer~~ shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property in the district which the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. ~~So much~~ No more than the percentages established pursuant to section 1894 of this subchapter of the municipal and state education tax increments received with respect to the district and pledged committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account ~~on~~ and in its official books and records until all capital indebtedness of the district has been fully paid. The final payment shall be reported to the lister or assessor, who shall thereafter include the entire assessed valuation of the district in the assessed valuations upon which tax rates are computed and extended and taxes are remitted to all taxing districts.

~~(b) Adjustment upon reappraisal. In the event of a reappraisal of 20 percent or more of all parcels in the municipality, the value of the original taxable property in the district shall be changed by a multiplier, the denominator of which is the municipality's education property grand list for the property within the district in the year prior to the reappraisal or partial reappraisal and the numerator of which shall be the municipality's reappraised or partially reappraised education property grand list for the property within the district. The state education property tax revenues for the district in the first year following a townwide reappraisal or partial town wide reappraisal shall not be less than the dollar amount of the state education property tax revenues in the prior year. [Repealed.]~~

(c) Notwithstanding any charter provision or other provision, all property taxes assessed within a district shall be subject to the provision of subsection (a) of this section.

(d) Amounts held apart under subsection (a) of this section shall only be used for financing and related costs as defined in section 1891 of this subchapter.

Sec. 7. REPEAL

24 V.S.A. § 1897 (tax increment financing) is repealed.

Sec. 8. 24 V.S.A. § 1898 is amended to read:

§ 1898. POWERS SUPPLEMENTAL; CONSTRUCTION

(a) The powers conferred by this subchapter are supplemental and alternative to other powers conferred by law, and this subchapter is intended as an independent and comprehensive conferral of powers to accomplish the purposes set forth herein.

(b) A municipality shall have power to issue from time to time general obligation bonds, revenue bonds, or revenue bonds also backed by the municipality's full faith and credit in its discretion to finance the undertaking of any improvements wholly or partly within such district. If revenue bonds are issued, such bonds shall be made payable, as to both principal and interest, solely from the income proceeds, revenues, tax increments, and funds of the municipality derived from, or held in connection with its undertaking and carrying out of improvements under this chapter. ~~So long as any such bonds of a municipality are outstanding the local governing body may deduct, in any one or more years from any net increase in the aggregate taxable valuation of land and improvements in all areas covered by their district the amount necessary to produce tax revenues equal to the current debt service on such bonds, assuming the previous year's total tax rate and full collection. Only the balance, if any, of such net increase shall be taken into account in computing the sums which may be appropriated for other purposes under applicable tax rate limits. But all the taxable property in all areas covered by the district, including the whole of such net increase, shall be subject to the same total tax rate as other taxable property, except as may be otherwise provided by law. Such net increase shall be computed each year by subtracting, from the current aggregate valuation of the land and improvements in all areas covered by the district, the sum of the aggregate valuations of land and improvements in each such area on the date the district was approved under this section. An area shall be deemed to be covered as a district until the date all the indebtedness incurred by the municipality to finance the applicable improvements have been paid. Notwithstanding any provisions in this chapter to the contrary, any provision of a municipal charter of any municipality which specifies a different debt limit, or which requires a greater vote to authorize bonds, or which prescribes a different computation of appropriations under tax rate limits, or which is otherwise inconsistent with this subsection, shall apply.~~

(c) Bonds issued under the provisions of this chapter are declared to be issued for an essential public and governmental purpose.

(d) Bonds issued under this section shall be authorized by resolution or ordinance of the local governing body and may be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in registered form, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium or payment, at such place or places, and

be subject to such terms of redemption, such other characteristics, as may be provided by such resolution or trust indenture or mortgage issued pursuant thereto.

~~(e) Prior to the resolution or ordinance of the local governing body authorizing financing under this section, the legislative body of the municipality shall hold one or more public hearings, after public notice, on a financial plan for the proposed improvements and related costs to be funded, including a statement of costs and sources of revenue, the estimates of assessed values within the district, the portion of those assessed values to be applied to the proposed improvements, the resulting tax increments in each year of the financial plan, the amount of bonded indebtedness or other financing to be incurred, other sources of financing and anticipated revenues, and the duration of the financial plan. A municipality that has approved the creation of a district under this chapter may designate a coordinating agency to administer the district to ensure compliance with this chapter and any other statutory or other requirements.~~

~~(f) Such bonds may be sold at not less than par at public or private sales held after notice published prior to such sale in a newspaper having a general circulation in the area of operation and in such other medium of publication as the municipality may determine or may be on the basis of par in the municipality.~~

~~(g)~~(f) In case any of the public officials of the municipality whose signatures appear on any bonds or coupons issued under this chapter shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provisions of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter shall be fully negotiable.

~~(h)~~(g) In any suit, action, or proceeding involving the validity or enforceability of any bond issued under this chapter or the security therefor, any such bond reciting in substance that it has been issued by the municipality in connection with an improvement, as herein defined, shall be conclusively deemed to have been issued for such purpose and such improvement shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of this chapter.

(i) [Repealed.]

Sec. 9. 24 V.S.A. § 1900 is amended to read:

§ 1900. DISTRIBUTION

In addition to all other provisions of this ~~chapter~~ subchapter, with respect to any tax increment financing district, of the municipal and education tax increments received in any tax year that exceed the amounts ~~pledged~~ committed for the payment of the financing for improvements and related costs in the district, ~~an equal portion~~ portions of each increment may be ~~used for~~ retained for the following purposes: prepayment of principal and interest on the financing, ~~placed in escrow~~ placed in a special account required by section 1896 of this subchapter and used for future financing payment payments, or otherwise used for defeasance of the financing; and any. Any remaining portion of the excess municipal tax increment shall be distributed to the city, town, or village budget, in proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village; and any remaining portion of the excess education tax increment shall be distributed to the ~~education fund~~ Education Fund.

Sec. 10. 24 V.S.A. § 1901 is amended to read:

§ 1901. INFORMATION REPORTING

Every municipality with an active tax increment financing district shall:

(1) ~~On or before December 1 of each year, report to the Vermont economic progress council (VEPC) and the tax department all information described in 32 V.S.A. § 5404a(i), in the form prescribed by VEPC.~~

(2) ~~Report its tax increment financing actual investment, bond or other financing repayments, escrow status, and “related cost” accounting to the Vermont economic progress council according to the municipal audit cycle prescribed in section 1681 of this title. Develop a system, segregated for the tax increment financing district, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section, including performance indicators.~~

(2) Throughout the year, as required by events:

(A) provide notification to the Vermont Economic Progress Council and the Department of Taxes regarding any tax increment financing debt obligations, public votes, or votes by the municipal legislative body immediately following such obligation or vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public in accordance with subsection 1894(i) of this subchapter;

(B) submit any proposed substantial changes to be made to the approved tax increment district plan and approved financing plan to the

Council for review, only after receiving approval for the substantial change through a vote of the municipal legislative body;

(3) Annually:

(A) include in the municipal audit cycle prescribed in section 1681 of this title a report of finances of the tax increment financing district, including the original taxable value and annual and total municipal and education tax increments generated, annual and total expenditures on improvements and related costs, all indebtedness of the district, including the initial debt, interest rate, terms, and annual and total principal and interest payments, an accounting of revenue sources other than property tax revenue by type and dollar amount, and an accounting of the special account required by section 1896 of this subchapter, including revenue, expenditures for debt and related costs, and current balance;

(B) on or before January 15 of each year, on a form prescribed by the Council, submit an annual report to the Vermont Economic Progress Council and the Department of Taxes, including the information required by subdivision (2) of this section if not already submitted during the year, all information required by subdivision (A) of this subdivision (3), and the information required by 32 V.S.A. § 5404a(i), including performance indicators and any other information required by the Council or the Department of Taxes.

Sec. 11. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(10) “Nonresidential property” means all property except:

* * *

(E) ~~The excess valuation of property subject to tax increment financing in a tax increment financing district established under 24 V.S.A. chapter 53, subchapter 5 to the extent that the taxes generated on the excess property valuation are pledged and appropriated for interest and principal repayment on bonded debt or prefunding future~~ such excess valuation of property are committed under 24 V.S.A. § 1894 to finance tax increment financing district debt and to the extent approved for this purpose by the Vermont economic progress council upon application by the district under procedures established for approval of tax stabilization agreements under section 5404a of this title, and that any such action shall be included in the annual authorization limits provided in subdivision 5930a(d)(1) of this title;

provided that any increment in excess of the amounts committed shall be distributed in accordance with 24 V.S.A. § 1900.

* * *

Sec. 12. 32 V.S.A. § 5404a(g) is amended to read:

(g) Any ~~utilization~~ use of education property tax increment approved under subsection (f) of this section shall be in addition to any other payments to the municipality under 16 V.S.A. chapter 133. ~~Tax increment utilizations approved pursuant to subsection (f) of this section shall affect the education property tax grand list and the municipal grand list of the municipality under this chapter beginning April 1 of the year following approval and shall remain available to the municipality for the full period authorized under 24 V.S.A. § 1894, and shall be restricted only to the extent that the real property development giving rise to the increased value to the grand list fails to occur within the authorized period or by the enforcement provided by subsection (j) of this section.~~

Sec. 13. 32 V.S.A. § 5404a(i) is amended to read:

(i) The Vermont ~~economic progress council~~ Economic Progress Council and the ~~department of taxes~~ Department of Taxes shall make an annual report to the ~~senate committee on economic development, housing and general affairs, the senate committee on finance, the house committee on commerce and the house committee on ways~~ Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means of the ~~general assembly~~ General Assembly on or before ~~January 15~~ April 1. The report shall include, in regard to each existing tax increment financing district, the ~~year of approval, the scope of the planned improvements and development, the equalized education grand list value of the district prior to the TIF approval, the original taxable property, the tax increment, and the annual amount of tax increments utilized~~ date of creation, a profile of the district, a map of the district, the original taxable value, the scope and value of projected and actual improvements and developments, projected and actual incremental revenue amounts and division of the increment revenue between district debt, the Education Fund, the special account required by 24 V.S.A. § 1896 and the municipal general fund, projected and actual financing, and a set of performance indicators developed by the Vermont Economic Progress Council, which shall include the number of jobs created in the district, what sectors experienced job growth, and the amount of infrastructure work performed by Vermont firms.

Sec. 14. 32 V.S.A. § 5404a(j) is amended to read:

~~(j) The municipality shall provide the council with all information related to the proposed financing necessary to assure its consistency with the plan approved pursuant to all other provisions of subsection (h) of this section. The council shall assure the viability and reasonableness of any proposed financing other than bonding and least cost financing~~ Tax increment financing district rulemaking, oversight, and enforcement.

(1) Authority to adopt rules. The Vermont Economic Progress Council is hereby granted authority to adopt rules in accordance with 3 V.S.A. chapter 25 for the purpose of providing clarification and detail for administering the provisions of 24 V.S.A. chapter 53, subchapter 5 and the tax increment financing district provisions of this section. A single rule shall be adopted for all tax increment financing districts that will provide further clarification for statutory construction and include a process whereby a municipality may distribute excess increment to the Education Fund as allowed under 24 V.S.A. § 1900. From the date the rules are adopted, the municipalities with districts in existence prior to 2006 are required to abide by the governing rule and any other provisions of the law in force; provided, however, that the rule shall indicate which specific provisions are not applicable to those districts in existence prior to January 2006.

(2) Authority to issue decisions.

(A) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, is authorized to issue decisions to a municipality regarding questions and inquiries about the administration of tax increment financing districts, statutes, rules, noncompliance with 24 V.S.A. chapter 53, subchapter 5, and any instances of noncompliance identified in audit reports conducted pursuant to subsection (1) of this section.

(B) The Vermont Economic Progress Council shall prepare recommendations for the Secretary prior to the issuance of a decision. As appropriate, the Council may prepare such recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position. The Secretary shall review the recommendations of the Council and issue a final decision on each matter within 60 days of the recommendation. However, pursuant to subdivision (5) of this subsection (j), the Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme

Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(3) Remedy for noncompliance. If the Secretary issues a decision under subdivision (2) of this subsection that includes a finding of noncompliance and that noncompliance has resulted in the improper reduction in the amount due the Education Fund, the Secretary, unless and until he or she is satisfied that there is no longer any such failure to comply, shall request that the State Treasurer bill the municipality for the total identified underpayment. The amount of the underpayment shall be due from the municipality upon receipt of the bill. If the municipality does not pay the underpayment amount within 60 days, the amount may be withheld from any funds otherwise payable by the State to the municipality or a school district in the municipality or of which the municipality is a member.

(4) In lieu of or in addition to any action authorized in subdivision (3) of this subsection, the Secretary of Commerce and Community Development or the State Treasurer may refer the matter to the Office of the Attorney General with a recommendation that an appropriate civil action be initiated.

(5) A municipality that is aggrieved by the final determination or decision of the Secretary of Commerce and Community Development may appeal to a Superior Court under Rule 74 of the Vermont Rules of Civil Procedure for a review on the record. However, the Secretary, before final determination or decision, may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court. Notwithstanding the provisions of the Vermont Rules of Civil Procedure or the Vermont Rules of Appellate Procedure, neither the time for filing a notice of appeal nor the filing of a notice of appeal, as provided in this section, shall operate as a stay of enforcement of a determination or decision of the Secretary unless the Secretary or a superior court grants a stay.

Sec. 15. 32 V.S.A. § 5404a(k) is amended to read:

(k) The Vermont ~~economic incentive review board~~ Economic Progress Council may require a third-party financial and technical analysis as part of the application of a municipality applying for approval of a tax increment financing district pursuant to this section. The applicant municipality shall pay a fee to cover the actual cost of the analysis to be deposited in a special fund which shall be managed pursuant to subchapter 5 of chapter 7 of this title and be available to the ~~board~~ Council to pay the actual cost of the analysis.

Sec. 16. 32 V.S.A. § 5404a(l) is amended to read:

~~(1) The state auditor of accounts~~ State Auditor of Accounts shall ~~review and~~ conduct ~~an audit performance audits~~ of all ~~active~~ tax increment financing districts ~~every four years and bill back to the municipality the charge for the audit. The amount paid by the municipality for the audit shall be considered a “related cost” as defined in 24 V.S.A. § 1891(6). Any audit conducted by the state auditor of accounts under this subsection shall include a validation of the portion of the tax increment retained by the municipality and the portion directed to the education fund according to a schedule, which will be arrived at in consultation with the Vermont Economic Progress Council. The cost of conducting each audit shall be considered a “related cost” as defined in 24 V.S.A. § 1891(6) and shall be billed back to the municipality. Audits conducted pursuant to this subsection shall include a review of a municipality’s adherence to relevant statutes and rules adopted by the Vermont Economic Progress Council pursuant to subsection (j) of this section, an assessment of record keeping related to revenues and expenditures, and a validation of the portion of the tax increment retained by the municipality and used for debt repayment and the portion directed to the Education Fund.~~

(1) For municipalities with a district created prior to January 1, 2006 and a debt repayment schedule that anticipates retention of education increment beyond fiscal year 2016, an audit shall be conducted when approximately three-quarters of the period for retention of education increment has elapsed, and at the end of that same period, an audit shall be conducted for the final one-quarter period for retention of education increment.

(2) For municipalities with a district created after January 1, 2006 and approved by the Vermont Economic Progress Council, an audit shall be conducted at the end of the 10-year period in which debt can be incurred and again approximately halfway through the 20-year period for retention of education increment; provided, however, that an audit shall occur no more than one time in a five-year period. A final audit will be conducted at the end of the period for retention of education increment.

Sec. 17. TAX INCREMENT FINANCING DISTRICT APPROVAL; CITY OF SOUTH BURLINGTON

Notwithstanding 24 V.S.A. § 1892(d) and any other provision of law, the Vermont Economic Progress Council is authorized to approve a tax increment financing district in the City of South Burlington if approval is granted by December 31, 2013.

Sec. 18. BURLINGTON WATERFRONT TIF

The authority of the City of Burlington to incur indebtedness for its waterfront tax increment financing district is hereby extended for five years

beginning January 1, 2015. This extension does not extend any period that municipal or education tax increment may be retained.

Sec. 19. 3 V.S.A. § 816(a) is amended to read:

(a) Sections 809–813 of this title shall not apply to:

* * *

(4) Acts, decisions, findings, or determinations by the Vermont Economic Progress Council of the Agency of Commerce and Community Development or the Secretary of Commerce and Community Development or his or her, its, or their duly authorized agents as to any and all procedures or hearings before and by the Vermont Economic Progress Council, the Agency, or their designees arising out of or with respect to 24 V.S.A. chapter 53, subchapter 5 and 32 V.S.A. chapter 135.

Sec. 20. 2011 AND 2012 AUDITOR'S REPORTS; PAYMENT

The State Treasurer is authorized to bill an audited municipality in an amount not to exceed \$15,000.00 to offset costs associated with conducting the 2011 and 2012 audits of tax increment financing districts. A municipality shall remit payment to the Treasurer no more than 60 days after receiving the bill. The Treasurer shall distribute any amounts collected from a municipality to the State Auditor of Accounts.

Sec. 21. REPEAL

Pursuant to Sec. 17 of this act, the 2006 Acts and Resolves No. 184, Sec. 2i, as amended by 2008 Acts and Resolves No. 190, Sec. 67 (tax increment financing districts, cap), is repealed to clarify that the Vermont Economic Progress Council shall not approve any additional tax increment financing districts.

Sec. 22. EFFECTIVE DATES

(a) Secs. 1, 6(b), 10, 13–21, and this section shall take effect on passage. Sec. 6(b) (repeal of adjustment upon reappraisal) shall be effective retroactive to July 2006.

(b) Secs. 2 through 9 (except Sec. 6(b)), 11, and 12 (clarification of ambiguous statutes) of this act shall apply to any tax increment retained for all taxes assessed on the April 1, 2013 grand list.

(c) Sec. 6(c) (creation of taxes for special purposes) shall take effect on July 1, 2013.

and that after passage the title of the bill be amended to read: "An act relating to tax increment financing districts".

(Committee vote: 5-1-1)

Favorable with Proposal of Amendment

H. 2.

An act relating to the Governor's Snowmobile Council.

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

The Committee recommends that the Senate propose to the House to amend the bill in Sec. 2 by striking out the phrase "on July 1, 2013" and inserting in lieu thereof on passage

(Committee vote: 5-0-0)

(No House amendments.)

H. 95.

An act relating to unclaimed life insurance benefits.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 27 V.S.A. § 1244a, subsection (b), after the first sentence, by adding a sentence to read An insurance company may use the full Death Master File once annually and the Death Master File Update Files for the remaining comparisons in the year.

Second: In Sec. 1, 27 V.S.A. § 1244a, by striking out subdivision (b)(1) in its entirety and by inserting in lieu thereof a new subdivision (b)(1) to read as follows:

(1) within 90 days of identifying the match:

(A) complete a good faith effort, which shall be documented by the insurance company, to confirm the death of the insured, annuitant, or retained asset account holder against other available records and information;

(B) review its records to determine whether the deceased insured has purchased any other products with the insurance company; and

(C) determine whether benefits are due in accordance with the applicable policy or contract; and, if benefits are due in accordance with the applicable policy or contract:

(i) use good faith efforts, which shall be documented by the insurance company, to locate the beneficiary or beneficiaries; and

(ii) provide the appropriate claims forms or instructions to the beneficiary or beneficiaries to make a claim, including the need to provide an official death certificate, if applicable under the policy or contract; and

Third: In Sec. 1, 27 V.S.A. § 1244a, subsection (e), after the words “life insurance policy” by adding , contract,

Fourth: In Sec. 1, 27 V.S.A. § 1244a, subdivision (f)(1), after the words “life insurance policy” by adding or contract,

Fifth: In Sec. 1, 27 V.S.A. § 1244a, subsection (g), after the words “unclaimed life insurance” by adding or annuity death

Sixth: By striking out Sec. 2 (effective date; retroactive application) in its entirety and by inserting in lieu thereof a new Sec. 2 to read:

Sec. 2. 8 V.S.A. § 3802a is added to read:

§ 3802a. POLICYHOLDER INFORMATION

For each group life insurance policy issued under this subchapter, the insurer shall maintain at least the following information for those covered under the policy:

- (1) Social Security Number, if any, name, and date of birth;
- (2) beneficiary designation information;
- (3) coverage eligibility;
- (4) benefit amount; and
- (5) premium payment status.

Seventh: By adding Sec. 3 to read:

Sec. 3. EFFECTIVE DATE; APPLICATION

This act shall take effect on July 1, 2013 and, notwithstanding 1 V.S.A. § 214(b), shall apply to all life insurance policies, annuity contracts, and retained asset accounts in force on or after the effective date, except that Sec. 2 of this act (policyholder information for group life insurance) shall apply only to group life insurance policies issued or renewed on or after the effective date.

(Committee vote: 6-0-1)

(For House amendments, see House Journal for March 21, 2013, page 479.)

H. 205.

An act relating to professions and occupations regulated by the Office of Professional Regulation.

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

The Committee recommends that the Senate propose to the House to amend the bill in the Auctioneers portion of the bill by adding a new section to be Sec. 47a to read:

Sec. 47a. 26 V.S.A. § 4606 is amended to read:

§ 4606. APPLICATION

* * *

(b)(1) The ~~director~~ Director shall license otherwise qualified applicants who have obtained a license in another jurisdiction which has licensure requirements substantially equivalent to those in this ~~state~~ State.

(2) For experienced applicants from states without licensure, the Director may allow related education, training, or experience of the applicant on a case-by-case basis to be a substitute for all or part of the apprenticeship requirement.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for February 28, 2013, page 278.)

H. 377.

An act relating to neighborhood planning and development for municipalities with designated centers.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 2, 24 V.S.A. § 2791, in subdivision (3), by striking out the words “a regional” and inserting in lieu thereof the word the

Second: In Sec. 8, 24 V.S.A. § 2793e, in subsection (c), by striking out subdivision (5) in its entirety and inserting in lieu thereof the following:

(5) The proposed neighborhood development area consists of those portions of the neighborhood planning area that are appropriate for new and infill housing, excluding identified flood hazard and fluvial erosion areas. In determining what areas are most suitable for new and infill housing, the municipality shall balance local goals for future land use, the availability of land for housing within the neighborhood planning area, and the smart growth principles. Based on those considerations, the municipality shall select an area for neighborhood development area designation that:

(A) Avoids or that minimizes to the extent feasible the inclusion of “important natural resources” as defined in subdivision 2791(14) of this title. If an “important natural resource” is included within a proposed neighborhood development area, the applicant shall identify the resource, explain why the resource was included, describe any anticipated disturbance to such resource, and describe why the disturbance cannot be avoided or minimized.

(B) Is served by planned or existing transportation infrastructure that conforms with “complete streets” principles as described under 19 V.S.A. § 309d and establishes pedestrian access directly to the downtown, village center, or new town center.

(C) Is compatible with and will reinforce the character of adjacent National Register Historic Districts, national or state register historic sites, and other significant cultural and natural resources identified by local or state government.

Third: In Sec. 8, 24 V.S.A. § 2793e, in subsection (d), by striking out subdivision (1) in its entirety and inserting in lieu thereof the following:

(1) When approving a neighborhood development area, the State Board shall consult with the applicant about any changes the Board considers making to the boundaries of the proposed area. After consultation with the applicant, the Board may change the boundaries of the proposed area.

Fourth: In Sec. 8, 24 V.S.A. § 2793e, in subsection (d), in subdivision (2), before the words “the members”, by inserting the words at least 80 percent but no fewer than seven of, and by striking out the word “unanimously” and inserting in lieu thereof the word present

Fifth: In Sec. 8, 24 V.S.A. § 2793e, in subsection (h), after the last sentence, by adding Before reviewing such an application, the State Board shall request comment from the municipality.

Sixth: By adding a new section to be Sec. 14a to read:

Sec. 14a. 32 V.S.A. § 3850 is added to read:

§ 3850. BLIGHTED PROPERTY IMPROVEMENT PROGRAM

(a) At an annual or special meeting, a municipality may vote to authorize the legislative body of the municipality to exempt from municipal taxes for a period not to exceed five years the value of improvements made to dwelling units certified as blighted. As used in this section, "dwelling unit" means a building or the part of a building that is used as a primary home, residence, or sleeping place by one or more persons who maintain a household.

(b) If a municipality votes to approve the exemption described in subsection (a) of this section, the legislative body of the municipality shall appoint an independent review committee that is authorized to certify dwelling units in the municipality as blighted and exempt the value of improvements made to these dwelling units.

(c) As used in this section, a dwelling unit may be certified as blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

(d) If a dwelling unit is certified as blighted under subsection (b) of this section, the exemption shall take effect on the April 1 following the certification of the dwelling unit.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 20, 2013, page 444.)

Reported favorably by Senator Mullin for the Committee on Finance with the recommendation that the bill ought to pass in concurrence with the proposal of amendment as recommended by the Committee on Economic Development, Housing and General Affairs.

(Committee vote: 4-0-3)

H. 513.

An act relating to the Department of Financial Regulation.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 26, 8 V.S.A. § 3579, by striking out subsection (e) in its entirety and by inserting in lieu thereof a new subsection (e) to read as follows:

(e) No partner or other person rendering the report required by ~~section 3578~~ the annual financial reporting rule adopted by the Commissioner under section 3578a of this title may act in that capacity for more than ~~seven~~ five consecutive years. Upon application by the insurer, the ~~commissioner~~ Commissioner may

find that the rotation requirement of this subsection would pose an unreasonable hardship on the insurer and may extend the accountant's period of qualification for an additional term. In making such determinations, ~~the commissioner~~ Commissioner may consider the experience of the retained accountant and the size of his or her business, the premium volume of the insurer, and the number of jurisdictions in which the insurer transacts business, as provided by the annual financial reporting rule adopted by the Commissioner under section 3578 of this title.

Second: In Sec. 30, 8 V.S.A. § 3684, subdivision (b)(7), by striking out the words "is responsible for and"

Third: In Sec. 31, 8 V.S.A. § 3685, subsection (j), by striking out subdivision (4) in its entirety and by inserting a new subdivision (4) to read as follows:

(4) The board of directors of a domestic insurer shall establish one or more committees composed of a majority of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with the insurer and who are not beneficial owners of a controlling interest in the voting stock of the insurer or any such entity. The committee or committees shall have responsibility for nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer, and recommending to the board of directors the selection and compensation of the principal officers. For purposes of this subsection, principal officers shall mean the chief executive officer, the president, and any chief operating officer.

Fourth: In Sec. 33, 8 V.S.A. § 3687, subsection (a), in the first sentence, by striking out the words "All information, documents and copies thereof" and by inserting in lieu thereof Documents, materials, or other information in the possession or control of the Department that are

Fifth: In Sec. 33, 8 V.S.A. § 3687, subsection (f), after "confidential by law and privileged," by inserting shall not be subject to public inspection and copying under the Public Records Act,

Sixth: By adding a Sec. 35a to read:

Sec. 35a. 8 V.S.A. chapter 159 is redesignated to read:

CHAPTER 159. RISK BASED CAPITAL FOR ~~LIFE AND HEALTH~~ INSURERS

Seventh: In Sec. 36, 8 V.S.A. § 8301, by striking out subdivision (9) in its entirety and by inserting in lieu thereof a new subdivision (9) to read as follows:

~~(10)(9)~~ “Negative trend” means ~~a decreasing marginal difference of total adjusted capital over authorized control level risk based capital, with respect to a life or health insurer or fraternal benefit society, negative trend~~ over a period of time as determined in accordance with the trend test calculation ~~incorporated~~ included in the life or fraternal risk based capital instructions.

Eighth: By adding a Sec. 51a to read:

Sec. 51a. 8 V.S.A. chapter 141, subchapter 4 is redesignated to read:

Subchapter 4. Special Purpose Financial ~~Captive~~ Insurance Companies

Ninth: In Sec. 66, 8 V.S.A. § 6048o, subsection (a), by striking out the word “chapter” and inserting in lieu thereof the word subchapter

(Committee vote: 4-0-3)

(No House amendments.)

H. 533.

An act relating to capital construction and state bonding.

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

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

* * * Capital Appropriations * * *

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the \$159,900,000.00 authorized in this act, no more than \$90,248,531.00 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

(b) It is the intent of the General Assembly that in the second year of the biennium, any amendments to the appropriations or authorities granted in this act shall take the form of a Capital Construction and State Bonding Adjustment Bill. It is the intent of the General Assembly that unless otherwise indicated, all appropriations in this act are subject to capital budget adjustment.

Sec. 2. STATE BUILDINGS

(a) The following sums are appropriated to the Department of Buildings and General Services, and the Commissioner is authorized to direct funds appropriated in this section to the projects contained in this section; however, no project shall be canceled unless the Chairs of the Senate Committee on

Institutions and the House Committee on Corrections and Institutions are notified before that action is taken.

(b) The following sums are appropriated in FY 2014:

<u>(1) Statewide, asbestos:</u>	<u>\$50,000.00</u>
<u>(2) Statewide, building reuse and planning:</u>	<u>\$75,000.00</u>
<u>(3) Statewide, contingency:</u>	<u>\$100,000.00</u>
<u>(4) Statewide, major maintenance:</u>	<u>\$8,000,000.00</u>
<u>(5) Statewide, BGS engineering and architectural project costs:</u>	<u>\$2,802,597.00</u>
<u>(6) Statewide, physical security enhancements:</u>	<u>\$200,000.00</u>
<u>(7) Burlington, 32 and 108 Cherry Street, HVAC and DDC controls upgrades and roof renovations:</u>	<u>\$250,000.00</u>
<u>(8) Montpelier, 133 State Street, foundation and parking lot restoration:</u>	<u>\$1,450,000.00</u>
<u>(9) Montpelier, capitol district heat plant:</u>	
<u>(A) 122 State Street, construction:</u>	<u>\$2,500,000.00</u>
<u>(B) 120 State Street, Loading Dock, parking reconfiguration:</u>	<u>\$400,000.00</u>
<u>(10) Southern State Correctional Facility, steamline replacement:</u>	<u>\$600,000.00</u>
<u>(11) Southern State Correctional Facility, copper waterline replacement:</u>	<u>\$400,000.00</u>
<u>(12) Montpelier, Capitol Complex Historic Preservation, major maintenance:</u>	<u>\$200,000.00</u>
<u>(13) NWSCF, roof and soffit replacement, A, B, and C wings:</u>	<u>\$425,000.00</u>
<u>(14) Chittenden Regional Correctional Facility, HVAC upgrades:</u>	<u>\$400,000.00</u>
<u>(15) Renovation and replacement of state-owned assets, Tropical Storm Irene:</u>	
<u>(A) Vermont State Hospital, related projects:</u>	<u>\$8,700,000.00</u>
<u>(B) Waterbury State Office Complex:</u>	<u>\$21,200,000.00</u>

(C) National Life: \$4,100,000.00

(D) Notwithstanding subsection (a) of this section, allocations in this subdivision shall be used only to fund the projects described in this subdivision (15). However, if costs associated with these projects exceed the amount allocated in this subdivision, the Commissioner, in consultation with the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions, may transfer funds from other projects in this section.

(E) For the purpose of allowing the Department of Buildings and General Services to enter into contractual agreements and complete work on the projects described in this subdivision (15) as soon as possible, it is the intent of the General Assembly that these are committed funds.

(F) A special committee consisting of the Joint Fiscal Committee and the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions (“Special Committee”) is hereby established. If there are any material changes to the planning or funding of the Waterbury State Office Complex, the Special Committee shall meet to review and approve these changes at the next regularly scheduled meeting of the Joint Fiscal Committee or at an emergency meeting called by the Chairs of the House Committee on Corrections and Institutions, the Senate Committee on Institutions, and the Joint Fiscal Committee. The Special Committee shall be entitled to per diem and expenses as provided in 2 V.S.A. § 406.

(G) The Commissioner of Buildings and General Services shall notify the House Committee on Corrections and Institutions and the Senate Committee on Institutions at least monthly of updates to the planning process for the projects described in this subdivision (b)(15).

(H) As used in this subdivision (b)(15), a “material change” means a change to the planning or funding of the Waterbury State Office Complex that:

- (i) increases the total project cost estimate by 10 percent; or
- (ii) constitutes a change in plan or design.

(16) Barre, Barre Court, pellet boiler installation, supplement HVAC project: \$329,000.00

(17) Laboratory, feasibility and governance study conducted by the Department of Buildings and General Services, the Agency of Natural Resources, and the Agency of Agriculture, Food and Markets (as described in Sec. 41 of this act): \$100,000.00

(c) The following sums are appropriated in FY 2015:

<u>(1) Statewide, asbestos and lead abatement:</u>	<u>\$50,000.00</u>
<u>(2) Statewide, building reuse and planning:</u>	<u>\$75,000.00</u>
<u>(3) Statewide, contingency:</u>	<u>\$100,000.00</u>
<u>(4) Statewide, major maintenance:</u>	<u>\$8,639,064.00</u>
<u>(5) Statewide, BGS engineering and architectural project costs:</u>	<u>\$2,802,597.00</u>
<u>(6) Statewide, physical security enhancements:</u>	<u>\$100,000.00</u>
<u>(7) Southern State Correctional Facility, steamline replacement:</u>	<u>\$600,000.00</u>
<u>(8) Southern State Correctional Facility, copper waterline replacement:</u>	<u>\$300,000.00</u>
<u>(9) Montpelier, Capitol Complex Historic Preservation, major maintenance:</u>	<u>\$200,000.00</u>
<u>(10) Renovation and replacement of state-owned assets, Tropical Storm Irene:</u>	
<u>(A) Waterbury State Office Complex:</u>	<u>\$33,000,000.00</u>
<u>(B) For the purpose of allowing the Department of Buildings and General Services to enter into contractual agreements and complete work on the projects described in this subdivision (10) as soon as possible, it is the intent of the General Assembly that these are committed funds not subject to budget adjustment.</u>	
<u>(d) It is the intent of the General Assembly that the Commissioner of Buildings and General Services may use up to \$75,000.00 of the funds appropriated in subdivision (b)(4) of this section for the purpose of funding projects described in 2009 Acts and Resolves No. 43, Sec. 24(b), and in Sec. 49 of this act.</u>	
<u>(e) It is the intent of the General Assembly to review the proposal submitted by the Commissioner of Finance and Management pursuant to Sec. 39 of this act and evaluate the suitability of the FY 2015 appropriation to the Department of Buildings and General Services for engineering costs in subdivision (c)(5) of this section.</u>	
<u>Appropriation – FY 2014</u>	<u>\$52,281,597.00</u>
<u>Appropriation – FY2015</u>	<u>\$45,866,661.00</u>
<u>Total Appropriation – Section 2</u>	<u>\$98,148,258.00</u>

Sec. 3. ADMINISTRATION

The following sums are appropriated to the Department of Taxes for the Vermont Center for Geographic Information for an ongoing project to update statewide quadrangle maps through digital orthophotographic quadrangle mapping:

(1) \$100,000.00 is appropriated in FY 2014.

(2) \$100,000.00 is appropriated in FY 2015.

Total Appropriation – Section 3 \$200,000.00

Sec. 4. HUMAN SERVICES

(a) The following sums are appropriated in FY 2014 to the Department of Buildings and General Services for the Agency of Human Services for the projects described in this subsection:

(1) Health laboratory, continuation of design, permitting, bidding, and construction phases for co-location of Department of Health laboratory with the UVM Colchester research facility: \$5,000,000.00

(2) Corrections, security upgrades: \$100,000.00

(3) Corrections, facilities conditions analysis: \$100,000.00

(b) The following sums are appropriated in FY 2015 to the Department of Buildings and General Services for the Agency of Human Services for the projects described in this subsection:

(1) Health laboratory, continuation of design, permitting, bidding, and construction phases for co-location of the Department of Health laboratory with the UVM Colchester research facility: \$6,000,000.00

(2) Corrections, security upgrades: \$100,000.00

(c) It is the intent of the General Assembly that the funds appropriated in subdivision (b)(1) of this section are committed funds not subject to budget adjustment.

(d) On or before January 15, 2014, the Department of Corrections and the Department of Buildings and General Services shall report to the General Assembly on capital needs at state correctional facilities. The report shall evaluate five-year capital needs and shall include:

(1) a facilities conditions analysis;

(2) an assessment of space required for programming use;

(3) proposed unit configurations for the housing of aging and other special needs populations;

(4) a strategy for housing all Vermont inmates at instate correctional facilities and reducing recidivism rates;

(5) an estimate of the funding required to increase community capacity to meet capital needs; and

(6) an estimate of the funding required to increase capacity in state correctional facilities.

(e) The Commissioner of Buildings and General Services may use the funds appropriated to the Department of Buildings and General Services for the Agency of Human Services in subdivision (a)(3) of this section for the purpose described in subdivision (d)(1) of this section.

<u>Appropriation – FY 2014</u>	<u>\$5,200,000.00</u>
<u>Appropriation – FY 2015</u>	<u>\$6,100,000.00</u>
<u>Total Appropriation – Section 4</u>	<u>\$11,300,000.00</u>

Sec. 5. JUDICIARY

(a) The sum of \$1,000,000.00 is appropriated in FY 2014 to the Department of Buildings and General Services on behalf of the Judiciary for the planning and design for building renovations and addition to the Lamoille County Courthouse in Hyde Park.

(b) The sum of \$2,500,000.00 is appropriated in FY 2015 to continue the project described in subsection (a) of this section.

<u>Total Appropriation – Section 5</u>	<u>\$3,500,000.00</u>
--	-----------------------

Sec. 6. COMMERCE AND COMMUNITY DEVELOPMENT

(a) The following sums are appropriated in FY 2014 to the Department of Buildings and General Services for the Agency of Commerce and Community Development for the following projects:

(1) Major maintenance at historic sites statewide; provided such maintenance shall be under the supervision of the Department of Buildings and General Services: \$200,000.00

(2) Bennington Monument, structural repairs and ADA compliance: \$175,000.00

(b) The following sums are appropriated in FY 2014 to the Agency of Commerce and Community Development for the following projects:

- (1) Underwater preserves: \$25,000.00
- (2) Placement and replacement of roadside historic site markers: \$15,000.00

(c) The following sums are appropriated in FY 2014 to the Department of Buildings and General Services for the following projects:

- (1) Battle of Cedar Creek and Winchester Memorials, relocation and placement of roadside marker: \$30,000.00
- (2) Schooner Lois McClure, upgrades: \$50,000.00

(d) The following sum is appropriated in FY 2015 to the Department of Buildings and General Services for the Agency of Commerce and Community Development for major maintenance at historic sites statewide; provided such maintenance shall be under the supervision of the Department of Buildings and General Services: \$200,000.00

(e) The following sums are appropriated in FY 2015 to the Agency of Commerce and Community Development for the following projects:

- (1) Underwater preserves: \$35,000.00
- (2) Placement and replacement of roadside historic site markers: \$15,000.00
- Appropriation – FY 2014 \$495,000.00
- Appropriation – FY 2015 \$250,000.00
- Total Appropriation – Section 6 \$745,000.00

Sec. 7. GRANT PROGRAMS

(a) The following sums are appropriated in FY 2014 for Building Communities Grants established in 24 V.S.A. chapter 137:

- (1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: \$225,000.00
- (2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: \$225,000.00
- (3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made available from the National Endowment of the Arts, provided that all capital funds are made available to the cultural facilities grant program: \$225,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program: \$225,000.00

(5) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program: \$225,000.00

(6) To the Department of Buildings and General Services for the Regional Economic Development Grant Program: \$225,000.00

(b) The following sum is appropriated in FY 2014 to the Agency of Agriculture, Food and Markets for the Agricultural Fairs Capital Projects Competitive Grant Program: \$225,000.00

(c) The following sums are appropriated in FY 2015 for Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: \$225,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: \$225,000.00

(3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made available from the National Endowment of the Arts, provided that all capital funds are made available to the cultural facilities grant program: \$225,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program: \$225,000.00

(5) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program: \$225,000.00

(6) To the Department of Buildings and General Services for the Regional Economic Development Grant Program: \$225,000.00

(d) The following sum is appropriated in FY 2015 to the Agency of Agriculture, Food and Markets for the Agricultural Fairs Capital Projects Competitive Grant Program: \$225,000.00

Appropriation – FY 2014 \$1,575,000.00

Appropriation – FY 2015 \$1,575,000.00

Total Appropriation – Section 7 \$3,150,000.00

Sec. 8. EDUCATION

(a) The sum of \$6,704,634.00 is appropriated in FY 2014 to the Agency of Education for funding the state share of completed school construction projects pursuant to 16 V.S.A. § 3448.

(b) The sum of \$10,411,446 is appropriated in FY 2015 to the Agency of Education for the funding the state share of completed school construction projects pursuant to 16 V.S.A. § 3448. It is the intent of the General Assembly that the funds appropriated in subdivision (b)(1) of this section are committed funds not subject to budget adjustment.

<u>Appropriation – FY 2014</u>	<u>\$6,704,634.00</u>
<u>Appropriation – FY 2015</u>	<u>\$10,411,446.00</u>
<u>Total Appropriation – Section 8</u>	<u>\$17,116,080.00</u>

Sec. 9. UNIVERSITY OF VERMONT

(a) The sum of \$1,400,000.00 is appropriated in FY 2014 to the University of Vermont for construction, renovation, and major maintenance.

(b) The sum of \$1,400,000.00 is appropriated in FY 2015 to the University of Vermont for construction, renovation, and major maintenance.

(c) It is the intent of the General Assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project.

<u>Total Appropriation – Section 9</u>	<u>\$2,800,000.00</u>
--	-----------------------

Sec. 10. VERMONT STATE COLLEGES

(a) The sum of \$1,400,000.00 is appropriated in FY 2014 to the Vermont State Colleges for construction, renovation, and major maintenance.

(b) The sum of \$1,400,000.00 is appropriated in FY 2015 to the Vermont State Colleges for construction, renovation, and major maintenance.

(c) On or before January 15, 2014, the Vermont State Colleges shall, in coordination with the Enhanced 911 Board, bring each state college into compliance with the requirements of 30 V.S.A. § 7057 (privately owned telephone systems) or develop a comprehensive plan approved by the Enhanced 911 Board to bring each state college into compliance with the Enhanced 911 program requirements. The funds appropriated in FY 2015 to the Vermont State Colleges shall only become available after the Enhanced 911 Board has notified the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions that the Vermont State Colleges has met these requirements.

(d) It is the intent of the General Assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project.

Total Appropriation – Section 10 \$2,800,000.00

Sec. 11. NATURAL RESOURCES

(a) The following sums are appropriated to the Agency of Natural Resources in FY 2014 for:

(1) the Water Pollution Control Fund for the following projects:

(A) Clean Water State/EPA Revolving Loan Fund (CWSRF) match:
\$1,381,600.00

(B) Principal associated with funding for the Pownal project:
\$500,000.00

(C) Administrative support – engineering, oversight, and program management:
\$300,000.00

(2) the Drinking Water Supply for the following projects:

(A) Drinking Water State Revolving Fund: \$2,500,000.00

(B) Engineering, oversight, and project management: \$300,000.00

(C) EcoSystem restoration and protection: \$2,250,000.00

(D) Waterbury waste treatment facility for phosphorous removal:
\$3,440,000.00

(3) the Agency of Natural Resources for the Department of Forests, Parks and Recreation for statewide small scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, and statewide small-scale road rehabilitation projects: \$2,000,000.00

(4) the Department of Fish and Wildlife for the following projects:

(A) general infrastructure projects: \$1,000,000.00

(B) Fish and Wildlife Enforcement Division, for safety ramps, GPS units, deer decoys, and snowmobiles: \$75,950.00

(C) Lake Champlain Walleye Association, Inc. to upgrade and repair the walleye rearing, restoration, and stocking infrastructure: \$25,000.00

(b) The following sums are appropriated to the Agency of Natural Resources in FY 2015 for:

- (1) the Water Pollution Control Fund for the following projects:
- (A) Clean Water State/EPA Revolving Loan Fund (CWSRF) match:
\$700,000.00
 - (B) Interest associated with delayed grant funding for the Pownal project:
\$30,000.00
 - (C) Springfield loan conversions:
\$78,000.00
 - (D) Administrative support – engineering, oversight, and program management:
\$300,000.00
- (2) the Drinking Water Supply for the following projects:
- (A) Drinking Water State Revolving Fund:
\$1,000,000.00
 - (B) Engineering, oversight, and project management:
\$300,000.00
 - (C) EcoSystem restoration and protection:
\$2,073,732.00
- (3) dam safety and hydrology projects:
\$400,000.00
- (4) the Agency of Natural Resources for the Department of Forests, Parks and Recreation for statewide small scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, and statewide small-scale road rehabilitation projects:
\$2,000,000.00
- (5) the Department of Fish and Wildlife:
\$1,000,000.00

(c) It is the intent of the General Assembly to review the proposal submitted by the Commissioner of Finance and Management pursuant to Sec. 39 of this act to evaluate the suitability of the FY 2015 appropriations to the Agency of Natural Resources for engineering costs in subdivisions (b)(1)(D) and (b)(2)(B) of this section.

<u>Appropriation – FY 2014</u>	<u>\$13,772,550.00</u>
<u>Appropriation – FY 2015</u>	<u>\$7,881,732.00</u>
<u>Total Appropriation – Section 11</u>	<u>\$21,654,282.00</u>

Sec. 12. MILITARY

(a) The sum of \$750,000.00 is appropriated in FY 2014 to the Department of Military for land acquisition, new construction, maintenance, and renovations at state armories. To the extent feasible, these funds shall be used to match federal funds.

(b) The sum of \$500,000.00 is appropriated in FY 2015 for the purpose described in subsection (a) of this section.

Total Appropriation – Section 12 \$1,250,000.00

Sec. 13. PUBLIC SAFETY

(a) The sum of \$3,000,000.00 is appropriated in FY 2014 to the Department of Buildings and General Services for the Department of Public Safety for the design, construction, and fit-up of a new public safety field station to consolidate the Brattleboro and Rockingham barracks. For the purpose of allowing the Department of Buildings and General Services to enter into contractual agreements and complete work on the projects described in this subsection as soon as possible, it is the intent of the General Assembly that these are committed funds.

(b) The sum of \$3,100,000.00 is appropriated in FY 2015 for the project described in subsection (a) of this section. For the purpose of allowing the Department of Buildings and General Services to enter into contractual agreements and complete work on the project as soon as possible, it is the intent of the General Assembly that these are committed funds not subject to budget adjustment.

(c) The sum of \$550,000.00 is appropriated in FY 2014 to the Department Buildings and General Services for the Department of Public Safety to purchase land for public safety field stations and to conduct feasibility studies.

(d) The sum of \$300,000.00 is appropriated in FY 2015 for the project described in subsection (c) of this section.

(e) The sum of \$50,000.00 is appropriated in FY 2014 to the Department of Public Safety for the purchase of fire safety equipment for the Fire Service Training Center in Pittsford.

Appropriation – FY 2014 \$3,600,000.00

Appropriation – FY 2015 \$3,400,000.00

Total Appropriation – Section 13 \$7,000,000.00

Sec. 14. AGRICULTURE, FOOD AND MARKETS

(a) The sum of \$150,000.00 is appropriated in FY 2014 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for major maintenance costs at the Vermont Exposition Center Building in Springfield, Massachusetts.

(b) The sum of \$1,200,000.00 is appropriated in FY 2015 to the Agency of Agriculture, Food and Markets for the conservation reserve enhancement

program and the best management practice implementation cost share program to continue to reduce nonpoint source pollution in Vermont. Cost share funds for the best management practice implementation cost share program shall not exceed 90 percent of the total cost of a project. Whenever possible, state funds shall be combined with federal funds to complete projects.

<u>Appropriation – FY 2014</u>	<u>\$150,000.00</u>
<u>Appropriation – FY 2015</u>	<u>\$1,200,000.00</u>
<u>Total Appropriation – Section 14</u>	<u>\$1,350,000.00</u>

Sec. 15. VERMONT PUBLIC TELEVISION

(a) The sum of \$205,750.00 is appropriated in FY 2014 to Vermont Public Television for the continuation of digital conversion and energy conservation retrofitting.

(b) The sum of \$200,000.00 is appropriated in FY 2015 to Vermont Public Television for transmission security.

<u>Appropriation – FY 2014</u>	<u>\$205,750.00</u>
<u>Appropriation – FY 2015</u>	<u>\$200,000.00</u>
<u>Total Appropriation – Section 15</u>	<u>\$405,750.00</u>

Sec. 16. VERMONT RURAL FIRE PROTECTION

(a) The sum of \$100,000.00 is appropriated in FY 2014 to the Department of Public Safety for the Vermont Rural Fire Protection Task Force to continue the dry hydrant program.

(b) The sum of \$100,000.00 is appropriated in FY 2015 for the project described in subsection (a) of this section.

<u>Total Appropriation – Section 16</u>	<u>\$200,000.00</u>
---	---------------------

Sec. 17. VERMONT VETERANS' HOME

(a) The sum of \$1,216,000.00 is appropriated in FY 2014 to the Department of Buildings and General Services for the Vermont Veterans' Home for emergency mold remediation actions, for updates to the 2006 facilities assessment report, and for the development of a comprehensive plan to address and prevent mold growth.

(b) The Commissioner of Buildings and General Services, in consultation with the Chief Administrative Officer of the Veterans' Home, shall apply for any eligible federal funds to use as a match for the appropriation made in subsection (a) of this section and shall work with Vermont's Congressional Delegation to investigate the availability of other possible federal funding

sources. The Commissioner of Buildings and General Services shall notify the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the availability of federal funds and the status of a federal match to be used for the project described in subsection (a) of this section on or before July 31, 2013.

(c) The Commissioner of Buildings and General Services, in consultation with the Chief Administrative Officer of the Veterans' Home, shall contract with an independent third party to conduct an update to the 2006 facilities assessment report of the Vermont Veterans' Home. On or before January 15, 2014, the Commissioner shall submit a copy of the report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

(d) The Commissioner of Buildings and General Services, in consultation with the Chief Administrative Officer of the Veterans' Home, shall contract with an independent third party to prepare a comprehensive plan to address the ongoing mold issues at the Home and prevent any additional mold issues.

(1) The plan shall include:

(A) identification of currently known mold issues and potential mold issues at the Veterans' Home;

(B) recommendations for implementing preventive measures to address mold growth;

(C) estimates for the projected cost to implement the recommendations and preventive measures;

(D) a proposed time line to implement the plan; and

(E) a review and consideration of the findings of the Veterans' Home management and operations review required by 2013 Acts and Resolves No. 1, Sec. 53.1, the updated facilities assessment report required by subsection (c) of this section, and the findings and recommendations of any other design professionals or consultants engaged by the Department of Buildings and General Services to work at the Veterans' Home.

(2) On or before February 15, 2014, the Commissioner shall submit a copy of the plan to the Veterans' Home Board of Trustees, the Vermont State Employees' Association (VSEA), the House Committee on Corrections and Institutions, and the Senate Committee on Institutions.

Total Appropriation – Section 17

\$1,216,000.00

Sec. 18. VERMONT INTERACTIVE TECHNOLOGIES

(a) The sum of \$288,000.00 is appropriated in FY 2014 to the Vermont States Colleges for the Vermont Interactive Technologies for the purchase of equipment necessary for systems and unit upgrades at Vermont Interactive Technologies sites.

(b) The sum of \$88,000.00 is appropriated in FY 2015 for the project described in subsection (a) of this section.

<u>Appropriation – FY 2014</u>	<u>\$288,000.00</u>
<u>Appropriation – FY 2015</u>	<u>\$88,000.00</u>
<u>Total Appropriation – Section 18</u>	<u>\$376,000.00</u>

Sec. 18a. ENHANCED 911 PROGRAM

(a) The sum of \$10,000.00 is appropriated in FY 2014 to the Enhanced 911 Board for the planning and implementation of the Enhanced 911 program in schools pursuant to 30 V.S.A. § 7057.

(b) The sum of \$10,000.00 is appropriated in FY 2015 for the project described in subsection (a) of this section.

<u>Total Appropriation – Section 18a</u>	<u>\$20,000.00</u>
--	--------------------

* * * Financing this Act * * *

Sec. 19. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

(a) The following sums are reallocated to the Department of Buildings and General Services from prior capital appropriations to defray expenditures authorized in Sec. 2 of this act:

(1) of the amount appropriated by 2009 Acts and Resolves No. 43, Sec. 1 (32 Cherry Street): \$48,065.57

(2) of the amount appropriated by 2009 Acts and Resolves No. 43, Sec. 1 (Rutland multimodal garage trench drains): \$404.09

(3) of the amount appropriated by 2010 Acts and Resolves No. 161, Sec. 3 (VSH ongoing safety): \$96.98

(4) of the amount appropriated by 2010 Acts and Resolves No. 161, Sec. 14 (two-way radio system): \$12,579.71

(5) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 2 (DMV bathroom renovations): \$119,067.33

(6) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 2 (engineer cost): \$158,779.04

(7) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 2 (116 State Street): \$0.02

(8) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 2 (Waterbury fuel tank replacement): \$400,000.00

(9) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 7 (recreation grant program): \$8,150.00

(10) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 7 (Human Service and Educational Grant): \$2,515.61

(11) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 14(e) (architectural assessment, Middlesex): \$6.80

(12) of the amount appropriated by 2010 Acts and Resolves No. 161, Sec. 6(3) (Vermont Arts Council, cultural facilities grant): \$29,454.00

(b) The following unexpended funds appropriated to the Agency of Natural Resources for capital construction projects are reallocated to the Department of Buildings and General Services to defray expenditures authorized in Sec. 2 of this act:

(1) of the amount appropriated by 1989 Acts and Resolves No. 52, Sec. 8(b)(1) (water pollution): \$9,426.24

(2) of the amount appropriated by 1990 Acts and Resolves No. 276, Sec. 10 (potable water supply construction): \$17,430.00

(3) of the amount appropriated by 1991 Acts and Resolves No. 93, Sec. 11(d)(2) (water supply): \$46,514.75

(4) of the amount appropriated by 1992 Acts and Resolves No. 256, Sec. 11(e)(1) (water pollution): \$35,000.65

(5) of the amount appropriated by 1998 Acts and Resolves No. 148, Sec. 13(b)(1) (water supply): \$72,513.80

(6) of the amount appropriated by 1998 Acts and Resolves No. 148, Sec. 13(b)(2)(A) (pollution control): \$305,394.84

(7) of the amount appropriated by 2001 Acts and Resolves No. 61, Sec. 9(a) (various projects): \$277,833.51

(8) of the amount appropriated by 2003 Acts and Resolves No. 63, Sec. 8 (water pollution/drinking): \$118,725.81

(9) of the amount appropriated by 2004 Acts and Resolves No. 121, Sec. 10 (water pollution grants): \$896.40

<u>(10) of the amount appropriated by 2004 Acts and Resolves No. 121, Sec. 10 (clean and clear program):</u>	<u>\$44,447.91</u>
<u>(11) of the amount appropriated by 2004 Acts and Resolves No. 121, Sec. 10 (ecological assessments):</u>	<u>\$36.70</u>
<u>(12) of the amount appropriated by 2004 Acts and Resolves No. 121, Sec. 10 (species recovery plan):</u>	<u>\$3.90</u>
<u>(13) of the amount appropriated by 2005 Acts and Resolves No. 43, Sec. 9 (water pollution grants):</u>	<u>\$128,115.97</u>
<u>(14) of the amount appropriated by 2005 Acts and Resolves No. 43, Sec. 9 (clean and clear program):</u>	<u>\$135,500.37</u>
<u>(15) of the amount appropriated by 2006 Acts and Resolves No. 147, Sec. 10 (water pollution grants):</u>	<u>\$34,703.62</u>
<u>(16) of the amount appropriated by 2006 Acts and Resolves No. 147, Sec. 10 (clean and clear program):</u>	<u>\$40,686.00</u>
<u>(17) of the amount appropriated by 2007 Acts and Resolves No. 52, Sec. 11 (water pollution control):</u>	<u>\$35,000.00</u>
<u>(18) of the amount appropriated by 2007 Acts and Resolves No. 52, Sec. 11 (state-owned dams):</u>	<u>\$198,104.00</u>
<u>(19) of the amount appropriated by 2007 Acts and Resolves No. 52, Sec. 11 (clean and clear):</u>	<u>\$320,042.39</u>
<u>(20) of the amount appropriated by 2008 Acts and Resolves No. 200, Sec. 12 (clean and clear):</u>	<u>\$92,906.23</u>
<u>(21) of the amount appropriated by 2008 Acts and Resolves No. 200, Sec. 12 (water pollution):</u>	<u>\$87,967.95</u>
<u>(22) of the amount appropriated by 2009 Acts and Resolves No. 43, Sec. 9 (water pollution control):</u>	<u>\$231,202.30</u>
<u>(23) of the amount appropriated by 2009 Acts and Resolves No. 43, Sec. 9 (clean and clear):</u>	<u>\$515,957.62</u>
<u>(24) of the amount appropriated by 2010 Acts and Resolves No. 161, Sec. 12 (Drinking Water State Revolving Fund):</u>	<u>\$5,500.00</u>
<u>(25) of the amount appropriated by 2010 Acts and Resolves No. 161, Sec. 12 (water pollution control):</u>	<u>\$123,666.00</u>
<u>(26) of the amount appropriated by 2010 Acts and Resolves No. 161, Sec. 12 (clean and clear):</u>	<u>\$66,864.08</u>

(27) of the amount appropriated by 2010 Acts and Resolves No. 161, Sec. 12 (sea lamprey control project): \$155,898.60

(28) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 12(a) (water pollution control): \$210,000.00

(29) of the amount appropriated by 2011 Acts and Resolves No. 40, Sec. 12(a) (water pollution TMDL/wetland): \$20,112.00

(30) of the amount appropriated by 2012 Acts and Resolves No. 40, Sec. 12(b) (drinking water projects): \$35,483.32

(31) of the amount appropriated by 2012 Acts and Resolves No. 40, Sec. 12(b) (water pollution control): \$472,239.85

(c) The following unexpended funds appropriated to the Agency of Commerce and Community Development for capital construction projects are reallocated to the Department of Buildings and General Services to defray expenditures authorized in Sec. 2 of this act:

(1) of the amount appropriated by 2007 Acts and Resolves No. 52, Sec. 7(e) (Unmarked Burial Fund): \$18,928.39

(2) of the amount appropriated by 2008 Acts and Resolves No. 200, Sec. 7(b)(1) (Unmarked Burial Fund): \$24,769.00

(d) The following sums are reallocated to the Department of Buildings and General Services to defray expenditures authorized in Sec. 2 of this act:

(1) of the proceeds from the sale of property authorized by 2009 Acts and Resolves No. 43, Sec. 25(i) (sale of Thayer school): \$433,478.30

(2) of the amount recouped by the state for waterfront enhancement authorized by 1993 Acts and Resolves No. 59, Sec. 16d(c) (special fund 21896, Waterfront Preservation Fund): \$190,000.00

(3) of the proceeds from the sale of property authorized by 2009 Acts and Resolves No. 43, Sec. 25(d) (sale of former North American Playcare, Inc. building in Middlesex): \$132,040.88

(4) of the proceeds from the sale of property authorized by 20 V.S.A. § 542 (Northfield, Ludlow, and Rutland armories): \$311,539.21

Total Reallocations and Transfers – Section 19 \$5,728,049.74

Sec. 20. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

(a) The State Treasurer is authorized to issue general obligation bonds in the amount of \$159,900,000.00 for the purpose of funding the appropriations of this act. The State Treasurer, with the approval of the Governor, shall

determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded. The State Treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds, pursuant to 32 V.S.A. § 954.

(b) The State Treasurer is further authorized to issue additional general obligation bonds in the amount of \$7,603,320.00 that were previously authorized but unissued under 2011 Acts and Resolves No. 40, Sec. 25 for the purpose of funding the appropriations of this act. This amount shall be allocated to the Department of Buildings and General Services to defray expenditures in Sec. 2 of this act.

Total Revenues – Section 20 \$167,503,320.00

Sec. 21. SALE OF BUILDING 617 IN ESSEX; USE OF PROCEEDS

The proceeds from the sale of Building 617 in Essex shall be allocated to the Department of Buildings and General Services and used to defray FY 2014 expenditures in Sec. 2 of this act. To the extent such use of proceeds results in a like amount of general obligation bonds authorized in Sec. 20 of this act for Sec. 2 to remain unissued at the end of FY 2014, then such unissued amount of bonds shall remain authorized to be issued in FY 2015 to provide additional funding for the Waterbury State Office Complex and such amount shall be appropriated in FY 2015 to Sec. 2(c)(10) of this act.

* * * Policy * * *

* * * Buildings and General Services * * *

Sec. 22. REPEAL; ROBERT GIBSON PARK; TOWN OF BRATTLEBORO

1999 Acts and Resolves No. 29, Sec. 19(b)(1)(C)(i) (repayment of appropriation for Robert Gibson Park) is repealed.

Sec. 23. 2012 Acts and Resolves No. 104, Sec. 25 is amended to read:

Sec. 25. EMPLOYEE SERVICE MEMORIAL

(a) The ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services, in consultation with the ~~commissioner of human resources~~ Commissioner of Human Resources and an association representing Vermont state employees, shall develop a plan to honor the services of past, present, and future Vermont state employees with an appropriate memorial. On or before January 15, ~~2013~~ 2014, the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General

Services shall recommend a future location for an employee service memorial and provide estimated costs to the ~~general assembly~~ General Assembly.

(b) ~~The commissioner of buildings and general services~~ Commissioner of Buildings and General Services may accept donations for the administration, materials, creation, and maintenance of the service memorial.

Sec. 24. NEWPORT WATERFRONT

Notwithstanding 29 V.S.A. §§ 165(h) and 166(b), the Commissioner of Buildings and General Services is authorized to sell, lease, gift, or otherwise convey the property or any portion thereof associated with the State Office Building and Waterfront in the City of Newport. The Commissioner is further authorized to accept federal or state grants for improvements, maintenance, and operating costs associated with the Newport Waterfront.

Sec. 25. BATTLE OF CEDAR CREEK AND WINCHESTER MEMORIALS

The Commissioner of Buildings and General Services is authorized to use the appropriation in Sec. 6(c)(1) of this act for expenses associated with the placement of a Vermont historical roadside marker at the Cedar Creek Battlefield in Virginia, the relocation of the Battle of Winchester Memorial to its original location on the Third Winchester Battlefield in Virginia, and reimbursement to the Civil War Trust, the State of Virginia, and the United States Veterans Administration for any expenses associated with the completion of these projects. Expenses associated with the placement of the roadside marker or the relocation of the Memorial may include site acquisition, planning, design, transportation, and any other reasonably related costs.

Sec. 26. 29 V.S.A. § 165 is amended to read:

§ 165. SPACE ALLOCATION, INVENTORY, AND USE; LEASING PROPERTY; COMMISSIONER'S PREAPPROVAL REQUIRED

* * *

(d) ~~The commissioner of buildings and general services~~ Commissioner of Buildings and General Services shall by rule establish procedures which all agencies shall follow in the leasing of real property. No agency shall enter into any lease, no lease shall be valid, and no state funds shall be paid by the ~~department of finance and management~~ Department of Finance and Management pursuant to the terms of any lease, unless the proposed lease has been pre-approved by the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services. If a lease is entered into pursuant to this section, the Commissioner of Buildings and General Services shall preapprove any additional fees, reimbursements, charges, or fit-up costs in excess of the proposed lease rental rate.

Sec. 27. SPECIAL FUND FOR WATERFRONT

Notwithstanding 1993 Acts and Resolves No. 59, Sec. 16d(c), the funds allocated to the special fund for the waterfront to be used for the purpose of waterfront enhancement and preservation are transferred to the Department of Buildings and General Services to defray expenditures authorized in Sec. 2 of this act.

Sec. 28. WINDSOR COUNTY COURTHOUSE

Of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 5 to the Department of Buildings and General Services on behalf of the Judiciary, the sum of \$40,000.00 is directed to the Windsor County Courthouse in Woodstock to perform repairs and upgrades to bring the facility into ADA compliance.

Sec. 29. 2011 Acts and Resolves No. 40, Sec. 12(b), as amended by 2012 Acts and Resolves No. 104, Sec. 8, is amended to read:

(b) The following sums are appropriated to the ~~agency of natural resources~~ Agency of Natural Resources in FY 2013 for:

* * *

~~(E)(6) the department of forests, parks and recreation~~ Department of Forests, Parks and Recreation for the Vermont Youth Conservation Corps to perform stabilization, restoration, and cleanup of environmental damage to waterways, forests, and public access lands caused by Tropical Storm Irene, including projects such as controlling the spread of invasive species, stabilizing flood-eroded river and stream banks; restoring vital aquatic and wildlife habitats, removing toxic materials from fragile natural areas, and remediating recognized viewsheds: 200,000

* * *

* * * Commerce and Community Development * * *

Sec. 30. REGIONAL ECONOMIC DEVELOPMENT GRANT PROGRAM

The Commissioner of Buildings and General Services, in consultation with the Secretary of Commerce and Community Development, the Regional Development Corporations of Vermont, and the Regional Economic Development Advisory Committee, shall consider whether the Regional Economic Development grants are being awarded to projects for the purpose of funding capital expenses and whether catastrophic situations should qualify for grants.

* * * Agency of Agriculture, Food and Markets * * *

Sec. 31. ADDITIONAL FUNDING FOR CAPITAL PROJECTS

If additional support is required for the Best Management Practice Implementation Cost-Share Program and the Conservation Reserve Enhancement Program in FY 2014, the Secretary of Agriculture, Food and Markets is authorized to use as funding prior capital fund appropriations for these programs to the Agency of Agriculture, Food and Markets.

Sec. 32. AGRICULTURE; REALLOCATION

Of the amount held in the Eastern States Building Special Fund #21682, it the intent of the General Assembly that the Agency of Agriculture, Food and Markets shall redirect the sum of \$125,000.00 to the Department of Buildings and General Services for major maintenance at the Vermont Exposition Center Building in Springfield, Massachusetts.

* * * Capital Planning and Finance * * *

Sec. 33. 29 V.S.A. § 152 is amended to read:

§ 152. DUTIES OF COMMISSIONER

(a) ~~The commissioner of buildings and general services~~ Commissioner of Buildings and General Services, in addition to the duties expressly set forth elsewhere by law, shall have the authority to:

* * *

(3) Prepare or cause to be prepared plans and specifications for construction and repair on all state-owned buildings:

(A) For which the ~~legislature~~ General Assembly or the ~~emergency board~~ Emergency Board has made specific appropriations. In consultation with the department or agency concerned, the ~~commissioner~~ Commissioner shall select sites, purchase lands, determine plans and specifications, and advertise for bids for the furnishing of materials and construction thereof and of appurtenances thereto. The ~~commissioner~~ Commissioner shall determine the time for beginning and completing the construction. Any change orders occurring under the contracts let as the result of actions previously mentioned in this section shall not be allowed unless they have the approval of the ~~secretary of administration~~ Secretary of Administration.

(B) For which no specific appropriations have been made by the ~~legislature~~ General Assembly or the ~~emergency board~~ Emergency Board. The ~~commissioner~~ Commissioner may, with the approval of the ~~secretary of administration~~ Secretary of Administration acquire an option, for a price not to exceed \$75,000.00, on an individual property without prior legislative

approval, provided the option contains a provision stating that purchase of the property shall occur only upon the approval of the ~~general assembly~~ General Assembly and the appropriation of funds for this purpose. The ~~state treasurer~~ State Treasurer is authorized to advance a sum not to exceed \$75,000.00, upon warrants drawn by the ~~commissioner of finance and management~~ Commissioner of Finance and Management for the purpose of purchasing an option on a property pursuant to this subdivision.

(C) For which the Department of Buildings and General Services is granted a right of first refusal. The Commissioner may, with the approval of the Secretary of Administration, enter into an agreement that grants the Department of Buildings and General Services a right of first refusal to purchase property, provided that the right of first refusal contains a provision stating that the purchase of the property shall occur only upon the approval of the General Assembly.

* * *

(23) With the approval of the ~~secretary of administration~~ Secretary of Administration, transfer during any fiscal year to the ~~department of buildings and general services~~ Department of Buildings and General Services for use only for major maintenance within the capitol complex in Montpelier, any unexpended balances of funds appropriated in any capital construction act for any ~~executive or judicial branch~~ Executive or Judicial Branch project, excluding any appropriations for state grant-in-aid programs, which is completed or substantially completed as determined by the ~~commissioner~~ Commissioner. On or before January 15 of each year, the ~~commissioner~~ Commissioner shall report to the ~~house committee on corrections and institutions and the senate committee on institutions~~ House Committee on Corrections and Institutions and the Senate Committee on Institutions regarding:

~~(A) all transfers and expenditures made pursuant to this subdivision (23); and~~

~~(B) the unexpended balance of projects completed for two or more years.~~

* * *

Sec. 34. 32 V.S.A. § 310 is amended to read:

§ 310. FORM OF ANNUAL CAPITAL BUDGET AND ~~SIX-YEAR~~
TEN-YEAR CAPITAL PROGRAM PLAN

(a) Each biennial capital budget request submitted to the ~~general assembly~~ General Assembly shall be accompanied by, and placed in the context of, a

~~six-year~~ ten-year state capital program plan to be prepared, and revised annually, by the ~~governor~~ Governor and approved by the ~~general assembly~~ General Assembly. The ~~six-year~~ ten-year plan shall include a list of all projects which will be recommended for funding in the current and ensuing ~~five~~ nine fiscal years. The list shall be prioritized based on need.

(b) The capital budget request for the following ~~fiscal-year~~ biennium shall be presented as the next increment of the ~~six-year~~ ten-year plan. Elements of the plan shall include:

(1) Assessment and projection of need.

(A) Capital needs and projections shall be based upon current and projected statistics on capital inventories and upon state demographic and economic conditions.

(B) Capital funding shall be categorized as follows:

(i) state buildings, facilities, ~~and~~ land acquisitions, major maintenance, renewable energy sources, and conservation;

(ii) higher education;

(iii) aid to municipalities for education, environmental conservation, including water, sewer, and solid waste projects, and other purposes; and

(iv) transportation facilities.

(C) The capital needs and projections shall be for the current and the next ~~five~~ nine fiscal years, with longer-term projections presented for programs with reasonably predictable longer-term needs.

(D) Capital needs and projections shall be presented independently of financing requirements or opportunities.

(2) Comprehensive cost and financing assessment.

(A) Amounts appropriated and expended for the current fiscal year and for the preceding fiscal year shall be indicated for capital programs and for individual projects. The assessment shall indicate further the source of funds for any project which required additional funding and a description of any authorized projects which were delayed.

(B) Amounts proposed to be appropriated for the following fiscal year and each of the ~~five~~ nine years thereafter shall be indicated for capital programs and for individual projects and shall be revised annually to reflect revised cost estimates and changes made in allocations due to project delays.

(C) The capital costs of programs and of individual projects, including funds for the development and evaluation of each project, shall be presented in full, for the entire period of their development.

(D) The operating costs, both actual and prospective, of capital programs and of individual projects shall be presented in full, for the entire period of their development and expected useful life.

(E) The financial burden and funding opportunities of programs and of individual projects shall be presented in full, including federal, state, and local government shares, and any private participation.

(F) Alternative methods of financing capital programs and projects should be described and assessed, including debt financing and use of current revenues.

Sec. 35. TEN-YEAR CAPITAL PROGRAM PLAN

On or before January 15, 2014, the Commissioner of Buildings and General Services, in consultation with the House Committee on Corrections and Institutions and the Senate Committee on Institutions, shall develop a proposal for the planning process for a ten-year capital program plan. The ten-year capital program plan shall include proposals for capital construction requests and major maintenance, and shall set forth definitions and criteria to be used for prioritizing capital projects. Projects may be prioritized based on criteria including: critical priorities, prior capital allocations or commitments, strategic investments, and future investments.

Sec. 36. 32 V.S.A. § 701a is amended to read:

§ 701a. CAPITAL CONSTRUCTION BILL

(a) When the capital budget has been submitted by the ~~governor~~ Governor to the ~~general assembly~~ General Assembly, it shall immediately be referred to the ~~committee on corrections and institutions~~ Committee on Corrections and Institutions which shall proceed to consider the budget request in the context of the ~~six-year~~ ten-year capital program plan also submitted by the ~~governor~~ Governor pursuant to sections 309 and 310 of this title. The ~~committee~~ Committee shall also propose to the ~~general assembly~~ General Assembly a prudent amount of total general obligation bonding for the following fiscal year, for support of the capital budget, in consideration of the recommendation of the ~~capital debt affordability advisory committee~~ Capital Debt Affordability Advisory Committee pursuant to subchapter 8 of chapter 13 of this title.

(b) As soon as possible, the ~~committee~~ Committee shall prepare a bill to be known as the “capital construction bill,” which shall be introduced for action by the ~~general assembly~~ General Assembly.

(c) The spending authority authorized by a capital construction act shall carry forward until expended, unless otherwise provided. ~~Any unencumbered funds remaining after a two-year period~~ All unexpended funds remaining for projects authorized by capital construction acts enacted in a legislative session that was two or more years prior to the current legislative session shall be reported to the ~~general assembly~~ General Assembly and may be reallocated in future capital construction acts.

(d) On or before October 15, each entity to which spending authority is ~~has been~~ authorized by a capital construction act ~~enacted in a legislative session that was two or more years prior to the current legislative session~~ shall submit to the ~~department of buildings and general services~~ Department of Buildings and General Services a report on the status of each ~~authorized~~ project authorized with unexpended funds. The report shall follow the form provided by the ~~department of buildings and general services~~ Department of Buildings and General Services and shall include details regarding how much of the appropriation has been spent, how much of the appropriation is unencumbered, actual progress in meeting the goals of the project, and any impediments to completing the project on time and on budget. The ~~department~~ Department may request additional or clarifying information regarding each project. On or before January 15, the ~~department~~ Department shall present the information collected to the ~~house committee on corrections and institutions and the senate committee on institutions~~ House Committee on Corrections and Institutions and the Senate Committee on Institutions.

Sec. 37. AVAILABILITY OF APPROPRIATIONS

Notwithstanding 32 V.S.A. § 1 (fiscal year to commence on July 1 and end on June 30), the appropriations in this act designated as FY 2014 shall be available on passage of this act, and those designated as FY 2015 shall be available on passage of the Capital Construction and State Bonding Budget Adjustment Act of the 2014 legislative session.

Sec. 38. ADDITIONAL FUNDING FOR CAPITAL PROJECTS

The Commissioner of Buildings and General Services, in consultation with the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions, is authorized to use funds appropriated in this act for capital projects requiring additional support that were funded with capital or general fund appropriations in prior years.

Sec. 39. ACCOUNTING STANDARDS FOR ENGINEERING COSTS

(a) The Commissioner of Finance and Management shall establish a working group to develop a set of criteria and guidelines for allocating engineering costs between the Capital bill and the General Fund. The Working

Group shall review current state practices, standard accounting classifications and approaches taken in other states. The Group shall include the Commissioner of Finance and Management or designee, the Commissioner of Buildings and General Services or designee, the Secretary of Natural Resources or designee, the State Auditor or designee, and a Joint Fiscal Officer or designee.

(b) On or before September 30, 2013, the Commissioner of Finance and Management shall present the proposal to the Joint Fiscal Committee and the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions for review with the intent that the criteria and guidelines on cost allocations will be used in the FY 2015 capital budget.

* * * Human Services * * *

Sec. 40. SECURE RESIDENTIAL FACILITY

Pursuant to the Level 1 Psychiatric Care Evaluation required by the Fiscal Year 2014 Appropriations Act, Sec. E.314.2, the Commissioner of Buildings and General Services shall develop a proposal to establish a permanent secure residential facility no later than January 15, 2015.

* * * Natural Resources * * *

Sec. 41. LABORATORY FEASIBILITY STUDY

On or before December 15, 2013, the Department of Buildings and General Services, the Agency of Natural Resources, and the Agency of Agriculture, Food and Markets shall examine and report to the General Assembly on the feasibility of sharing the same laboratory, exploring relationships with the University of Vermont and the Vermont State Colleges system, or other public or private entities, and determining what specialized services may be sold within the Northeast region to fulfill state and regional laboratory needs. This report shall include a cost-benefit analysis and a governance model.

Sec. 42. 24 V.S.A. § 4763b is amended to read:

§ 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER SYSTEMS AND FAILED POTABLE WATER SUPPLIES

(a) Notwithstanding any other provision of law, when the wastewater system or potable water supply serving only one single-family residence on its own lot meets the definition of a failed supply or system, the ~~secretary of natural resources~~ Secretary of Natural Resources may lend monies to the owner of the residence from the Vermont ~~wastewater and potable water revolving loan fund~~ Wastewater and Potable Water Revolving Loan Fund established in section 4753 of this title. In such cases, the following conditions shall apply:

(1) loans may only be made to households with an income equal to or less than 200 percent of the state average median household income;

(2) loans may only be made to households where the recipient of the loan resides in the residence on a year-round basis;

(3) loans may only be made if the owner of the residence has been denied financing for the repair, replacement, or construction due to involuntary disconnection by at least ~~two~~ one other financing ~~entities~~ entity;

(4) no construction loan shall be made to an individual under this subsection, nor shall any part of any revolving loan made under this subsection be expended, until all of the following take place:

(A) the ~~secretary of natural resources~~ Secretary of Natural Resources determines that if a wastewater system and potable water supply permit is necessary for the design and construction of the project to be financed by the loan, the permit has been issued to the owner of the failed system or supply; and

(B) the individual applying for the loan certifies to the ~~secretary of natural resources~~ Secretary of Natural Resources that the proposed project has secured all state and federal permits, licenses, and approvals necessary to construct and operate the project to be financed by the loan;

(5) all funds from the repayment of loans made under this section shall be deposited into the Vermont ~~wastewater and potable water revolving loan fund~~ Wastewater and Potable Water Revolving Loan Fund.

(b) The ~~secretary of natural resources~~ Secretary of Natural Resources shall establish standards, policies, and procedures as necessary for the implementation of this section. The ~~secretary~~ Secretary may establish criteria to extend the payment period of a loan or to waive all or a portion of the loan amount.

Sec. 43. ADDITIONAL FUNDING FOR CAPITAL PROJECTS

(a) If additional support is required for the Dufresne Dam Project in FY 2014, the Secretary of Natural Resources is authorized to use as funding prior capital funds authorized in 2011 Acts and Resolves No. 40, Sec. 12(a)(4)(A) for the Wolcott Pond Dam repair and maintenance.

(b) On or before January 15, 2014, the Secretary of Natural Resources shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the status of close-out audits of project grants funded with capital funds.

(c) In FY 2014, the Secretary of Natural Resources, in consultation with the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions, is authorized to reallocate unexpended funds that were appropriated to the Agency of Natural Resources:

(1) between projects authorized in different capital construction acts if the funds are appropriated to the same department within the Agency of Natural Resources for a related purpose; and

(2) between a project authorized in a capital construction act and a project not authorized in a capital construction act if the funds are used for planning advances pursuant to 10 V.S.A. § 1591(a).

(d) The Secretary shall reallocate no more than:

(1) \$200,000.00 in unexpended funds pursuant to subdivision (c)(1) of this section; and

(2) \$30,000.00 per project and \$100,000.00 in total pursuant to subdivision (c)(2) of this section.

* * * Military Department * * *

Sec. 44. 20 V.S.A. § 542 is amended to read:

§ 542. ACQUISITION, MAINTENANCE, AND DISPOSAL OF
PROPERTY FOR THE NATIONAL GUARD USE

In the name of the ~~state~~ State, the ~~board~~ Board shall be responsible for the real estate and personal property of the ~~national guard~~ National Guard. The ~~board~~ Board may acquire or purchase, and maintain and dispose of by sale or otherwise real estate and personal property. Upon determination by the ~~board~~ Board that real estate is to be disposed of, the disposal shall be at fair market value, and proceeds shall be allocated to future capital ~~appropriations~~ construction acts.

* * * Education * * *

Sec. 45. STATE AID FOR SCHOOL CONSTRUCTION; EXTENSION OF
SUSPENSION

(a) In 2007 Acts and Resolves No. 52, Sec. 36, the General Assembly suspended state aid for school construction in order to permit the Secretary of Education and the Commissioner of Finance and Management to recommend a sustainable plan for state aid for school construction.

(b) In 2008 Acts and Resolves No. 200, Sec. 45, as amended by 2009 Acts and Resolves No. 54, Sec. 22, the General Assembly, in the absence of a

recommendation, extended the suspension until a sustainable plan for state aid for school construction is developed and adopted.

(c) State aid remains suspended pursuant to the terms of 2008 Acts and Resolves No. 200, Sec. 45 as amended by 2009 Acts and Resolves No. 54, Sec. 22.

(d) Notwithstanding the suspension, the State intends to honor its obligation by FY 2016 to pay for projects for which state aid had been committed prior to the suspension.

Sec. 46. MORGAN SCHOOL

Notwithstanding 16 V.S.A. § 3448(b) or any other provision of law to the contrary, the Morgan School District is authorized to sell the Morgan School building and property to the town of Morgan to use for community purposes without repayment of school construction aid. Thereafter, if the town of Morgan sells the building and property to another entity, including the Morgan School District, the town shall repay the sum owed to the State for school construction aid under the terms set forth in 16 V.S.A. § 3448(b).

Sec. 47. ENHANCED 911 PROGRAM; IMPLEMENTATION IN SCHOOL DISTRICTS

On or before January 15, 2014, the Enhanced 911 Board shall, in coordination with the Secretary of Education, provide technical assistance and guidance to school districts to comply with the requirement in 30 V.S.A. § 7057 that accurate location information be associated with each landline telephone installed in a school. The Board is authorized to use funds appropriated in Sec. 18a of this act to plan and implement compliance with this program. It is the intent of the General Assembly that these funds are used by the Enhanced 911 Board as a supplement to funding from the Vermont Universal Service Fund established pursuant to 30 V.S.A. chapter 88.

* * * Public Safety * * *

Sec. 48. PUBLIC SAFETY FIELD STATION PROJECT

The Department of Buildings and General Services, in consultation with the Department of Public Safety, is authorized to use appropriations in Sec. 13 of this act to conduct feasibility studies, and identify and purchase land for future public safety field station sites. If the Department of Buildings and General Services proposes to purchase property when the General Assembly is not in session, the Commissioner of Buildings and General Services shall notify the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions of the proposal.

* * * Energy Use on State Properties * * *

Sec. 49. RENEWABLE ENERGY AND ENERGY CONSERVATION POLICY

(a) The Department of Buildings and General Services shall incorporate the use of renewable energy sources, energy efficiency, and thermal energy conservation in any new building construction or major renovation project in excess of \$250,000.00 unless a life cycle cost analysis demonstrates that the investment cannot be recouped or there are limitations on siting.

(b) On or before January 15, 2014, the Department of Buildings and General Services shall contract for a desk audit to examine and report on the feasibility of installing renewable energy devices on up to 20 properties owned by the State.

(c) As used in this section, the “life cycle cost” of each new building construction or major renovation project shall mean the present value purchase price of an item, plus the replacement cost, plus or minus the salvage value, plus the present value of operation and maintenance costs, plus the energy and environmental externalities’ costs or benefits.

* * * Effective Date * * *

Sec. 50. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for April 4, 2013, page 668.)

CONFIRMATIONS

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

Patrick Berry of Middlebury – Commissioner, Fish and Wildlife – By Sen. Hartwell for the Committee on Natural Resources and Energy. (3/27/13)

Robert Ide of Peacham – Commissioner, Department of Motor Vehicles – By Sen. Kitchel for the Committee on Transportation. (4/18/13)

Brian Searles of Burlington – Secretary of Transportation – By Sen. Mazza for the Committee on Transportation. (4/19/13)

Keith Flynn of Troy – Commissioner of Public Safety – By Sen. Flory for the Committee on Transportation. (4/23/13)

REPORTS ON FILE

Reports 2013

Pursuant to the provisions of 2 V.S.A. §20(c), one (1) hard copy of the following reports is on file in the office of the Secretary of the Senate. Effective January 2010, pursuant to Act No. 192, Adj. Sess. (2008) §5.005(g) some reports will automatically be sent by electronic copy only and can be found on the State of Vermont Legislative webpage.

4. Report by Secretary of Administration pursuant to Act 156, Adj. Sess. (2012), Sec. 8 regarding supervisory union size and structure.

JFO NOTICE

INFORMATION NOTICE

The Joint Fiscal Committee recently received the following items:

JFO #2621 – Request to establish one (1) limited service position in the Department of Health. This position will provide case management services to women who test positive during breast cancer screenings. This grant-funded service is currently provided via a personal services contract, but the Attorney General is recommending conversion to a limited service position.

JFO #2622 – \$45,009,480 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 test new savings models that integrate payment and services across providers, and develop pay-for-performance models to improve quality and efficiency of services. Twenty-two (22) limited service positions are associated with this request. Expedited review has been requested. Joint Fiscal Committee members will be contacted by May 3th with a request to waive the balance of the review period and accept this grant.

JFO #2623 – \$15,000 grant from the Lintilhac Foundation to the Vermont Department of Environmental Conservation. These funds will be used to support the Flood Resilient Communities Program mandated by Act 138 of 2012. This program is intended to publicize incentives for communities to adopt local flood hazard bylaws and improve flood resilience.

JFO #2624 – \$10,000 grant from the Vermont Community Foundation to the Vermont Department of Environmental Conservation. These funds will

be used to develop a “Focus on Floods” website to support community efforts to assess flood vulnerability and identify opportunities to increase flood resilience.