Senate Calendar

WEDNESDAY, APRIL 30, 2014

SENATE CONVENES AT: 9:30 A.M.

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ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF TUESDAY, APRIL 29, 2014

Third Reading

H. 217.

An act relating to smoking in lodging establishments, hospitals, and child care facilities, and on State lands.

Second Reading

Favorable with Proposal of Amendment

H. 88.

An act relating to parental rights and responsibilities involving a child conceived as a result of a sexual assault.

Reported favorably with recommendation of proposal of amendment by Senator Benning for the Committee on Judiciary.

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:

Sec. 1. 15 V.S.A. § 665 is amended to read:

§ 665. RIGHTS AND RESPONSIBILITIES ORDER; BEST INTERESTS OF THE CHILD

(a) In an action under this chapter, the ~~court~~ Court shall make an order concerning parental rights and responsibilities of any minor child of the parties. The ~~court~~ Court may order parental rights and responsibilities to be divided or shared between the parents on such terms and conditions as serve the best interests of the child. When the parents cannot agree to divide or share parental rights and responsibilities, the ~~court~~ Court shall award parental rights and responsibilities primarily or solely to one parent.

(b) In making an order under this section, the ~~court~~ Court shall be guided by the best interests of the child, and shall consider at least the following factors:

(1) the relationship of the child with each parent and the ability and disposition of each parent to provide the child with love, affection, and guidance;

(2) the ability and disposition of each parent to assure that the child receives adequate food, clothing, medical care, other material needs, and a safe environment;

(3) the ability and disposition of each parent to meet the child's present and future developmental needs;

(4) the quality of the child's adjustment to the child's present housing, school, and community and the potential effect of any change;

(5) the ability and disposition of each parent to foster a positive relationship and frequent and continuing contact with the other parent, including physical contact, except where contact will result in harm to the child or to a parent;

(6) the quality of the child's relationship with the primary care provider, if appropriate given the child's age and development;

(7) the relationship of the child with any other person who may significantly affect the child;

(8) the ability and disposition of the parents to communicate, cooperate with each other, and make joint decisions concerning the children where parental rights and responsibilities are to be shared or divided; and

(9) evidence of abuse, as defined in section 1101 of this title, and the impact of the abuse on the child and on the relationship between the child and the abusing parent.

* * *

(f) The State has a compelling interest in not forcing a victim of sexual assault or sexual exploitation to continue an ongoing relationship with the perpetrator of the abuse. Such continued interaction can have traumatic psychological effects on the victim, making recovery more difficult, and negatively affect the victim's ability to parent and to provide for the best interests of the child. Additionally, the State recognizes that a perpetrator may use the threat of pursuing parental rights and responsibilities to coerce a victim into not reporting or assisting in the prosecution of the perpetrator for the sexual assault or sexual exploitation, or to harass, intimidate, or manipulate the victim.

(1) The Court may enter an order awarding sole parental rights and responsibilities to a parent and denying all parent-child contact with the other parent if the Court finds by clear and convincing evidence that the nonmoving parent was convicted of sexually assaulting the moving parent and the child was conceived as a result of the sexual assault. As used in this subdivision, sexual assault shall include sexual assault as provided in 13 V.S.A. § 3252(a),

(b), (d), and (e), aggravated sexual assault as provided in 13 V.S.A. § 3253, and aggravated sexual assault of a child as provided in 13 V.S.A. § 3253a, lewd and lascivious conduct with a child as provided in 13 V.S.A. § 2602, and similar offenses in other jurisdictions.

(A) An order issued in accordance with this subdivision (f)(1) shall be permanent and shall not be subject to modification.

(B) Upon issuance of a rights and responsibilities order pursuant to this subdivision (f)(1), the Court shall not issue a parent-child contact order and shall terminate any existing parent-child contact order concerning the child and the nonmoving parent.

(2) The Court may enter an order awarding sole parental rights and responsibilities to one parent and denying all parent-child contact between the other parent and a child if the Court finds that such an order is in the best interest of the child and finds by clear and convincing evidence that the child was conceived as a result of the nonmoving parent sexually assaulting or sexually exploiting the moving parent. A conviction is not required under this subdivision and the Court may consider other evidence of sexual assault or sexual exploitation in making its determination.

(A) For purposes of this subdivision (f)(2):

(i) sexual assault shall include sexual assault as provided in 13 V.S.A. § 3252, aggravated sexual assault as provided in 13 V.S.A. § 3253, aggravated sexual assault of a child as provided in 13 V.S.A. § 3253a, lewd and lascivious conduct with a child as provided in 13 V.S.A. § 2602, and similar offenses in other jurisdictions; and

(ii) sexual exploitation shall include sexual exploitation of an inmate as provided in 13 V.S.A. § 3257, sexual exploitation of a minor as provided in 13 V.S.A. § 3258, sexual abuse of a vulnerable adult as provided in 13 V.S.A. § 1379, and similar offenses in other jurisdictions.

(B) Except as provided in subdivision (f)(2)(C), the Court shall not issue a parent-child contact order in a case in which a parental rights and responsibilities order has been issued pursuant to this subdivision (f)(2) and any existing parent-child contact order concerning the child and the nonmoving parent shall be terminated.

(C) A party may file a motion for modification of the order only upon a showing of extraordinary, real, substantial, and unanticipated change of circumstances.

(3) Issuance of an order in pursuant to this subsection shall not affect the right of the custodial parent to seek child support from the noncustodial parent.

Sec. 2. 15 V.S.A. § 668 is amended to read:

§ 668. MODIFICATION OF ORDER

(a) On motion of either parent or any other person to whom custody or parental rights and responsibilities have previously been granted, and upon a showing of real, substantial and unanticipated change of circumstances, the ~~court~~ Court may annul, vary, or modify an order made under this subchapter if it is in the best interests of the child, whether or not the order is based upon a stipulation or agreement.

* * *

(c) A final order related to parental rights and responsibilities and parent child contact issued pursuant to subdivision 665(f)(1) of this title shall not be subject to modification. A party may file a motion for modification of an order related to parental rights and responsibilities and parent child contact issued pursuant to subdivision 665(f)(2) of this title only upon a showing of extraordinary, real, substantial, and unanticipated change of circumstances.

Sec. 3. 13 V.S.A. § 2651(3) is amended to read:

(3) "Commercial sex act" means any ~~sex~~ sexual act, sexual conduct, or sexually explicit performance on account of which anything of value is promised to, given to, or received by any person.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2014.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for February 7, 2014, page 342)

H. 681.

An act relating to the professional regulation for veterans, military service members, and military spouses.

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

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

First: In Sec. 1 (professional regulatory entities; military service licensure requirements), in subdivision (a)(1) (definition of "expedited temporary license by endorsement"), at the end of the subdivision following "licensure in another state", by inserting or, in the case of EMS providers, based on current

certification from the National Registry of Emergency Medical Technicians (NREMT)

Second: In Sec. 1, in subsection (b), at the beginning of the introductory paragraph, by striking out in its entirety "February 1, 2015" and inserting in lieu thereof July 1, 2015

Third: In Sec. 1, in subdivision (b)(2)(B) (expedited temporary licensure by endorsement; application requirements), at the end of subdivision (ii) following "issued in another state" by inserting or, in the case of EMS providers, proof that the applicant holds a current certification from the NREMT

Fourth: In Sec. 1, in subdivision (b)(3)(B) (renewal of licensure; eligibility), by inserting two new subdivisions to be subdivisions (i) and (ii) to read:

(i) The provisions of this subdivision (B) shall apply to an EMS licensee with a military deployment of less than two years, or greater than two years if the position served in the military was as an EMS provider or a substantially similar role.

(ii) For an EMS licensee with a military deployment of greater than two years and whose position served in the military was not as an EMS provider or a substantially similar role, the licensee shall be required to obtain certification with the NREMT prior to renewal of a license under this subdivision.

Fifth: In Sec. 2, 18 V.S.A. § 906c, in subdivision (b)(1), following "compensation upon his or her return from deployment", by striking out "despite the lapse of licensure or certification" and inserting in lieu thereof once licensure is renewed

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 14, 2014, page 607)

H. 823.

An act relating to encouraging growth in designated centers and protecting natural resources.

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

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

First: In Sec. 1, 10 V.S.A. § 6001 (definitions), in subdivision (16)(A) (existing settlement), in subdivision (ii), after "an existing", by striking out "community".

Second: In Sec. 1, 10 V.S.A. § 6001 (definitions), by striking out subdivision (36) in its entirety and inserting in lieu thereof a new subdivision (36) to read as follows:

(36) "Strip development" means linear commercial development along a public highway that includes three or more of the following characteristics: broad road frontage, predominance of single-story buildings, limited reliance on shared highway access, lack of connection to any existing settlement except by highway, lack of connection to surrounding land uses except by highway, lack of coordination with surrounding land uses, and limited accessibility for pedestrians. In determining whether a proposed development or subdivision constitutes strip development, the District Commission shall consider the topographic constraints in the area in which the development or subdivision is to be located.

Third: By striking out Sec. 2 in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 10 V.S.A. § 6086 is amended to read:

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

(a) Before granting a permit, the ~~district commission~~ District Commission shall find that the subdivision or development:

* * *

(5)(A) Will not cause unreasonable congestion or unsafe conditions with respect to use of the highways, waterways, railways, airports and airways, and other means of transportation existing or proposed.

(B) Will incorporate transportation demand management strategies and provide safe access and connections to adjacent lands and facilities and to existing and planned pedestrian, bicycle, and transit networks and services, unless the District Commission affirmatively finds that such a strategy, access, or connection does not constitute a measure that a reasonable person would take given the type, scale, and transportation impacts of the proposed development or subdivision.

* * *

(9) Is in conformance with a duly adopted capability and development plan, and land use plan when adopted. However, the legislative findings of subdivisions 7(a)(1) through (19) of Act 85 of 1973 shall not be used as criteria

in the consideration of applications by a ~~district commission~~ District Commission.

* * *

(L) ~~Rural growth areas. A permit will be granted for the development or subdivision of rural growth areas when it is demonstrated by the applicant that in addition to all other applicable criteria provision will be made in accordance with subdivisions (9)(A) "impact of growth," (G) "private utility service," (H) "costs of scattered development" and (J) "public utility services" of subsection (a) of this section for reasonable population densities, reasonable rates of growth, and the use of cluster planning and new community planning designed to economize on the cost of roads, utilities and land usage.~~ Settlement patterns. To promote Vermont's historic settlement pattern of compact village and urban centers separated by rural countryside, a permit will be granted for a development or subdivision outside an existing settlement when it is demonstrated by the applicant that, in addition to all other applicable criteria, the development or subdivision:

(i) will make efficient use of land, energy, roads, utilities, and other supporting infrastructure;

(ii) is designed in a manner consistent with the planning goals set forth in 24 V.S.A. § 4302(c)(1);

(iii) will conform to the land use element, map, and resource protection policies included in the municipal and regional plans applicable to the proposed location of the development or subdivision; and

(iv)(I) will neither establish nor contribute to a pattern of strip development along public highways; and

(II) if the development or subdivision will be located in an area that already constitutes strip development, will incorporate infill as defined in 24 V.S.A. § 2791 and is designed to avoid or minimize the characteristics listed in the definition of strip development under subdivision 6001(36) of this title.

* * *

Fourth: By striking out Secs. 3, 4, and 5 in their entirety and inserting in lieu thereof new Secs. 3, 4, and 5 to read as follows:

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

§ 6086b. DOWNTOWN DEVELOPMENT; FINDINGS

Notwithstanding any provision of this chapter to the contrary, each of the following shall apply to a development or subdivision that is completely within

a downtown development district designated under 24 V.S.A. chapter 76A and for which a permit or permit amendment would otherwise be required under this chapter:

(1) In lieu of obtaining a permit or permit amendment, a person may request findings and conclusions from the District Commission, which shall approve the request if it finds that the development or subdivision will meet subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water available), (3) (burden on existing water supply), (4) (soil erosion), (5) (traffic), (8) (aesthetics**,** historic sites**,** rare and irreplaceable natural areas), (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy conservation), and (9)(K) (public facilities, services, and lands) of this title.

(2) The request shall be complete as to the criteria listed in subdivision (1) of this subsection and need not address other criteria of subsection (a) of this section.

(A) The requestor shall file the request in accordance with the requirements of subsection 6084(a) of this title and the requestor shall provide a copy of the request to each agency and department listed in subdivision (3) of this section.

(B) Within five days of the request's filing, the District Coordinator shall determine whether the request is complete. Within five days of the date the District Coordinator determines the request to be complete, the District Commission shall provide notice of the complete request to each person required to receive a copy of the filing under subdivision (2)(A) of this section and to each adjoining property owner and shall post the notice and a copy of the request on the Board's web page. The computation of time under this subdivision (2)(B) shall exclude Saturdays, Sundays, and State legal holidays.

(3) Within 30 days of receiving notice of a complete request:

(A) The State Historic Preservation Officer or designee shall submit a written recommendation on whether the improvements will have an undue adverse effect on any historic site.

(B) The Commissioner of Public Service or designee shall submit a written recommendation on whether the improvements will meet or exceed the applicable energy conservation and building energy standards under subdivision 6086(a)(9)(F) of this title.

(C) The Secretary of Transportation or designee shall submit a written recommendation on whether the improvements will have a significant

impact on any highway, transportation facility, or other land or structure under the Secretary's jurisdiction.

(D) The Commissioner of Buildings and General Services or designee shall submit a written recommendation on whether the improvements will have a significant impact on any adjacent land or facilities under the Commissioner's jurisdiction.

(E) The Secretary of Natural Resources or designee shall submit a written recommendation on whether the improvements will have a significant impact on any land or facilities under its jurisdiction or on any important natural resources, other than primary agricultural soils. In this subdivision (E), "important natural resources" shall have the same meaning as under 24 V.S.A. § 2791.

(F) The Secretary of Agriculture, Food and Markets or designee shall submit a written recommendation on whether the improvements will reduce or convert primary agricultural soils and on whether there will be appropriate mitigation for any reduction in or conversion of those soils.

(4) Any person may submit written comments or ask for a hearing within 30 days of the date on which the District Commission issues notice of a complete request. If the person asks for a hearing, the person shall include a petition for party status in the submission. The petition for party status shall meet the requirements of subdivision 6085(c)(2) of this title.

(5) The District Commission shall not hold a hearing on the request unless it determines that there is a substantial issue under one or more applicable criteria that requires a hearing. The District Commission shall hold any hearing within 20 days of the end of the comment period specified in subdivisions (3) and (4) of this section. Subdivisions 6085(c)(1)–(5) of this title shall govern participation in a hearing under this section.

(6) The District Commission shall issue a decision within 60 days of issuing notice of a complete request under this section or, if it holds a hearing, within 15 days of adjourning the hearing. The District Commission shall send a copy of the decision to each State agency listed in subdivision (3) of this section, to the municipality, to the municipal and regional planning commissions for the municipality, and to each person that submitted a comment, requested a hearing, or participated in the hearing, if any. The decision may include conditions that meet the standards of subsection 6086(c) of this title.

(7) The requestor may waive the time periods required under subdivisions (3), (4), and (6) of this section as to one or more agencies, departments, the District Commission, the District Coordinator, or other

persons. Such a waiver shall extend the applicable and subsequent time periods by the amount of time waived. In the absence of a waiver under this subdivision, the failure of a State agency to file a written determination or a person to submit a comment or ask for a hearing within the time periods specified in subdivisions (3) and (4) of this section shall not delay the District Commission's issuance of a decision on a complete request.

Sec. 4. 10 V.S.A. § 6081(v) is added to read:

(v) A permit or permit amendment shall not be required for a development or subdivision in a designated downtown development district for which the District Commission has issued positive findings and conclusions under section 6086b of this title on all the criteria listed in that section. A person shall obtain new or amended findings and conclusions from the District Commission under section 6086b of this title prior to commencement of a material change, as defined in the rules of the Board, to a development or subdivision for which the District Commission has issued such findings and conclusions. A person may seek a jurisdictional opinion under section 6007 of this title concerning whether such a change is a material change.

Sec. 5. [Deleted.]

Fifth: By striking out Sec. 6 in its entirety and inserting in lieu thereof:

Sec. 6. [Deleted.]

Sixth: By striking out Secs. 7 and 8 in their entirety and inserting in lieu thereof new Secs. 7 and 8 to read as follows:

Sec. 7. 10 V.S.A. § 8003 is amended to read:

§ 8003. APPLICABILITY

(a) The Secretary may take action under this chapter to enforce the following statutes and rules, permits, assurances, or orders implementing the following statutes, and the Board may take such action with respect to subdivision (10) of this subsection:

* * *

(10) 10 V.S.A. chapter 151, relating to land use, and including findings and conclusions issued under section 6086b of this title;

* * *

* * * Nonappeal, Recommendation to District Commission * * *

Sec. 8. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

(a) Act 250 and agency appeals. Within 30 days of the date of the act or decision, any person aggrieved by an act or decision of the Secretary, the Natural Resources Board, or a ~~district commission~~ District Commission under the provisions of law listed in section 8503 of this title, or any party by right, may appeal to the Environmental Division, except for an act or decision of the Secretary under subdivision 6086b(3)(E) of this title or governed by section 8506 of this title.

* * *

Seventh: In Sec. 13 (wastewater rules; amendment), after "the Agency of Natural Resources shall amend its" by inserting the word application prior to "form".

(Committee vote: 4-1-0)

(For House amendments, see House Journal for March 13, 2014, pages 582-600 and March 14, 2014, page 606)

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

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

By striking out the *third* proposal of amendment and inserting in lieu thereof the following:

Third: By striking out Sec. 2 in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 10 V.S.A. § 6086 is amended to read:

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

(a) Before granting a permit, the ~~district commission~~ District Commission shall find that the subdivision or development:

* * *

(5)(A) Will not cause unreasonable congestion or unsafe conditions with respect to use of the highways, waterways, railways, airports and airways, and other means of transportation existing or proposed.

(B) As appropriate, will incorporate transportation demand management strategies and provide safe access and connections to adjacent lands and facilities and to existing and planned pedestrian, bicycle, and transit networks and services. In determining appropriateness under this subdivision (B), the District Commission shall consider whether such a strategy, access, or connection constitutes a measure that a reasonable person would take given the type, scale, and transportation impacts of the proposed development or subdivision.

* * *

(9) Is in conformance with a duly adopted capability and development plan, and land use plan when adopted. However, the legislative findings of subdivisions 7(a)(1) through (19) of Act 85 of 1973 shall not be used as criteria in the consideration of applications by a ~~district commission~~ District Commission.

* * *

(L) ~~Rural growth areas. A permit will be granted for the development or subdivision of rural growth areas when it is demonstrated by the applicant that in addition to all other applicable criteria provision will be made in accordance with subdivisions (9)(A) "impact of growth," (G) "private utility service," (H) "costs of scattered development" and (J) "public utility services" of subsection (a) of this section for reasonable population densities, reasonable rates of growth, and the use of cluster planning and new community planning designed to economize on the cost of roads, utilities and land usage.~~ Settlement patterns. To promote Vermont's historic settlement pattern of compact village and urban centers separated by rural countryside, a permit will be granted for a development or subdivision outside an existing settlement when it is demonstrated by the applicant that, in addition to all other applicable criteria, the development or subdivision:

(i) will make efficient use of land, energy, roads, utilities, and other supporting infrastructure; and

(ii) (I) will not contribute to a pattern of strip development along public highways; or

(II) if the development or subdivision will be located in an area that already constitutes strip development, will incorporate infill as defined in 24 V.S.A. § 2791 and is designed to reasonably minimize the characteristics listed in the definition of strip development under subdivision 6001(36) of this title.

(Committee vote: 3-2-0)

Proposal of amendment to H. 823 to be offered by Senator Flory

Senator Flory moves that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 10 V.S.A. § 6001 (definitions), after the fourth ellipsis, by striking out subdivision (16) in its entirety and inserting in lieu thereof a new subdivision (16) to read:

(16) "Rural growth areas" means lands which are not natural resources referred to in subdivisions 6086(a)(1)(A) through (F), subdivision 6086(a)(8)(A) and subdivisions 6086(a)(9)(B), (C), (D), (E) and (K) of this title.

Second: In Sec. 1, 10 V.S.A. § 6001 (definitions), by striking out subdivision (36) (strip development) in its entirety

Third: In Sec. 2, 10 V.S.A. § 6086 (issuance of permit; conditions and criteria), in subdivision (a)(9), after the first ellipsis in that subdivision (9), by striking out subdivision (L) in its entirety and inserting in lieu thereof a new subdivision (L) to read:

(L) Rural growth areas. A permit will be granted for the development or subdivision of rural growth areas when it is demonstrated by the applicant that in addition to all other applicable criteria provision will be made in accordance with subdivisions (9)(A) "impact of growth," (G) "private utility service," (H) "costs of scattered development" and (J) "public utility services" of subsection (a) of this section for reasonable population densities, reasonable rates of growth, and the use of cluster planning and new community planning designed to economize on the cost of roads, utilities and land usage.

House Proposal of Amendment

S. 211.

An act relating to permitting of sewage holding and pumpout tanks for public buildings.

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

* * * Sewage Holding and Pumpout Tanks for Public Buildings * * *

Sec. 1. 10 V.S.A. § 1979 is amended to read:

§ 1979. HOLDING TANKS

(a) The ~~secretary~~ Secretary shall approve the use of sewage holding and pumpout tanks when he or she determines that:

(1) the existing or proposed buildings or structures to be served by the holding tank are publicly owned;

(2) the plan for construction and operation of the holding tank will not result in a public health hazard or environmental damage;

(3) a designer demonstrates that an economically feasible means of meeting current standards is significantly more costly than the construction and operation of sewage holding and pumpout tanks, based on a projected 20-year life of the project; and

(4) the design flows do not exceed 600 gallons per day.

(b)(1) The Secretary shall approve the use of sewage holding and pumpout tanks for existing buildings or structures that are owned by a charitable, religious, or nonprofit organization when he or she determines that:

(A) the plan for construction and operation of the holding tank will not result in a public health hazard or environmental damage;

(B) a designer demonstrates that an economically feasible means of meeting current standards is significantly more costly than the construction and operation of sewage holding and pumpout tanks, based on a projected 20-year life of the project; and

(C) the design flows do not exceed 600 gallons per day.

(2) Before constructing a holding tank permitted under this subsection, the applicant shall post a bond or other financial surety sufficient to finance maintenance of the holding tank for the life of the system, which shall be at least 20 years.

(3)(A) A permit issued under this subsection shall run with the land for the duration of the permit and shall apply to all subsequent owners of the property being served by the holding tank regardless of whether the owner is a charitable, religious, or nonprofit organization.

(B) All permit conditions, including the financial surety requirement of subdivision (b)(2), shall apply to a subsequent owner.

(C) A subsequent owner shall not increase the design flows of the holding and pumpout tank system without approval from the Secretary.

(c) A holding tank may also be used for a project that is eligible for a variance under section 1973 of this title, whether or not the project is publicly owned, if the existing wastewater system has failed, or is expected to fail, and in either instance, if there is no other cost-feasible alternative.

~~(c)~~(d) When a holding tank is proposed for use, a designer shall submit all information necessary to demonstrate that the holding tank will comply with the following requirements:

(1) ~~the~~ The holding tank shall be capable of holding at least 14 days of the ~~expected~~ design flow from the building~~;~~.

(2) ~~the~~ The tank shall be constructed of durable materials that are appropriate for the site conditions and the nature of the sewage to be stored~~;~~.

(3) ~~the~~ The tank shall be watertight, including any piping connected to the tank and all access structures connected to the tank. The tank shall be leakage tested prior to being placed in service~~;~~.

(4) ~~the~~ The tank shall be designed to protect against floatation when the tank is empty, such as when it is pumped~~;~~.

(5) ~~the~~ The tank shall be equipped with audio and visual alarms that are triggered when the tank is filled to 75 percent of its design capacity~~;~~.

(6) ~~the~~ The tank shall be located so that it can be reached by tank pumping vehicles at all times when the structure is occupied~~; and~~.

(7) ~~the~~ The analysis supports a claim under subdivision (a)(3) of this section.

~~(d)~~(e) The permit application shall specify the method and expected frequency of pumping.

~~(e)~~(f) Any building or structure served by a holding tank shall have a water meter, or meters, installed that measures all water that will be discharged as wastewater from the building or structure.

~~(f)~~(g) Any permit issued for the use of a holding tank will require a designer to periodically inspect the tank, visible piping, and alarms. The designer shall submit a written report to the ~~secretary~~ Secretary detailing the results of the inspection and any repairs or changes in operation that are required. The report also shall detail the pumping history since the previous report, giving the dates of pumping and the volume of wastewater removed. The frequency of inspections and reports shall be stated in the permit issued for the use of the tank, but shall be no less frequent than once per year. The designer also shall inspect the water meter or meters and verify that they are installed, calibrated, and measuring all water that is discharged as wastewater. The designer shall read the meters and compare the metered flow to the pumping records. Any significant deviation shall be noted in the report and explained to the extent possible.

~~(g)~~(h) The owner of a holding tank shall maintain a valid contract with a licensed wastewater hauler at all times. The contract shall require the licensed wastewater hauler to provide written notice of dates of pumping and volume of wastewater pumped. Copies of all such notices shall be submitted with the written inspection reports.

* * * Municipal Water Connection Certification * * *

Sec. 2. 10 V.S.A. § 1976 is amended to read:

§ 1976. DELEGATION OF AUTHORITY TO MUNICIPALITIES

(a)(1) If a municipality submits a written request for delegation of this chapter, the ~~secretary~~ Secretary shall delegate authority to the municipality to implement and administer provisions of this chapter, the rules adopted under this chapter, and the enforcement provisions of chapter 201 of this title relating to this chapter, provided that the ~~secretary~~ Secretary is satisfied that the municipality:

(A) has established a process for accepting, reviewing, and processing applications and issuing permits, which shall adhere to the rules established by the ~~secretary~~ Secretary for potable water supplies and wastewater systems, including permits, by rule, for sewerage connections;

(B) has hired, appointed, or retained on contract, or will hire, appoint, or retain on contract, a licensed designer to perform technical work which must be done by a municipality under this section to grant permits;

(C) will take timely and appropriate enforcement actions pursuant to the authority of chapter 201 of this title;

(D) commits to reporting annually to the ~~secretary~~ Secretary on a form and date determined by the ~~secretary~~ Secretary; and

(E) will comply with all other requirements of the rules adopted under section 1978 of this title.

(2) Notwithstanding the provisions of this subsection, there shall be no delegation of this section or of section 1975 or 1978 of this title.

* * *

(g) Notwithstanding the requirements of subsection (a) of this section, if a municipality submits a written request for partial delegation of this chapter, the Secretary shall delegate authority to the municipality to permit new or modified service connections to an existing municipally owned water main or sewer main, provided that the Secretary is satisfied that the municipality:

(1) shall only issue permits for connections under this subsection if it owns both the water main and the sewer main at the site of the connection;

(2) will provide notice to the Secretary of any new connection; and

(3) has hired, appointed, or retained on contract, or will hire, appoint, or retain on contract, a licensed designer who is or will be responsible for designing and certifying the design of new service connections.

Sec. 3. WASTEWATER RULES; AMENDMENT

On or before June 1, 2015, the Agency of Natural Resources shall amend its rules under 10 V.S.A. § 1978 to conform to the provisions of Sec. 2 of this act.

Sec. 4. MUNICIPAL WATER CONNECTION PERMIT DELEGATION REPORT

On or before December 1, 2016, the Secretary of Natural Resources shall submit to the House Committee on Fish, Wildlife and Water Resources and the Senate Committee on Natural Resources and Energy a report that shall include:

(1) a list of municipalities that have accepted full or partial delegation of permitting authority under 10 V.S.A. § 1964;

(2) a summary of the cost of full and partial delegation of permitting authority under 10 V.S.A. § 1964 for the agency, permitting municipalities, and permit applicants; and

(3) a recommendation for whether to continue to exempt municipalities from the requirements of 10 V.S.A. § 1964(a) when permitting authority is partially delegated under 10 V.S.A. § 1964(g).

* * * Effective Date * * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2014.

Proposal of amendment to House Proposal of Amendment to S. 211 to be offered by Senator Rodgers

Senator Rodgers moves that the Senate concur in the House proposal of amendment with a proposal of amendment with further amendment thereto by striking out Secs. 2, 3, 4, and 5 and all reader's guides in their entirety and inserting in lieu thereof the following:

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2014.

House Proposal of Amendment

S. 247.

An act relating to the regulation of medical marijuana dispensaries.

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

Sec. 1. 18 V.S.A. § 4472 is amended to read:

§ 4472. DEFINITIONS

As used in this subchapter:

(1) "Bona fide health care professional-patient relationship" means a treating or consulting relationship of not less than six months' duration, in the course of which a health care professional has completed a full assessment of the registered patient's medical history and current medical condition, including a personal physical examination. The six-month requirement shall not apply if a patient has been diagnosed with:

(A) a terminal illness,

(B) cancer with distant metastases, or

(C) acquired immune deficiency syndrome.

* * *

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

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

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

(5) "Dispensary" means a nonprofit entity registered under section 4474e of this title which acquires, possesses, cultivates, manufactures, transfers, transports, supplies, sells, or dispenses marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her center and to his or her

registered caregiver for the registered patient's use for symptom relief. A dispensary may provide marijuana for symptom relief to registered patients at only one facility or location but may have a second location associated with the dispensary where the marijuana is cultivated or processed. Both locations are considered to be part of the same dispensary.

(6)(A) "Health care professional" means an individual licensed to practice medicine under 26 V.S.A. chapter 23 or 33, an individual licensed as a naturopathic physician under 26 V.S.A. chapter 81 who has a special license endorsement authorizing the individual to prescribe, dispense, and administer prescription medicines to the extent that a diagnosis provided by a naturopath under this chapter is within the scope of his or her practice, an individual certified as a physician assistant under 26 V.S.A. chapter 31, or an individual licensed as an advanced practice registered nurse under 26 V.S.A. chapter 28.

(B) Except for naturopaths, this definition includes individuals who are professionally licensed under substantially equivalent provisions in New Hampshire, Massachusetts, or New York.

* * *

(14) "Transport" means the movement of marijuana and marijuana-infused products from registered growing locations to their associated dispensaries, between dispensaries, to registered patients and registered caregivers in accordance with delivery protocols, or as otherwise allowed under this subchapter.

(15) "Usable marijuana" means the dried leaves and flowers of marijuana, and any mixture or preparation thereof, and does not include the seeds, stalks, and roots of the plant.

~~(15)~~(16) "Use for symptom relief" means the acquisition, possession, cultivation, use, transfer, or transportation of marijuana, or paraphernalia relating to the administration of marijuana to alleviate the symptoms or effects of a registered patient's debilitating medical condition which is in compliance with all the limitations and restrictions of this subchapter. ~~For the purposes of this definition, "transfer" is limited to the transfer of marijuana and paraphernalia between a registered caregiver and a registered patient.~~

Sec. 2. 18 V.S.A. § 4474 is amended to read:

§ 4474. REGISTERED CAREGIVERS; QUALIFICATION STANDARDS AND PROCEDURES

(a) A person may submit a signed application to the ~~department of public safety~~ Department of Public Safety to become a registered patient's registered caregiver. The ~~department~~ Department shall approve or deny the application

in writing within 30 days. In accordance with rules adopted pursuant to section 4474d of this title, the Department shall consider an individual's criminal history record when making a determination as to whether to approve the application. An applicant shall not be denied solely on the basis of a criminal conviction that is not listed in subsection 4474g(e) of this title or 13 V.S.A. chapter 28. The ~~department~~ Department shall approve a registered caregiver's application and issue the person an authorization card, including the caregiver's name, photograph, and a unique identifier, after verifying~~:~~

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

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

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

(c)(1) ~~A~~ Except as provided in subdivision (2) of this subsection, a registered caregiver may serve only one registered patient at a time, and a registered patient may have only one registered caregiver at a time.

(2) A registered patient who is under 18 years of age may have two registered caregivers.

Sec. 3. 18 V.S.A. § 4473(b) is amended to read:

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

(1) A patient with a debilitating medical condition shall submit~~, under oath,~~ a signed application for registration to the ~~department~~ Department. A patient's initial application to the registry shall be notarized, but subsequent renewals shall not require notarization. If the patient is under ~~the age of~~ 18 years of age, the application must be signed by both the patient and a parent or guardian. The application shall require identification and contact information for the patient and the patient's registered caregiver applying for authorization under section 4474 of this title, if any, and the patient's designated dispensary under section 4474e of this title, if any. The applicant shall attach to the application a medical verification form developed by the ~~department~~ Department pursuant to subdivision (2) of this subsection.

* * *

Sec. 4. 18 V.S.A. § 4474d(e)–(g) are added to read:

(e) The Department shall adopt rules for the issuance of a caregiver registry identification card that shall include standards for approval or denial of an application based on an individual's criminal history record. The rules shall address whether an applicant who has been convicted of an offense listed in subsection 4474g(e) of this title or 13 V.S.A. chapter 28 has been rehabilitated and should be otherwise eligible for a caregiver registry identification card.

(f) The Department shall adopt rules establishing protocols for the safe delivery of marijuana to patients and caregivers.

(g) The Department shall adopt rules for granting a waiver of the dispensary possession limits in section 4474e of this title upon application of a dispensary for the purpose of developing and providing a product for symptom relief to a registered patient who is under 18 years of age who suffers from seizures.

Sec. 5. 18 V.S.A. § 4474e is amended to read:

§ 4474e. DISPENSARIES; CONDITIONS OF OPERATION

(a) A dispensary registered under this section may:

(1) Acquire, possess, cultivate, manufacture, transfer, transport, supply, sell, and dispense marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her dispensary and to his or her

registered caregiver for the registered patient's use for symptom relief. ~~For purposes of this section, "transport" shall mean the movement of marijuana or marijuana-infused products from registered growing locations to their associated dispensaries, between dispensaries, or as otherwise allowed under this subchapter.~~

(A) Marijuana-infused products shall include tinctures, oils, solvents, and edible or potable goods. Only the portion of any marijuana-infused product that is attributable to marijuana shall count toward the possession limits of the dispensary and the patient. The ~~department of public safety~~ Department of Public Safety shall establish by rule the appropriate method to establish the weight of marijuana that is attributable to marijuana-infused products.

(B) Marijuana-related supplies shall include pipes, vaporizers, and other items classified as drug paraphernalia under chapter 89 of this title.

(2) Acquire marijuana seeds or parts of the marijuana plant capable of regeneration from or dispense them to registered patients or their caregivers or acquire them from another registered Vermont dispensary, provided that records are kept concerning the amount and the recipient.

(3)(A) Cultivate and possess at any one time up to 28 mature marijuana plants, 98 immature marijuana plants, and 28 ounces of usable marijuana. However, if a dispensary is designated by more than 14 registered patients, the dispensary may cultivate and possess at any one time two mature marijuana plants, seven immature plants, and ~~two~~ four ounces of usable marijuana for every registered patient for which the dispensary serves as the designated dispensary.

(B) Notwithstanding subdivision (A) of this subdivision, if a dispensary is designated by a registered patient under 18 years of age who qualifies for the registry because of seizures, the dispensary may apply to the Department for a waiver of the limits in subdivision (A) of this subdivision (3) if additional capacity is necessary to develop and provide an adequate supply of a product for symptom relief for the patient. The Department shall have discretion whether to grant a waiver and limit the possession amounts in excess of subdivision (A) of this subdivision (3) in accordance with rules adopted pursuant to section 4474d of this title.

* * *

(d)(1) A dispensary shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and shall ensure that each location has an operational security alarm system. All cultivation of marijuana shall take place in an

enclosed, locked facility which is either indoors or otherwise not visible to the public and which can only be accessed by principal officers and employees of the dispensary who have valid registry identification cards. The ~~department of public safety~~ Department of Public Safety shall perform an annual on-site assessment of each dispensary and may perform on-site assessments of a dispensary without limitation for the purpose of determining compliance with this subchapter and any rules adopted pursuant to this subchapter and may enter a dispensary at any time for such purpose. During an inspection, the ~~department~~ Department may review the dispensary's confidential records, including its dispensing records, which shall track transactions according to registered patients' registry identification numbers to protect their confidentiality.

(2)(A) A registered patient or registered caregiver may obtain marijuana from the dispensary ~~facility~~ by appointment only.

(B) A dispensary may deliver marijuana to a registered patient or registered caregiver. The marijuana shall be transported in a locked container.

(3) The operating documents of a dispensary shall include procedures for the oversight of the dispensary and procedures to ensure accurate record-keeping.

(4) A dispensary shall submit the results of ~~an annual~~ a financial audit to the ~~department of public safety~~ Department of Public Safety no later than 60 days after the end of the dispensary's first fiscal year, and every other year thereafter. The ~~annual~~ audit shall be conducted by an independent certified public accountant, and the costs of any such audit shall be borne by the dispensary. The ~~department~~ Department may also periodically require, within its discretion, the audit of a dispensary's financial records by the ~~department~~ Department.

(5) A dispensary shall destroy or dispose of marijuana, marijuana-infused products, clones, seeds, parts of marijuana that are not usable for symptom relief or are beyond the possession limits provided by this subchapter, and marijuana-related supplies only in a manner approved by rules adopted by the ~~department of public safety~~ Department of Public Safety.

* * *

(n) Nothing in this subchapter shall prevent a dispensary from acquiring, possessing, cultivating, manufacturing, transferring, transporting, supplying, selling, and dispensing hemp and hemp-infused products for symptom relief. "Hemp" shall have the same meaning as provided in 6 V.S.A. § 562. A dispensary shall not be required to comply with the provisions of 6 V.S.A. chapter 34.

Sec. 6. 18 V.S.A. § 4474f is amended to read:

§ 4474f. DISPENSARY APPLICATION, APPROVAL, AND REGISTRATION

* * *

(b) Within 30 days of the adoption of rules, the ~~department~~ Department shall begin accepting applications for the operation of dispensaries. Within 365 days of the effective date of this section, the ~~department~~ Department shall grant registration certificates to four dispensaries, provided at least four applicants apply and meet the requirements of this section. No more than four dispensaries shall hold valid registration certificates at one time. ~~The total statewide number of registered patients who have designated a dispensary shall not exceed 1,000 at any one time.~~ Any time a dispensary registration certificate is revoked, is relinquished, or expires, the ~~department~~ Department shall accept applications for a new dispensary. If at any time after one year after the effective date of this section fewer than four dispensaries hold valid registration certificates in Vermont, the ~~department of public safety~~ Department of Public Safety shall accept applications for a new dispensary.

* * *

(g) After a dispensary is approved but before it begins operations, it shall submit the following to the ~~department of public safety~~ Department:

* * *

(4) A registration fee of $20,000.00 for the first year of operation, and an annual fee of $30,000.00 in subsequent years.

Sec. 7. 18 V.S.A. § 4474m is added to read:

§ 4474m. DEPARTMENT OF PUBLIC SAFETY; PROVISION OF EDUCATIONAL AND SAFETY INFORMATION

The Department of Public Safety shall provide educational and safety information developed by Vermont Department of Health to each registered patient upon registration pursuant to section 4473 of this title, and to each registered caregiver upon registration pursuant to section 4474 of this title.

Sec. 8. DEPARTMENT OF HEALTH REPORT; POST-TRAUMATIC STRESS DISORDER

The Department of Health, in consultation with the Department of Mental Health, shall review and report on the existing research on the treatment of the symptoms of post traumatic stress disorder, as defined by the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, as well as the existing research on the use of marijuana for relief of

the symptoms of post traumatic stress disorder. The Department shall report its findings to the General Assembly on or before January 15, 2015.

Sec. 8a. TAXATION AND REGULATION OF MARIJUANA; REPORT

On or before January 15, 2015, the Secretary of Administration shall report to the General Assembly regarding the taxation and regulation of marijuana in Vermont. The report shall analyze:

(1) the possible taxing systems for the sale of marijuana in Vermont, including sales and use taxes and excise taxes, and the potential revenue each may raise;

(2) any savings or costs to the State that would result from regulating marijuana; and

(3) the experiences of other states with regulating and taxing marijuana.

Sec. 9. EFFECTIVE DATES

This section and Sec. 4 shall take effect on passage and the remaining sections shall take effect on July 1, 2014.

and that after passage the title of the bill be amended to read: "An act relating to the regulation of marijuana for symptom relief and dispensaries"

House Proposal of Amendment

S. 275.

An act relating to the Court's jurisdiction over youthful offenders.

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

Sec. 1. YOUTHFUL OFFENDERS; LEGISLATIVE INTENT

The maximum age at which a person may be treated as a youthful offender varies under two different statutes under 33 V.S.A. chapters 51 and 52. A person may be treated as a youthful offender until the person reaches 22 years of age under 33 V.S.A. § 5104(a); however, in some circumstances, a person may be treated as a youthful offender until the person reaches 23 years of age under 33 V.S.A. § 5204a(b)(2)(A). This distinction is intentional.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

Report of Committee of Conference

H. 526.

An act relating to the establishment of lake shoreland protection standards.

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

H. 526 An act relating to the establishment of lake shoreland protection standards

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE FINDINGS AND LEGISLATIVE INTENT

The General Assembly finds and declares that:

(1) Clean water is essential in Vermont's quality of life.

(2) Preserving, protecting, and restoring the water quality of all lakes, ponds, rivers, and streams are necessary for the clean water, recreation, economic opportunity, wildlife habitat, and ecological value that such waters provide.

(3) Currently, there are multiple pressures on the protection of the water quality of the State's surface waters.

(4) The State has responded to the multiple pressures on water quality by implementing regulatory programs for stormwater, wastewater, and agricultural runoff, but water quality issues remain that need addressing.

(5) Vermont's lakes are among the State's most valuable and fragile economic and natural resources, and the protection of naturally vegetated shorelands adjacent to lakes is necessary to prevent water quality degradation, maintain healthy habitat, and promote flood resilience.

(6) Naturally vegetated shorelands and implementation of best management practices in lands adjacent to lakes function to:

(A) intercept and infiltrate surface water runoff, wastewater, and groundwater flows from upland sources;

(B) remove or minimize the effects of nutrients, sediment, organic matter, pesticides, and other pollutants;

(C) moderate the temperature of shallow water habitat;

(D) maintain the conditions that sustain the full support of aquatic biota, wildlife, and aquatic habitat uses; and

(E) promote stability and flood resilience by protecting shoreline banks from erosion.

(7) Healthy lakes and adjacent shorelands:

(A) support Vermont's tourism economy and promote widespread recreational opportunities, including swimming, boating, fishing, and hunting;

(B) support property values and tax base; and

(C) reduce human health risks.

(8) According to the Agency of Natural Resources Water Quality Remediation, Implementation, and Funding Report in 2013, review of the development, protection, and stabilization of shorelands is necessary because of the importance of shorelands to the health of lakes.

(9) A lake or pond of more than 10 acres is located in 184 of the State's 251 municipalities. However, only 48 municipalities have shoreland zoning that requires vegetative cover. Scientifically based standards for impervious surface and cleared area adjacent to lakes are necessary to protect and maintain the integrity of water quality and aquatic and shoreland habitat, while also allowing for reasonable development of shorelands.

(10) The shorelands of the State owned by private persons remain private property, and this act does not extend the common-law public trust doctrine to private shoreland that is not currently public trust land. The State has an interest in protecting lakes and adjacent shorelands in a manner that respects existing rights of property owners to control access to land they own in lake shorelands, and the regulation of the creation of new impervious surface or cleared area in the shoreland areas should not and does not affect the ability of property owners to control access to their lands.

(11) In order to fulfill the State's role as trustee of its waters and promote public health, safety, and the general welfare, it is in the public interest for the General Assembly to establish lake shoreland protection standards for impervious surface and cleared area in the shorelands adjacent to the State's lakes.

Sec. 2. 10 V.S.A. chapter 49A is added to read:

CHAPTER 49A. LAKE SHORELAND PROTECTION STANDARDS

§ 1441. PURPOSE

The purposes of this chapter shall be to:

(1) provide clear and adaptable standards for the creation of impervious surface or cleared area in lands adjacent to lakes;

(2) prevent degradation of water quality in lakes and preserve natural stability of shoreline;

(3) protect aquatic biota and protect habitat for wildlife and aquatic life;

(4) mitigate, minimize, and manage any impact of new impervious surface and new cleared area on the lakes of the State;

(5) mitigate the damage that floods and erosion cause to development, structures, and other resources in the lands adjacent to lakes;

(6) accommodate creation of cleared areas and impervious surfaces in protected shoreland areas in a manner that allows for reasonable development of existing parcels;

(7) protect shoreland owners' access to, views of, and use of the State's lakes; and

(8) preserve and further the economic benefits and values of lakes and their adjacent shorelands.

§ 1442. DEFINITIONS

As used in this chapter:

(1) "Agency" means the Agency of Natural Resources.

(2) "Best management practices" means approved activities, maintenance procedures, and other practices to prevent or reduce the effects of impervious surface or cleared area on water quality and natural resources.

(3) "Cleared area" means an area where existing vegetative cover, soil, tree canopy, or duff is permanently removed or altered. Cleared area shall not mean management of vegetative cover conducted according to the requirements of section 1447 of this title.

(4) "Duff" means leaf litter plus small fragments of plants and organic debris that provide a spongy substrate that absorbs the energy of falling water and allows runoff to infiltrate soil.

(5) "Expansion" means an increase or addition of impervious surface or cleared area.

(6) "Grass lawn" means land maintained in continuous plant coverage of grasses and similar plants that are closely and regularly mowed, including meadow or pasture on nonagricultural land. "Grass lawn" does not include

pasture cropland, land used to grow sod, or similar land used for agricultural production.

(7) "Habitable structure" means a permanent assembly of materials built for the support, shelter, or enclosure of persons, animals, goods, or property, including a dwelling, a commercial or industrial building, and driveways, decks, and patios attached or appurtenant to a dwelling or commercial or industrial building. "Habitable structure" shall not mean a motor home, as that term is defined under 32 V.S.A. § 8902, tents, lean-tos, or other temporary structures.

(8) "Highway" shall have the same meaning as in 19 V.S.A. § 1(12).

(9) "Impervious surface" means those manmade surfaces, including paved and unpaved roads, parking areas, roofs, driveways, and walkways, from which precipitation runs off rather than infiltrates.

(10) "Lake" means a body of standing water, including a pond or a reservoir, which may have natural or artificial water level control. Private ponds shall not be considered lakes.

(11) "Management road" shall have the same meaning as in 19 V.S.A. § 1(13).

(12) "Mean water level" means the mean water level of a lake as defined in the Mean Water Level Rules of the Agency of Natural Resources adopted under 29 V.S.A. § 410.

(13) "Parcel" means a portion of land or a tract of land with defined boundaries created by dividing the land by sale, gift, lease, mortgage foreclosure, court-ordered partition or decree, or filing of a plat, plan, or deed in the records of the municipality where the act of division occurred.

(14) "Private pond" means a body of standing water that is a natural water body of not more than 20 acres located on property owned by a person or an artificial water body of any size located on property owned by one person. A "private pond" shall include a reservoir specifically constructed for one of the following purposes: snowmaking storage, golf course irrigation, stormwater management, or fire suppression.

(15) "Private road" means a road or street other than a highway, as that term is defined in 19 V.S.A. § 1(12), that is owned by one or more persons and that is used as a means of travel from a highway to more than one parcel of land.

(16) "Project" means an act or activity that results in cleared area or the creation of impervious surface in a protected shoreland area.

(17) "Protected shoreland area" means all land located within 250 feet of the mean water level of a lake that is greater than 10 acres in surface area.

(18) "Secretary" means the Secretary of Natural Resources or the Secretary's duly authorized representative.

(19) "Slope" means the vertical rise divided by the horizontal run of a plane expressed as a percentage.

(20) "State forest highway" shall have the same meaning as in 19 V.S.A. § 1(19).

(21) "Stormwater runoff" means precipitation and snowmelt that does not infiltrate into the soil, including material dissolved or suspended in it, but does not include discharges from undisturbed natural terrain or wastes from combined sewer overflows.

(22) "Vegetative cover" means mixed vegetation within the protected shoreland area, consisting of trees, shrubs, groundcover, and duff. "Vegetative cover" shall not mean grass lawns, noxious weeds designated by the Secretary of Agriculture, Food and Markets under 6 V.S.A. chapter 84, or nuisance plants, such as poison ivy and poison oak, designated by the Secretary of Natural Resources.

§ 1443. INDIVIDUAL PERMIT REQUIREMENT FOR IMPERVIOUS SURFACE OR CLEARED AREA IN A PROTECTED SHORELAND AREA

(a) Permit requirement. A person shall not create cleared area or impervious surface in a protected shoreland area without a permit from the Secretary issued under this section, except for activities authorized to occur without a permit under section 1446 of this title.

(b) Permit issuance. The Secretary shall issue a permit under this section if the proposed impervious surface or cleared area meets the requirements of section 1444 or 1445 of this title.

(c) Permit process.

(1) A person applying for a permit shall do so on a form provided by the Secretary. The application shall be posted on the Agency's website.

(2) A person applying for a permit shall provide notice, on a form provided by the Secretary, to the municipal clerk of the municipality in which the construction of impervious surface or creation of cleared area is located at the time the application is filed with the Secretary.

(3) The Secretary shall provide an opportunity for written comment, regarding whether an application complies with the requirements of this

chapter or any rule adopted by the Secretary, for 30 days following receipt of the application.

(d) Permit condition. A permit issued under this section may include permit conditions, including authorizing a permittee, no more frequently than two times per year, to clear vegetative cover within three feet of both sides of a footpath within the protected shoreland area in order to allow access to the mean water level for maintenance or repair of recreational structures or for other activity approved by the Secretary.

(e) Permit term. Individual permits issued under this section shall be for an indefinite term, provided that the permittee complies with the requirements of the permit and takes no additional action for which an individual permit is required.

(f) Recording. A permit or registration issued under this chapter shall, for the purposes of having the permit or registration run with the land, be recorded in the land records of the municipality in which the impervious surface or cleared area is located.

(g) Public recreational areas. Notwithstanding the requirements of sections 1444 and 1445 of this title, the Secretary shall issue a permit under this chapter for a public recreational area project if the permit applicant demonstrates and the Secretary finds that:

(1) the recreational activity provides access to the water for the general public and promotes the public trust uses of the water;

(2) the impervious surface or cleared area is necessary to achieve the recreational purpose of the project, and the project must be constructed within the protected shoreland area to achieve its recreational function; and

(3) the project conforms with best management practices approved by the Secretary that protect the habitat and water quality of the lake while achieving the public recreational purposes.

§ 1444. PERMIT STANDARDS

(a) Permit standards; generally. Except for permits issued under section 1445 of this title, the Secretary shall issue a permit under this chapter if the permit applicant, including the State of Vermont, demonstrates that:

(1) cleared area or impervious surface shall be located at least 100 feet from the mean water level, except for for shoreland stabilization measures designed to repair or prevent erosion or flood risks and approved by the Secretary;

(2) cleared area or impervious surface within the protected shoreland area shall be located on a site:

(A) with a slope of less than 20 percent; or

(B) that will have a stable slope with minimal erosion and minimal negative impacts to water quality;

(3)(A) no more than 20 percent of the protected shoreland area of the parcel shall consist of impervious surface; or

(B) best management practices will be used to manage, treat, and control erosion due to stormwater runoff from that portion of impervious surface that exceeds 20 percent of the protected shoreland area;

(4)(A) no more than 40 percent of the protected shoreland area of the parcel shall consist of cleared area, including area cleared for the purposes of creating impervious surface; or

(B) best management practices will be used to provide erosion control, bank stability, and wildlife habitat functionally equivalent to that which would be provided by clearing less than 40 percent of the protected shoreland area; and

(5) vegetative cover shall be managed according to the requirements of section 1447 of this title.

(b) Repair of highway, State forest highway, management road, or private road. Under this chapter, when the repair, emergency repair, or replacement of a highway, management road, State forest highway, or private road results in the construction, creation, or expansion of impervious surface or cleared area on a property adjacent to the highway, management road, State forest highway, or private road, the impervious surface or cleared area constructed or created on the adjacent property shall not be calculated as square footage of impervious surface or cleared area for purposes of permitting or registration under this chapter.

(c) Calculation of area. Under this chapter, the area of constructed, created, or expanded impervious surface or cleared area shall be the square footage as measured on a horizontal plane.

§ 1445. NONCONFORMING PARCELS; PERMIT STANDARDS

(a) Permit for nonconforming parcels. A permit applicant shall comply with the requirements of subsection (b) of this section if the applicant cannot meet the standard required under subdivision 1444(a)(1) of this title on a parcel of land in existence on July 1, 2014, due to one of the following limitations:

(1) parcel size;

(2) the site characteristic or site limitations of the parcel, including presence of highway or rights of way and soil type; or

(3) application of municipal setback requirement in a municipal bylaw adopted on or before July 1, 2014.

(b) Permit standards for nonconforming parcels.

(1) For a parcel on which there is no habitable structure, the cleared area or impervious surface shall be as far as possible from the mean water level, and at a minimum shall be no less than 25 feet from the mean water level, except for shoreland stabilization measures designed to repair or prevent erosion or flood risks and approved by the Secretary.

(2) For a parcel on which a habitable structure is located, the expansion of any portion of the structure within 100 feet of the mean water level shall be on the side of the structure farthest from the lake, unless the Secretary determines that:

(A) expansion on an alternate side of the structure will have an impact on water quality that is equivalent to or less than expansion of the structure on the side farthest from the lake; and

(B) the structure is not expanded toward the mean water level.

(3) Cleared area or impervious surface within the protected shoreland area shall be located on a site:

(A) with a slope of less than 20 percent; or

(B) that the permit applicant demonstrates will have a stable slope with minimal erosion and minimal negative impacts to water quality.

(4)(A) No more than 20 percent of the protected shoreland area of the parcel shall consist of impervious surface; or

(B) The permit applicant shall demonstrate that best management practices will be used to manage, treat, and control erosion due to stormwater runoff from that portion of impervious surface that exceeds 20 percent of the protected shoreland area.

(5)(A) No more than 40 percent of the protected shoreland area of the parcel shall consist of cleared area, including area cleared for the purposes of creating an impervious surface; or

(B) The permit applicant shall demonstrate that best management practices will be used to provide erosion control, bank stability, and wildlife habitat functionally equivalent to that which would be provided by clearing less than 40 percent of the protected shoreland area.

(c) Vegetation maintenance on nonconforming parcels. A permit issued under this section for creation of cleared area or impervious surface on a nonconforming parcel shall not require compliance with the requirements of section 1447 for the management of vegetative cover.

(d) Application process. An applicant for a permit under this section shall submit to the Secretary a form that identifies the basis of the nonconformity on the parcel. The Secretary may issue a permit under this section to an applicant who meets the requirements of subsection (b) of this section.

§ 1446. REGISTERED PROJECTS; EXEMPTIONS FROM PERMITTING

(a)(1) Registered projects. The following projects in a protected shoreland area do not require a permit under section 1444 or 1445 of this title:

(A) The creation of no more than 100 square feet of impervious surface or cleared area, or a combination of impervious surface or cleared area, within 100 feet of the mean water level, provided that:

(i) the owner of the property on which the impervious surface or cleared area is created registers with the Secretary, on a form provided by the Secretary that contains the name of the property owner, the address of the property, and a certification that the project meets the requirements of this subsection (a);

(ii) the impervious surface or cleared area is located at least 25 feet from the mean water level; and

(iii) vegetative cover shall be managed according to the requirements of section 1447 of this title.

(B) The creation of 500 square feet or less of impervious surface, cleared area, or a combination of impervious surface and cleared area, provided that:

(i) the owner of the property on which the impervious surface or cleared area is created registers with the Secretary a form provided by the Secretary that contains the name of the property owner, the address of the property, and a certification that the project meets the requirements of this subsection;

(ii) the impervious surface or cleared area is at least 100 feet from the mean water level;

(iii) any proposed cleared area or area within the protected shoreland area where an impervious surface shall be sited has a slope of less than 20 percent;

(iv) after the completion of the project, the protected shoreland area shall consist of no more than 20 percent impervious surface; and

(v) after the completion of the project, the protected shoreland area shall consist of no more than 40 percent cleared area, including any area cleared for the purposes of creating impervious surface.

(2) Limit on registration per parcel. A person shall not use the registration process under this subsection to create more than a maximum total per parcel of:

(A) 100 square feet of impervious surface or cleared area within 100 feet of the mean water level; and

(B) 500 square feet of impervious surface or cleared area within the protected shoreland area that is at least 100 feet from the mean water level.

(3) Effect of registration. A registration shall take effect 15 days after being filed with the Secretary, unless the Secretary requests that the person registering submit additional information that the Secretary considers necessary or the Secretary notifies the person registering that an individual permit is required.

(4) Term. Registrations shall be for an indefinite term, provided that the person complied with the requirements of this subsection and takes no action for which an individual permit is required.

(b) Exemptions. The following activities in a protected shoreland area do not require a permit under section 1444 or 1445 of this title:

(1) Management of vegetative cover. Management of vegetative cover conducted in compliance with section 1447 of this title.

(2) Removal of vegetation for recreational purposes. The cutting or removal of no more than 250 square feet of the existing vegetation under three feet in height within 100 feet of the mean water level to allow for recreational use in the protected shoreland area, provided that:

(A) the cutting or removal of vegetation occurs at least 25 feet from the mean water level; and

(B) other ground cover, including leaf litter and the forest duff layer, shall not be removed from the area in which cutting occurs.

(3) Maintenance of lawns. The maintenance, but not the enlargement, of lawns, gardens, landscaped areas, and beaches in existence as of July 1, 2014.

(4) Creation of footpaths. The creation of one footpath per parcel with a width of no greater than six feet that provides access to the mean water level. Under this subdivision, a footpath includes stairs, landings, or platforms within the authorized six-feet width.

(5) Construction within footprint. Construction within the footprint of an impervious surface, existing as of July 1, 2014, that does not result in a net increase in the amount of impervious surface on a parcel.

(6) Silvicultural activities. Silvicultural activities in a protected shoreland area if the silvicultural activities are in compliance with:

(A) a forest management plan, approved by the Commissioner of Forests, Parks and Recreation, for the land in the protected shoreland area in which the silvicultural activities occur; and

(B) the accepted management practices adopted by the Commissioner of Forests, Parks and Recreation under section 2622 of this title.

(7) Agricultural activities. Agricultural activities on land in agricultural production on July 1, 2014, provided that:

(A) no impervious surface shall be created or expanded in a protected shoreland area except: when no alternative outside the protected shoreland area exists, the construction of a best management practice is necessary to abate an agricultural water quality issue, and the best management practice is approved by the Secretary of Agriculture, Food and Markets under 6 V.S.A. chapter 215; and

(B) the agricultural activities within the protected shoreland area comply with the rules adopted by the Secretary of Agriculture, Food and Markets under 6 V.S.A. chapter 215 regarding agricultural water quality, including accepted agricultural practices, best management practices, medium and small farm operation, and large farm operation.

(8) Transportation infrastructure and private roads. The maintenance, emergency repair, repair, and replacement of:

(A) Transportation infrastructure by the Vermont Agency of Transportation or by a municipality.

(B) A private road that does not require a permit under section 1264 of this title, provided that emergency repair, repair, and replacement of the private road shall comply with the applicable water quality best management practices approved by the Secretary under 19 V.S.A. § 996 and incorporated within the Vermont Agency of Transportation town road and bridge standards for controlling stormwater runoff and direct discharges to State waters. The requirement to comply with the water quality best management practices shall

apply even if the municipality in which the private road is located has not adopted the town road and bridge standards. Under this subdivision, expansion of a private road in order to allow for passage of emergency vehicles shall be considered repair that does not require a permit under section 1443 of this title.

(9) Railroad activities. Railroad activities and facilities within the jurisdiction of federal law.

(10) Parcel intersected by public highway. The creation or expansion of impervious surface or cleared area on a parcel within the protected shoreland area when the parcel is intersected by a highway and the impervious surface or cleared area is created or expanded on that portion of the parcel on the side of the highway away from the mean water level.

(11) Wastewater systems and potable water supplies. Installation, maintenance, repair, or replacement of a wastewater system or potable water supply permitted by the Agency of Natural Resources under chapter 64 of this title.

(12) Stormwater treatment. Discharges of stormwater, stormwater treatment facilities or practices, including repair or maintenance, permitted by the Agency of Natural Resources under section 1264 of this title.

(13) Utility projects and utility lines.

(A) The construction of projects that require a certificate of public good under 30 V.S.A. § 248 subject to the Agency of Natural Resources Riparian Buffer Guidance for Act 250 and Section 248 projects.

(B) The routine repair and maintenance of utility lines and structures including vegetation maintenance in utility line corridors, in a protected shoreland area that are subject to 30 V.S.A. § 248, chapter 151 of this title, or a vegetation management plan approved by the Agency in a protected shoreland area. Vegetation management practices in a protected shoreland area shall be performed in accordance with a vegetation management plan approved by the Agency of Natural Resources.

(C) The emergency repair of utility lines and poles in protected shoreland areas, provided that such repair minimizes adverse impacts to vegetation in the protected shoreland area.

(14) Act 250 permit. Projects which have received a permit pursuant to chapter 151 of this title.

(15) Designated downtowns and village centers. Projects in downtowns and village centers designated pursuant to 24 V.S.A. chapter 76A.

(16) Urban and industrial redevelopment. Construction, creation, or expansion of impervious surface or cleared area within a protected shoreland area, provided that:

(A) the area in which the impervious surface or cleared area will be constructed, created, or expanded is:

(i) urban or industrial in nature;

(ii) contains as of July 1, 2014 impervious surface or cleared area; and

(iii) has been designated by municipal bylaw for redevelopment.

(B) the municipality has adopted a shoreland bylaw or ordinance that:

(i) is at least as stringent as the permitting requirements and exemptions of this chapter; or

(ii) requires best management practices or other controls that are, as determined by the Secretary, functionally equivalent to compliance with the permitting requirements and exemptions of this chapter.

(17) Mosquito control. Where mosquito populations create a public health hazard, as that term is defined in 18 V.S.A. § 2, physical practices or activities approved by the Secretary that create cleared area or remove vegetative cover in order to reduce mosquito breeding habitat, provided that any activity authorized under this subdivision shall comply with the Vermont Wetlands Rules.

(c) Application of vegetative cover requirements. Activities authorized under subdivisions (b)(2)–(13) of this section shall not be required to comply with the requirements for the management of vegetative cover under section 1447 of this title.

§ 1447. LAKE SHORELAND VEGETATION PROTECTION STANDARDS

(a) Within 100 feet of the mean water level, cutting of trees is allowed provided that a well-distributed stand of trees and other natural vegetation is maintained. Vegetation management that occurs within the protected shoreland area and that is conducted according to the requirements of this section shall not be counted toward the cleared area on a parcel.

(b) A "well-distributed stand of trees" shall be defined as maintaining a minimum rating score of 12, in each 25-foot by 25-foot area within 100 feet of the mean water level, as determined by the following rating system.

(1) Diameter of tree at 4-1/2 feet above ground level (inches)	Points
2–< 4 in.	1
4–< 8 in.	2
8–< 12 in.	4
12 in. or greater	8

(2) The following shall govern in applying this point system:

(A) 25-foot by 25-foot plots shall be established for vegetation management purposes.

(B) Each successive plot must be adjacent to but not overlap a previous plot.

(C) Any plot not containing the required points must have no vegetative cover removed unless the removal is allowed pursuant to a registration or individual permit.

(D) Any plot containing the required points may have trees removed down to the minimum points allowed.

(E) Existing vegetative cover under three feet in height and other ground cover, including leaf litter and the forest duff layer, shall not be cut, covered, or removed, except to provide for a footpath or as allowed pursuant to a registration or individual permit.

(F) Pruning of tree branches on the bottom one-third of a tree's height is allowed.

(G) Removal of dead, diseased, or unsafe trees shall be allowed regardless of points.

(c) As used in this section, "other natural vegetation" means retaining existing vegetation under three feet in height and other ground cover and retaining at least five saplings less than two inches in diameter at four and one-half feet above ground level for each 25-foot by 25-foot area. If five saplings do not exist, no woody stems less than two inches in diameter can be removed until five saplings have been planted or rooted in the plot.

§ 1448. MUNICIPAL DELEGATION

(a) Municipal shoreland bylaws or ordinances. The Secretary shall delegate authority to permit the construction, creation, or expansion of impervious surface or cleared area under this chapter to a municipality that has adopted a shoreland bylaw or ordinance if:

(1) the municipality adopts a bylaw or ordinance regulating construction of impervious surface or creation of cleared area in a protected shoreland area;

(2) the municipal bylaw or ordinance is, as determined by the Secretary, functionally equivalent to the requirements under sections 1444, 1445, 1446, and 1447 of this title; and

(3) the Secretary determines that the municipality provides adequate resources for administration and enforcement of the bylaw or ordinance.

(b) Delegation agreement.

(1) Delegation under subsection (a) of this section shall be by agreement between the Secretary and the delegated municipality. The delegation agreement shall set the terms for revocation of delegation.

(2) Under the delegation agreement, the Secretary and the municipality may agree, in instances where a delegated municipality does not or cannot address noncompliance, that the Secretary, after consultation with the municipality, may institute enforcement proceedings under chapter 201 of this title.

(3) The delegation agreement shall require the municipality to:

(A) have or establish a process for accepting, reviewing, and processing applications and issuing permits for construction of impervious surface or creation of cleared area in protected shoreland areas;

(B) take timely and appropriate enforcement actions;

(C) commit to reporting annually to the Secretary on a form and date determined by the Secretary;

(D) comply with all other requirements of the rules adopted under this chapter; and

(E) cure any defects in such bylaw or ordinance or in the administration or enforcement of such bylaw or ordinance upon notice of a defect from the Secretary.

(4) A municipality that seeks delegation under subsection (a) of this section shall be presumed to satisfy the requirements of this subsection for a permit process and enforcement if the municipality has designated a municipal zoning administrator or other municipal employee or official as responsible for the permitting and enforcement of the construction, creation, or expansion of impervious surface or cleared area within the municipality.

§ 1449. COORDINATION OF AGENCY OF NATURAL RESOURCES' PERMITTING OF ACTIVITIES IN PROTECTED SHORELAND

AREAS

(a) Coordination of permitting in protected shoreland area. During technical review of a permit application for a wastewater system, potable water supply, stormwater discharge, or stormwater treatment facility that is proposed to be located in a protected shoreland area and that does not require a permit under this chapter, the Agency division issuing the wastewater system, potable water supply, stormwater discharge, or stormwater treatment facility permit shall consult with the Agency's Lakes and Ponds Section regarding practices or activities that could reduce the impact of the proposed activity on the protected shoreland area or water quality of lakes adjacent to the protected shoreland area.

(b) Agency guidance or procedure. The Agency may formalize the consultation process required by this section in a guidance document or internal agency procedure.

§ 1450. MUNICIPAL ZONING BYLAW OR ORDINANCE

(a) Construction of impervious surface or creation of cleared area occurring outside protected shoreland areas. Construction of impervious surface or creation of cleared area occurring outside a protected shoreland area shall conform to duly adopted municipal zoning bylaws and applicable municipal ordinances and shall not be subject to regulation by the Secretary of Natural Resources under this chapter.

(b) Existing municipal bylaws and ordinances. The requirements of this chapter are in addition to existing municipal bylaws and ordinances, and proposed construction of impervious surface or creation of cleared area within the protected shoreland area shall comply with all relevant, existing municipal, State, and federal requirements.

§ 1451. RULEMAKING

The Secretary may adopt rules necessary for the purposes of implementing, administering, or enforcing the requirements of this chapter, including best management practices for the construction of impervious surfaces or the creation of cleared area in a protected shoreland area, including standards for:

(1) managing vegetative cover that may be required as a best management practice in order to ensure that some level of the required vegetative cover is maintained in the protected shoreland area;

(2) allowing reasonable use of the protected shoreland area subject to a vegetative cover requirement for construction, creation, or expansion of an impervious surface or cleared area;

(3) minimizing and mitigating the creation of an impervious surface or cleared area in a protected shoreland area.

§ 1452. EDUCATION AND OUTREACH; CITIZEN'S GUIDE

The Secretary shall conduct ongoing education and outreach to assist Vermont citizens with understanding and complying with the requirements of this chapter. The education and outreach activities shall include publication on or before January 1, 2015 of a Citizen's Guide to Shoreland Protection, which shall provide easily understood instructions on the requirements of this chapter, how to apply for a permit or registration, and the activities that are exempt from or otherwise not subject to the requirements of this chapter.

Sec. 3. 10 V.S.A. § 8003(a) is amended to read:

(a) The ~~secretary~~ Secretary may take action under this chapter to enforce the following statutes:

* * *

(22) 10 V.S.A. chapter 164A, collection and disposal of mercury-containing lamps; ~~and~~

(23) 24 V.S.A. § 2202a, relating to a municipality's adoption and implementation of a solid waste implementation plan that is consistent with the State Solid Waste Plan; and

(24) 10 V.S.A. chapter 49A, relating to lake shoreland protection standards.

Sec. 4. VOLUNTARY SHORELAND EROSION CONTROL CERTIFICATION

(a) Voluntary certification. Beginning on January 1, 2016, the Agency of Natural Resources, in consultation with the Associated General Contractors of Vermont, shall offer an optional shoreland erosion control certification program. The program shall include training related to development activities in a shoreland area, including best management practices for erosion control, clearance of vegetation, and construction of impervious surfaces in shoreland areas. The voluntary certification program shall be offered until January 1, 2018.

(b) Report. On or before January 1, 2018, the Secretary of Natural Resources shall report to the House and Senate Committees on Natural Resources and Energy and the House Committee on Fish, Wildlife and Water Resources regarding the voluntary shoreland erosion control certification program created in subsection (a) of this section. The report shall include:

(1) a general summary and evaluation of the program's success, including an overview of the number of persons certified by the program and the projects constructed by certified persons;

(2) a recommendation of whether the State and the Associated General Contractors of Vermont should continue the shoreland erosion control certification program, including whether to make the erosion control certification program mandatory and whether to allow certified persons to certify compliance with the shoreland protection standards in this chapter in lieu of obtaining the permit required under 10 V.S.A. § 1444 or 1445; and

(3) any other recommendations for improving the program.

Sec. 5. 10 V.S.A. § 8503 is amended to read:

§ 8503. APPLICABILITY

(a) This chapter shall govern all appeals of an act or decision of the Secretary, excluding enforcement actions under chapters 201 and 211 of this title and rulemaking, under the following authorities and under the rules adopted under those authorities:

(1) The following provisions of this title:

* * *

(R) chapter 32 (flood hazard areas).

(S) chapter 49A (lake shoreland protection standards).

* * *

Sec. 6. 3 V.S.A. § 2822(j)(32) is added to read:

(32) For projects taking place in a protected shoreland area that require:

(A) a registration under 10 V.S.A. § 1446: $100.00.

(B) a permit under 10 V.S.A. §§ 1443, 1444, and 1445: $125.00 plus $0.50 per square foot of impervious surface.

Sec. 7. REPORT ON PROGRESS OF LAKE SHORELAND PROTECTION PROGRAM

On or before January 15, 2016, the Secretary of Natural Resources shall submit to the Senate Committee on Finance, the House Committee on Ways and Means, the Senate Committee on Natural Resources and Energy, and the House Committee on Fish, Wildlife and Water Resources a report regarding implementation by the Agency of Natural Resources of the Lake Shoreland Protection Program under 10 V.S.A. chapter 49A. The report shall include:

(1) the number of lake shoreland protection registrations and permits issued by the Agency;

(2) the number of lots, if any, denied a shoreland protection registration or permit and the rationale for the denial of each application;

(3) an evaluation of the performance of the Lake Shoreland Protection Program, including the time frame for issuance of permits and landowner compliance;

(4) a list of the towns the Secretary delegated to implement the Lake Shoreland Protection Program, and a list of the towns that were denied delegation, including the rationale for denial;

(5) an evaluation of whether implementation of the Lake Shoreland Protection Program has achieved or is achieving the purposes of the Program set forth under 10 V.S.A. § 1441, including preventing degradation of water quality, preserving natural shoreline stability, protecting aquatic biota, protecting habitat for wildlife and aquatic life, and mitigating sediment and nutrient runoff to surface waters;

(6) the permit and registration fees collected by the Agency;

(7) the cost to the Agency of implementing the Lake Shoreland Protection Program; and

(8) any recommendations to improve the Lake Shoreland Protection Program, including how and whether to allow the use of off-site mitigation to offset the adverse impacts of creation or expansion of an impervious surface or cleared area on the water quality of lakes or on protected shoreland areas.

Sec. 8. 10 V.S.A. § 1454 is amended to read:

§ 1454. TRANSPORT OF AQUATIC PLANTS AND AQUATIC NUISANCE SPECIES

(a) No person shall transport an aquatic plant or aquatic plant part, zebra mussels (Dreissena polymorpha), quagga mussels (Dreissena bugensis), or other aquatic nuisance species identified by the ~~secretary~~ Secretary by rule to or from any Vermont waters on the outside of a vehicle, boat, personal watercraft, trailer, or other equipment. This section shall not restrict proper harvesting or other control activities undertaken for the purpose of eliminating or controlling the growth or propagation of aquatic plants, zebra mussels, quagga mussels, or other aquatic nuisance species.

(b) The ~~secretary~~ Secretary may grant exceptions to persons to allow the transport of aquatic plants, zebra mussels, quagga mussels, or other aquatic nuisance species for scientific or educational purposes. When granting

exceptions, the ~~secretary~~ Secretary shall take into consideration both the value of the scientific or educational purpose and the risk to Vermont surface waters posed by the transport and ultimate use of the specimens. A letter from the ~~secretary~~ Secretary authorizing the transport must accompany the specimens during transport.

(c) A violation of this section may be brought by any law enforcement officer, as that term is defined in 23 V.S.A. § 4(11), in the Environmental Division of the Superior Court. When a violation is brought by an enforcement officer other than an environmental enforcement officer employed by the Agency of Natural Resources, the enforcement officer shall submit to the Secretary a copy of the citation for purposes of compliance with the public participation requirements of section 8020 of this title.

Sec. 9. TRANSITION

A permit or registration under 10 V.S.A. chapter 49A for the creation of impervious surface or cleared area within a protected shoreland area shall not be required on a parcel of land for a project for which:

(1) all necessary State, local, or federal permits have been obtained prior to the effective date of this act and the permit holder takes no subsequent act that would require a permit or registration under 10 V.S.A. chapter 49A; or

(2) a complete application for all applicable local, State, and federal permits has been submitted on or before the effective date of this act, provided that the applicant does not subsequently file an application for a permit amendment that would require a permit under 10 V.S.A. chapter 49A and substantial construction of the impervious surface or cleared area commences within two years of the date on which all applicable local, State, and federal permits become final.

Sec. 10. EFFECTIVE DATE

This act shall take effect on July 1, 2014.

ROBERT M. HARTWELL
DIANE B. SNELLING
JOHN S. RODGERS
Committee on the part of the Senate

DAVID L. DEEN
ROBERT C. KREBS
STEPHEN C. BEYOR
Committee on the part of the House

NEW BUSINESS

Third Reading

H. 740.

An act relating to transportation impact fees.

H. 888.

An act relating to approval of amendments to the charter of the Town of Milton.

NOTICE CALENDAR

Second Reading

Favorable

H. 882.

An act relating to compensation for certain State employees.

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

(Committee vote: 4-1-0)

(For House amendments, see House Journal of March 27, 2014, page 867)

Reported favorably by Senator Westman for the Committee on Appropriations.

(Committee vote: 5-0-2)

Favorable with Proposal of Amendment

H. 578.

An act relating to administering State funds for loans to individuals for replacement of failed wastewater systems and potable water supplies.

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

The Committee recommends that the Senate propose to the House to amend the bill in Sec. 1, 24 V.S.A. § 4753, in subsection (b), in the second sentence, after "8 V.S.A. § 30101(3)" by inserting , a credit union, as that term is defined in 8 V.S.A. § 30101(5),.

(Committee vote: 6-0-1)

(For House amendments, see House Journal for February 5, 2014, page 335)

H. 612.

An act relating to Gas Pipeline Safety Program penalties.

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 by striking out Sec. 2 in its entirety and by inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. GAS PIPELINE SAFETY RULES; BEST PRACTICES

The Public Service Board shall review and consider amending Board Rule 6.100 (Enforcement of Safety Regulations Pertaining to Intrastate Gas Pipelines and Transportation Facilities) to include additional measures or best practices, if any, that exceed the minimum federal safety standards, provided the Board determines such measures or practices are appropriate for Vermont.

(Committee vote: 7-0-0)

(For House amendments, see House Journal for February 12, 2014, page 374)

H. 735.

An act relating to Executive Branch and Judiciary fees.

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. 3, after the words "selling lottery tickets" by inserting the words at the time the person is first granted a license

Second: In Sec. 6, by striking out subsection (a) in its entirety, but leaving the ellipsis before subsection (b).

Third: In Sec. 9, in subsection (f), by striking out "$50.00" and inserting in lieu thereof $60.00.

Fourth: In Sec. 9, in subsection (g), by striking out "$10.00" both times it appears and inserting in lieu thereof $15.00 both times.

Fifth: In Sec. 11, by striking out "$100.00" and inserting in lieu thereof $150.00.

Sixth: In Sec. 14, by striking out subsection (d) in its entirety and inserting in lieu thereof the following:

(d) Applicants and persons regulated under this chapter shall pay the following fees:

(1) Application for license	$ 70.00
(2) Biennial renewal of license	
(A) Funeral director	~~$ 300.00~~ $ 350.00
(B) Embalmer	~~$ 300.00~~ $ 350.00
(C) Funeral establishment	~~$ 540.00~~ $ 650.00
(D) Crematory establishment	~~$ 540.00~~ $ 650.00
(E) Crematory personnel	$ 85.00
(F) Removal personnel	~~$ 85.00~~ $ 125.00
(G) Limited services establishment license	$ 540.00

Seventh: In Sec. 18, subdivision (a)(3), after the word "Biennial" by inserting the words brokerage firm or branch office and striking out the words "of corporation or partnership".

Eighth: By adding a Sec.18a to read:

* * * Psychologists * * *

Sec. 18a. 26 V.S.A. § 3010 is amended to read:

§ 3010. FEES; LICENSES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Application for license	$175.00
(2) Biennial renewal of license	$150.00
~~(3) Psychological trainee registration~~	~~$ 75.00~~
~~(4) Biennial renewal of trainee registration~~	~~$ 90.00~~

Ninth: By striking out Sec. 20 in its entirety and inserting in lieu thereof the following:

Sec. 20. 20 V.S.A. § 2307 is added to read:

§ 2307. FIREARMS RELINQUISHED PURSUANT TO RELIEF FROM ABUSE ORDER; STORAGE; FEES; RETURN

(a) As used in this section:

(1) "Federally licensed firearms dealer" means a licensed importer, licensed manufacturer, or licensed dealer required to conduct national instant criminal background checks under 18 U.S.C. § 922(t).

(2) "Firearm" shall have the same meaning as in 18 U.S.C. § 921(a)(3).

(3) "Law enforcement agency" means the Vermont State Police, a municipal police department, or a sheriff's department.

(b)(1) A person who is required to relinquish firearms, ammunition, or other weapons in the person's possession by a court order issued under 15 V.S.A. chapter 21 (abuse prevention) or any other provision of law consistent with 18 U.S.C. § 922(g)(8) shall, unless the Court orders an alternative relinquishment pursuant to subdivision (2) of this subsection, upon service of the order immediately relinquish the firearms, ammunition, or weapons to a cooperating law enforcement agency or an approved federally licensed firearms dealer. As used in this subdivision, "person" means anyone who meets the definition of "intimate partner" under 18 U.S.C. § 921(a)(32) or who qualifies as a family or household member under 15 V.S.A. § 1101.

(2)(A) The Court may order that the person relinquish the firearms, ammunition, or other weapons to a person other than a cooperating law enforcement agency or an approved federally licensed firearms dealer unless the Court finds that relinquishment to the other person will not adequately protect the safety of the victim.

(B) A person to whom firearms, ammunition, or other weapons are relinquished pursuant to subdivision (2)(A) of this subsection (b) shall execute an affidavit on a form approved by the Court Administrator stating that the person:

(i) acknowledges receipt of the firearms, ammunition, or other weapons;

(ii) assumes responsibility for storage of the firearms, ammunition, or other weapons until further order of the Court;

(iii) is not prohibited from owning or possessing firearms under State or federal law; and

(iv) understands the obligations and requirements of the Court order, including the potential for the person to be subject to civil contempt proceedings pursuant to this subdivision (2)(A) of this subsection (b) if the person permits the firearms, ammunition, or other weapons to be possessed, accessed, or used by the person who relinquished the item or by any other person not authorized by law to do so.

(C) A person to whom firearms, ammunition, or other weapons are relinquished pursuant to this subdivision (2)(A) of this subsection (b) shall be subject to civil contempt proceedings under 12 V.S.A. chapter 5 if the person permits the firearms, ammunition, or other weapons to be possessed, accessed, or used by the person who relinquished the item or by any other person not authorized by law to do so.

(c) A law enforcement agency or an approved federally licensed firearms dealer that takes possession of a firearm, ammunition, or other weapon pursuant to subdivision (b)(1) of this section shall photograph, catalogue, and store the item in accordance with standards and guidelines established by the Department of Public Safety pursuant to subdivision (i)(3) of this section. A firearm, ammunition, or other weapon shall not be taken into possession pursuant to this section if it is being or may be used as evidence in a pending criminal matter.

(d) Fees.

(1) A law enforcement agency that stores firearms, ammunition, or weapons pursuant to subdivision (b)(1) of this section may charge the owner a reasonable storage fee, not to exceed:

(A) $200.00 for the first firearm or weapon, and $50.00 for each additional firearm or weapon for up to 15 months, prorated on the number of months the items are stored; and

(B) $50.00 per firearm or weapon per year for each year or part thereof thereafter.

(2) A federally licensed firearms dealer that stores firearms, ammunition, or weapons pursuant to subdivision (b)(1) of this section may charge the owner a storage fee that is reasonably related to the expenses it incurs in the administration of this section. Any federally licensed firearm dealer that certifies compliance under this section shall provide a copy of its fee schedule to the Court.

(3) Fees permitted by this subsection shall not begin to accrue until after the Court issues a final relief from abuse order pursuant to 15 V.S.A. § 1103.

(e) Nothing in this section shall be construed to prohibit the lawful sale of firearms or other items.

(f) A final relief from abuse order issued pursuant to 15 V.S.A. § 1103 requiring a person to relinquish firearms, ammunition, or other weapons shall direct the law enforcement agency, approved federally licensed firearms dealer, or other person in possession of the items under subsection (b) of this

section to release them to the owner upon expiration of the order if all applicable fees have been paid.

(g)(1) A law enforcement agency, an approved federally licensed firearms dealer, or any other person that takes possession of firearms, ammunition, or weapons for storage purposes pursuant to this section shall not release the items to the owner without a court order unless the items are to be sold pursuant to subdivision (2)(A) of this subsection. If a court orders the release of firearms, ammunition, or weapons stored under this section, the law enforcement agency or firearms dealer in possession of the items shall make them available to the owner within three business days of receipt of the order and in a manner consistent with federal law. The Supreme Court may promulgate rules under 12 V.S.A. § 1 for judicial proceedings under this subsection.

(2)(A)(i) If the owner fails to retrieve the firearm, ammunition, or weapon and pay the applicable storage fee within 90 days of the court order releasing the items, the firearm, ammunition, or weapon may be sold for fair market value. Title to the items shall pass to the law enforcement agency or firearms dealer for the purpose of transferring ownership.

(ii) The law enforcement agency or approved firearms dealer shall make a reasonable effort to notify the owner of the sale before it occurs. In no event shall the sale occur until after the Court issues a final relief from abuse order pursuant to 15 V.S.A. § 1103.

(iii) As used in this subdivision (2)(A), "reasonable effort" shall include providing notice to the owner at least 21 days prior to the date of the sale pursuant to Rule 4 of the Vermont Rules of Civil Procedure.

(B) Proceeds from the sale of a firearm, ammunition, or weapon pursuant to subdivision (A) of this subdivision (2) shall be apportioned as follows:

(i) unpaid storage fees and associated costs, including the costs of sale and of locating and serving the owner, shall be paid to the law enforcement agency or firearms dealer that incurred the cost; and

(ii) any proceeds remaining after payment is made to the law enforcement agency or firearms dealer pursuant to subdivision (i) of this subdivision (2)(B) shall be paid to the original owner.

(h) A law enforcement agency shall be immune from civil or criminal liability for any damage or deterioration of firearms, ammunition, or weapons stored or transported pursuant to subsection (c) of this section. This subsection shall not apply if the damage or deterioration occurred as a result of

recklessness, gross negligence, or intentional misconduct by the law enforcement agency.

(i) The Department of Public Safety shall be responsible for the implementation and establishment of standards and guidelines to carry out this section. To carry out this responsibility, the Department shall:

(1) Establish minimum standards to be a qualified storage location and maintain a list of qualified storage locations, including:

(A) federally licensed firearms dealers that annually certify compliance with the Department's standards to receive firearms, ammunition, or other weapons pursuant to subdivision (b)(2) of this section; and

(B) cooperating law enforcement agencies.

(2) Establish a fee schedule consistent with the fees established in this section for the storage of firearms and other weapons by law enforcement agencies pursuant to this section.

(3) Establish standards and guidelines to provide for the storage of firearms, ammunition, and other weapons pursuant to this section by law enforcement agencies. Such guidelines shall provide that:

(A) with the consent of the law enforcement agency taking possession of a firearm, ammunition, or weapon under this section, an owner may provide a storage container for the storage of such relinquished items;

(B) the law enforcement agency that takes possession of the firearm, ammunition, or weapon may provide a storage container for the relinquished item or items at an additional fee; and

(C) the law enforcement agency that takes possession of the firearm, ammunition, or weapon shall present the owner with a receipt at the time of relinquishment which includes the serial number and identifying characteristics of the firearm, ammunition, or weapon and record the receipt of the item or items in a log to be established by the Department.

(4) Report on January 15, 2015 and annually thereafter to the House and Senate Committees on Judiciary on the status of the program.

Tenth: By striking out Sec. 21 in its entirety and inserting in lieu thereof the following:

* * * Dispatch Fees * * *

Sec. 21. UNIFORM DISPATCH FEES

The Commissioner of Public Safety shall propose specific dispatch service fee schedules for use under 20 V.S.A. § 1871(i) and, on or before January 15,

2015, report on the same to the House Committee on Ways and Means and the Senate Committee on Finance. Based on the Commissioner's report, uniform statewide fees for dispatch services provided by or under the direction of the Department of Public Safety shall be set by the General Assembly under the provisions of 32 V.S.A. § 603 on or before July 1, 2016. Fees collected by the Commissioner shall be reported in accordance with 32 V.S.A. § 605, and credited to a special fund established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 or to another budgeted fund other than the General Fund, and shall be available to the Department to offset the costs of collecting the amount owed.

Eleventh: In Sec. 23, subdivision (b)(6), by striking out "$30.00" and inserting in lieu thereof ~~$30.00~~ $35.00.

Twelfth: By striking out Secs. 26–29 in their entirety and inserting in lieu thereof seven new sections to be Secs. 26–32 to read as follows:

* * * Vermont Web Portal * * *

Sec. 26. WEB PORTAL FEES; DEPARTMENT OF TAXES AND DEPARTMENT OF MOTOR VEHICLES

In accordance with the provisions of 22 V.S.A. § 953, the General Assembly hereby approves the three percent credit card fees proposed by the Web Portal Board, which were approved by the Governor, and for which legislative action has been requested by a member of the Joint Fiscal Committee, as follows:

(1) Legislative approval is for the Vermont Web Portal to assess to the taxpayer a three percent fee on credit card payment of tax bills to the Vermont Department of Taxes;

(2) Legislative approval is for the Vermont Web Portal Board to assess to the credit card holder a three percent fee on over-the-counter credit card payment of Department of Motor Vehicle fees at Department branch offices.

Sec. 27. REVIEW OF WEB PORTAL FEE; DEPARTMENT OF TAXES

Prior to July 1, 2016, the Web Portal Board shall consider any changes to the three percent fee on credit card payment of tax bills to the Vermont Department of Taxes authorized in Sec. 26 of this act, and, consistent with the provisions of 22 V.S.A. § 953(c), shall recommend any such proposed changes to the Joint Fiscal Committee.

* * * Dispensaries * * *

Sec. 28. 18 V.S.A. § 4474f is amended to read:

§ 4474f. DISPENSARY APPLICATION, APPROVAL, AND REGISTRATION

* * *

(g) After a dispensary is approved but before it begins operations, it shall submit the following to the ~~department of public safety~~ Department:

* * *

(4) A registration fee of $20,000.00 for the first year of operation, and an annual fee of ~~$30,000.00~~ $25,000.00 in subsequent years that do not require a biennial audit and $20,000.00 in subsequent years that require a biennial audit.

* * * Universal Service Fund; Prepaid Wireless Providers; Provider Assessment * * *

Sec. 29. 30 V.S.A. § 7521 is amended to read:

§ 7521. CHARGE IMPOSED; WHOLESALE EXEMPTION

(a) A universal service charge is imposed on all retail telecommunications service provided to a Vermont address. Where the location of a service and the location receiving the bill differ, the location of the service shall be used to determine whether the charge applies. The charge is imposed on the person purchasing the service, but shall be collected by the telecommunications provider. Each telecommunications service provider shall include in its tariffs filed at the ~~public service board~~ Public Service Board a description of its billing procedures for the universal service fund charge.

(b) The universal service charge shall not apply to wholesale transactions between telecommunications service providers where the service is a component part of a service provided to an end user. This exemption includes~~, but is not limited to,~~ network access charges and interconnection charges paid to a local exchange carrier.

(c) In the case of mobile telecommunications service, the universal service charge is imposed when the customer's place of primary use is in Vermont. The terms "customer," "place of primary use," and "mobile telecommunications service" have the meanings given in 4 U.S.C. § 124. All provisions of 32 V.S.A. § 9782 shall apply to the imposition of the universal service charge under this section.

(d)(1) Notwithstanding any other provision of law to the contrary, in the case of prepaid wireless telecommunications services, the universal service charge shall be imposed on the provider in the manner determined by the Public Service Board pursuant to subdivision (3) of this section.

(2) As used in this subsection, "prepaid wireless telecommunications service" means a telecommunications service as defined in subdivision 203(5) of this title that a consumer pays for in advance and that is sold in predetermined units or dollars that decline with use.

(3) The Public Service Board shall establish a formula to ensure the universal service charge imposed on prepaid wireless telecommunications service providers reflects two percent of retail prepaid wireless telecommunications service in Vermont beginning on September 1, 2014.

Sec. 30. 30 V.S.A. § 7524 is amended to read:

§ 7524. PAYMENT TO FISCAL AGENT

(a) Telecommunications service providers shall pay to the fiscal agent all universal service charge receipts collected from customers. A report in a form approved by ~~the public service board~~ Public Service Board shall be included with each payment.

(b) Payments shall be made monthly, by the 15th day of the month, and shall be based upon amounts collected in the preceding month. If the amount is small, the ~~board~~ Board may allow payment to be made less frequently, and may permit payment on an accrual basis.

(c) Telecommunications service providers shall maintain records adequate to demonstrate compliance with the requirements of this chapter. The ~~board~~ Board or the fiscal agent may examine those records in a reasonable manner.

(d) When a payment is due under this section by a telecommunications service provider who has provided customer credits under the ~~lifeline~~ Lifeline program, the amount due may be reduced by the amount of credit granted.

(e) The fiscal agent shall examine the records of telecommunications service providers to determine whether their receipts reflect application of the universal service charge on all assessable telecommunications services under this chapter, including the federal subscriber line charge, directory assistance, enhanced services unless they are billed as separate line items, and toll-related services.

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

Sec. 31. 6 V.S.A. § 3022 is amended to read:

§ 3022. ENFORCEMENT; INSPECTION

(a) The ~~secretary~~ Secretary shall enforce the provisions of this chapter. The ~~secretary~~ Secretary may~~, with the approval of the governor,~~ appoint or contract with one or more inspectors who shall also be authorized to inspect all apiaries and otherwise enforce the provisions of this chapter.

(b) ~~The secretary shall pay any such inspectors their salary and necessary expenses incurred in the performance of their duties from the moneys annually available to the agency~~ Any person who is the owner of any bees, apiary, colony, or hive shall pay a $10.00 annual registration fee for each location of hives. The fee revenue, together with any other funds appropriated to the Agency for this purpose, shall be collected by the Secretary and credited to the Weights and Measures Testing fund to be used to offset the costs of inspection services and to provide educational services and technical assistance to beekeepers in the State.

* * * Effective Dates * * *

Sec. 32. EFFECTIVE DATES

(a) This section and Sec. 28 (dispensaries) shall take effect on passage.

(b) Sec. 31 (apiaries) shall take effect on July 1, 2015.

(c) All remaining sections shall take effect on July 1, 2014.

(Committee vote: 6-1-0)

(No House amendments)

H. 864.

An act relating to capital construction and State bonding budget adjustment.

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:

Sec. 1. 2013 Acts and Resolves No. 51, Sec. 2 is amended to read:

Sec. 2. STATE BUILDINGS

* * *

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

* * *

(15) Renovation and replacement of state-owned assets, Tropical Storm Irene:

* * *

(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), including any updates on material changes to the planning or funding of the Waterbury State Office Complex.

(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 original project cost estimate by ~~10~~ five percent or more; or

(ii) constitutes a change in plan or design.

(I) The Commissioner of Buildings and General Services, with the approval of the Secretary of Administration, is authorized to approve additional contingency spending for the Waterbury State Office Complex of less than five percent of the total original project cost estimate.

* * *

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

* * *

(2) Statewide, building reuse and planning: $75,000.00

(3) Statewide, contingency: $100,000.00

(4) Statewide, major maintenance: ~~$8,334,994.00~~ $8,369,994.00

(5) Statewide, BGS engineering, project management, and architectural project costs: ~~$2,982,132.00~~ $3,446,163.00

* * *

(11) Montpelier, capitol district heat plant, 122 State Street supplemental funds: $2,500,000.00

(12) Agency of Agriculture, Food and Markets and Agency of Natural Resources, laboratory, development of proposal for site location, programming, and design: $300,000.00

(13) Permanent secure residential facility, proposal for siting and design (as described in Sec. 40 of this act): $50,000.00

(14) Vergennes, Weeks School, master plan (as described in Sec. 22 of this act): $30,000.00

(15) State House, elevator upgrades and repair: $180,000.00

(16) Barre, 2 Spaulding Street and McFarland State Office Building, retaining wall (as described in subsection (h) of this section): $75,000.00

(17) State House, security enhancements (as described in subsection (i) of this section): $250,000.00

(18) State House maintenance, and enhancements, upgrades, and renovations to support the Senate, as approved by the Committee on Committees: $100,000.00

(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. It is also the intent of the General Assembly that the Commissioner of Buildings and General Services may:

(1) reallocate up to $300,000.00 of the funds appropriated in subdivision (c)(4) of this section to subdivision (c)(2) of this section;

(2) use up to $360,000.00 of the funds appropriated in subdivisions (b)(5) and (c)(5) of this section for the purpose of funding four limited service positions in the Department of Buildings and General Services created for engineering-related work pursuant to the 2013 Acts and Resolves No. 50, Sec. E.100(b)(1) (FY 2014 Appropriations Act); and

(3) use up to $250,000.00 of the funds appropriated in subdivision (c)(5) of this section for the purpose of supporting the Department of Buildings and General Services in implementing a project management system.

* * *

(f) It is the intent of the General Assembly that the amount appropriated in subdivision (c)(2) of this section may be used for:

(1) a long-term capital plan, as described in Sec. 27 of this act;

(2) a budget and phased design plan for infrastructure improvements at 120 State Street in Montpelier; and

(3) fostering and developing a ten-year capital program plan as required by 32 V.S.A. § 701a.

(g) It is the intent of the General Assembly that the amount appropriated in subdivision (c)(11) of this section shall not exceed the cost of construction in placing the capital district heat plant into service. It is also the intent of the General Assembly that any additional funds remaining after this construction has been completed shall be reallocated to the FY 2016 Capital Construction Act.

(h)(1) It is the intent of the General Assembly that the amount appropriated in subdivision (c)(16) of this section shall be used by the Commissioner of Buildings and General Services to reimburse the landowner of the property located at 2 Spaulding Street in Barre once the landowner has completed the following:

(A) demolishes and removes the entire retaining wall that is located on both the landowner's property and on the State's property;

(B) demolishes and removes the house located on the landowner's property; and

(C) excavates and grades the site located on both the landowner's property and on the State's property.

(2) Notwithstanding 32 V.S.A. § 5, the Commissioner of Buildings and General Services is authorized to use any remaining funds to compensate the landowner if the landowner conveys the property located at 2 Spaulding Street in Barre by warranty deed to the State of Vermont. It is the intent of the General Assembly that the Commissioner shall not compensate the landowner for the conveyance unless the work described in subdivision (1) of this subsection is complete.

(3) It is also the intent of the General Assembly that any reimbursement of funds for work described in subdivision (1) of this subsection or compensation provided to the landowner for the conveyance shall be transferred to the landowner on or before October 1, 2014.

(4) It is also the intent of the General Assembly that any additional funds remaining shall be reallocated to the FY 2016 Capital Construction Act.

(i)(1) It is the intent of the General Assembly that the amount appropriated in subdivision (c)(17) of this section shall be used by the Commissioner of Buildings and General Services to:

(A) install a necessary raceway system with supporting wiring for the installation of a security system for the State House;

(B) install an alert system in One Baldwin Street to notify employees when an emergency alarm has been activated in the State House and when the House and the Senate are convening; and

(C) conduct trainings, assessments, and evaluations, as needed.

(2) It is also the intent of the General Assembly that the Commissioner of Buildings and General Services shall use the amount appropriated in subdivision (c)(17) to reimburse the General Assembly for retaining consultant services for trainings, assessments, and evaluations, as described in Sec. 26 of this act.

Appropriation – FY 2014	$52,461,132.00
Appropriation – FY 2015	~~$45,742,126.00~~ $49,726,157.00
Total Appropriation – Section 2	~~$98,203,258.00~~ $102,187,289.00

Sec. 2. 2013 Acts and Resolves No. 51, Sec. 4 is amended to read:

Sec. 4. HUMAN SERVICES

* * *

(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:

* * *

(3) Correctional facilities, suicide abatement projects at Southern State Correctional Facility and Southeast State Correctional Facility: $200,000.00

(4) State correctional facilities, security enhancements and cameras, replacement for all facilities: $250,000.00

(5) Southern State Correctional Facility, installation of a new security gate and security cage over camera, installation of gurney lift, and recreational yard improvements: $90,000.00

(6) Northern State Correctional Facility, reconstruction of the kitchen and serving line to improve safety and security and to expand kitchen space to allow increased serving capacity: $160,000.00

(7) Woodside Juvenile Rehabilitation Center, installation of new security fencing to support program and provide a more secure setting: $181,000.00

* * *

Appropriation – FY 2014	$5,200,00.00
Appropriation – FY 2015	~~$6,100,000.00~~ $6,981,000.00
Total Appropriation – Section 4	~~$11,300,000.00~~ $12,181,000.00

Sec. 3. 2013 Acts and Resolves No. 51, Sec. 5 is amended to read:

Sec. 5. JUDICIARY

* * *

(c) The sum of $40,000.00 is appropriated in FY 2015 to the Department of Buildings and General Services on behalf of the Judiciary for the planning and monitoring of the Caledonia courthouse wall stabilization and foundation project currently under design.

(d) The sum of $88,000.00 is appropriated in FY 2015 to the Judiciary and directed to the Windsor County courthouse for funding ADA compliance, life safety requirements, electrical device redundancy, and teledata components and wiring.

(e) It is the intent of the General Assembly that any amounts appropriated under this section shall not alter the Judiciary's capital construction priority list.

Appropriation – FY 2014	$1,000,000.00
Appropriation – FY 2015	$2,628,000.00
Total Appropriation – Section 5	~~$3,500,000.00~~ $3,628,000.00

Sec. 4. 2013 Acts and Resolves No. 51, Sec. 6 is amended to read:

Sec. 6. COMMERCE AND COMMUNITY DEVELOPMENT

* * *

(c) The following sum is appropriated in FY 2014 to the Department of Buildings and General Services for the Battle of Cedar Creek and Winchester Memorials, ~~relocation~~ design and replication, and placement of roadside marker: ~~$25,000.00~~ $35,000.00

* * *

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

* * *

(3) Justin Morrill State site, Strafford, siding repair, stair modifications to allow a second means of egress, and a conditions assessment: $28,000.00

Appropriation – FY 2014 ~~$440,000.00~~ $450,000.00

Appropriation – FY 2015 ~~$250,000.00~~ $288,000.00

Total Appropriation – Section 6 ~~$690,000.00~~ $728,000.00

Sec. 5. 2013 Acts and Resolves No. 51, Sec. 8 is amended to read:

Sec. 8. EDUCATION

* * *

(b) The sum of ~~$10,411,446~~ $10, 354,690.00 is appropriated in FY 2015 to the Agency of Education for funding the ~~state~~ 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 this subsection are committed funds not subject to budget adjustment.~~

Appropriation – FY 2014 $6,704,634.00

Appropriation – FY 2015 ~~$10,411,446.00~~ $10,354,690.00

Total Appropriation – Section 8 ~~$17,116,080.00~~ $17,059,324.00

Sec. 6. 2013 Acts and Resolves No. 51, Sec. 11 is amended to read:

Sec. 11. NATURAL RESOURCES

* * *

(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~~ $1,114,000.00

* * *

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

* * *

(C) EcoSystem restoration and protection:

~~$2,073,732.00~~ $2,573,732.00

(D) Waterbury waste treatment facility for phosphorous removal:

$300,000.00

* * *

(4)(A) 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

(B) the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the purchase of easements and trail improvements on behalf of the Green Mountain Club: $122,197.00

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

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

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

* * *

Appropriation – FY 2014	$13,772,550.00
Appropriation – FY 2015	~~$7,881,732.00~~ $9,242,929.00
Total Appropriation – Section 11	~~$21,654,282.00~~ $23,015,479.00

Sec. 7. 2013 Acts and Resolves No. 51, Sec. 12 is amended to read:

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, ADA compliance, 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~~ $550,000.00 is appropriated in FY 2015 for the purpose described in subsection (a) of this section.

Appropriation – FY 2014	$750,000.00
Appropriation – FY 2015	$550,000.00
Total Appropriation – Section 12	~~$1,250,000.00~~ $1,300,000.00

Sec. 8. 2013 Acts and Resolves No. 51, Sec. 13 is amended to read:

Sec. 13. PUBLIC SAFETY

* * *

(f) The sum of $36,000.00 is appropriated in FY 2015 to the Department of Public Safety to provide evidence storage units for the Vermont State Police to acquire accreditation through the Commission on Accreditation for Law Enforcement (CALEA) at existing barracks not yet renovated: $36,000.00

(g) The sum of $50,000.00 is appropriated in FY 2015 to the Department of Buildings and General Services to contract with an independent third party to develop, in consultation with all interested stakeholders, an operational governance and planning model for the operation, financial integrity, and maintenance of the Robert H. Wood Criminal Justice and Fire Service Training Center in Pittsford. On or before January 15, 2015, the Department of Buildings and General Services shall submit this plan to the House Committee on Corrections and Institutions and the Senate Committee on Institutions: $50,000.00

Appropriation – FY 2014	$3,600,000.00
Appropriation – FY 2015	~~$3,400,000.00~~ $3,486,000.00
Total Appropriation – Section 13	~~$7,000,000.00~~ $7,086,000.00

Sec. 9. 2013 Acts and Resolves No. 51, Sec. 17 is amended to read:

Sec. 17. VERMONT VETERANS' HOME

* * *

(e) The sum of $435,000.00 is appropriated in FY 2015 to the Department of Buildings and General Services for the Vermont Veterans' Home to be used to match federal funds for kitchen renovations. The amount appropriated in this subsection shall be used in conjunction with the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 19(b) to the Department of Buildings and General Services for the Vermont Veterans' Home to design an upgrade of the kitchen and dietary storage areas to be code compliant and to improve the food preparation and delivery systems.

Appropriation – FY 2014	$1,216,000.00
Appropriation – FY 2015	$435,000.00
Total Appropriation – Section 17	~~$1,216,000.00~~ $1,651,000.00

Sec. 10. 2013 Acts and Resolves No. 51, Sec. 18a is amended to read:

Sec. 18a. ENHANCED 911 PROGRAM

* * *

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

* * *

Total Appropriation – Section 18a ~~$20,000.00~~ $10,000.00

Sec. 11. 2013 Acts and Resolves No. 51, Sec. 19 is amended to read:

Sec. 19. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

* * *

(e) The following sums are reallocated to defray expenditures authorized in this act:

(1) of the amount appropriated in 1991 Acts and Resolves No. 93, Sec. 11 (drinking water supply projects): $5,062.78

(2) of the amount appropriated in 2002 Acts and Resolves No. 149, Sec. 15 (State's Attorneys and Sheriffs, case management software system): $54,877.31

(3) of the amount appropriated in 2004 Acts and Resolves No. 121, Sec. 10 (Fish and Wildlife, species recovery plan): $82.63

(4) of the amount appropriated in 2005 Acts and Resolves No. 43, Sec. 9 (State-owned dams, maintenance): $0.19

(5) of the amount appropriated in 2006 Acts and Resolves No.147, Sec. 10 (State-owned dams, maintenance): $18,934.32

(6) of the amount appropriated in 2006 Acts and Resolves No. 147, Sec. 3 (Health and Public Safety Lab): $985.58

(7) of the amount appropriated in 2007 Acts and Resolves, No. 52, Sec. 3 (Health and Public Safety Lab): $93,006.05

(8) of the amount appropriated in 2008 Acts and Resolves No. 200, Sec. 3 (co-location of Health and Forensic Lab): $13,163.00

(9) of the amount appropriated in 2009 Acts and Resolves No. 43, Sec. 1 (State buildings, major maintenance and various projects): $24,914.89

(10) of the amount appropriated in 2009 Acts and Resolves No. 43, Sec. 9 (Fish hatcheries, biosecurity): $38.27

(11) of the amount appropriated in 2009 Acts and Resolves No. 43, Sec. 9 (Montpelier flood control): $42,273.30

(12) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 1 (Statewide, major maintenance): $11,656.44

(13) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 1 (Waterbury, State office complex, fire alarm panels and door holders): $38,590.72

(14) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 1 (Bennington State Office Building, geothermal energy project): $96,277.59

(15) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 8 (Austine School, Holton Hall, renovations): $11,962.03

(16) of the amount appropriated in 2009 Acts and Resolves No. 43, Sec. 9 (Ecosystem restoration and protection): $7,000.00

(17) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 12 (Lamprey Control Project): $0.40

(18) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 12 (Montpelier flood control): $175,201.00

(19) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 12 (Water pollution control projects): $0.01

(20) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 14 (Waterbury, Public Safety headquarters, repairs): $11,757.61

(21) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 26 (Springfield, municipal water system): $200,000.00

(22) of the amount appropriated in 2010 Acts and Resolves No. 161, Sec. 20 (Center for Crime Victim Services): $344.31

(23) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (Statewide buildings, reuse and planning): $32,497.59

(24) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (Statewide buildings, statewide contingency): $1,473.51

(25) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (Statewide buildings, major maintenance): $53,676.67

(26) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (State buildings, 120 State Street, restroom renovations): $1,960.39

(27) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (State buildings, St. Albans, Northwest Correctional Facility, maintenance shop): $5,360.00

(28) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (State buildings, statewide, engineering and architectural costs): $95,639.98

(29) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 12 (ecosystem restoration and protection): $12,468.06

(30) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 12 (Department of Forest, Parks, and Recreation, projects): $64.47

(31) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 20 (Center for Crime Victim Services): $4,270.00

(32) of the amount appropriated in 2011 Acts and Resolves No. 40, Sec. 2 (State House committee rooms): $7,337.97

(33) of the amount appropriated in 2012 Acts and Resolves No. 104, Sec. 7 (Regional economic development grants): $2,000.00

(34) of the amount appropriated in 2012 Acts and Resolves No. 104, Sec. 9 (Review of Vermont State Police facilities): 30,602.86

Total Reallocations and Transfers – Section 19 ~~$5,728,049.74~~ $6,781,529.67

Sec. 12. 2013 Acts and Resolves No. 51, Sec. 20 is amended to read:

Sec. 20. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

* * *

(c) The State Treasurer is authorized to issue additional general obligation bonds in the amount of $5,842,992.21 that were previously authorized but unissued under 2013 Acts and Resolves No. 51, Sec. 20(a) for FY 2014 for the purpose of funding the appropriations of this act.

Total Revenues – Section 20 ~~$167,503,320.00~~ $173,346,312.21

Sec. 13. 2013 Acts and Resolves No. 51, Sec. 21 is amended to read:

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. 14. 2012 Acts and Resolves No. 104, Sec. 1(a) is amended to read:

(a) Damage to ~~state-owned~~ State-owned assets and infrastructure caused by Tropical Storm Irene on August 28, ~~2012~~ 2011 made necessary some of the reallocations and appropriations contained in this act.

Sec. 15. ART IN STATE BUILDINGS PROGRAM; REVIEW OF GUIDELINES AND PROCEDURES

(a) The Commissioner of Buildings and General Services and the Vermont Council on the Arts, Inc. shall evaluate the effectiveness of the current guidelines and procedures for the Art in State Buildings Program, including the use of program terms and whether modified or new guidelines or procedures are required.

(b) On or before January 15, 2015, the Commissioner of Buildings and General Services and the Vermont Council on the Arts, Inc. shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions with the results of the evaluation described in subsection (a) of this section.

Sec. 16. 2012 Acts and Resolves No. 104, Sec. 2(f) is amended to read:

(f)(1) Option B of the of the Freeman, French, Freeman report published on March 9, 2012 aligns closely with the ~~general assembly's~~ General Assembly's vision for the Waterbury Complex. However, the ~~general assembly~~ General Assembly believes that Option B could be modified to achieve a cost savings to Vermonters. On or before June 1, 2012, the ~~department of buildings and general services~~ Department of Buildings and General Services shall present a modified design proposal, including proposals under subdivision (4) of this subsection (f) to the ~~house committee on corrections and institutions~~ House Committee on Corrections and Institutions, the ~~senate committee on institutions~~ Senate Committee on Institutions, and the ~~special committee~~ Special Committee described in this subsection.

* * *

(4) The ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services is authorized to take certain actions before formal approval of the design. Therefore, notwithstanding 29 V.S.A. § 152(a)(6), 165, or 166 or any other provision of law, in addition to producing a design, permitting, and applying for federal aid, upon passage of this act, the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services may:

(A) lease, sell, lease purchase, subdivide, redevelop for State use, or donate the following buildings within the Waterbury Complex in their current condition: Stanley and Wasson, 121 South Main Street, 123 South Main Street, 5 Park Row, 43 Randall Street, and their improvements.

* * *

Sec. 17. 2011 Acts and Resolves No. 40, Sec. 26(c) is amended to read:

(c) ~~The commissioner of buildings and general services is authorized to sell the Vermont health laboratory at 195 Colchester Avenue in Burlington pursuant to 29 V.S.A. § 166.~~ The Commissioner of Buildings and General Services is authorized to do any or all of the following with respect to the Vermont health laboratory located at 195 Colchester Avenue in Burlington:

(1) investigate all potential uses of the land and building, including redeveloping the land, provided that it is consistent with existing deed covenants; and

(2) enter into agreements and execute any necessary documentation to release or extinguish any of the existing deed covenants.

Sec. 18. REPEAL; USE AND DEVELOPMENT OF STATE FACILITIES AND LAND; SPRINGFIELD CORRECTIONAL FACILITY

2010 Acts and Resolves No. 161, Sec. 26(c)(2)(improvements and upgrades to the municipal water system at the Springfield Correctional Facility) is repealed.

Sec. 19. 2013 Acts and Resolves No. 51, Sec. 25 is amended to read:

Sec. 25. BATTLE OF CEDAR CREEK AND WINCHESTER MEMORIALS

(a) The Commissioner of Buildings and General Services is authorized to use the appropriation in Sec. 6(c)(1) of this act for capital expenses associated with the placement of a Vermont historical roadside marker at the Cedar Creek Battlefield in Virginia, and the ~~relocation~~ design and replication of the Battle of Winchester Memorial ~~to~~ at its original location on the Third Winchester Battlefield in Virginia~~, and~~. The Department of Buildings and General Services, or its agent, shall supervise the installation of the roadside marker and the Memorial.

(b) The Commissioner of Buildings and General Services is further authorized to use the appropriation in Sec. 6(c)(1) of this act for capital expenses associated with the completion of the projects described in subsection (a) of this section for reimbursement to the Civil War Trust, the State of Virginia, ~~and~~ the United States Veterans Administration ~~for any capital~~

~~expenses associated with the completion of these projects~~, the Cedar Creek Battlefield Foundation, and any other entity engaged by the Department of Buildings and General Services to assist with the roadside marker or the Memorial.

(c) As used in this section, ~~Capital~~ capital expenses associated with the placement of the roadside marker or the ~~relocation~~ replication of the Memorial may include site acquisition, planning, design, transportation of the Memorial, and any other reasonably related costs.

Sec. 20. SALISBURY CHURCH

The General Assembly finds that the former parsonage and land located at 1941 West Shore Road in the Town of Salisbury, and described in the warranty deed dated December 8, 1980 between Alan S. Farwell and the Salisbury Congregational United Church of Christ, has little or no value to the State of Vermont, and would require additional operational funds to maintain or sell. Therefore, notwithstanding 32 V.S.A. § 5, the General Assembly:

(1) disclaims any existing or future interest in the former parsonage and land located at 1941 West Shore Road in the Town of Salisbury; and

(2) authorizes the Commissioner of Buildings and General Services to execute a quitclaim deed to transfer any existing or future interest in the former parsonage and land located at 1941 West Shore Road in the Town of Salisbury to the Salisbury Congregational United Church of Christ.

Sec. 21. 2009 Acts and Resolves No. 43, Sec. 25 is amended to read:

Sec. 25. PROPERTY TRANSACTIONS; MISCELLANEOUS

* * *

(e) ~~Pursuant to 29 V.S.A. § 166(b), the commissioner of buildings and general services is authorized to subdivide land at the former Weeks school in Vergennes in order to sell the Arsenal and Fairbanks buildings. The commissioner may use proceeds from the sale to enhance the value of the remaining former Weeks school property.~~ [Repealed.]

* * *

Sec. 22. WEEKS SCHOOL; VERGENNES; MASTER PLAN

(a) The Commissioner of Buildings and General Services shall contract with an independent third party to develop a master plan for the former Weeks School property located in the City of Vergennes and the Town of Ferrisburgh. In developing the master plan, the independent third party shall consult with the City of Vergennes, the Town of Ferrisburgh, local and regional organizations, and affected State agencies and landowners. The master plan

shall include an evaluation of whether the property may be subdivided and sold, and for what purposes it may be used.

(b) On or before January 15, 2015, the Commissioner of Buildings and General Services shall provide an update on the plan described in subsection (a) of this section to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

Sec. 23. 29 V.S.A. § 157 is amended to read:

§ 157. FACILITIES CONDITION ANALYSIS

(a) The Commissioner of Buildings and General Services shall:

* * *

(2) conduct a facilities condition analysis each year of ~~20~~ ten percent of the building area and infrastructure under the Commissioner's jurisdiction so that within ~~five~~ ten years all property is assessed. At the end of the ~~five~~ ten years, the process shall begin again. The analysis conducted pursuant to this subsection shall include the thermal envelope of buildings and a report on the annual energy consumption and energy costs and recommendations for reducing energy consumption.

(b) The Commissioner may use up to two percent of the funds appropriated to the Department of Buildings and General Services for major maintenance and planning for the purpose described in subsection (a) of this section.

Sec. 24. FACILITIES CONDITIONS ANALYSIS; USE OF FY 2015 FUNDS

The Commissioner of Buildings and General Services may use the funds appropriated to the Department of Buildings and General Services for major maintenance and planning and allocated to conducting a facilities conditions analysis under 29 V.S.A. § 157(b) for Sec. 27(a)(2) of this act.

Sec. 25. DEDICATION OF SENATOR SALLY FOX CONFERENCE AREA IN THE WATERBURY STATE OFFICE COMPLEX

(a) Purposes. It is the intent of the General Assembly to honor the work of the late Senator Sally Fox, who served in the Vermont House of Representatives from 1986 to 2000 and in the Vermont Senate from 2010 to 2014. She spent her entire career working on human services policy issues and was widely recognized as one of Vermont's leading advocates for the clients of the Agency of Human Services.

(b) Dedication. In acknowledgement of Senator Fox's years of public service to the State of Vermont and the countless hours she dedicated to working on human services policy in the former Waterbury State Office

Complex, the Commissioner of Buildings and General Services and the Secretary of Human Services shall name one of the main conference areas or conference rooms at the new office space of the Agency of Human Services in the Waterbury State Office Complex in the name of Senator Fox.

* * * Security * * *

Sec. 26. CAPITOL COMPLEX SECURITY; WORKING GROUP; REVIEW

(a) Creation. There is created a working group for the purpose of assessing security in the Capitol Complex. The Working Group may authorize or retain consultant services to conduct a review and prepare a report on security in the Capitol Complex, including reviewing current security arrangements and governance options, and identifying possible security enhancements. Any consultants retained pursuant to this subsection shall work through the Joint Fiscal Office under the direction of the Chair of the Working Group.

(b) Membership.

(1) The Working Group shall be composed of the following members:

(A) the Lieutenant Governor;

(B) the Commissioner of Buildings and General Services or designee;

(C) a representative of the Capitol Police;

(D) the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions;

(E) the Sergeant at Arms; and

(F) the Court Administrator or designee.

(2) The Lieutenant Governor shall be the Chair of the Working Group and shall convene meetings.

(3) The Working Group shall have the assistance of the staff of the Office of Legislative Council and the Joint Fiscal Office.

(4) The Joint Fiscal Office, in consultation with the Speaker of the House and the Committee on Committees, shall hire one or more consultants to undertake the security review authorized by this section.

(c) Funding. The working group is authorized to use funds appropriated in Sec. 1(c)(17) of this act to retain consultant services pursuant to subsection (a) of this section. It is the intent of the General Assembly that any remaining funds shall be reallocated to the FY 2016 Capital Construction Act for the

purpose of implementing the recommendations contained in the security report. Any remaining funds shall only be appropriated to implement a recommendation with authorization of the General Assembly.

* * * Capital Planning and Finance * * *

Sec. 27. LONG-TERM CAPITAL PLAN

(a) The Commissioner of Buildings and General Services is authorized to use funds appropriated in 2013 Acts and Resolves No. 51, Sec. 2(c)(2) to develop a long-term capital plan for space utilization in the Capitol Complex and in State-owned and leased buildings in surrounding areas. The plan shall include:

(1) an evaluation of the full and efficient occupancy of State-owned and leased buildings;

(2) a facilities conditions analysis of up to ten percent of the total building square footage within the Capitol Complex, as may be required; and

(3) an evaluation of the space needs of the State Auditor.

(b) The Commissioner of Buildings and General Services shall present the results of the long-term capital plan described in subsection (a) of this section as part of the ten-year capital plan required by 32 V.S.A. § 701a.

Sec. 28. 32 V.S.A. § 701a(d) is amended to read:

(d) On or before ~~October~~ January 15, each entity to which spending authority 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~~ House Committee on Corrections and Institutions and the Senate Committee on Institutions a report on the ~~status~~ current fund balances of each authorized project with unexpended funds. ~~The report shall follow the form provided by the 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 may request additional or clarifying information regarding each project. On or before January 15, the Department shall present the information collected to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.~~

Sec. 29. CAPITAL PLANNING CAPABILITIES

(a) The Commissioner of Buildings and General Services and the Commissioner of Finance and Management, in consultation with the Joint

Fiscal Office, shall evaluate options for the State's capital planning capabilities in order to improve transparency and accountability for authorized capital construction projects and opportunities to develop a long-term statewide capital planning application in accordance with 32 V.S.A. § 701a.

(b) On or before January 15, 2015, the Commissioner of Buildings and General Services shall present the results of the evaluation described in subsection (a) of this section to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

Sec. 30. FIT-UP COSTS; DEFINITION AND PROCEDURES

On or before July 15, 2014, the Commissioner of Buildings and General Services shall develop and implement procedures for defining and allocating responsibility for fit-up costs in future construction of State-owned buildings and leased space.

* * * Administration * * *

Sec. 31. 3 V.S.A. § 2293(b) is amended to read:

(b) Development Cabinet. A Development Cabinet is created, to consist of the Secretaries of the Agencies of Administration, ~~of Natural Resources, of Commerce and Community Affairs, of Transportation, and~~ of Agriculture, Food and Markets, of Commerce and Community Development, of Education, of Natural Resources, and of Transportation. The Governor or the Governor's designee shall chair the Development Cabinet. The Development Cabinet shall advise the Governor on how best to implement the purposes of this section, and shall recommend changes as appropriate to improve implementation of those purposes. The Development Cabinet may establish interagency work groups to support its mission, drawing membership from any agency or department of State government. Any interagency work groups established under this subsection shall evaluate, test the feasibility of, and suggest alternatives to economic development proposals, including proposals for public-private partnerships, submitted to them for consideration. The Development Cabinet shall refer to appropriate interagency workgroups any economic development proposal that has a significant impact on the inventory or use of State land or buildings.

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

Sec. 32. 24 V.S.A. § 5608 is added to read:

§ 5608. AGRICULTURAL FAIRS AND FIELD DAYS CAPITAL PROJECTS COMPETITIVE GRANTS PROGRAM

(a) Grant guidelines. The following guidelines shall apply to capital grants made for Vermont agricultural fairs and field days projects pursuant to this section:

(1) Grants shall be competitively awarded to capital projects that relate to Vermont agricultural fairs and field days operating a minimum of three consecutive, eight-hour days per year.

(2) A project for which a grant is awarded shall have a minimum useful life of 20 years and shall be completed within three years of the execution of a contract to perform work authorized by the grant.

(3) A grant recipient shall contribute matching funds or in-kind services in an amount equal to 15 percent or more of the value of the grant.

(b) There is established an Agricultural Fairs and Field Days Capital Program Advisory Committee to administer and coordinate grants made pursuant to this section. The Committee shall include:

(1) two members appointed by the Secretary of Agriculture, Food and Markets;

(2) one member appointed by the Commissioner of Forests, Parks and Recreation;

(3) two members appointed by the Vermont Fair and Field Days Association;

(4) one member appointed by the Vermont Department of Tourism and Marketing;

(5) one member of the Vermont Senate appointed by the Committee on Committees; and

(6) one member of the Vermont House of Representatives appointed by the Speaker of the House.

(c) Administration.

(1) The Advisory Committee created in subsection (b) of this section shall have the authority to award grants in its sole discretion; provided, however, that the Committee may consider whether to award partial awards to all applicants that meet Program criteria established by the Committee.

(2) The Agency of Agriculture, Food and Markets shall provide administrative and technical support to the Committee for purposes of administering grants awarded under this section.

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

Sec. 33. LABORATORY; PROPOSAL

(a) On or before August 15, 2014, the Department of Buildings and General Services, the Agency of Agriculture, Food and Markets, and the Agency of Natural Resources shall submit a site location proposal for a shared laboratory to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. It is the intent of the General Assembly that when evaluating site locations, preference shall be given to State-owned property.

(b) With approval of the Speaker of the House and the President Pro Tempore, as appropriate, the House Committee on Corrections and Institutions and the Senate Committee on Institutions may meet up to one time when the General Assembly is not in session to evaluate the proposal described in subsection (a) of this section and make a recommendation on the site location to the Joint Fiscal Committee. The Committees shall notify the Commissioner of Buildings and General Services, the Secretary of Agriculture, Food and Markets, and the Secretary of Natural Resources prior to holding a meeting pursuant to this subsection. Committee members shall be entitled to receive a per diem and expenses as provided in 2 V.S.A. § 406.

(c) The Joint Fiscal Committee shall review the recommendation of the Committees described in subsection (b) of this section at its September 2014 meeting. If the Joint Fiscal Committee so determines, it shall approve the proposal as recommended by the Committees.

(d) On or before December 1, 2014, the Department of Buildings and General Services, in consultation with the Agency of Agriculture, Food and Markets and the Agency of Natural Resources, shall develop a detailed proposal on the site location recommended by the Committees if approved by the Joint Fiscal Committee. The proposal shall include programming, size, design, and preliminary cost estimates for a shared laboratory. The proposal shall also include an evaluation of the current Agency of Agriculture, Food and Markets and the Agency of Natural Resources programs located in the leased space at 322 Industrial Lane in Berlin. The Department of Buildings and General Services is authorized to use funds appropriated in 2013 Acts and Resolves No. 51, Sec. 2, as amended by Sec. 1 of this act, for any costs associated with the proposal.

(e) 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 on the proposals described in subsections (a) and (d) of this section.

* * * Education * * *

Sec. 34. ENHANCED 911 PROGRAM; IMPLEMENTATION IN SCHOOL DISTRICTS

(a) The Enhanced 911 Board, in consultation with the Agency of Education, shall conduct a Statewide assessment in each school district to determine the needs for compliance with the Enhanced 911 Program.

(b) On or before January 15, 2015, the Enhanced 911 Board shall report the results of the assessment described in subsection (a) of this section to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

* * * Human Services * * *

Sec. 35. 2013 Acts and Resolves No. 51, Sec. 40 is amended to read:

Sec. 40. SECURE RESIDENTIAL FACILITY

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

Sec. 36. VERMONT PSYCHIATRIC CARE HOSPITAL; CERTIFICATE OF NEED; FEDERAL MATCH

The Commissioner of Buildings and General Services is authorized to transfer the sum of $447,928.05 from the amount authorized in 2013 Acts and Resolves No. 51, Sec. 2(b)(15)(A) to the Agency of Human Services if State funding is required to match federal funds for eligible project costs required under the Certificate of Need for the Vermont Psychiatric Care Hospital.

* * * Judiciary * * *

Sec. 37. COUNTY COURTHOUSES; PLAN

(a) Pursuant to the restructuring of the Judiciary in 2009 Acts and Resolves No. 154, the Court Administrator and the Commissioner of Buildings and General Services shall evaluate the scope of the State's responsibility for maintaining county courthouses, including Americans with Disabilities Act

(ADA) compliance and whether an emergency fund is necessary for construction or renovation projects at county courthouses.

(b) On or before January 15, 2015, the Judiciary shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions with the results of the evaluation.

* * * Public Safety * * *

Sec. 38. 2013 Acts and Resolves No. 51, Sec. 48 is amended to read:

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. In the event that land is identified for Troop B of the Vermont State Police, then the Department of Public Safety shall hold public meetings in the affected communities for public input on the proposal. The Department of Public Safety shall notify the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the results of the meeting when the General Assembly is in session, and the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions when the General Assembly is not in session. The General Assembly encourages the affected communities to contact the Department of Public Safety to review any proposals as they develop.

Sec. 39. VERMONT STATE POLICE; SALE OF WEST BRATTLEBORO AND ROCKINGHAM BARRACKS

The Commissioner of Buildings and General Services is authorized to sell the West Brattleboro Troop Headquarters in the Town of West Brattleboro and the Rockingham Troop Headquarters in the Town of Rockingham. The net proceeds of any sale shall be reallocated to the Department of Public Safety for the purposes described in 2013 Acts and Resolves No. 51, Sec. 13(d).

* * * Energy Use on State Properties * * *

Sec. 40. ENERGY EFFICIENCY; STATE LEASES

The Commissioner of Buildings and General Services shall develop a set of criteria and guidelines to evaluate and, where appropriate, incorporate the use of energy efficiency measures, thermal energy conservation measures, and renewable energy resources in buildings and facilities leased by the State.

Sec. 41. 29 V.S.A. § 168 is amended to read:

§ 168. STATE ~~RESOURCE~~ ENERGY MANAGEMENT PROGRAM; REVOLVING FUNDS

(a) ~~Resource~~ State energy management program. ~~The~~

(1) There is established within the Department ~~shall be responsible~~ of Buildings and General Services an Energy Management Program for administering the interest of the State in all ~~resource conservation~~ energy management measures in State buildings and facilities, including equipment replacement, studies, weatherization, ~~and~~ construction of improvements affecting the use of energy resources, the implementation of energy efficiency and conservation measures, and the use of renewable resources.

(2) The Energy Management Program shall be implemented through two revolving funds used to finance energy management measures in State buildings and facilities. Pursuant to subsections (b) and (c) of this section, the State Resource Management Revolving Fund shall provide revenue for implementation of resource conservation measures, and the Energy Revolving Fund shall provide funding for energy efficiency improvements and the use of renewable resources. The Commissioner of Buildings and General Services shall establish guidelines for the provision of funding for energy management measures through these revolving funds.

(3) All ~~resource conservation~~ energy management measures taken ~~for the benefit of departments or agencies to which this section applies~~ pursuant to this section shall~~, beginning on July 1, 2004,~~ be made and executed by and in the name of the Commissioner.

(b) State Resource Management Revolving Fund.

(1) There is established a Resource Management Revolving Fund to provide revenue for implementation of resource conservation measures anticipated to generate a life cycle cost benefit to the State. All State agencies responsible for development and operations and maintenance of State infrastructure shall have access to the Resource Management Revolving Fund on a priority basis established by the Commissioner.

(2) The Fund shall consist of:

(A) ~~Monies~~ monies appropriated to the Fund, or which are paid to it under authorization of the Emergency Board~~.~~;

(B) ~~Monies~~ monies saved by the implementation of resource management conservation measures~~.~~; and

(C) ~~Fees~~ fees for administrative costs paid by departments and agencies, which shall be fixed by the Commissioner subject to the approval of the Secretary of Administration.

(D) ~~[Deleted.]~~ [Repealed.]

(3) Monies from the Fund shall be expended by the Commissioner for resource conservation measures anticipated to generate a life cycle cost benefit to the State and all necessary costs involved with the administration of State agency energy planning as determined by the Commissioner.

(4) The Commissioner shall establish criteria to determine eligibility for funding of resource conservation measures.

(5) Agencies or departments receiving funding shall repay the Fund through their regular operating budgets according to a schedule established by the Commissioner. Repayment shall include charges of fees for administrative costs over the term of the repayment.

(6) The Commissioner of Finance and Management may anticipate receipts to this Fund and issue warrants based thereon.

(7) The Commissioner ~~of Buildings and General Services~~ shall maintain accurate and complete records of all receipts by and expenditures from the Fund.

(8) All balances remaining at the end of a fiscal year shall be carried over to the following year.

(c) Energy Revolving Fund.

(1) There is established an Energy Revolving Fund to finance energy efficiency improvements and the use of renewable resources in State buildings and facilities anticipated to generate a cost-savings to the State. State agencies and departments shall have access to the Energy Revolving Fund on a priority basis established by the Commissioner and the State Treasurer.

(2) The Fund shall consist of:

(A) monies appropriated to the Fund or which are paid to it under authorization of the Emergency Board;

(B) monies saved by the implementation of energy efficiency improvements and the use of renewable resources;

(C) any funds available through a credit facility maintained by the State Treasurer in accordance with subsection (d) of this section; and

(D) fees for administrative costs paid by departments and agencies, which shall be fixed by the Commissioner subject to the approval of the Secretary of Administration.

(3) Monies from the Fund shall be expended by the Commissioner for measures anticipated to generate a cost-savings to the State and costs involved with the administration of the State agency energy plan as determined by the Commissioner.

(4) The Commissioner and the State Treasurer shall establish criteria to determine eligibility for funding of energy efficiency improvements and the use of renewable resources, including returns of investment on terms acceptable to the State Treasurer.

(5) Agencies and departments receiving funding shall repay the Fund through their regular operating budget according to a schedule established by the Commissioner. Repayment shall include charges of fees for administrative costs over the term of the repayment.

(6) The Commissioner of Finance and Management may anticipate receipts to this Fund and issue warrants based thereon.

(7) The Commissioner of Buildings and General Services shall maintain accurate and complete records of all receipts by and expenditures from the Fund.

(8) All balances remaining at the end of a fiscal year shall be carried over to the following year; provided, however, that any amounts received in repayment of the credit facility established under subsection (d) of this section may be reinvested by the State Treasurer.

(d) Notwithstanding any other provision of law to the contrary, the State Treasurer, working in collaboration with the Department of Buildings and General Services, shall have the authority to establish a credit facility of up to $8,000,000.00, on terms acceptable to the State Treasurer. The credit facility shall be used for the purpose of financing energy efficiency improvements and the use of renewable resources anticipated to generate a cost-savings to the State.

(e) As used in this section:

(1) "Energy efficiency improvement" shall mean a set of measures aimed at reducing the energy used by specific end-use devices and systems to provide light, heat, cooling, or other services without affecting the level of service provided. An energy efficiency project may also include energy conservation measures; that is, a reduction in energy consumption that corresponds with a reduction in service demand.

(2) "Renewables" shall have the same meaning as under 30 V.S.A. § 8002.

(3) "Resource conservation measures" shall mean a set of measures, including a study, product, process, or technology, aimed at reducing overall use or consumption of energy resources in State buildings or facilities. "Resource conservation measures" shall include energy efficiency improvements.

(f) Beginning on or before January 15, 2015 and annually thereafter, the Department of Buildings and General Service shall report to the Senate Committee on Institutions and the House Committee on Corrections and Institutions on the expenditure of funds from the State Resource Management Revolving Fund for resource conservation measures and the Energy Revolving Fund for energy efficiency improvements and the use of renewable resources. For each fiscal year, the report shall include a summary of each project receiving funding and the State's expected savings.

* * * Effective Date * * *

Sec. 42. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(No House amendments)

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

The Committee recommends that the bill be amended as recommended by the Committee on Institutions, with the following amendment thereto:

In Sec. 32, Agricultural Fairs and Field Days Capital Projects Competitive Grants Program, in subdivision (a)(2), by striking out "three" and inserting in lieu thereof two.

(Committee vote: 6-0-1)

H. 884.

An act relating to miscellaneous tax changes.

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

* * * Technical and Administrative Provisions * * *
* * * Personal and Corporate Income Taxes * * *

Sec. 1. 32 V.S.A. § 5862d is amended to read:

§ 5862d. FILING OF FEDERAL FORM 1099

(a) Any individual or business required to file a federal form 1099 with respect to a nonresident who performed services within the State during the taxable year shall file a copy of the form with the Department. The Commissioner may authorize electronic filing of the form.

(b) Any individual or business required to file information returns pursuant to 26 U.S.C. § 6050W shall within 30 days of the date the filing is due to the Internal Revenue Service file with the Commissioner a duplicate of such information returns on which the recipient has a Vermont address. The Commissioner may authorize electronic filing of the form.

Sec. 2. 32 V.S.A. § 5862(c) is amended to read:

(c) Taxable corporations which received any income allocated or apportioned to this State under the provisions of section 5833 of this title for the taxable year and which under the laws of the United States constitute an affiliated group of corporations may elect to file a consolidated return in lieu of separate returns if such corporations qualify and elect to file a consolidated federal income tax return for that taxable year. Such an election to file a Vermont consolidated return shall continue for five years, including the year the election is made.

Sec. 3. 32 V.S.A. § 5862f is added to read:

§ 5862f. VERMONT GREEN UP CHECKOFF

(a) Returns filed by individuals shall include, on a form prescribed by the Commissioner of Taxes, an opportunity for the taxpayer to designate funds to Vermont Green Up, Inc.

(b) Amounts so designated shall be deducted from refunds due to, or overpayments made by, the designating taxpayers. All amounts so designated

and deducted shall be deposited in an account by the Commissioner of Taxes for payment to Vermont Green Up, Inc. If at any time after the payment of amounts so designated to the account it is determined that the taxpayer was not entitled to all or any part of the amount so designated, the Commissioner may assess, and the account shall then pay to the Commissioner, the amount received, together with interest at the rate prescribed by section 3108 of this title, from the date the payment was made until the date of repayment.

(c) The Commissioner of Taxes shall explain to taxpayers the purposes of the account and how to contribute to it. The Commissioner shall make available to taxpayers the annual income and expense report of Vermont Green Up, Inc., and shall provide notice in the instructions for the State individual income tax return that the report is available at the Department of Taxes.

(d) If amounts paid with respect to a return are insufficient to cover both the amount owed on the return under this chapter and the amount designated by the taxpayer as a contribution to Vermont Green Up, Inc., the payment shall first be applied to the amount owed on the return under this chapter and the balance, if any, shall be deposited in the account.

(e) Nothing in this section shall be construed to require the Commissioner to collect any amount designated as a contribution to Vermont Green Up, Inc.

Sec. 4. 32 V.S.A. § 5930b(c)(9) is amended to read:

(9) Incentive claims must be filed annually no later than the last day of April of ~~each~~ the current year ~~of the~~ for the prior year's utilization period. For a claim to be considered a timely filing and eligible for an incentive payment, all forms and workbooks must be complete and all underlying documentation, such as that required pursuant to subsection 5842(c) of this title, must be filed with the Department of Taxes. Incomplete claims may be considered to have been timely filed if a complete claim is filed within the time prescribed by the Department of Taxes. If a claim is not filed each year of the utilization period, any incentive installment previously paid shall be recaptured in accordance with subsection (d) of this section and upon notice from the Department of Taxes that the business failed to file a complete timely claim, the Vermont Economic Progress Council shall revoke all authority for the business to earn and claim incentives under this subchapter. The incentive return shall be subject to all provisions of this chapter governing the filing of tax returns. No interest shall be paid by the Department of Taxes for any reason with respect to incentives allowed under this section.

Sec. 5. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2012~~ 2013, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 6. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States relating to federal estate and gift taxes as in effect on December 31, ~~2012~~ 2013, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) the credit for State death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;

(2) the applicable credit amount shall under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were $2,750,000.00; and

(3) the deduction for State death taxes under 26 U.S.C. § 2058 shall not apply.

* * * Tax Increment Financing Districts * * *

Sec. 7. 2011 Acts and Resolves No. 45, Sec. 16 is amended to read:

Sec. 16. BURLINGTON TAX INCREMENT FINANCING

(a) Pursuant to ~~Sec. 83 of No. 54 of the Acts of the 2009 Adj. Sess. (2010)~~ 2010 Acts and Resolves No. 54, Sec. 83, the ~~joint fiscal committee~~ Joint Fiscal Committee approved a formula for the implementation of a payment to the ~~education fund~~ Education Fund in lieu of tax increment payments.

(b) The terms of the formula approved by the ~~joint fiscal committee~~ Joint Fiscal Committee are as follows:

(1) Beginning in the fiscal year in which there is the incurrence of new TIF debt, the ~~city~~ City will calculate and make an annual payment on December 10th to the ~~education fund~~ Education Fund each year until 2025. The April 1, 2010 grand list for the area encompassing the existing Waterfront TIF – excluding two parcels at 25 Cherry Street or the Marriott Hotel (SPAN#114-035-20755) and 41 Cherry Street – is the baseline to be used as the starting point for calculating the tax increment that will be divided 25 percent to the ~~state education fund~~ State Education Fund and 75 percent to the ~~city~~ City of Burlington. At the conclusion of the TIF in FY2025, any surplus tax increment funds will be returned to the ~~city~~ City of Burlington and ~~state education fund~~ State Education Fund in proportion to the relative

municipal and education tax rates as clarified in a letter from Mayor Bob Kiss to the ~~chair of the joint fiscal committee~~ Chair of the Joint Fiscal Committee dated September 9, 2009.

(2) The formula for calculating the payment in lieu of tax increment is as follows: first, the difference between the grand list for the Waterfront TIF excluding the two hotel parcels from the fiscal year in which the payment is due and the April 1, 2010 grand list is calculated. Next, that amount is multiplied by the current education property tax rates to determine the increment subject to payment. Finally, this new increment is multiplied by 25 percent to derive the payment amount.

(3) ~~The city of Burlington will prepare a report annually, beginning July 1, 2010, for both the joint fiscal committee and the department of taxes, which will contain:~~

~~(A) the calculation set out in subdivision (2) of this subsection;~~

~~(B) a listing of each parcel within the Waterfront TIF District and the 1996 original taxable value, 2010 extended base value, and the most recent values for all homestead and nonresidential property;~~

~~(C) a history of all of the TIF revenue and debt service payments; and~~

~~(D) details of new debt authorized, including repayment schedules.~~ [Repealed.]

Sec. 8. 24 V.S.A. § 1894(b) and (c) are amended to read:

(b) Use of the education property tax increment. For only debt ~~and related costs~~ incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, up to 75 percent of the education tax increment may be retained for up to 20 years, beginning with the 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) Use of the municipal property tax increment. For only debt ~~and related costs~~ incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, 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.

Sec. 9. 24 V.S.A. § 1894(e) is amended to read:

(e) Proportionality. The municipal legislative body may ~~pledge and appropriate~~ commit 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.

Sec. 10. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

As of the date the district is created, the lister or assessor for the municipality shall certify the 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~~ 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 has increased or decreased relative to the original taxable value.

Sec. 11. 24 V.S.A. § 1896(a) is amended to read:

(a) In each 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~~ treasurer 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~~ treasurer 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 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. No more than the percentages established pursuant to section 1894 of this subchapter of the municipal and ~~state~~ State education tax increments received with respect to the district and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing

account 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~~ treasurer, who shall thereafter include the entire assessed valuation of the district in the assessed valuations upon which municipal and other tax rates are computed and extended and ~~taxes are remitted to all taxing districts~~ thereafter no taxes from the district shall be deposited in the district's tax increment financing account.

Sec. 12. 24 V.S.A. § 1901(3) is amended to read:

(3) Annually:

(A) ~~include in the municipal audit cycle prescribed in section 1681 of this title a report of finances of~~ ensure that the tax increment financing district~~,~~ ~~including~~ account required by section 1896 of this subchapter is subject to the annual audit prescribed in section 1681 of this title. Procedures must include verification of 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. 13. 32 V.S.A. § 5404a(j) is amended to read:

(j) Tax increment financing district rulemaking, oversight, and enforcement.

* * *

(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~~ on questions and inquiries ~~about~~ concerning 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 (l) 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 written decision on each matter within 60 days of the ~~recommendation~~ receipt of the recommendations. 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.

* * *

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

(l) The State Auditor of Accounts shall conduct performance audits of all tax increment financing districts 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, except that for the Milton Catamount/Husky district and the Burlington Waterfront district only a final audit shall be conducted to cover the period from the effective date of the rules pursuant to subdivision (j)(1) of this section to the end of the retention period.

(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~~ five years after the first debt is incurred and a second audit seven years after completion of the first audit. A final audit will be conducted at the end of the period for retention of education increment.

* * * Property Taxes * * *

Sec. 15. 32 V.S.A. § 3436(b) is amended to read:

(b) The ~~director~~ Director shall ~~determine~~ establish designations recognizing levels of achievement and the necessary course work or evaluation of equivalent experience required ~~for~~ to attain each designation ~~as Vermont lister/assessor, Vermont property evaluator, and Vermont municipal assessor~~. Designation for any one level shall be for a period of three years.

Sec. 16. 32 V.S.A. § 5408(a) is amended to read:

(a) Not later than ~~30~~ 35 days after ~~the receipt by its clerk~~ mailing of a notice under section 5406 of this title, a municipality may petition the Director of the Division of Property Valuation and Review for a redetermination of the municipality's equalized education property value and coefficient of dispersion. Such petition shall be in writing and shall be signed by the chair of the legislative body of the municipality or its designee.

Sec. 17. 32 V.S.A. § 5410(g) is amended to read:

(g) If the property identified in a declaration under subsection (b) of this section is not the taxpayer's homestead, or if the owner of a homestead fails to declare a homestead as required under this section, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill that may, as determined by the governing body of the municipality, include a penalty of up to three percent of the education tax on the property. ~~If~~ However, if the property incorrectly declared as a homestead is located in a municipality that has a lower homestead tax rate than the nonresidential tax rate, ~~the penalty shall be an amount equal to eight percent of the education tax on the property, but if the homestead tax rate is higher than the nonresidential tax rate, the penalty shall be in an amount equal to three percent of the education tax on the property. If an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, the penalty shall be eight percent of the education tax liability on the property, but if the nonresidential tax rate is higher than the homestead tax rate, then the penalty shall be in an amount equal to three percent of the education~~

~~tax on the property~~ or if an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, then the governing body of the municipality may include a penalty of up to eight percent of the education tax liability on the property. If the Commissioner determines that the declaration or failure to declare was with fraudulent intent, then the municipality shall assess the taxpayer a penalty in an amount equal to 100 percent of the education tax on the property; plus any interest and late-payment fee or commission which may be due. Any penalty imposed under this section and any additional property tax interest and late-payment fee or commission shall be assessed and collected by the municipality in the same manner as a property tax under chapter 133 of this title. Notwithstanding section 4772 of this title, issuance of a corrected bill issued under this section does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year interest or penalties and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

Sec. 18. 32 V.S.A. § 5410(i) is amended to read:

(i) An owner filing a new or corrected declaration, or rescinding an erroneous declaration, after ~~September 1~~ October 15 shall not be entitled to a refund resulting from the correct property classification; and any additional property tax and interest which would result from the correct classification shall not be assessed as tax and interest, but shall instead constitute an additional penalty, to be assessed and collected in the same manner as penalties under subsection (g) of this section. Any change in property classification under this subsection shall not be entered on the grand list.

Sec. 19. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the November 1 notice sent by the Commissioner under subsection (a) of this section, issuance of such corrected new bill does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties

associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year interest or penalties and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For property tax adjustment amounts for which municipalities receive notice ~~on or~~ after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The property tax adjustment amount determined for the taxpayer shall be allocated first to current-year property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year property tax on the homestead parcel. No adjustment shall be allocated to a property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the property tax adjustment amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the adjustment amount by the Commissioner of Taxes, whichever is later.

* * * Meals and Rooms Tax * * *

Sec. 20. 32 V.S.A. § 9202(10)(D)(ii)(X) is amended to read:

(X) purchased ~~with food stamps~~ under the U.S.D.A. Supplemental Nutrition Assistance Program (SNAP);

* * * Property Transfer Tax * * *

Sec. 21. 32 V.S.A. § 9608(a) is amended to read:

(a) Except as to transfers which are exempt pursuant to subdivision 9603(17) of this title, no town clerk shall record, or receive for recording, any deed to which is not attached a properly executed transfer tax return, complete and regular on its face, and a certificate in the form prescribed by the Natural Resources Board and the Commissioner of Taxes ~~signed under oath by the seller or the seller's legal representative,~~ that the conveyance of the real property and any development thereon by the seller is in compliance with or exempt from the provisions of 10 V.S.A. chapter 151. The certificate shall indicate whether or not the conveyance creates the partition or division of land.

If the conveyance creates a partition or division of land, there shall be appended the current "Act 250 Disclosure Statement," required by 10 V.S.A. § 6007. A town clerk who violates this section shall be fined $50.00 for the first such offense and $100.00 for each subsequent offense. A person who purposely or knowingly falsifies any statement contained in the certificate required is punishable by fine of not more than $500.00 or imprisonment for not more than one year, or both.

* * * Non-Education Financing Policy and Revenue Provisions * * *

* * * Tax on Distilled Spirits * * *

Sec. 22. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON SPIRITUOUS LIQUOR

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

(1) if the gross revenue of the seller is ~~$150,000.00~~ $500,000.00 or lower, the rate of tax is five percent;

(2) if the gross revenue of the seller is between ~~$150,000.00 and $250,000.00, the rate of tax is $7,500.00 plus 15 percent of gross revenues over $150,000.00~~ $500,000.00 and $750,000.00, the rate of the tax is $25,000.00 plus 10 percent of the gross revenues over $500,000.00;

(3) if the gross revenue of the seller is over ~~$250,000.00~~ $750,000.00, the rate of tax is 25 percent.

(b) The retail sales of spirituous liquor made by a manufacturer or rectifier at a fourth class or farmers' market license location shall be included in the gross revenue of a seller under this section, but only to the extent that the sales are of the manufacturer's or rectifier's own products, and not products purchased from other manufacturers and rectifiers.

* * * Employer Assessment * * *

Sec. 23. 21 V.S.A. § 2001 is amended to read:

§ 2001. PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this ~~state~~ State, an employers' health care fund contribution is established to provide a fair and reasonable method for sharing

health care costs with employers who do not offer their employees health care coverage and employers who offer insurance but whose employees enroll in Medicaid.

Sec. 24. 21 V.S.A. § 2002 is amended to read:

§ 2002. DEFINITIONS

As used in this chapter:

* * *

(5) "Uncovered employee" means:

(A) an employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees;

(B) an employee who is not eligible for health care coverage offered by an employer to any other employees; or

(C) an employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and ~~either~~:

(i) is enrolled in Medicaid;

(ii) has no other health care coverage under either a private or public plan except Medicaid; or

~~(ii)~~(iii) has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.

* * *

Sec. 25. 21 V.S.A. § 2003 is amended to read:

§ 2003. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

(a) The Commissioner of Labor shall assess and an employer shall pay a quarterly Health Care Fund contribution for each full-time equivalent uncovered employee employed during that quarter ~~in excess of:~~

~~(1) eight full-time equivalent employees in fiscal years 2007 and 2008;~~

~~(2) six full-time equivalent employees in fiscal year 2009; and~~

~~(3) four full-time equivalent employees in fiscal years 2010 and thereafter~~.

(b) ~~For any quarter in fiscal years 2007 and 2008, the amount of the Health Care Fund contribution shall be $ 91.25 for each full-time equivalent employee in excess of eight. For each fiscal year after fiscal year 2008, the number of excluded full-time equivalent employees shall be adjusted in accordance with subsection (a) of this section, and the amount of the Health Care Fund~~

~~contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.~~

(1) For any quarter in fiscal year 2015, the amount of the Health Care Fund contribution shall be calculated as follows:

(A) for employers with at least one but no more than 49 full-time equivalent employees, the amount of the Health Care Fund contribution shall be $119.12 for each uncovered full-time equivalent employee in excess of four;

(B) for employers with between 50 and 249 full-time equivalent employees, the amount of the Health Care Fund Contribution shall be

$182.50 for each uncovered full-time equivalent employee in excess of four; and

(C) for employers with more than 250 full-time equivalent employees, the amount of the Health Care Fund Contribution shall be

$273.75 for each uncovered full-time equivalent employee in excess of four.

(2) For each fiscal year after fiscal year 2015, the Health Care Fund contribution amounts described in subdivision (1) of this subsection shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.

* * *

* * * Solar Capacity Tax * * *

Sec. 26. 32 V.S.A. § 3802(17) is amended to read:

(17) Real and personal property, except land, composing a renewable energy plant generating electricity from solar power~~, to the extent the plant is exempt from taxation under chapter 215 of this title~~ which has a plant capacity of less than 50 kW and is either:

(A) operated on a net-metered system; or

(B) not connected to the electric grid and provides power only on the property on which the plant is located.

Sec. 27. 32 V.S.A. § 3481(1)(D) is added to read:

(D)(i) For real and personal property comprising a renewable energy plant generating electricity from solar power, except land and property that is exempt under subdivision 3802(17) of this title, the appraisal value shall be

determined by an income capitalization or discounted cash flow approach that includes the following:

(I) an appraisal model identified and published by the Director employing appraisal industry standards and inputs;

(II) a discount rate determined and published annually by the Director;

(III) the appraisal value shall be 70 percent of the value calculated using the model published by the Director based on an expected 25-year project life and shall be set in the grand list next lodged after the plant is commissioned and each subsequent grand list for the lesser of the remaining life of the project or 25 years;

(IV) for the purposes of calculating appraisal value for net metered systems receiving a credit specified in 30 V.S.A. § 219a (h)(1)(k), the model used to calculate value will not incorporate a factor for electricity rate escalation; and

(V) for plants operating as a net-metered system as described in 30 V.S.A. § 219a with a capacity of 50 kW or greater, the plant capacity used to determine value in the model shall be reduced by 50 kW and the appraisal value shall be calculated only on additional capacity in excess of 50 kW.

(ii) The owner of a project shall respond to a request for information from the municipal assessing officials by returning the information sheet describing the project in the form specified by the Director not later than 45 days after the request for information is sent to the owner. If the owner does not provide a complete and timely response, the municipality shall determine the appraisal value using the published model and the best estimates of the inputs to the model available to the municipality at the time, and the provisions of section 4006 of this title shall apply to the information form in the same manner as if the information form were an inventory as described in that section. Nothing in this subdivision (1) shall affect the availability of the exemption set forth in the provisions of section 3845 of this title or availability of a contract under the provisions of 24 V.S.A. § 2741.

Sec. 28. 32 V.S.A. § 3845 is amended to read:

§ 3845. ~~ALTERNATE~~ RENEWABLE ENERGY SOURCES

(a) At an annual or special meeting warned for that purpose, a town may, by a majority vote of those present and voting, exempt ~~alternate~~ renewable energy sources, as defined herein, from real and personal property taxation. Such exemption shall first be applicable against the grand list of the year in

which the vote is taken and shall continue until voted otherwise, in the same manner, by the town.

(b) ~~For the purposes of~~ As used in this section, ~~alternate~~ renewable energy ~~sources includes any plant, structure or facility used for the generation of electricity or production of~~ shall have the same meaning as in 30 V.S.A. § 8002(17) for energy used on the premises for private, domestic, or agricultural purposes, no part of which may be for sale or exchange to the public. The term shall include~~, but not be limited to~~ grist mills, windmills, facilities for the collection of solar energy or the conversion of organic matter to methane, ~~net metering~~ net-metering systems regulated by the Public Service Board under 30 V.S.A. § 219a, and all component parts thereof ~~including~~, but excluding land upon which the facility is located~~, not to exceed one-half acre~~.

Sec. 29. 32 V.S.A. § 8701(c) is amended to read:

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity ~~equal to or less than 10 kW~~ less than 50kW.

* * * Valuation of Natural Gas and Petroleum Infrastructure * * *

Sec. 30. 32 V.S.A. § 3621 is added to read:

§ 3621. PETROLEUM AND NATURAL GAS INFRASTRUCTURE

For purposes of the statewide education property tax in chapter 135 of this title, the Director shall determine the appraised value of all property and fixtures composing and underlying a petroleum or natural gas facility, petroleum or natural gas transmission line, or petroleum or natural gas distribution line located entirely within this State. The Director shall value such property at its fair market value, an assessment it shall reach by the cost approach to value by employing an actual cost-based methodology, adjusting that actual cost using a cost factor from industry-specific inflation indexes, and depreciating the resulting present cost using a depreciation schedule based on the property's estimated remaining life; provided, however, that after the property has been depreciated to 30 percent of its present cost or less, exclusive of salvage value, the property shall be appraised at 30 percent of its cost. The Director shall inform the local assessing officials of his or her appraised value under this section on or before May 1 of each year, and the local assessing officials shall use the Director's appraised value for purposes of assessing and collecting the statewide education property tax under chapter 135 of this title.

* * * Income Taxes * * *

Sec. 31. 32 V.S.A. § 5870 is amended to read:

§ 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX RETURNS

The Commissioner of Taxes shall provide that individuals report use tax on their State individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability under chapter 233 of this title for the period of the tax return. Alternatively, they may elect to report an amount that is ~~0.08~~ 0.10 percent of their Vermont adjusted gross income, as shown on a table published by the Commissioner of Taxes; and use tax liability arising from the purchase of each item with a purchase price in excess of $1,000.00 shall be added to the table amount.

Sec. 32. 32 V.S.A. § 5830e is added to read:

§ 5830e. ALTERNATE CALCULATION

For the purposes of calculating the taxes under section 5822 or 5832 of this chapter, dispensaries, established under 18 V.S.A. chapter 86, are permitted to recalculate their State tax liability with an allowance for any expense that was denied at the federal level due to 26 U.S.C. § 280E.

* * * Downtown and Village Center Tax Credits * * *

Sec. 33. 32 V.S.A. § 5930ee(1) is amended to read:

(1) The total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~$1,700,000.00~~ $2,200,000.00.

Sec. 34. 32 V.S.A. § 9741(39) is amended to read:

(39) Sales of building materials within any three consecutive years~~:~~

~~(i)~~ in excess of one million dollars in purchase value, which may be reduced to $250,000.00 in purchase value upon approval of the Vermont Economic Progress Council pursuant to section 5930a of this title, used in the construction, renovation, or expansion of facilities which are used exclusively, except for isolated or occasional uses, for the manufacture of tangible personal property for sale~~; or~~

~~(ii) in excess of $250,000.00 in purchase value incorporated into a downtown redevelopment project as defined by rule by the Commissioner of Housing and Community Affairs; provided that the municipality is not receiving an allocation of sales tax receipts pursuant to section 9819 of this title~~.

* * * Estate Taxes * * *

Sec. 35. 32 V.S.A. § 7402(13) is amended to read:

(13) "Vermont gross estate" means for any decedent:

(A) the value of the federal gross estate under the laws of the United States, with the addition of federal adjusted taxable gifts of the decedent, but with no deduction under 26 U.S.C. § 2058 that is in excess of the basic exclusion amount under 26 U.S.C. § 2010(c)(3) with no provision for any amount under § 2010(c)(4); but excluding

(B) the value of real or tangible personal property which has an actual situs outside Vermont at the time of death of the decedent~~,~~; and

(C) ~~also excluding~~ in the case of a nonresident of Vermont, the value of intangible personal property owned by the decedent.

Sec. 36. 32 V.S.A. § 7442a is amended to read:

§ 7442a. IMPOSITION OF A VERMONT ESTATE TAX AND RATE OF TAX

(a) A tax of 18 percent is hereby imposed on the transfer of the Vermont estate of every decedent ~~dying on or after January 1, 2002, who, at the time of death, was a resident of this State. The base amount of this tax shall be a sum equal to the amount of the credit for State death taxes allowable to a decedent's estate under 26 U.S.C. § 2011 as in effect on January 1, 2001. This base amount shall be reduced by the lesser of the following:~~

~~(1) The total amount of all constitutionally valid State death taxes actually paid to other states; or~~

~~(2) A sum equal to the proportion of the credit which the value of the property taxed by other states bears to the value of the decedent's total gross estate for federal estate tax purposes.~~

~~(b) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was not a resident of this State. The amount of this tax shall be a sum equal to the proportion of the base amount of tax under subsection (a) of this section which the value of Vermont real and tangible personal property taxed in this State bears to the value of the decedent's total gross estate for federal estate tax purposes.~~

~~(c) The Vermont estate tax shall not exceed the amount of the tax imposed by 26 U.S.C. § 2001 calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were $2,750,000.00, and with no deduction under 26 U.S.C. § 2058.~~

~~(d)~~(b) All values shall be as finally determined for federal estate tax purposes.

Sec. 37. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States, relating to federal estate and gift taxes as in effect on December 31, 2013, are hereby adopted for the purpose of computing the tax liability under this chapter, except~~:~~

~~(1) the credit for state death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;~~

~~(2) the applicable credit amount under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were $2,750.000.00; and~~

~~(3) the deduction for state death taxes under 26 U.S.C. § 2058 shall not apply~~ to the extent such laws conflict with any provision of this chapter.

Sec. 38. TAXABLE GIFTS

Notwithstanding the changes in this act, decedents dying after December 31, 2014, but who made taxable gifts as defined in 26 U.S.C. § 2503 between January 1, 2008 and December 31, 2014 may elect to have their Vermont estate taxed under the law in effect on December 31, 2014. The Department of Taxes is authorized to adopt rules, procedures, and forms necessary to implement this alternate calculation.

* * * Tobacco * * *

Sec. 39. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the Armed Forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at ~~$1.87~~ $2.18 per

ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of ~~$1.87~~ $2.18 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of ~~$2.24~~ $2.62 per package, and cigars with a wholesale price greater than $2.17, which shall be taxed at the rate of $2.00 per cigar if the wholesale price of the cigar is greater than $2.17 and less than $10.00, and at the rate of $4.00 per cigar if the wholesale price of the cigar is $10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 40. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every ~~retailer~~ retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the ~~retailer~~ retail dealer at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, but shall not apply to ~~retailers~~ retail dealers who hold less than $500.00 in wholesale value of such snuff. Each ~~retailer~~ retail dealer subject to the tax shall, on or before July 25, ~~2006~~ 2014, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, ~~2006~~ 2014, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the ~~retailer~~ retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

* * *

* * * Sales and Use Tax – Contractors * * *

Sec. 41. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

Unless the context in which they occur requires otherwise, the following terms when used in this chapter mean:

* * *

(5) Retail sale or sold at retail: means any sale, lease, or rental for any purpose other than for resale, sublease, or subrent, including sales to contractors, subcontractors, or repair persons of materials and supplies for use by them in erecting structures or otherwise improving, altering, or repairing real property.

Sec. 42. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this State. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

(1) Tangible personal property, including property used to improve, alter or repair the real property of others by a manufacturer or any person who is primarily engaged in the business of making retail sales of tangible personal property.

* * *

Sec. 43. 32 V.S.A. § 9745 is amended to read:

§ 9745. CERTIFICATE OR AFFIDAVIT OF EXEMPTION; DIRECT PAYMENT PERMIT

(a) Certificate or affidavit of exemption. The Commissioner may require that a vendor obtain an exemption certificate, which may be an electronic filing, with respect to the following sales: sales for resale; sales to organizations that are exempt under section 9743 of this title; and sales that qualify for a use-based exemption under section 9741 of this title. Acceptance of an exemption certificate containing such information as the Commissioner may prescribe shall satisfy the vendor's burden under subsection 9813(a) of this title of proving that the transaction is not taxable. A vendor's failure to possess an exemption certificate at the time of sale shall be presumptive evidence that the sale is taxable.

(b) Direct payment permit. The Commissioner may, in his or her discretion, authorize a purchaser, who acquires tangible personal property or services under circumstances which make it impossible at the time of acquisition to determine the manner in which the tangible personal property or services will be used, to pay the tax directly to the Commissioner and waive

the collection of the tax by the vendor through the issuance of a direct payment permit. ~~The Commissioner shall authorize any~~ Any contractor, subcontractor, or repairman who acquires tangible personal property consisting of materials and supplies for use by him or her in erecting structures for others, or building on, or otherwise improving, altering, or repairing real property of others, may apply for a direct payment permit to pay the tax directly to the Commissioner and waive the collection of the tax by the vendor. No such authority shall be granted or exercised except upon application to the Commissioner and the issuance by the Commissioner of a direct payment permit. If a direct payment permit is granted, its use shall be subject to conditions specified by the Commissioner and the payment of tax on all acquisitions pursuant to the permit shall be made directly to the Commissioner by the permit holder.

* * * Sales and Use Tax – Compost * * *

Sec. 44. 32 V.S.A. § 9701(48)–(52) are added to read:

(48) Compost: means a stable humus-like material produced by the controlled biological decomposition of organic matter through active management, but does not mean sewage, septage, or materials derived from sewage or septage.

(49) Manipulated animal manure: means manure that is ground, pelletized, mechanically dried, or consists of separated solids.

(50) Perlite: means a lightweight granular material made of volcanic material expanded by heat treatment for use in growing media.

(51) Planting mix: means material that is:

(A) used in the production of plants; and

(B) made substantially from compost, peat moss, or coir and other ingredients that contribute to fertility and porosity, including perlite, vermiculite, and other similar materials.

(52) Vermiculite: means a lightweight mica product expanded by heat treatment for use in growing media.

Sec. 45. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(3) Agriculture feeds, seed, plants, baler twine, silage bags, agricultural wrap, sheets of plastic for bunker covers, liming materials, breeding and other livestock, semen breeding fees, baby chicks, turkey poults, agriculture chemicals other than pesticides, veterinary supplies, and bedding; clean high carbon bulking agents, as that term is used in the Agency of Natural Resources Solid Waste Management Rules, used for composting; food residuals used for composting or on-farm energy production; and fertilizers and pesticides for use and consumption directly in the production for sale of tangible personal property on farms, including stock, dairy, poultry, fruit and truck farms, orchards, nurseries, or in greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities for sale.

* * *

(49) Sales of compost, animal manure, manipulated animal manure, and planting mix when sold in aggregate volumes of one cubic yard or greater, or when sold unpackaged.

* * * Use Tax – Telecommunication Services * * *

Sec. 46. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property or telecommunications service has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this State, except as otherwise exempted under this chapter:

(1) ~~Of~~ of any tangible personal property purchased at retail;

(2) ~~Of~~ of any tangible personal property manufactured, processed, or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention, or withdrawal from storage of tangible personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business;

(3) ~~Of~~ of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; ~~and~~

(4) ~~Specified~~ specified digital products transferred electronically to an end user; and

(5) telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service.

* * * Propane Canisters * * *

Sec. 47. 33 V.S.A. § 2503 is amended to read:

§ 2503. FUEL GROSS RECEIPTS TAX

(a) There is imposed a gross receipts tax of 0.5 percent on the retail sale of the following types of fuel:

(1) heating oil, propane, kerosene, and other dyed diesel fuel delivered to a residence or business;

(2) ~~propane;~~

~~(3)~~ natural gas;

~~(4)~~(3) electricity;

~~(5)~~(4) coal.

* * *

Sec. 48. 32 V.S.A. § 9741(26) is amended to read:

(26) Sales of electricity, oil, gas, and other fuels used in a residence for all domestic use, including heating, but not including fuel sold at retail in free-standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. The Commissioner shall by rule determine that portion of the sales attributable to domestic use where fuels are used for purposes in addition to domestic use.

* * * Education Financing and Property Tax Revenue and Policy Provisions * * *
* * * Statewide Education Property Tax Rates, Base Education Amount, and Applicable Percentage * * *

Sec. 49. FINDINGS AND PURPOSE

(a) The General Assembly makes the following findings with respect to Secs. 49a and 50 of this act:

(1) The Commissioner of Taxes recommended the following rates under 32 V.S.A. § 5402b for fiscal year 2015:

(A) a nonresidential property tax rate of $1.51 per $100.00 of equalized education property value.;

(B) a homestead property tax rate of $1.01 per $100.00 of equalized education property value;

(C) an applicable percentage of 1.84; and

(D) a base education amount of $9,382.00.

(2) The Commissioner's recommendations were based in part on the following factors:

(A) The use of one-time money, such as $19.3 million in Education Fund surplus in fiscal year 2014, which is not available in fiscal year 2015. Using one-time money leaves a deficit that must be filled in the following year.

(B) Statewide education spending has increased by more than three percent for fiscal year 2015.

(C) Nonproperty tax revenues in the Education Fund have grown more slowly than projected.

(D) The statewide education grand list is projected to decline for the fourth consecutive year; consequently, taxes must be raised from a smaller base.

(E) The base education amount will increase which has the effect of creating upward pressure on the base property tax rates.

(3) Assuming no other changes, and an increase in education spending in excess of three percent, property tax base rates are projected to rise between $0.06 and $0.08 for fiscal year 2016. The use of additional one-time money in fiscal year 2015 will increase the amount of revenue that would need to be raised in fiscal year 2016.

(b) A balance needs to be struck between the ability of Vermonters to pay additional taxes now and invest in system-changing improvements for the future. It is the intent of the General Assembly to limit the use of one-time money in order to reserve the maximum amount possible to support school districts and supervisory unions to organize more economically their structure and activities to produce recurring savings year after year.

Sec. 50. FISCAL YEAR 2015 EDUCATION PROPERTY TAX RATES AND APPLICABLE PERCENTAGE

(a) For fiscal year 2015 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rates of $1.59 and $1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be $1.51 per $100.00; and

(2) the tax rate for homestead property shall be $1.00 multiplied by the district spending adjustment for the municipality per $100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2014 only, "applicable percentage" in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.84 percent multiplied by the fiscal year 2015 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.84 percent.

Sec. 51. FISCAL YEAR 2015 BASE EDUCATION AMOUNT

As provided in 16 V.S.A. § 4011(b), the base education amount for fiscal year 2015 shall be $9,382.00.

* * * Form of Budget Vote * * *

Sec. 52. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE IF BUDGET EXCEEDS BENCHMARK AND DISTRICT SPENDING IS ABOVE AVERAGE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the ~~commissioner~~ Secretary.

* * *

(D) The board shall present the budget to the voters by means of a question in the form of a vote provided as follows:

"Article #1 (School Budget):

The total proposed budget of $_____ is recommended by the school board to fund the school district's educational program. The school district's education spending in the total school budget to be raised by taxes is $_____. The education spending in the budget, if approved, will result in spending of $____ per (equalized) pupil. This projected spending per (equalized) pupil is ____% higher/lower than spending for the current year. Shall the voters of the school district approve the school board to expend $_____, which is the

amount the school board has determined to be necessary for the ensuing fiscal year?"

* * *

* * * Increase in Average Daily Membership * * *

Sec. 53. 16 V.S.A. § 4010(b) is amended to read:

(b) The ~~commissioner~~ Secretary shall determine the long-term membership for each school district for each student group described in subsection (a) of this section. The ~~commissioner~~ Secretary shall use the actual average daily membership over two consecutive years, the latter of which is the current school year. ~~If, however, in one year, the actual average daily membership of kindergarten through 12th grade increases by at least 20 students over the previous year, the commissioner shall compute the long-term membership by adding 80 percent of the actual increase, to a maximum increase of 45 equalized pupils.~~

* * * Shared Equity * * *

Sec. 54. 32 V.S.A. § 3481 is amended to read:

§ 3481. DEFINITIONS

The following definitions shall apply in this Part and chapter 101 of this title, pertaining to the listing of property for taxation:

(1)(A) "Appraisal value" shall mean, with respect to property enrolled in a use value appraisal program, the use value appraisal as defined in subdivision 3752(12) of this title, multiplied by the common level of appraisal, and with respect to all other property, except for owner-occupied housing identified in subdivision (C) of this subdivision (1), the estimated fair market value. The estimated fair market value of a property is the price ~~which~~ that the property will bring in the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition which combine to give property a market value. Those elements shall include ~~a consideration of a decrease in value in nonrental residential property due to a housing subsidy covenant as defined in 27 V.S.A. § 610, or~~ the effect of any ~~state~~ State or local law or regulation affecting the use of land, including 10 V.S.A. chapter 151 or any land capability plan established in furtherance or implementation thereof, rules adopted by the State Board of Health and any local or regional zoning ordinances or development plans. In determining estimated fair market value, the sale price of the property in question is one element to consider, but is not solely determinative.

* * *

(C) For owner-occupied housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, imposed by a governmental, quasi-governmental, or public purpose entity, that limits the price for which the property may be sold, the housing subsidy covenant shall be deemed to cause a material decrease in the value of the owner-occupied housing, and the appraisal value means not less than 60 and not more than 70 percent of what the fair market value of the property would be if it were not subject to the housing subsidy covenant. Every five years, starting in 2019, the Commissioner of Taxes, in consultation with the Vermont Housing Conservation Board, shall report to the General Assembly on whether the percentage of appraised valued used in this subdivision should be altered, and the reasons for his or her determination.

(2) "Listed value" shall be an amount equal to 100 percent of the appraisal value. The ratio shall be the same for both real and personal property.

* * * Property Tax Exemptions * * *

Sec. 55. 32 V.S.A. § 3832(7) is amended to read:

(7) Real and personal property of an organization when the property is used primarily for health or recreational purposes, unless the town or municipality in which the property is located so votes at any regular or special meeting duly warned therefor, and except for the following types of property;

(A) Buildings and land owned and occupied by a health, recreation, and fitness organization which is:

(i) exempt from taxation under 26 U.S.C. § 501(c)(3),

(ii) used its income entirely for its exempt purpose, and

(iii) promotes exercise and healthy lifestyles for the community and serve citizens of all income levels;

(B) real and personal property operated as a skating rink, owned and operated on a nonprofit basis, but not necessarily by the same entity, and which, in the most recent calendar year, provided facilities to local public schools for a sport officially recognized by the Vermont Principals' Association.

Sec. 56. 32 V.S.A. § 3839 is added to read:

§ 3839. MUNICIPALLY OWNED LAKESHORE PROPERTY

(a) Notwithstanding section 3659 of this title, a town may vote to exempt from its municipal taxes, in whole or in part, any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(1) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(2) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

(b) An exemption voted by a town under subsection (a) of this section shall be for up to ten years. Upon the expiration of the exemption, a town may vote additional periods of exemption not exceeding five years each.

Sec. 57. 32 V.S.A. § 5401(10)(K) is added to read:

(K) Any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(i) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(ii) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

Sec. 58. 32 V.S.A. § 5401(10)(F) is amended to read:

(F) Property owned by a municipality which is located within that municipality and which is used for municipal purposes including the provision of utility services, and including off-street parking garages built, owned, and managed by a municipality in a Designated Downtown as determined in accordance with 24 V.S.A. § 2793. For the purpose of this section, public use of a municipal parking garage may include the leasing of the garage to multiple commercial tenants for part of the day, provided the garage is open to the general public during evenings and weekends.

* * * Occupancy of a Homestead * * *

Sec. 59. 32 V.S.A. § 5401(7) is amended to read:

(7) "Homestead":

(A) "Homestead" means the principal dwelling and parcel of land surrounding the dwelling, owned ~~and occupied~~ by a resident individual on April 1 and occupied as the individual's domicile for a minimum of 183 days

out of the calendar year, or for purposes of the renter property tax adjustment under subsection 6066(b) of this title, rented and occupied by a resident individual as the individual's domicile.

* * *

(H) A homestead does not include any portion of a dwelling that is rented and a dwelling is not a homestead for any portion of the year in which it is rented.

* * *

* * * Excess Spending Anchor * * *

Sec. 60. 32 V.S.A. § 5401(12) is amended to read:

(12) "Excess spending" means:

(A) the per-equalized-pupil amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b);

(B) in excess of 123 percent of the statewide average district education spending per equalized pupil ~~in the prior fiscal year~~ increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district education spending per equalized pupil for fiscal year 2014 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2014 through the fiscal year for which the amount is being determined.

Sec. 61. 2013 Acts and Resolves No. 60, Sec. 2 is amended to read:

Sec. 2. 32 V.S.A. § 5401(12) is amended to read:

(12) "Excess spending" means:

(A) the per-equalized-pupil amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b)~~;~~.

(B) in excess of ~~123~~ 121 percent of the statewide average district education spending per equalized pupil increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district education spending per equalized pupil for fiscal year 2014 by the most recent New England

Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2014 through the fiscal year for which the amount is being determined.

* * * Electrical Generating Plants * * *

Sec. 62. 32 V.S.A. § 5402(d) is amended to read:

(d) A municipality which has upon its grand list an operating electric generating plant subject to the tax under ~~section 5402a of this chapter~~ chapter 213 of this title shall be subject to the nonresidential education property tax at three-quarters of the rate provided in subdivision (a)(1) of this section, as adjusted under section 5402b of this chapter; and shall be subject to the homestead education property tax at three-quarters of the base rate provided in subdivision (a)(2) of this section, as adjusted under section 5402b of this chapter, and multiplied by its district spending adjustment.

Sec. 63. EDUCATION TAXES IN VERNON

Notwithstanding any other provision of law, for the purposes of 32 V.S.A. § 5402(d), the town of Vernon shall continue to be treated as if its grand list included an operating electric generating plant subject to the tax under 32 V.S.A. chapter 213 until the end of fiscal year 2017, and shall be taxed as follows:

(1) for fiscal year 2017, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 83 percent of the rate as calculated under 32 V.S.A. § 5402(a);

(2) for fiscal year 2018, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 91 percent of the rate as calculated under 32 V.S.A. § 5402(a); and

(3) for fiscal year 2019 and after, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 100 percent of the rate as calculated under 32 V.S.A. § 5402(a).

* * * Repeal * * *

Sec. 64. REPEAL

32 V.S.A. § 3802(18) (municipally owned lakeshore property) is repealed on January 1, 2015.

* * * Effective Dates * * *

Sec. 65. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Secs. 1 (1099K filing requirement), 2 (consolidated returns), and 4 (VEGI) shall take effect retroactively to January 1, 2014 and apply for tax year 2014 and after.

(2) Sec. 3 (Vermont Green Up) shall take effect on January 1, 2015 and apply to returns filed after that date.

(3) Sec. 5 (annual income tax update) shall take effect retroactively to January 1, 2014 and apply to taxable years beginning on and after January 1, 2013.

(4) Sec. 6 (annual estate tax update) shall take effect retroactively to January 1, 2014 and apply to decedents dying on or after January 1, 2013.

(5) Secs. 17 (corrected tax bills due to late filing of declaration), 18 (last date for filing declaration), and 19 (corrected tax bills due to late filing of property tax adjustment claim) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(6) Sec. 22 (distilled spirits) shall take effect on July 1, 2014.

(7) Secs. 23–25 (employer assessment) shall take effect on September 1, 2014 and shall apply beginning with the calculation of the Health Care Fund contributions payable in the second quarter of fiscal year 2015, which shall be based on the number of an employer's uncovered employees in the first quarter of fiscal year 2015.

(8) Secs. 26–29 (solar plant exemptions and valuation) and Sec. 30 (valuation of natural gas and petroleum infrastructure) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(9) Secs. 31 (use tax reporting) and 32 (marijuana dispensaries) shall take effect on January 1, 2015 and apply to tax year 2015 and after.

(10) Sec. 33 (downtown credits) shall apply to fiscal year 2015 and after.

(11) Secs. 34 (repeal of sales tax exemption), 39 (snuff), 40 (floor tax), 41 (definition of sales), 42 (contractors), 43 (certificates of exemption), 44 (definitions), 45 (compost), 46 (telecommunications use tax), 47 (fuel gross receipts tax), and 48 (propane canisters) shall take effect on July 1, 2014.

(12) Secs. 35–38 (estate taxes) shall take effect on January 1, 2015 and apply to decedents dying on or after that date.

(13) Secs. 50 (statewide education tax base rates) and 51 (base education amount) shall take effect on passage and apply to education property tax rates and the base education amount for fiscal year 2015.

(14) Sec. 52 (form of budget vote) shall take effect on January 1, 2015 and apply to budgets voted for fiscal year 2016.

(15) Sec. 53 (increased average daily membership) shall take effect on July 1, 2014 and shall apply to long-term membership calculations for fiscal year 2016 and after.

(16) Secs. 54 (shared equity housing), 55 (health and recreation property), 56 (town voted exemption), 57 (education property tax exemption), and Sec. 58 (parking garages) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(17) Sec. 59 (occupancy of a homestead) shall take effect on January 1, 2015 and apply to homestead declarations for 2015 and after.

(18) Secs. 60 and 61 (anchoring excess spending) shall take effect on July 1, 2014 and apply to property tax calculations for fiscal year 2016 and after.

(Committee vote: 6-0-1)

(No House amendments)

House Proposal of Amendment

S. 70.

An act relating to the delivery of raw milk at farmers' markets.

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

Sec. 1. 6 V.S.A. § 2776 is amended to read:

§ 2776. DEFINITIONS

In this chapter:

(1) "Consumer" means a customer who purchases, barters for, receives delivery of, or otherwise acquires unpasteurized milk ~~from the farm or delivered from the farm~~ according to the requirements of this chapter.

* * *

Sec. 2. 6 V.S.A. § 2777 is amended to read:

§ 2777. STANDARDS FOR THE SALE OF UNPASTEURIZED (RAW) MILK

(a) Unpasteurized milk shall be sold directly from the producer to the consumer for personal consumption only and shall not be resold.

(b) Unpasteurized milk shall be sold only from the farm on which it was produced except when delivery is arranged in conformance with section 2778 of this chapter. Unpasteurized milk shall not be sold or offered as free samples at any location other than on the farm on which the milk was produced.

(c) Unpasteurized milk operations shall conform to reasonable sanitary standards, including:

(1) Unpasteurized milk shall be derived from healthy animals which are subject to appropriate veterinary care, including tuberculosis and brucellosis testing and rabies vaccination, according to accepted testing and vaccinations standards as established by the agency. Test results and verification of vaccinations shall be posted on the farm in a prominent place and be easily visible to customers.

(2) The animal's udders and teats shall be cleaned and sanitized prior to milking.

(3) The animals shall be housed in a clean, dry environment.

(4) Milking equipment shall be of sanitary construction, cleaned after each milking, and sanitized prior to the next milking.

(5) Milking shall be conducted in a clean environment appropriate for maintaining cleanliness.

(6) The farm shall have a potable water supply which is sampled for bacteriological examination according to agency standards every three years and whenever any alteration or repair of the water supply has been made.

(7) If an animal is treated with antibiotics, that animal's milk shall be tested for and found free of antibiotics before its milk is offered for sale.

(d) Unpasteurized milk shall conform to the following production and marketing standards:

(1) Record keeping and reporting.

(A) A producer shall collect one composite sample of unpasteurized milk each day and keep the previous 14 days' samples frozen. The producer shall provide samples to the ~~agency~~ Agency if requested.

(B) A producer shall maintain a current list of all customers, including addresses, telephone numbers, and ~~email~~, when available, e-mail addresses ~~when available~~.

(C) The producer shall maintain a list of transactions for at least one year which shall include customer names, the date of each purchase, and the amount purchased.

(2) Labeling. Unpasteurized (raw) milk shall be labeled as such, and the label shall contain:

(A) The date the milk was obtained from the animal.

(B) The name, address, zip code, and telephone number of the producer.

(C) The common name of the type of animal producing the milk ~~(e.g.~~, such as cattle, goat, sheep~~)~~ or an image of the animal.

(D) The words "Unpasteurized (Raw) Milk. Not pasteurized. Keep Refrigerated." on the container's principal display panel, and these words shall be clearly readable in letters at least one-eighth inch in height and prominently displayed.

(E) The words "This product has not been pasteurized and therefore may contain harmful bacteria that can cause illness particularly in children, the elderly, and persons with weakened immune systems and in pregnant women can cause illness, miscarriage, or fetal death, or death of a newborn." on the container's principal display panel and clearly readable in letters at least one-sixteenth inch in height.

(3) Temperature. Unpasteurized milk shall be cooled to 40 degrees Fahrenheit or lower within two hours of the finish of milking and so maintained until it is obtained by the consumer. All farms shall be able to demonstrate to the Agency's inspector that they have the capacity to keep the amount of milk sold on the highest volume day stored and kept at 40 degrees Fahrenheit or lower in a sanitary and effective manner.

(4) Storage. An unpasteurized milk bulk storage container shall be cleaned and sanitized after each emptying. Each container shall be emptied within 24 hours of the first removal of milk for packaging. Milk may be stored for up to 72 hours, but all storage containers must be emptied and cleaned at least every 72 hours. Unless milk storage containers are cleaned and sanitized daily, a written log of dates and times when milking, cleaning, and sanitizing occur shall be posted in a prominent place and be easily visible to customers.

(5) Shelf life. Unpasteurized milk shall not be transferred to a consumer after four days from the date on the label.

~~(4)~~(6) Customer inspection and notification.

(A) Prior to selling milk to a new customer, the new customer shall visit the farm and the producer shall provide the customer with ~~a~~ the opportunity to tour ~~of~~ the farm and any area associated with the milking operation. ~~Customers are encouraged and shall be permitted~~ The producer shall permit the customer to return to the farm at a reasonable time and at reasonable intervals to ~~re-inspect~~ reinspect any areas associated with the milking operation.

(B) A sign with the words "Unpasteurized (Raw) Milk. Not pasteurized. Keep Refrigerated." and "This product has not been pasteurized and therefore may contain harmful bacteria that can cause illness particularly in children, the elderly, and persons with weakened immune systems and in pregnant women can cause illness, miscarriage, or fetal death, or death of a newborn." shall be displayed prominently on the farm in a place where it can be easily seen by customers. The lettering shall be at least one inch in height and shall be clearly readable.

(e) Producers selling ~~12.5~~ 87.5 or fewer gallons (~~50~~ 350 quarts) of unpasteurized milk per ~~day~~ week shall meet the requirements of subsections (a) through (d) of this section and shall sell unpasteurized milk only from the farm on which it was produced. A producer selling ~~12.5~~ 87.5 or fewer gallons of unpasteurized milk may choose to meet the requirements of subsection (f) of this section, in which case the producer may deliver in accordance with section 2778 of this ~~chapter~~ title.

(f) Producers selling ~~12.~~6 more than 87.5 gallons to ~~40~~ 280 gallons (~~50.4~~ more than 350 to ~~160~~ 1120 quarts) of unpasteurized milk per ~~day~~ week shall meet the requirements of subsections (a) through (d) of this section as well as the following standards:

(1) Inspection. The ~~agency~~ Agency shall annually inspect the producer's facility and determine that the producer is in compliance with the sanitary standards listed in subsection (c) of this section.

(2) Bottling. Unpasteurized milk shall be sold in containers which have been filled by the producer. Containers shall be cleaned by the producer except that the producer may allow customers to clean their own containers only if each customer's container is labeled with the customer's name and address and the customers use their own containers. Producers shall ensure that only clean bottles are filled and distributed.

(3) Testing.

(A) A producer shall have unpasteurized milk tested twice per month by a U.S. Food and Drug Administration accredited laboratory. Milk shall be tested for the following and the results shall be below these limits:

(i) ~~Total~~ total bacterial (aerobic) count: 15,000 cfu/ml (cattle and goats);

(ii) ~~Total~~ total coliform count: 10 cfu/ml (cattle and goats);

(iii) ~~Somatic~~ somatic cell count: 225,000/ml (cattle); 500,000/ml (goats).

(B) The producer shall assure that all test results are forwarded to the ~~agency~~ Agency, by the laboratory, upon completion of testing or within five days of receipt of the results by the producer.

(C) The producer shall keep test results on file for one year and shall post results on the farm in a prominent place that is easily visible to customers. The producer shall provide test results to the farm's customers if requested.

(4) Registration. Each producer operating under this subsection shall register with the ~~agency~~ Agency.

(5) Reporting. On or before March 1 of each year, each producer shall submit to the ~~agency~~ Agency a statement of the total gallons of unpasteurized milk sold in the previous 12 months.

(6) Prearranged delivery. Prearranged delivery of unpasteurized milk is permitted and shall be in compliance with section 2778 of this ~~chapter~~ title.

(g) The sale of more than ~~40~~ 280 gallons (~~160~~ 1120 quarts) of unpasteurized milk in any one ~~day~~ week is prohibited.

Sec. 3. 6 V.S.A. § 2778 is amended to read:

§ 2778. DELIVERY OF UNPASTEURIZED (RAW) MILK

(a) Delivery of unpasteurized milk is permitted only within the ~~state~~ State of Vermont and only of milk produced by those producers meeting the requirements of subsection 2777(f) of this chapter.

(b) Delivery shall conform to the following requirements:

(1) Delivery shall be to customers who have:

(A) visited the farm as required under subdivision 2777(d)(4) of this title; and

(B) purchased milk in advance either by a one-time payment or through a subscription.

(2) Delivery shall be directly to the customer:

(A) at the customer's home or into a refrigerated unit at the customer's home if such unit is capable of maintaining the unpasteurized milk at 40 degrees Fahrenheit until obtained by the customer;

(B) at a farmers' market, as that term is defined in section 5001 of this title, where the producer is a vendor.

(3) During delivery, milk shall be protected from exposure to direct sunlight.

(4) During delivery, milk shall be kept at 40 degrees Fahrenheit or lower at all times.

(c) A producer may contract with another individual to deliver the milk in accordance with this section. The producer shall be jointly and severally liable for the delivery of the milk in accordance with this section.

(d) Prior to delivery at a farmers' market under this section, a producer shall submit to the Agency of Agriculture, Food and Markets, on a form provided by the Agency, notice of intent to deliver unpasteurized milk at a farmers' market. The notice shall:

(1) include the producer's name and proof of registration;

(2) identify the farmers' market or markets where the producer will deliver milk; and

(3) specify the day or days of the week on which delivery will be made at a farmers' market.

(e) A producer delivering unpasteurized milk at a farmers' market under this section shall display the registration required under subdivision 2777(f)(4) of this title on the farmers' market stall or stand in a prominent manner that is clearly visible to consumers.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2014.

House Proposal of Amendment to Senate Proposal of Amendment

H. 123.

An act relating to Lyme disease and other tick-borne illnesses

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

In Sec. 3, by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) a physician, physician assistant, naturopathic physician, or nurse practitioner, as appropriate, shall provide information to assist patients' understanding of the available Lyme disease tests, the meaning of a diagnostic Lyme disease test result, and any limitations to that test result;

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.

Emma Marvin of Hyde Park – Member of the Economic Progress Council – By Sen. Collins for the Committee on Economic Development, Housing and General Affairs. (4/25/14)

Linda Ryan of St. Albans – Member of the Vermont State Housing Authority – By Sen. Collins for the Committee on Economic Development, Housing and General Affairs. (4/25/14)

Samuel Hoar, Jr. of South Burlington – Superior Court Judge – By Sen. Ashe for the Committee on Judiciary. (4/25/14)

Martha O'Connor of Brattleboro – Member of the Vermont State Lottery Commission – By Sen. Doyle for the Committee on Economic Development, Housing and General Affairs. (4/25/14)

Michael Keane of North Bennington – Member of the Vermont Economic Progress Council – By Sen. Bray for the Committee on Economic Development, Housing and General Affairs. (4/29/14)

Betsy Gentile of Brattleboro – Member of the Vermont Economic Progress Council – By Sen. Bray for the Committee on Economic Development, Housing and General Affairs. (4/29/14)

Frederick S. Kenney II of Jericho – Executive Director of the Vermont Economic Progress Council – By Sen. Bray for the Committee on Economic Development, Housing and General Affairs. (4/29/14)

David Luce of Waterbury Center – Member of the Community High School of Vermont Board – By Sen. Doyle for the Committee on Education. (4/29/14)