Journal of the House

Tuesday, May 7, 2013

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

Devotional Exercises

Devotional exercises were conducted by the Speaker.

Bill Referred to Committee on Appropriations

S. 130

Senate bill, entitled

An act relating to encouraging flexible pathways to secondary school completion

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

Member Replaced on Committee of Conference

H. 39

The Speaker announced that he has appointed **Rep. Cheney of Norwich** to replace **Rep. Klein of East Montpelier** on the Committee of Conference on House bill, entitled

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

Bill Amended, Read Third Time and Passed

H. 441

House bill, entitled

An act relating to changing provisions within the Vermont Common Interest Ownership Act related to owners of time-shares

Was taken up and pending third reading of the bill, **Rep. Scheuermann of Stowe** moved to amend the bill as follows:

In Sec. 3, 27A V.S.A. § 3-116(j), by striking "§ 4941, 4945, or 4961" and inserting in lieu thereof "chapter 172"

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

Third Reading; Bill Passed in Concurrence With Proposal of Amendment

S. 4

Senate bill, entitled

An act relating to concussions and school athletic activities

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

Third Reading; Bill Passed in Concurrence With Proposal of Amendment

S. 11

Senate bill, entitled

An act relating to the Austine School

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

Bill Amended; Third Reading Ordered

H. 534

Rep. Townsend of South Burlington, for the committee on Government Operations, to which had been referred House bill, entitled

An act relating to approval of amendments to the charter of the City of Winooski

Reported in favor of its passage when amended as follows:

First: In Sec. 3, in 24 App. V.S.A. chapter 19, in § 304 (general powers and duties), in subsection (b), by striking out subdivision (4) in its entirety and inserting in lieu thereof the following:

(4) To adopt, amend, repeal, and enforce in accordance with the general laws of the State ordinances relating to the regulation or prohibition of the possession and use of dangerous objects and substances; the discharge of firearms and air rifles; and the possession and use of other weapons and devices having a capacity to inflict personal injury.

Second: In Sec. 3, in 24 App. V.S.A. chapter 19, by striking out § 719 (local options tax) in its entirety and inserting in lieu thereof the following:

§ 719. LOCAL OPTION TAX

(a) If the City Council by a majority vote recommends, the voters of the City may, at an annual or special meeting warned for the purpose, by a majority vote of those present and voting, assess any or all of the following:

(1) a one-percent meals and alcoholic beverages tax;

(2) a one-percent rooms tax;

(3) a one-percent sales tax.

(b) Any local option tax assessed under subsection (a) of this section shall be collected and administered and may be rescinded as provided by the general laws of this State.

Rep. Ram of Burlington, for the committee on Ways and Means, recommended that the bill ought to pass when amended, as recommended, by the committee on Government Operations.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time, report of the committees on Government Operations and Ways and Means agreed to and third reading ordered.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 81

Rep. Krowinski of Burlington, for the committee on Human Services, to which had been referred Senate bill, entitled

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

Reported in favor of its passage in concurrence with proposal of amendment as follows:

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

Sec. 1. 9 V.S.A. chapter 80 is amended to read:

CHAPTER 80. FLAME RETARDANTS

§ 2971. ~~BROMINATED FLAME RETARDANTS~~

~~(a) As used in this section:~~

~~(1) "Brominated flame retardant" means any chemical containing the element bromine that is added to plastic, foam, or textile to inhibit flame formation.~~

~~(2) "Congener" means a specific PBDE molecule.~~

~~(3) "DecaBDE" means decabromodiphenyl ether or any technical mixture in which decabromodiphenyl ether is a congener.~~

~~(4) "Flame retardant" means any chemical that is added to a plastic, foam, or textile to inhibit flame formation.~~

~~(5) "Manufacturer" means any person who manufactures a final product containing a regulated brominated flame retardant or any person whose brand-name is affixed to a product containing a regulated brominated flame retardant.~~

~~(6) "Motor vehicle" means every vehicle intended primarily for use and operation on the public highways, and shall include farm tractors and other machinery used in the production, harvesting, and care of farm products.~~

~~(7) "OctaBDE" means octabromodiphenyl ether or any technical mixture in which octabromodiphenyl ether is a congener.~~

~~(8) "PentaBDE" means pentabromodiphenyl ether or any technical mixture in which a pentabromodiphenyl ether is a congener.~~

~~(9) "PBDE" means polybrominated diphenyl ether.~~

~~(10) "Technical mixture" means a PBDE mixture that is sold to a manufacturer. A technical mixture is named for the predominant congener in the mixture, but is not exclusively made up of that congener.~~

~~(b) As of July 1, 2010, no person may offer for sale, distribute for sale, distribute for promotional purposes, or knowingly sell at retail a product containing octaBDE or pentaBDE in a concentration greater than 0.1 percent by weight.~~

~~(c) Except for inventory purchased prior to July 1, 2009, a person may not, as of July 1, 2010, manufacture, offer for sale, distribute for sale, or knowingly sell at retail the following products containing decaBDE in a concentration greater than 0.1 percent by weight:~~

~~(1) A mattress or mattress pad; or~~

~~(2) Upholstered furniture.~~

~~(d) Except for inventory purchased prior to July 1, 2009, a person may not, as of July 1, 2012, manufacture, offer for sale, distribute for sale, or knowingly sell at retail a television or computer with a plastic housing containing decaBDE in a concentration greater than 0.1 percent by weight.~~

~~(e) This section shall not apply to:~~

~~(1) the sale or resale of used products; or~~

~~(2) motor vehicles or parts for use on motor vehicles.~~

~~(f) As of July 1, 2010, a manufacturer of a product that contains decaBDE and that is prohibited under subsection (c) or (d) of this section shall notify persons that sell the manufacturer's product of the requirements of this section.~~

~~(g) A manufacturer shall not replace decaBDE, pursuant to this section, with a chemical that is:~~

~~(1) Classified as "known to be a human carcinogen" or "reasonably anticipated to be a human carcinogen" in the most recent report on carcinogens by the National Toxicology Program in the U.S. Department of Health and Human Services;~~

~~(2) Classified as "carcinogenic to humans" or "likely to be carcinogenic to humans" in the U.S. Environmental Protection Agency's most recent list of chemicals evaluated for carcinogenic potential; or~~

~~(3) Identified by the U.S. Environmental Protection Agency as causing birth defects, hormone disruption, or harm to reproduction or development.~~

~~(h) A violation of this section shall be deemed a violation of the Consumer Protection Act, chapter 63 of this title. The attorney general has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions, and private parties have the same rights and remedies as provided under subchapter 1 of chapter 63 of this title.~~

~~(i) In addition to any other remedies and procedures authorized by this section, the attorney general may request a manufacturer of upholstered furniture, mattresses, mattress pads, computers, or televisions offered for sale or distributed for sale in this state to provide the attorney general with a certificate of compliance with this section with respect to such products. Within 30 days of receipt of the request for a certificate of compliance, the manufacturer shall:~~

~~(1) Provide the attorney general with a certificate declaring that its product complies with the requirements of this section; or~~

~~(2) Notify persons who sell in this state a product of the manufacturer's which does not comply with this section that sale of the product is prohibited, and submit to the attorney general a list of the names and addresses of those notified.~~

~~(j) The attorney general shall consult with retailers and retailer associations in order to assist retailers in complying with the requirements of this section.~~ [Repealed.]

§ 2972. DEFINITIONS

(a) As used in this chapter:

(1) "Article" means an object that during production is given a special shape, surface, or design which determines its function to a greater degree than its chemical composition.

(2) "Brominated flame retardant" means any chemical containing the element bromine that is added to plastic, foam, or textile to inhibit flame formation.

(3) "Children's product" means a consumer product:

(A) marketed for use by children under 12 years of age; or

(B) the substantial use of which by a child under 12 years of age is reasonably foreseeable.

(4) "Commissioner" means the Commissioner of Health of the Vermont Department of Health.

(5) "Congener" means a specific PBDE molecule.

(6) "DecaBDE" means decabromodiphenyl ether or any technical mixture in which decabromodiphenyl ether is a congener.

(7) "Flame retardant" means any chemical that is added to a plastic, foam, or textile to inhibit flame formation.

(8) "Manufacturer" means any person:

(A) who manufactures a final product containing a flame retardant regulated under this chapter; or

(B) whose brand name is affixed to a final product containing a flame retardant regulated under this chapter.

(9) "Motor vehicle" means every vehicle intended primarily for use and operation on the public highways and shall include farm tractors and other machinery used in the production, harvesting, and care of farm products.

(10) "OctaBDE" means octabromodiphenyl ether or any technical mixture in which octabromodiphenyl ether is a congener.

(11) "PBDE" means polybrominated diphenyl ether.

(12) "PentaBDE" means pentabromodiphenyl ether or any technical mixture in which pentabromodiphenyl ether is a congener.

(13) "Residential upholstered furniture" means furniture intended for personal use that includes cushioning material covered by fabric or similar material.

(14) "TCEP" means tris(2-chloroethyl) phosphate, chemical abstracts service number 115-96-8 (as of the effective date of this section).

(15) "TCPP" means tris (2-chloro-1-methylethyl) phosphate, chemical abstracts service number 13674-84-5 (as of the effective date of this section).

(16) "TDCPP" means tris(1,3-dichloro-2-propyl) phosphate, chemical abstracts service number 13674-87-8 (as of the effective date of this section).

(17) "Technical mixture" means a PBDE mixture that is sold to a manufacturer. A technical mixture is named for the predominant congener in the mixture but is not exclusively made up of that congener.

§ 2973. BROMINATED FLAME RETARDANTS; PROHIBITION

(a) As of July 1, 2010, no person may offer for sale, distribute for sale, distribute for promotional purposes, or knowingly sell at retail a product containing octaBDE or pentaBDE in a concentration greater than 0.1 percent by weight.

(b) Except for inventory purchased prior to July 1, 2009, a person may not, as of July 1, 2010, manufacture, offer for sale, distribute for sale, or knowingly sell at retail the following products containing decaBDE in a concentration greater than 0.1 percent by weight:

(1) a mattress or mattress pad; or

(2) upholstered furniture.

(c) Except for inventory purchased prior to July 1, 2009, a person may not, as of July 1, 2012, manufacture, offer for sale, distribute for sale, or knowingly sell at retail a television or computer with a plastic housing containing decaBDE in a concentration greater than 0.1 percent by weight.

(d)(1) Except as provided in subdivision (2) of this subsection, beginning July 1, 2013, no person may manufacture, sell or offer for sale, or distribute for sale or use in the State plastic shipping pallets that contain decaBDE in a concentration greater than 0.1 percent by weight.

(2) Subdivision (1) of this subsection shall not apply to the sale, lease, distribution, or use in the State of:

(A) plastic shipping pallets manufactured prior to January 1, 2011; or

(B) plastic shipping pallets manufactured from recycled shipping pallets that contain decaBDE in a concentration that is no greater than the concentration of decaBDE in the recycled pallets from which the plastic pallets were manufactured.

§ 2974. CHLORINATED FLAME RETARDANTS

(a) Except for inventory manufactured prior to January 1, 2014, no person, other than a retailer, shall, as of January 1, 2014, manufacture, offer for sale, distribute for sale, or knowingly sell in or into this State any children's product or residential upholstered furniture that contains a concentration of TCEP or TDCPP that is greater than 0.1 percent by weight in any product component.

(b) A retailer shall not, as of July 1, 2014, knowingly sell or offer for sale in or into this State any children's product or residential upholstered furniture that contains a concentration of TCEP or TDCPP that is greater than 0.1 percent by weight in any product component.

(c)(1) Notwithstanding the requirements of subsections (a) and (b) of this section, the 0.1 percent-by-weight thresholds under this section for TCEP and TDCPP shall be applied to an individual article and not to individual product components for the following:

(A) personal computers, audio and video equipment, calculators, wireless telephones, game consoles, handheld devices incorporating a screen that are used to access interactive software and their associated peripherals, and cable and other similar connecting devices; and

(B) interactive software intended for leisure and entertainment, such as computer games, and their storage media, such as compact discs.

(2) In applying the requirements of the 0.1 percent-by-weight thresholds under this section for TCEP and TDCPP to an individual article under this subsection, the Attorney General shall interpret what constitutes an "article" in a manner that is consistent with industry practices and guidance, including the European Union's Registration, Evaluation, and Restriction on Chemical Substances regulation, known as "REACH," Regulation (EC) Number 1907/2006, Art. 3(3).

§ 2975. NOTICE TO RETAILERS; DISCLOSURE OF PRODUCT CONTENT; CONSULTATION

(a) As of July 1, 2010, a manufacturer of a product that contains decaBDE and that is prohibited under subsection 2973(c) or (d) of this chapter shall notify persons that sell the manufacturer's product of the requirements of this chapter.

(b) As of July 1, 2013, a manufacturer of a product that contains TCEP or TDCPP and that is prohibited under subsection 2974(a) or (b) of this chapter shall notify persons that sell the manufacturer's product of the requirements of this chapter.

(c) As of March 31, 2014, a person other than a retailer who, since July 1, 2013, has manufactured, distributed, or sold in or into this State any product containing TCEP or TDCPP that is prohibited under subsection 2974(a) or (b) of this chapter shall notify persons who sell the manufacturer's product of the fact that the product sold to the person selling the manufacturer's product contains TCEP or TDCPP. The notification shall be sent by mail and shall notify the person selling the manufacturer's product of the concentration of TCEP or TDCPP in the product sold in percent by weight of each product component.

(d) The Attorney General shall consult with retailers and retailer associations to assist retailers in complying with the requirements of this chapter.

§ 2976. REPLACEMENT OF REGULATED FLAME RETARDANTS

A manufacturer shall not replace decaBDE, TCEP or TDCPP with a chemical that is:

(1) classified as "known to be a human carcinogen" or "reasonably anticipated to be a human carcinogen" in the most recent report on carcinogens by the National Toxicology Program in the U.S. Department of Health and Human Services;

(2) classified as "carcinogenic to humans" or "likely to be carcinogenic to humans" in the U.S. Environmental Protection Agency's most recent list of chemicals evaluated for carcinogenic potential; or

(3) identified by the U.S. Environmental Protection Agency or National Institutes of Health as causing birth defects, hormone disruption, neurotoxicity, or harm to reproduction or development.

§ 2977. EXEMPTIONS

The requirements and prohibitions of this chapter shall not apply to:

(1) the sale or resale of used products;

(2) motor vehicles or parts for use on motor vehicles; and

(3) building insulation materials.

§ 2978. VIOLATIONS; ENFORCEMENT

A violation of this chapter shall be considered a violation of the Consumer Protection Act, chapter 63 of this title. The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions and private parties have the same rights and remedies as provided under subchapter 1 of chapter 63 of this title.

§ 2979. PRODUCTION OF INFORMATION

In addition to any other remedies and procedures authorized by this chapter, the Attorney General may request a manufacturer of upholstered furniture, mattresses, mattress pads, computers, televisions, children's products, or residential upholstered furniture offered for sale or distributed for sale in this State to provide the Attorney General with a certificate of compliance with this chapter with respect to such products. Within 30 days of receipt of the request for a certificate of compliance, the manufacturer shall:

(1) provide the Attorney General with a certificate declaring that its product complies with the requirements of this chapter; or

(2) notify persons who sell in this State a product of the manufacturer's which does not comply with this chapter that sale of the product is prohibited and submit to the Attorney General a list of the names and addresses of those notified.

§ 2980. DEPARTMENT OF HEALTH RULEMAKING; TCPP

(a) The Commissioner may adopt by rule a prohibition on the manufacture, offer for sale, distribution for sale, or knowing sale at retail in or into the State of the flame retardant TCPP in children's products and residential upholstered furniture if the Commissioner determines, based on the weight of available, scientific studies, that the toxicity of TCPP and its potential exposure pathways in those products pose a significant public health risk as that term is defined in 18 V.S.A. § 2(12).

(b) The rule shall not regulate TCPP in a manner that is materially different from the requirements of sections 2972 (definitions), 2974 (chlorinated flame retardants), 2975 (notice to retailers; disclosure of product content; consultation), 2976 (replacement of regulated flame retardants), 2977 (exemptions), 2978 (violations; enforcement), and 2979 (production of information) of this title regarding the regulation of TCEP and TDCPP. The Commissioner shall adopt reasonable time frames for manufacturers, distributors, and retailers to comply with such provisions that are comparable to the time frames for the regulation of TCEP and TDCPP.

(c) A violation of a prohibition or requirement adopted by rule under this section shall be enforceable by the Attorney General under section 2978 of this title as a violation of this chapter.

(d) In addition to the public participation requirements of 3 V.S.A. chapter 25 and prior to submitting a rule authorized under this section to the Secretary of State under 3 V.S.A. § 838, the Commissioner shall make reasonable efforts to consult with interested parties within the State regarding a proposed prohibition on the manufacture, offer for sale, distribution for sale, or knowing sale at retail in the State of the flame retardant TCPP. The Commissioner may satisfy the consultation requirement of this section through the use of one or more workshops, focused work groups, dockets, meetings, or other forms of communication.

(e) A rule adopted by the Commissioner under this section shall become effective according to the following:

(1) A proposed rule filed with the Secretary of State under 3 V.S.A. § 838 on or before July 1, 2014 shall not go into effect earlier than one calendar year after the Commissioner files the adopted rule under 3 V.S.A. chapter 25.

(2) A proposed rule filed with the Secretary of State under 3 V.S.A. § 838 after July 1, 2014 shall not go into effect earlier than one calendar year after the Commissioner files the adopted rule under 3 V.S.A. chapter 25, unless the Commissioner determines that an earlier effective date is required to protect human health, the Commissioner notifies interested parties of the determination, and the new effective date is established by rule.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2013.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 99

Rep. Myers of Essex, for the committee on Corrections and Institutions, to which had been referred Senate bill, entitled

An act relating to the standard measure of recidivism

Reported in favor of its passage in concurrence with proposal of amendment as follows:

First: By adding Sec. 1a to read as follows:

Sec. 1a. Sec. 22(a) of No. 179 of the Acts of the 2007 Adj. Sess. (2008), as amended by Sec. 14 of No. 158 of the Acts of the 2009 Adj. Sess. (2010), as further amended by Sec. 38 of No. 104 of the Acts of the 2011 Adj. Sess. (2012), is amended to read:

(a) Secs. 11 and 12 of this act shall take effect on July 1, ~~2013~~ 2014.

Second: By striking Sec. 2 in its entirety and inserting in lieu thereof the following:

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

Bill Read Second Time; Consideration Interrupted by Recess

S. 82

Rep. Evans of Essex, for the committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to campaign finance law

Reported in favor of its passage in concurrence with proposal of amendment as follows:

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

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Article 7 of Chapter 1 of the Vermont Constitution affirms the central principle "That government is, or ought to be, instituted for the common benefit, protection, and security of the people, nation, or community, and not for the particular emolument or advantage of any single person, family, or set of persons, who are a part only of that community . . ."

(2) To carry out this central principle that the government is for the common benefit of the whole people of Vermont, candidates need to be responsive to the community as a whole and not to a small portion which may be funding the candidate's electoral campaign.

(3) Because of the small size of Vermont communities and the personal nature of campaigning in Vermont, a key feature of Vermont electoral campaigns is the personal connection between candidates and voters. Limiting contributions to candidates encourages this connection by giving candidates an incentive to conduct grassroots campaigns that reach many constituents and many donors, rather than relying on just a few people to fund their campaigns.

(4) Unduly large campaign contributions reduce public confidence in the electoral process and increase the risk and the appearance that candidates and elected officials may be beholden to contributors and not act in the best interests of all Vermont citizens.

(5) In Vermont, contributions greater than the amounts specified in this act are considered by the General Assembly, candidates, and elected officials to be unduly large contributions that have the ability to corrupt and create the appearance of corrupting candidates and the democratic system.

(6) When a person is able to make unduly large contributions to a candidate, there is a risk of voters losing confidence in our system of representative government because voters may believe that a candidate will be more likely to represent the views of persons who make those contributions and less likely to represent views of their constituents and Vermont citizens in general. This loss of confidence may lead to increased voter cynicism and a lack of participation in the electoral process among both candidates and voters.

(7) Lower limits encourage candidates to interact and communicate with a greater number of voters in order to receive contributions to help fund a campaign, rather than to rely on a small number of large contributions. This interaction between candidates and the electorate helps build a greater confidence in our representative government and is likely to make candidates more responsive to voters.

(8) Different limits on contributions to candidates based on the office they seek are necessary in order for these candidates to run effective campaigns. Moreover, since it generally costs less to run an effective campaign for nonstatewide offices, a uniform limit on contributions for all offices could enable contributors to exert undue influence over those nonstatewide offices.

(9) In Vermont, candidates can raise sufficient monies to fund effective, competitive campaigns from contributions no larger than the amounts specified in this act.

(10) Exempting certain activities of political parties from the definition of what constitutes a contribution is important so as to not overly burden

collective political activity. These activities, such as using the assistance of volunteers, preparing party candidate listings, and hosting certain campaign events, are part of a party's traditional role in assisting candidates to run for office. Moreover, these exemptions help protect the right to associate in a political party.

(11) Political parties play an important role in electoral campaigns and must be given the opportunity to support their candidates. Their historic role in American elections makes them different from political committees. For that reason, it is appropriate to limit contributions from political committees without imposing the same limits on political parties.

(12) If independent expenditure-only political committees are allowed to receive unlimited contributions, they may eclipse political parties. This would be detrimental to the electoral system because such committees can be controlled by a small number of individuals who finance them. In contrast, political parties are created by a representative process of delegates throughout the State.

(13) Large independent expenditures by independent expenditure-only political committees can unduly influence the decision-making, legislative voting, and official conduct of officeholders and candidates through the committees' positive or negative advertising regarding their election for office. It also causes officeholders and candidates to act in a manner that either encourages independent expenditure-only committees to support them or discourages those committees from attacking them. Thus, candidates can become beholden to the donors who make contributions to these independent expenditure-only committees. Therefore, it is appropriate to limit contributions to all political committees, regardless of whether they make only independent expenditures.

(14) Limiting contributions to all political committees, including independent expenditure-only political committees, prevents persons from hiding behind these committees when making election-related expenditures. It encourages persons wishing to fund communications to do so directly in their own names. In this way, limiting contributions to all political committees fosters greater transparency. When a person makes an expenditure on electioneering communications in the person's own name, that name, rather than that of a political committee to which the person contributed, appears on the face of the communication. This provides the public with immediate information as to the identity of the communication's funder.

(15) In order to provide the electorate with information regarding who seeks to influence their votes through campaign advertising; to make campaign

financing more transparent; to aid voters in evaluating those seeking office; to deter actual corruption and avoid its appearance by exposing contributions and expenditures to the light of publicity; and to gather data necessary to detect violations of contributions limits, it is imperative that Vermont increase the frequency of campaign finance reports and include more information in electioneering communications.

(16) Increasing identification information in electioneering communications will enable the electorate to immediately evaluate the speaker's message and will bolster the sufficiently important interest in permitting Vermonters to learn the sources of significant influence in our State's elections.

(17) The General Assembly is aware of reports of potential corruption in other states and in federal politics. It is important to enact legislation that will prevent corruption here and maintain the electorate's confidence in the integrity of Vermont's government.

(18) This act is necessary in order to implement more fully the provisions of Article 8 of Chapter I of the Constitution of the State of Vermont, which declares "That all elections ought to be free and without corruption, and that all voters, having a sufficient, evident, common interest with, and attachment to the community, have a right to elect officers, and be elected into office, agreeably to the regulations made in this constitution."

Sec. 2. REPEAL

17 V.S.A. chapter 59 (campaign finance) is repealed.

Sec. 3. 17 V.S.A. chapter 61 is added to read:

CHAPTER 61. CAMPAIGN FINANCE

Subchapter 1. General Provisions

§ 2901. DEFINITIONS

As used in this chapter:

(1) "Candidate" means an individual who has taken affirmative action to become a candidate for state, county, local, or legislative office in a primary, special, general, or local election. An affirmative action shall include one or more of the following:

(A) accepting contributions or making expenditures totaling $500.00 or more;

(B) filing the requisite petition for nomination under this title or being nominated by primary or caucus; or

(C) announcing that the individual seeks an elected position as a state, county, or local officer or a position as representative or senator in the General Assembly.

(2) "Candidate's committee" means the candidate's campaign staff, whether paid or unpaid.

(3) "Clearly identified," with respect to a candidate, means:

(A) the name of the candidate appears;

(B) a photograph or drawing of the candidate appears; or

(C) the identity of the candidate is apparent by unambiguous reference.

(4) "Contribution" means a payment, distribution, advance, deposit, loan, or gift of money or anything of value, paid or promised to be paid for the purpose of influencing an election, advocating a position on a public question, or supporting or opposing one or more candidates in any election. For purposes of this chapter, "contribution" shall not include any of the following:

(A) a personal loan of money to a candidate from a lending institution made in the ordinary course of business;

(B) services provided without compensation by individuals volunteering their time on behalf of a candidate, political committee, or political party;

(C) unreimbursed travel expenses paid for by an individual for himself or herself who volunteers personal services to a candidate;

(D) unreimbursed campaign-related travel expenses paid for by the candidate or the candidate's spouse;

(E) the use by a candidate or volunteer of his or her own personal property, including offices, telephones, computers, and similar equipment;

(F) the use of a political party's offices, telephones, computers, and similar equipment;

(G) the payment by a political party of the costs of preparation, display, or mailing or other distribution of a party candidate listing;

(H) documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the

requirements of this title, lists of registered voters, and voter identification information created, obtained, or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party or to another political party;

(I) compensation paid by a political party to its employees whose job responsibilities are not for the specific and exclusive benefit of a single candidate in any election;

(J) compensation paid by a political party to its employees or consultants for the purpose of providing assistance to another political party;

(K) campaign training sessions provided to three or more candidates;

(L) costs paid for by a political party in connection with a campaign event at which three or more candidates are present; or

(M) activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention or depict a clearly identified candidate.

(5) "Election" means the procedure whereby the voters of this State or any of its political subdivisions select a person to be a candidate for public office or to fill a public office or to act on public questions including voting on constitutional amendments. Each primary, general, special, or local election shall constitute a separate election.

(6) "Electioneering communication" means any communication that refers to a clearly identified candidate for office and that promotes or supports a candidate for that office or attacks or opposes a candidate for that office, regardless of whether the communication expressly advocates a vote for or against a candidate, including communications published in any newspaper or periodical or broadcast on radio or television or over the Internet or any public address system; placed on any billboards, outdoor facilities, buttons, or printed material attached to motor vehicles, window displays, posters, cards, pamphlets, leaflets, flyers, or other circulars; or contained in any direct mailing, robotic phone calls, or mass e-mails.

(7) "Expenditure" means a payment, disbursement, distribution, advance, deposit, loan, or gift of money or anything of value, paid or promised to be paid, for the purpose of influencing an election, advocating a position on a public question, or supporting or opposing one or more candidates. For the purposes of this chapter, "expenditure" shall not include any of the following:

(A) a personal loan of money to a candidate from a lending institution made in the ordinary course of business;

(B) services provided without compensation by individuals volunteering their time on behalf of a candidate, political committee, or political party;

(C) unreimbursed travel expenses paid for by an individual for himself or herself who volunteers personal services to a candidate; or

(D) unreimbursed campaign-related travel expenses paid for by the candidate or the candidate's spouse.

(8) "Full name" means an individual's full first name, middle name or initial, if any, and full legal last name, making the identity of the person who made the contribution apparent by unambiguous reference.

(9) "Independent expenditure-only political committee" means a political committee that conducts its activities entirely independent of candidates; does not give contributions to candidates, political committees, or political parties; does not make related expenditures; and is not closely related to a political party or to a political committee that makes contributions to candidates or makes related expenditures.

(10) "Mass media activity" means a television commercial, radio commercial, mass mailing, mass electronic or digital communication, literature drop, newspaper or periodical advertisement, robotic phone call, or telephone bank, which includes the name or likeness of a clearly identified candidate for office.

(11) "Party candidate listing" means any communication by a political party that:

(A) lists the names of at least three candidates for election to public office;

(B) is distributed through public advertising such as broadcast stations, cable television, newspapers, and similar media or through direct mail, telephone, electronic mail, a publicly accessible site on the Internet, or personal delivery;

(C) treats all candidates in the communication in a substantially similar manner; and

(D) is limited to:

(i) the identification of each candidate, with which pictures may be used;

(ii) the offices sought;

(iii) the offices currently held by the candidates;

(iv) the party affiliation of the candidates and a brief statement about the party or the candidates' positions, philosophy, goals, accomplishments, or biographies;

(v) encouragement to vote for the candidates identified; and

(vi) information about voting, such as voting hours and locations.

(12) "Political committee" or "political action committee" means any formal or informal committee of two or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party, which accepts contributions of $1,000.00 or more and makes expenditures of $1,000.00 or more in any two-year general election cycle for the purpose of supporting or opposing one or more candidates, influencing an election, or advocating a position on a public question in any election, and includes an independent expenditure-only political committee.

(13) "Political party" means a political party organized under chapter 45 of this title and any committee established, financed, maintained, or controlled by the party, including any subsidiary, branch, or local unit thereof, and shall be considered a single, unified political party. The national affiliate of the political party shall be considered a separate political party.

(14) "Public question" means an issue that is before the voters for a binding decision.

(15) "Single source" means an individual, partnership, corporation, association, labor organization, or any other organization or group of persons which is not a political committee or political party.

(16) "Telephone bank" means more than 500 telephone calls of an identical or substantially similar nature that are made to the general public within any 30-day period.

(17) "Two-year general election cycle" means the 24-month period that begins 38 days after a general election.

§ 2902. EXCEPTIONS

The definitions of "contribution," "expenditure," and "electioneering communication" shall not apply to:

(1) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication that has not been paid for or such facilities are not owned or controlled by any political party, committee, or candidate; or

(2) any communication distributed through a public access television station if the communication complies with the laws and rules governing the station and if all candidates in the race have an equal opportunity to promote their candidacies through the station.

§ 2903. PENALTIES

(a) A person who knowingly and intentionally violates a provision of subchapter 2, 3, or 4 of this chapter shall be fined not more than $1,000.00 or imprisoned not more than six months or both.

(b) A person who violates any provision of this chapter shall be subject to a civil penalty of up to $10,000.00 for each violation and shall refund the unspent balance of Vermont campaign finance grants received under subchapter 5 of this chapter, if any, calculated as of the date of the violation.

(c) In addition to the other penalties provided in this section, a state's attorney or the Attorney General may institute any appropriate action, injunction, or other proceeding to prevent, restrain, correct, or abate any violation of this chapter.

§ 2904. CIVIL INVESTIGATION

(a)(1) The Attorney General or a state's attorney, whenever he or she has reason to believe any person to be or to have been in violation of this chapter or of any rule or regulation made pursuant to this chapter, may examine or cause to be examined by any agent or representative designated by him or her for that purpose any books, records, papers, memoranda, or physical objects of any nature bearing upon each alleged violation and may demand written responses under oath to questions bearing upon each alleged violation.

(2) The Attorney General or a state's attorney may require the attendance of such person or of any other person having knowledge in the premises in the county where such person resides or has a place of business or in Washington County if such person is a nonresident or has no place of business within the State and may take testimony and require proof material for his or her information and may administer oaths or take acknowledgment in respect of any book, record, paper, or memorandum.

(3) The Attorney General or a state's attorney shall serve notice of the time, place, and cause of such examination or attendance or notice of the cause of the demand for written responses personally or by certified mail upon such person at his or her principal place of business or, if such place is not known, to his or her last known address. Such notice shall include a statement that a

knowing and intentional violation of subchapters 2 through 4 of this chapter is subject to criminal prosecution.

(4) Any book, record, paper, memorandum, or other information produced by any person pursuant to this section shall not, unless otherwise ordered by a court of this State for good cause shown, be disclosed to any person other than the authorized agent or representative of the Attorney General or a state's attorney or another law enforcement officer engaged in legitimate law enforcement activities unless with the consent of the person producing the same, except that any transcript of oral testimony, written responses, documents, or other information produced pursuant to this section may be used in the enforcement of this chapter, including in connection with any civil action brought under section 2903 of this subchapter or subsection (c) of this section.

(5) Nothing in this subsection is intended to prevent the Attorney General or a state's attorney from disclosing the results of an investigation conducted under this section, including the grounds for his or her decision as to whether to bring an enforcement action alleging a violation of this chapter or of any rule or regulation made pursuant to this chapter.

(6) This subsection shall not be applicable to any criminal investigation or prosecution brought under the laws of this or any state.

(b)(1) A person upon whom a notice is served pursuant to the provisions of this section shall comply with its terms unless otherwise provided by the order of a court of this State.

(2) Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under this section, removes from any place; conceals, withholds, or destroys; or mutilates, alters, or by any other means falsifies any documentary material in the possession, custody, or control of any person subject to such notice or mistakes or conceals any information shall be fined not more than $5,000.00.

(c)(1) Whenever any person fails to comply with any notice served upon him or her under this section or whenever satisfactory copying or reproduction of any such material cannot be done and the person refuses to surrender the material, the Attorney General or a state's attorney may file, in the superior court in the county in which the person resides or has his or her principal place of business or in Washington County if the person is a nonresident or has no principal place of business in this State, and serve upon the person a petition for an order of the court for the enforcement of this section.

(2) Whenever any petition is filed under this section, the court shall have jurisdiction to hear and determine the matter so presented and to enter any order or orders as may be required to carry into effect the provisions of this section. Any disobedience of any order entered under this section by any court shall be punished as a contempt of the court.

(d) Any person aggrieved by a civil investigation conducted under this section may seek relief from Washington Superior Court or the superior court in the county in which the aggrieved person resides. Except for cases the court considers to be of greater importance, proceedings before superior court as authorized by this section shall take precedence on the docket over all other cases.

§ 2905. ADJUSTMENTS FOR INFLATION

(a) Whenever it is required by this chapter, the Secretary of State shall make adjustments to monetary amounts provided in this chapter based on the Consumer Price Index. Increases shall be rounded to the nearest $10.00 and shall apply for the term of two two-year general election cycles. Increases shall be effective for the first two-year general election cycle beginning after the general election held in 2016.

(b) On or before the first two-year general election cycle beginning after the general election held in 2016, the Secretary of State shall calculate and publish on the online database set forth in section 2906 of this chapter each adjusted monetary amount that will apply to those two two-year general election cycles. On or before the beginning of each second subsequent two-year general election cycle, the Secretary shall publish the amount of each adjusted monetary amount that shall apply for that two-year general election cycle and the next two-year general election cycle.

§ 2906. CAMPAIGN DATABASE; CANDIDATE INFORMATION WEB PAGE

(a) Campaign database. For each two-year general election cycle, the Secretary of State shall develop and continually update a publicly accessible campaign database which shall be made available to the public through the Secretary of State's home page online service or through printed reports from the Secretary in response to a public request within 14 days of the date of the request. The database shall contain:

(1) at least the following information for all candidates for statewide, county, and local office and for the General Assembly:

(A) for candidates receiving public financing grants, the amount of each grant awarded; and

(B) the information contained in any reports submitted pursuant to subchapter 4 of this chapter;

(2) an Internet link to campaign finance reports filed by Vermont's candidates for federal office;

(3) the adjustments for inflation made to monetary amounts as required by this chapter; and

(4) any photographs, biographical sketches, and position statements submitted to the Secretary pursuant to subsection (b) of this section.

(b) Candidate information web page.

(1) Any candidate for statewide office and any candidate for federal office qualified to be on the ballot in this State may submit to the Secretary of State a photograph, biographical sketch, and position statement of a length and format specified by the Secretary for the purposes of preparing a candidate information web page within the website of the Secretary of State.

(2) Without making any substantive changes in the material presented, the Secretary shall prepare a candidate information web page on the Secretary's website, which includes the candidates' photographs, biographies, and position statements; a brief explanation of the process used to obtain candidate submissions; and, with respect to offices for which public financing is available, an indication of which candidates are receiving Vermont campaign finance grants and which candidates are not receiving Vermont campaign finance grants.

(3) The Secretary shall populate the candidate information web page by posting each candidate's submission no fewer than three business days after receiving the candidate's submission.

§ 2907. ADMINISTRATION

The Secretary of State shall administer this chapter and shall perform all duties required under this chapter. The Secretary may employ or contract for the services of persons necessary for performance of these duties.

Subchapter 2. Registration and Maintenance Requirements

§ 2921. CANDIDATES; REGISTRATION; CHECKING ACCOUNT; TREASURER

(a) Each candidate who has made expenditures or accepted contributions of $500.00 or more in a two-year general election cycle shall register with the Secretary of State stating his or her full name and address; the office the candidate is seeking; the name and address of the bank in which the candidate maintains his or her campaign checking account; and the name and address of the treasurer responsible for maintaining the checking account. A candidate's treasurer may be the candidate or his or her spouse.

(b) All expenditures by a candidate shall be paid by either a credit card or a debit card, check, or other electronic transfer from the single campaign checking account in the bank designated by the candidate under subsection (a) of this section, or, if under $250.00, the candidate may make the expenditure from cash from that campaign checking account if accompanied by a receipt, a copy of which shall be maintained by the candidate for at least two years from the end of the two-year general election cycle in which the expenditure was made.

§ 2922. POLITICAL COMMITTEES; REGISTRATION; CHECKING ACCOUNT; TREASURER

(a) Each political committee shall register with the Secretary of State within 10 days of making expenditures of $1,000.00 or more and accepting contributions of $1,000.00 or more stating its full name and address; the name and address of the bank in which it maintains its campaign checking account; and the name and address of the treasurer responsible for maintaining the checking account.

(b) All expenditures by a political committee shall be paid by either a credit card or a debit card, check, or other electronic transfer from the single campaign checking account in the bank designated by the political committee under subsection (a) of this section, or, if under $250.00, the political committee may make the expenditure from cash from that campaign checking account if accompanied by a receipt, a copy of which shall be maintained by the political committee for at least two years from the end of the two-year general election cycle in which the expenditure was made.

(c) A political committee whose principal place of business or whose treasurer is not located in this State shall file a statement with the Secretary of State designating a person who resides in this State upon whom may be served

any process, notice, or demand required or permitted by law to be served upon the political committee. This statement shall be filed at the same time as the registration required in subsection (a) of this section.

§ 2923. POLITICAL PARTIES; REGISTRATION; CHECKING ACCOUNTS; TREASURER

(a)(1) Each political party which has accepted contributions or made expenditures of $1,000.00 or more in any two-year general election cycle shall register with the Secretary of State within 10 days of reaching the $1,000.00 threshold. In its registration, the party shall state its full name and address, the name and address of the bank in which it maintains its campaign checking account, and the name and address of the treasurer responsible for maintaining the checking account.

(2) A political party may permit any subsidiary, branch, or local unit of the political party to maintain its own checking account. If a subsidiary, branch, or local unit of a political party is so permitted, it shall file with the Secretary of State within five days of establishing the checking account its full name and address, the name of the political party, the name and address of the bank in which it maintains its campaign checking account, and the name and address of the treasurer responsible for maintaining the checking account.

(b) All expenditures by a political party or its subsidiary, branch, or local unit shall be paid by either a credit card or a debit card, check, or other electronic transfer from the single campaign checking account in the bank designated by the political party under subsection (a) of this section, or if under $250.00, the political party may make the expenditure from cash from that campaign checking account if accompanied by a receipt, a copy of which shall be maintained by the political party for at least two years from the end of the two-year general election cycle in which the expenditure was made.

(c) A political party or its subsidiary, branch, or local unit whose principal place of business or whose treasurer is not located in this State shall file a statement with the Secretary of State designating a person who resides in this State upon whom may be served any process, notice, or demand required or permitted by law to be served upon the political party, subsidiary, branch, or local unit. This statement shall be filed at the same time as the registration required in subsection (a) of this section.

§ 2924. CANDIDATES; SURPLUS CAMPAIGN FUNDS; NEW CAMPAIGN ACCOUNTS

(a) A candidate who has surplus funds after all campaign debts have been paid shall not convert the surplus to personal use, other than to reduce personal campaign debts or as otherwise provided in this chapter.

(b) Surplus funds in a candidate's account shall be:

(1) contributed to other candidates, political parties, or political committees subject to the contribution limits set forth in this chapter;

(2) contributed to a charity;

(3) contributed to the Secretary of State Services Fund;

(4) rolled over into a new campaign account as provided in subsection (d) of this section; or

(5) liquidated using a combination of the provisions set forth in subdivisions (1)–(4) of this subsection.

(c) The "final report" of a candidate shall indicate the amount of the surplus and how it has been liquidated.

(d)(1) A candidate who chooses to roll over any surplus contributions into a new campaign account for public office shall close out his or her former campaign by filing a final report with the Secretary of State converting all debts and assets to the new campaign.

(2) A candidate who rolls over surplus contributions into a new campaign account shall be required to file a new bank designation form only if there has been a change in the treasurer or the location of the campaign account.

§ 2925. POLITICAL COMMITTEES; SURPLUS CAMPAIGN FUNDS

(a) A member of a political committee which has surplus funds after all campaign debts have been paid shall not convert the surplus to personal use.

(b) Surplus funds in a political committee's account shall be:

(1) contributed to other candidates, political parties, or political committees subject to the contribution limits set forth in this chapter;

(2) contributed to a charity;

(3) contributed to the Secretary of State Services Fund; or

(4) liquidated using a combination of the provisions set forth in subdivisions (1)–(3) of this subsection.

(c) The "final report" of a political committee shall indicate the amount of the surplus and how it has been liquidated.

Subchapter 3. Contribution Limitations

§ 2941. LIMITATIONS OF CONTRIBUTIONS

In any two-year general election cycle:

(1)(A) A candidate for state representative or for local office shall not accept contributions totaling more than:

(i) $1,000.00 from a single source; or

(ii) $1,000.00 from a political committee.

(B) Such a candidate may accept unlimited contributions from a political party.

(2)(A) A candidate for state senator or county office shall not accept contributions totaling more than:

(i) $1,500.00 from a single source; or

(ii) $1,500.00 from a political committee.

(B) Such a candidate may accept unlimited contributions from a political party.

(3)(A) A candidate for the office of Governor, Lieutenant Governor, Secretary of State, State Treasurer, Auditor of Accounts, or Attorney General shall not accept contributions totaling more than:

(i) $4,000.00 from a single source; or

(ii) $4,000.00 from a political committee.

(B) Such a candidate may accept unlimited contributions from a political party.

(4) A political committee shall not accept contributions totaling more than:

(A) $5,000.00 from a single source;

(B) $5,000.00 from a political committee; or

(C) $5,000.00 from a political party.

(5) A political party shall not accept contributions totaling more than:

(A) $5,000.00 from a single source;

(B) $5,000.00 from a political committee; or

(C) $30,000.00 from a political party.

(6) A single source, political committee, or political party shall not contribute more to a candidate, political committee, or political party than the candidate, political committee, or political party is permitted to accept under subdivisions (1) through (5) of this section.

§ 2942. EXCEPTIONS

The contribution limitations established by this subchapter shall not apply to contributions to a political committee made for the purpose of advocating a position on a public question, including a constitutional amendment.

§ 2943. LIMITATIONS ADJUSTED FOR INFLATION

The contribution limitations contained in this subchapter shall be adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter.

§ 2944. ACCOUNTABILITY FOR RELATED EXPENDITURES

(a) A related campaign expenditure made on a candidate's behalf shall be considered a contribution to the candidate on whose behalf it was made.

(b) For the purposes of this section, a "related campaign expenditure made on the candidate's behalf" means any expenditure intended to promote the election of a specific candidate or group of candidates or the defeat of an opposing candidate or group of candidates if intentionally facilitated by, solicited by, or approved by the candidate or the candidate's committee.

(c)(1) An expenditure made by a political party or by a political committee that recruits or endorses candidates that primarily benefits six or fewer candidates who are associated with the political party or political committee making the expenditure is presumed to be a related expenditure made on behalf of those candidates, except that the acquisition, use, or dissemination of the images of those candidates by the political party or political committee shall not be presumed to be a related expenditure made on behalf of those candidates.

(2) An expenditure made by a political party or by a political committee that recruits or endorses candidates that substantially benefits more than six candidates and facilitates party or political committee functions, voter turnout, platform promotion, or organizational capacity shall not be presumed to be a related expenditure made on a candidate's behalf.

(d)(1) For the purposes of this section, an expenditure by a person shall not be considered a "related expenditure made on the candidate's behalf" if all of the following apply:

(A) the expenditure was made in connection with a campaign event whose purpose was to provide a group of voters with the opportunity to meet a candidate;

(B) the expenditure was made for:

(i) invitations and any postage for those invitations to invite voters to the event; or

(ii) any food or beverages consumed at the event and any related supplies thereof; and

(C) the cumulative value of any expenditure by the person made under this subsection does not exceed $500.00 per event.

(2) For the purposes of this subsection:

(A) if the cumulative value of any expenditure by a person made under this subsection exceeds $500.00 per event, the amount equal to the difference between the two shall be considered a "related expenditure made on the candidate's behalf"; and

(B) any reimbursement to the person by the candidate for the costs of the expenditure shall be subtracted from the cumulative value of the expenditures.

(e)(1) A candidate may seek a determination that an expenditure is a related expenditure made on behalf of an opposing candidate by filing a petition with the superior court of the county in which either candidate resides.

(2) Within 24 hours of the filing of a petition, the court shall schedule the petition for hearing. Except as to cases the court considers of greater importance, proceedings before the superior court, as authorized by this section, and appeals therefrom take precedence on the docket over all other cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(3) The findings and determination of the court shall be prima facie evidence in any proceedings brought for violation of this chapter.

(f) The Secretary of State may adopt rules necessary to administer the provisions of this section.

§ 2945. ACCEPTING CONTRIBUTIONS

(a) A candidate, political committee, or political party accepts a contribution when the contribution is deposited in the candidate's, committee's, or party's campaign account or five business days after the candidate, committee, or party receives it, whichever comes first.

(b) A candidate, political committee, or political party shall not accept a monetary contribution in excess of $100.00 unless made by check, credit or debit card, or other electronic transfer.

§ 2946. CANDIDATE'S ATTRIBUTION TO PREVIOUS CYCLE

A candidate's expenditures related to a previous campaign and contributions used to retire a debt of a previous campaign shall be attributed to the earlier campaign.

§ 2947. CONTRIBUTIONS FROM A CANDIDATE OR IMMEDIATE FAMILY

This subchapter shall not be interpreted to limit the amount a candidate or his or her immediate family may contribute to his or her own campaign. For purposes of this subsection, "immediate family" means a candidate's spouse, parent, grandparent, child, grandchild, sister, brother, stepparent, stepgrandparent, stepchild, stepgrandchild, stepsister, stepbrother, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, legal guardian, or former legal guardian.

§ 2948. PROHIBITION ON TRANSFERRING CONTRIBUTIONS

A candidate, political committee, or political party shall not accept a contribution which the candidate, political committee, or political party knows is not directly from the contributor but was transferred to the contributor by another person for the purpose of transferring the same to the candidate, political committee, or political party or otherwise circumventing the provisions of this chapter. It shall be a violation of this chapter for a person to make a contribution with the explicit or implicit understanding that the contribution will be transferred in violation of this section.

§ 2949. USE OF TERM "CANDIDATE"

For purposes of this subchapter, the term "candidate" includes the candidate's committee, except in regard to the provisions of section 2947 of this subchapter.

Subchapter 4. Reporting Requirements; Disclosures

§ 2961. SUBMISSION OF REPORTS TO THE SECRETARY OF STATE

(a)(1) The Secretary of State shall provide on the online database set forth in section 2906 of this chapter digital access to the form that he or she provides for any report required by this chapter. Digital access shall enable any person required to file a report under this chapter to file the report by completing and submitting the report to the Secretary of State online.

(2) The Secretary shall maintain on the online database reports that have been filed for each two-year general election cycle so that any person may have direct machine-readable electronic access to the individual data elements in each report and the ability to search those data elements as soon as a report is filed.

(b) Any person required to file a report with the Secretary of State under this chapter shall file the report digitally on the online database.

§ 2962. REPORTS; GENERAL PROVISIONS

(a) Any report required to be submitted to the Secretary of State under this chapter shall contain the statement "I hereby certify that the information provided on all pages of this campaign finance disclosure report is true to the best of my knowledge, information, and belief" and places for the signature of the candidate or the treasurer of the candidate, political committee, or political party.

(b) Any person required to file a report under this chapter shall provide the information required in the Secretary of State's reporting form. Disclosure shall be limited to the information required to administer this chapter.

(c) All reports filed under this chapter shall be retained in an indexed file by the Secretary of State and shall be subject to the examination of any person.

§ 2963. CAMPAIGN REPORTS; SECRETARY OF STATE; FORMS; FILING

(a) The Secretary of State shall prescribe and provide a uniform reporting form for all campaign finance reports. The reporting form shall be designed to show the following information:

(1) the full name, town of residence, and mailing address of each contributor who contributes an amount in excess of $100.00, the date of the contribution, and the amount contributed, as well as a space on the form for the occupation of each contributor, which the candidate, political committee, or political party shall make a reasonable effort to obtain;

(2) the total amount of all contributions of $100.00 or less and the total number of all such contributions;

(3) each expenditure listed by amount, date, to whom paid, and for what purpose;

(4) the amount contributed or loaned by the candidate to his or her own campaign during the reporting period; and

(5) each debt or other obligation, listed by amount, date incurred, to whom owed, and for what purpose, incurred during the reporting period.

(b)(1) The form shall require the reporting of all contributions and expenditures accepted or spent during the reporting period and during the campaign to date and shall require full disclosure of the manner in which any indebtedness is discharged or forgiven.

(2) Contributions and expenditures for the reporting period and for the campaign to date also shall be totaled in an appropriate place on the form. The total of contributions shall include a subtotal of nonmonetary contributions and a subtotal of all monetary contributions.

(3) The form shall contain a list of the required filing times so that the person filing may designate for which time period the filing is made.

(4) Contributions accepted and expenditures spent after 5:00 p.m. on the third day prior to the filing deadline shall be reported on the next report.

§ 2964. CAMPAIGN REPORTS; CANDIDATES FOR STATE OFFICE, THE GENERAL ASSEMBLY, AND COUNTY OFFICE; POLITICAL COMMITTEES; POLITICAL PARTIES

(a)(1) Each candidate for state office, the General Assembly, and a two-year-term county office who has made expenditures or accepted contributions of $500.00 or more during a two-year general election cycle and, except as provided in subsection (b) of this section, each political committee that has made expenditures or accepted contributions of $500.00 or more in the current two-year general election cycle and each political party required to register under section 2923 of this chapter shall file with the Secretary of State campaign finance reports as follows:

(A) in the first year of the two-year general election cycle, on July 15 and November 1 of the odd-numbered year; and

(B) in the second year of the two-year general election cycle:

(i) on March 15;

(ii) on July 15, August 1, and August 15;

(iii) on September 1;

(iv) on October 1, October 15, and November 1; and

(v) two weeks after the general election.

(2)(A) Each candidate for a four-year-term county office who has made expenditures or accepted contributions of $500.00 or more during a four-year general election cycle shall file with the Secretary of State campaign finance reports as follows:

(i) in the first three years of the four-year general election cycle, on July 15 and November 1; and

(ii) in the fourth year of the four-year general election cycle:

(I) on March 15;

(II) on July 15, August 1, and August 15;

(III) on September 1;

(IV) on October 1, October 15, and November 1; and

(V) two weeks after the general election.

(B) As used in this subdivision (2), "four-year general election cycle" means the 48-month period that begins 38 days after a general election.

(3) The failure of a candidate, political committee, or political party to file a report under this subsection shall be deemed an affirmative statement that a report is not required of the candidate, political committee, or political party under subdivision (1) or (2) of this subsection.

(b) A political committee or a political party which has accepted contributions or made expenditures of $1,000.00 or more in any two-year general election cycle for the purpose of influencing a local election or supporting or opposing one or more candidates in a local election shall file with the Secretary of State campaign finance reports regarding that election 30 days before, 10 days before, and two weeks after the local election.

§ 2965. FINAL REPORTS; CANDIDATES FOR STATE OFFICE, THE GENERAL ASSEMBLY, AND COUNTY OFFICE; POLITICAL COMMITTEES; POLITICAL PARTIES

(a) At any time, but not later than December 15th following the general election, each candidate for state office, the General Assembly, and a

two-year-term county office who has made expenditures or accepted contributions of $500.00 or more during the two-year general election cycle and each candidate for a four-year-term county office who has made expenditures or accepted contributions of $500.00 or more during the four-year general election cycle shall file with the Secretary of State a "final report" which lists a complete accounting of all contributions and expenditures since the last report and liquidation of surplus and which shall constitute the termination of his or her campaign activities.

(b) At any time, a political committee or a political party may file a "final report" which lists a complete accounting of all contributions and expenditures since the last report and liquidation of surplus and which shall constitute the termination of its campaign activities.

§ 2966. REPORTS BY CANDIDATES NOT REACHING MONETARY REPORTING THRESHOLD

(a) Each candidate for state office, the General Assembly, and a two-year-term county office who has made expenditures or accepted contributions of less than $500.00 during a two-year general election cycle shall file with the Secretary of State 10 days following the general election a statement that the candidate has not made expenditures or accepted contributions of $500.00 or more during the two-year general election cycle.

(b) Each candidate for a four-year-term county office who has made expenditures or accepted contributions of less than $500.00 during a four-year general election cycle shall file with the Secretary of State 10 days following the general election a statement that the candidate has not made expenditures or accepted contributions of $500.00 or more during the four-year general election cycle.

§ 2967. ADDITIONAL CAMPAIGN REPORTS; CANDIDATES FOR STATE OFFICE AND THE GENERAL ASSEMBLY

(a) In addition to any other reports required to be filed under this chapter, a candidate for state office or for the General Assembly who accepts a monetary contribution in an amount over $2,000.00 within 10 days of a primary or general election shall report the contribution to the Secretary of State within 24 hours of receiving the contribution.

(b) A report required by this section shall include the following information:

(1) the full name, town of residence, and mailing address of the contributor; the date of the contribution; and the amount contributed; and

(2) the amount contributed or loaned by the candidate to his or her own campaign.

§ 2968. CAMPAIGN REPORTS; LOCAL CANDIDATES

(a) Each candidate for local office who has made expenditures or accepted contributions of $500.00 or more since the last local election for that office shall file with the Secretary of State campaign finance reports 30 days before, 10 days before, and two weeks after the local election.

(b) Within 40 days after the local election, each candidate for local office who has made expenditures or accepted contributions of $500.00 or more shall file with the Secretary of State a "final report" which lists a complete accounting of all contributions and expenditures since the last report and a liquidation of surplus and which shall constitute the termination of his or her campaign activities.

(c) The failure of a local candidate to file a campaign finance report shall be deemed an affirmative statement that the candidate has not accepted contributions or made expenditures of $500.00 or more since the last local election for that office.

§ 2969. REPORTING OF SURPLUS

A former candidate who has rolled over surplus into a new campaign account as provided in subsection 2924(d) of this chapter but who is not a candidate for office in a subsequent campaign shall file a report of the amount of his or her surplus and any liquidation of it two weeks after each general election until liquidation of all surplus has been reported.

§ 2970. CAMPAIGN REPORTS; OTHER ENTITIES; PUBLIC QUESTIONS

Any formal or informal committee of two or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party, which makes expenditures of $1,000.00 or more in any two-year general election cycle for the purpose of advocating a position on a public question in any election shall file a report of its expenditures 30 days before, 10 days before, and two weeks after the election with the Secretary of State.

§ 2971. REPORT OF MASS MEDIA ACTIVITIES

(a)(1) In addition to any other reports required to be filed under this chapter, a person who makes expenditures for any one mass media activity totaling $500.00 or more, adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter, within 45 days before a primary, general, county, or local election shall, for each activity, file a mass media report with the Secretary of State and send a copy of the report to each candidate whose name or likeness is included in the activity without that candidate's knowledge.

(2) The copy of the mass media report shall be sent by e-mail to each such candidate who has provided the Secretary of State with an e-mail address on his or her consent form and to any other such candidate by mail.

(3) The mass media report shall be filed and the copy of the report shall be sent within 24 hours of the expenditure or activity, whichever occurs first. For the purposes of this section, a person shall be treated as having made an expenditure if the person has executed a contract to make the expenditure.

(b) The report shall identify the person who made the expenditure; the name of each candidate whose name or likeness was included in the activity; the amount and date of the expenditure; to whom it was paid; and the purpose of the expenditure.

(c) If the activity occurs within 30 days before the election and the expenditure was previously reported, an additional report shall be required under this section.

§ 2972. IDENTIFICATION IN ELECTIONEERING COMMUNICATIONS

(a) An electioneering communication shall contain the name and mailing address of the person, candidate, political committee, or political party that paid for the communication. The name and address shall appear prominently and in a manner such that a reasonable person would clearly understand by whom the expenditure has been made, except that:

(1) An electioneering communication transmitted through radio and paid for by a candidate does not need to contain the candidate's address.

(2) An electioneering communication paid for by a person acting as an agent or consultant on behalf of another person, candidate, political committee, or political party shall clearly designate the name and mailing address of the person, candidate, political committee, or political party on whose behalf the communication is published or broadcast.

(b) If an electioneering communication is a related campaign expenditure made on a candidate's behalf as provided in section 2944 of this chapter, then in addition to other requirements of this section, the communication shall also clearly designate the candidate on whose behalf it was made by including language such as "on behalf of" such candidate.

(c) The identification requirements of this section shall not apply to lapel stickers or buttons, nor shall they apply to electioneering communications made by a single individual acting alone who spends, in a single two-year general election cycle, a cumulative amount of no more than $150.00 on those electioneering communications, adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter.

§ 2973. SPECIFIC IDENTIFICATION REQUIREMENTS FOR RADIO OR TELEVISION COMMUNICATIONS

(a) In addition to the identification requirements set forth in section 2972 of this subchapter, a person, candidate, political committee, or political party that makes an expenditure for an electioneering communication shall include in any communication which is transmitted through radio or television, in a clearly spoken manner, an audio statement of the name and title of the person who paid for the communication, that the person paid for the communication, and that the person approves of the content of the communication.

(b) If the person who paid for the communication is not a natural person, the audio statement required by this section shall include the name of that person, the name and title of the principal officer of the person, and a statement that the officer approves of the content of the communication.

Subchapter 5. Public Financing Option

§ 2981. DEFINITIONS

As used in this subchapter:

(1) "Affidavit" means the Vermont campaign finance affidavit required under section 2982 of this chapter.

(2) "General election period" means the period beginning the day after the primary election and ending the day of the general election.

(3) "Primary election period" means the period beginning the day after primary petitions must be filed under section 2356 of this title and ending the day of the primary election.

(4) "Vermont campaign finance qualification period" means the period beginning February 15 of each even-numbered year and ending on the date on which primary petitions must be filed under section 2356 of this title.

§ 2982. FILING OF VERMONT CAMPAIGN FINANCE AFFIDAVIT

(a) A candidate for the office of Governor or Lieutenant Governor who intends to seek Vermont campaign finance grants from the Secretary of State Services Fund shall file a Vermont campaign finance affidavit on the date on or before which primary petitions must be filed, whether the candidate seeks to enter a party primary or is an independent candidate.

(b) The Secretary of State shall prepare a Vermont campaign finance affidavit form, informational materials on procedures and financial requirements, and notification of the penalties for violation of this subchapter.

(c)(1) The Vermont campaign finance affidavit shall set forth the conditions of receiving grants under this subchapter and provide space for the candidate to agree that he or she will abide by such conditions and all expenditure and contribution limitations, reporting requirements, and other provisions of this chapter.

(2) The affidavit shall also state the candidate's name, legal residence, business or occupation, address of business or occupation, party affiliation, if any, the office sought, and whether the candidate intends to enter a party primary.

(3) The affidavit shall also contain a list of all the candidate's qualifying contributions together with the name and town of residence of the contributor and the date each contribution was made.

(4) The affidavit may further require affirmation of such other information as deemed necessary by the Secretary of State for the administration of this subchapter.

(5) The affidavit shall be sworn and subscribed to by the candidate.

§ 2983. VERMONT CAMPAIGN FINANCE GRANTS; CONDITIONS

(a) A person shall not be eligible for Vermont campaign finance grants if, prior to February 15 of the general election year during any two-year general election cycle, he or she becomes a candidate by announcing that he or she seeks an elected position as Governor or Lieutenant Governor or by accepting contributions totaling $2,000.00 or more or by making expenditures totaling $2,000.00 or more.

(b) A candidate who accepts Vermont campaign finance grants shall:

(1) not solicit, accept, or expend any contributions except qualifying contributions, Vermont campaign finance grants, and contributions authorized under section 2985 of this chapter, which contributions may be solicited, accepted, or expended only in accordance with the provisions of this subchapter;

(2) deposit all qualifying contributions, Vermont campaign finance grants, and any contributions accepted in accordance with the provisions of section 2985 of this chapter in a federally insured noninterest-bearing checking account; and

(3) not later than 40 days after the general election, deposit in the Secretary of State Services Fund, after all permissible expenditures have been paid, the balance of any amounts remaining in the account established under subdivision (2) of this subsection.

§ 2984. QUALIFYING CONTRIBUTIONS

(a) In order to qualify for Vermont campaign finance grants, a candidate for the office of Governor or Lieutenant Governor shall obtain during the Vermont campaign finance qualification period the following amount and number of qualifying contributions for the office being sought:

(1) for Governor, a total amount of no less than $35,000.00 collected from no fewer than 1,500 qualified individual contributors making a contribution of no more than $50.00 each; or

(2) for Lieutenant Governor, a total amount of no less than $17,500.00 collected from no fewer than 750 qualified individual contributors making a contribution of no more than $50.00 each.

(b) A candidate shall not accept more than one qualifying contribution from the same contributor and a contributor shall not make more than one qualifying contribution to the same candidate in any Vermont campaign finance qualification period. For the purpose of this section, a qualified individual contributor means an individual who is registered to vote in Vermont. No more than 25 percent of the total number of qualified individual contributors may be residents of the same county.

(c) Each qualifying contribution shall indicate the name and town of residence of the contributor and the date accepted and be acknowledged by the signature of the contributor.

(d) A candidate may retain and expend qualifying contributions obtained under this section. A candidate may expend the qualifying contributions for the purpose of obtaining additional qualifying contributions and may expend

the remaining qualifying contributions during the primary and general election periods. Amounts expended under this subsection shall be considered expenditures for purposes of this chapter.

§ 2985. VERMONT CAMPAIGN FINANCE GRANTS; AMOUNTS; TIMING

(a) To the extent funds are available, the Secretary of State shall make grants from the Secretary of State Services Fund in separate grants for the primary and general election periods to candidates who have qualified for Vermont campaign finance grants under this subchapter.

(b) Whether a candidate has entered a primary or is an independent candidate, Vermont campaign finance grants shall be in the following amounts:

(1) For Governor, $150,000.00 in a primary election period and $450,000.00 in a general election period, provided that the grant for a primary election period shall be reduced by an amount equal to the candidate's qualifying contributions.

(2) For Lieutenant Governor, $50,000.00 in a primary election period and $150,000.00 in a general election period, provided that the grant for a primary election period shall be reduced by an amount equal to the candidate's qualifying contributions;

(3) A candidate who is an incumbent of the office being sought shall be entitled to receive a grant in an amount equal to 85 percent of the amount listed in subdivision (1) or (2) of this subsection.

(c) In an uncontested general election and in the case of a candidate who enters a primary election and is unsuccessful in that election, an otherwise eligible candidate shall not be eligible for a general election period grant. However, such candidate may solicit and accept contributions and make expenditures as follows: contributions shall be subject to the limitations set forth in subchapter 3 of this chapter, and expenditures shall be limited to an amount equal to the amount of the grant set forth in subsection (b) of this section for the general election for that office.

(d) Grants awarded in a primary election period but not expended by the candidate in the primary election period may be expended by the candidate in the general election period.

(e) Vermont campaign finance grants for a primary election period shall be paid to qualifying candidates within the first 10 business days of the primary election period. Vermont campaign finance grants for a general election

period shall be paid to qualifying candidates during the first 10 business days of the general election period.

(f) If the Secretary of State Services Fund contains insufficient revenues to provide Vermont campaign finance grants to all candidates under this section, the available funds shall be distributed proportionately among all qualifying candidates. If grants are reduced under this subsection, a candidate may solicit and accept additional contributions equal to the amount of the difference between the amount of the Vermont campaign finance grants authorized and the amount received under this section. Additional contributions authorized under this subsection shall be governed by the provisions of sections 2941 and 2983 of this chapter.

§ 2986. MONETARY AMOUNTS ADJUSTED FOR INFLATION

The monetary amounts contained in sections 2983–2985 of this subchapter shall be adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter.

Sec. 4. EVALUATION OF 2014 PRIMARY AND GENERAL ELECTIONS

The House and Senate Committees on Government Operations shall evaluate the 2014 primary and general elections to determine the effect of the implementation of this act.

Sec. 5. SECRETARY OF STATE; REPORT; CORPORATIONS AND LABOR UNIONS; SEPARATE SEGREGATED FUNDS

(a) By December 15, 2013, the Secretary of State shall report to the Senate and House Committees on Government Operations regarding any impact on his or her office and on corporations and labor unions if corporations and labor unions were required to establish separate segregated funds in order to make contributions to candidates, political committees, and political parties as provided in 2 U.S.C. § 441b and related federal law.

(b) The report shall include an analysis of what entities would be subject to the requirement described in subsection (a) of this section and how those entities would otherwise be able to use their general treasury funds in relation to political activity.

Sec. 6. INTERIM REPORTING; METHOD OF REPORTING

(a) Prior to and until the effective date of 17 V.S.A. § 2961 (submission of reports to the Secretary of State) in Sec. 3 of this act, as the effective date is provided in subdivision Sec. 7 of this act, a candidate, political committee, or

political party shall file reports required under Sec. 3 of this act by any of the following methods:

(1) by filing an original paper copy of a required report with the Secretary of State; or

(2) by sending to the Secretary of State a copy of the report by facsimile; or

(3) by attaching a PDF copy of the form to an e-mail and by sending the e-mail to campaignfinance@sec.state.vt.us.

(b) Any reports filed under subsection (a) of this section shall contain the signature of the candidate or his or her treasurer or the treasurer of the political committee or political party. The treasurer shall be the same treasurer as provided by the candidate, political committee, or political party under 17 V.S.A. §§ 2921–2923 in Sec. 3 of this act.

Sec. 7. EFFECTIVE DATES; TRANSITIONAL PROVISIONS

This act shall take effect on passage, except that in Sec. 3 of this act, 17 V.S.A. § 2961 (submission of reports to the Secretary of State) shall take effect on January 15, 2015.

Rep. Keenan of St. Albans City, for the committee in Appropriations, recommended that the bill ought to pass when amended, as recommended, by the committee on Government Operations.

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

Recess

At eleven o'clock and forty-five minutes in the forenoon, the Speaker declared a recess until two o'clock in the afternoon.

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

Consideration Resumed; Proposal of AmendmentAgreed to and Third Reading Ordered

S. 82

Consideration resumed on Senate bill, entitled

An act relating to campaign finance law;

Thereupon, the report of the committees on Government Operations and Appropriations agreed to and third reading was ordered.

Bill Read Third Time and Passed in Concurrence

S. 38

Senate bill, entitled

An act relating to expanding eligibility for driving and identification privileges in Vermont

Was taken up and pending third reading of the bill, **Rep. Hubert of Milton** moved the House propose to the Senate to amend the bill as follows:

By adding a new section to be Sec. 1a to read:

Sec. 1a. 23 V.S.A. § 604 is amended to read:

§ 604. ~~Repealed.~~ REPORTING OF PRIVILEGE CARD AND NON-REAL ID COMPLIANT IDENTIFICATION CARD HOLDER NAMES

On the last business day of every month, the Commissioner shall report to the appropriate regional office of the U.S. Department of Homeland Security ("DHS") the names of all holders of privilege cards issued under section 603 of this title and of non-REAL ID compliant identification cards issued under subdivisions 115(l)(2) and 115(l)(3) of this title, in order to enable DHS to check the list of names against the Terrorist Watchlist maintained by the Terrorist Screening Center of the Federal Bureau of Investigation.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by Rep. Hubert of Milton? **Rep. Hubert of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to amend the bill as recommended by Rep. Hubert of Milton? was decided in the negative. Yeas, 41. Nays, 100.

Those who voted in the affirmative are:

Batchelor of Derby
Beyor of Highgate
Bouchard of Colchester
Branagan of Georgia
Brennan of Colchester
Burditt of West Rutland
Canfield of Fair Haven
Corcoran of Bennington
Cupoli of Rutland City
Devereux of Mount Holly
Dickinson of St. Albans Town
Donaghy of Poultney
Fagan of Rutland City
Feltus of Lyndon
Gage of Rutland City
Hebert of Vernon
Helm of Fair Haven
Higley of Lowell
Hubert of Milton
Johnson of Canaan
Juskiewicz of Cambridge
Kilmartin of Newport City
Koch of Barre Town
Larocque of Barnet
Lawrence of Lyndon
Lewis of Berlin
McFaun of Barre Town
Mitchell of Fairfax
Morrissey of Bennington
Myers of Essex
Pearce of Richford
Quimby of Concord
Savage of Swanton
Shaw of Pittsford
Shaw of Derby
Smith of New Haven
Strong of Albany
Terenzini of Rutland Town

Turner of Milton	Winters of Williamstown	Wright of Burlington

Those who voted in the negative are:

Ancel of Calais	Head of South Burlington	Partridge of Windham
Bartholomew of Hartland	Heath of Westford	Pearson of Burlington
Bissonnette of Winooski	Hooper of Montpelier	Peltz of Woodbury
Botzow of Pownal	Huntley of Cavendish	Potter of Clarendon
Burke of Brattleboro	Jerman of Essex	Pugh of South Burlington
Buxton of Tunbridge	Jewett of Ripton	Rachelson of Burlington
Campion of Bennington	Johnson of South Hero	Ralston of Middlebury
Carr of Brandon	Keenan of St. Albans City	Ram of Burlington
Cheney of Norwich	Kitzmiller of Montpelier	Russell of Rutland City
Christie of Hartford	Komline of Dorset	Scheuermann of Stowe
Clarkson of Woodstock	Krebs of South Hero	Sharpe of Bristol
Cole of Burlington	Krowinski of Burlington	South of St. Johnsbury
Connor of Fairfield	Kupersmith of South	Spengler of Colchester
Conquest of Newbury	Burlington	Stevens of Shoreham
Consejo of Sheldon	Lanpher of Vergennes	Sweaney of Windsor
Copeland-Hanzas of	Lenes of Shelburne	Taylor of Barre City
Bradford	Lippert of Hinesburg	Till of Jericho
Cross of Winooski	Macaig of Williston	Toleno of Brattleboro
Dakin of Chester	Malcolm of Pawlet	Toll of Danville
Davis of Washington	Manwaring of Wilmington	Townsend of Randolph
Deen of Westminster	Marek of Newfane	Townsend of South
Donahue of Northfield	Martin of Springfield	Burlington
Donovan of Burlington	Martin of Wolcott	Trieber of Rockingham
Ellis of Waterbury	Masland of Thetford	Vowinkel of Hartford
Emmons of Springfield	McCarthy of St. Albans City	Waite-Simpson of Essex
Evans of Essex	McCormack of Burlington	Webb of Shelburne
Fay of St. Johnsbury	McCullough of Williston	Weed of Enosburgh
Fisher of Lincoln	Michelsen of Hardwick	Wilson of Manchester
Frank of Underhill	Miller of Shaftsbury	Wizowaty of Burlington
French of Randolph	Mook of Bennington	Woodward of Johnson
Gallivan of Chittenden	Moran of Wardsboro	Yantachka of Charlotte
Goodwin of Weston	Mrowicki of Putney	Young of Glover
Grad of Moretown	Nuovo of Middlebury	Zagar of Barnard
Greshin of Warren	O'Brien of Richmond	
Haas of Rochester	O'Sullivan of Burlington	

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

Browning of Arlington	Marcotte of Coventry	Stuart of Brattleboro
Condon of Colchester	Poirier of Barre City	Van Wyck of Ferrisburgh
Klein of East Montpelier	Stevens of Waterbury	

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

First: In Sec. 1, 23 V.S.A. § 603, by striking subdivision (e)(1) in its entirety and inserting in lieu thereof:

(e)(1) Upon application, a citizen of a foreign country unable to establish legal presence in the United States shall be eligible to obtain and renew an operator's privilege card, a junior operator's privilege card, or a learner's privilege card if he or she:

(A) furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth;

(B) consents to fingerprint-supported state and national criminal history record checks in accordance with 20 V.S.A. § 2056i and pays the Department the applicable record check fees, and if the Commissioner determines from the results of the check that the applicant has neither been convicted of a felony nor has pending criminal felony charges; and

(C) satisfies all other requirements of this chapter for obtaining a license or permit.

Second: In Sec. 2, 23 V.S.A. § 115, in subdivision (l)(2), by striking "subsection 603(e)" and inserting in lieu thereof "subdivisions (e)(1)(A), (e)(2), and (e)(3)"

Third: By inserting new two new sections to be Secs. 3–4 prior to the existing Sec. 3 to read:

Sec. 3. 20 V.S.A. § 2056i is added to read:

§ 2056i. DISSEMINATION OF CRIMINAL HISTORY RECORDS TO THE DEPARTMENT OF MOTOR VEHICLES

(a) The Vermont Criminal Information Center (Center) shall provide the Department of Motor Vehicles (DMV) a criminal history record as defined in section 2056a of this chapter, an out-of-state criminal record, and a national criminal history record check from the Federal Bureau of Investigation (FBI) of an applicant for a privilege card under 23 V.S.A. § 603(e) who has signed a release on a form provided by the Center and submitted a set of his or her fingerprints, provided that DMV has entered into a user's agreement with the Center. The user's agreement shall require DMV to comply with all federal and state statutes, rules, regulations, and policies regulating the release of criminal history records and the protection of individual privacy. The user's agreement shall be signed and kept current by the Commissioner of DMV. Release of FBI criminal history records is subject to the rules and regulations of the FBI's National Crime Information Center.

(b) DMV shall forward to the Center fees under section 2063 of this chapter for the Vermont criminal history record, as well as fees established by the Center for the cost of the national criminal history record check.

(c) The Center shall send DMV any record received pursuant to this section or inform DMV that no record exists.

(d) DMV shall promptly provide a copy of any record of convictions and pending criminal charges to the privilege card applicant and shall inform the applicant of the right to appeal the accuracy and completeness to the Center.

(e) 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 chapter.

Sec. 4. 20 V.S.A. § 2059 is amended to read:

§ 2059. RELATIONSHIP TO DEPARTMENTS OF CORRECTIONS AND MOTOR VEHICLES

~~This~~ Except as provided in section 2056i of this chapter or otherwise as provided by law, this chapter shall not apply to traffic offenses or any provisions of Title 23, 3 V.S.A. § 3116a, or those sections of Title 32 which are administered by the ~~commissioner of motor vehicles~~ Commissioner of Motor Vehicles. Notwithstanding any other provisions of this chapter, the ~~department of corrections~~ Department of Corrections shall be only required to furnish statistical, identification, and status data, and the provisions shall not extend to material related to case supervision or material of a confidential nature such as presentence investigation, medical reports, or psychiatric reports.

and by renumbering the remaining section to be numerically correct

Which was disagreed to.

Pending third reading of the bill, **Rep. Higley of Lowell** moved to propose to the Senate to amend the bill as follows:

By adding a new section to be Sec. 1a to read:

Sec. 1a. 23 V.S.A. § 604 is amended to read:

§ 604. ~~Repealed.~~ REPORTING OF PRIVILEGE CARD AND NON-REAL ID COMPLIANT IDENTIFICATION CARD HOLDER NAMES

On the last business day of every month, the Commissioner shall report to the appropriate regional office of the U.S. Department of Homeland Security ("DHS") the names of all holders of privilege cards issued under section 603 of

this title and of non-REAL ID compliant identification cards issued under subdivisions 115(l)(2) and 115(l)(3) of this title, in order to enable DHS to check the list of names against the Terrorist Watchlist maintained by the Terrorist Screening Center of the Federal Bureau of Investigation.

Which was disagreed to on a Division vote: Yeas, 30. Nays, 63.

Pending third reading of the bill, **Rep. Bouchard of Colchester** moved to propose to the Senate to amend the bill as follows:

In Sec. 1, 23 V.S.A. § 603, by striking subdivision (e)(2) in its entirety and inserting in lieu thereof:

(2) The Commissioner shall require applicants under this subsection to furnish:

(A) the same proof of name, date of birth, and place of birth as is required of residents lawfully present in the United States, except that the Commissioner shall accept as proof of name, date of birth, and place of birth a foreign passport with or without an entry form or stamp, and may require that any foreign documents include a translation by an approved translator; and

(B)(i) documentation from the Social Security Administration stating that he or is she is ineligible for a Social Security number; or

(ii) an individual tax identification number (ITIN). The applicant's ITIN card or the applicant's letter from the Internal Revenue Service issuing the ITIN is sufficient proof of the ITIN.

Which was disagreed to.

Pending third reading of the bill, **Rep. Hubert of Milton** moved to propose to the Senate to amend the bill as follows:

By adding a new section to be Sec. 2a to read:

Sec. 2a. ACCEPTANCE OF PRIVILEGE CARDS AND NON-REAL ID COMPLIANT IDENTIFICATION CARDS

Privilege cards issued under 23 V.S.A. § 603(e) or (f), and non-REAL ID compliant identification cards issued under 23 V.S.A. § 115(l)(2) or (l)(3), shall not be accepted in Vermont by licensees of the Department of Liquor Control ("Department") as identification or proof of age for the purchase of alcohol or tobacco products until the Department has provided notification and education to each licensee sufficient to apprise the licensee of the appearance and security features of the cards so as to enable licensees to detect fraudulent cards. The Department shall notify its licensees of the date upon which they may accept privilege cards or non-REAL ID compliant identification cards as

identification or proof of age for the purchase of alcohol or tobacco products consistent with this section.

Which was disagreed to.

Pending third reading of the bill, **Rep. Fagan of Rutland City** moved to propose to the Senate to amend the bill as follows:

By adding a new section to be Sec. 2a to read:

Sec. 2a. 7 V.S.A. § 236 is amended to read:

§ 236. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT; ADMINISTRATIVE PENALTY

* * *

(e) Until an employee of a permittee or licensee under this chapter has completed a training program approved by the Department of Liquor Control under section 239 of this chapter, a permit or license issued under this title shall not be suspended or revoked, and a person permitted or licensed under this chapter shall not be subject to an administrative penalty, if the permittee's or licensee's employee accepts as a valid authorized form of identification a privilege card that the employee reasonably believes to be issued validly under 23 V.S.A. § 603(e) or (f), or a non-REAL ID compliant identification card that the employee reasonably believes to be issued validly under 23 V.S.A. § 115(l)(2) or (3). This subsection shall not apply, however, if the permittee or licensee failed to ensure that the employee received training every two years as required under section 239 of this chapter.

Thereupon, **Rep Fagan of Rutland City** asked and was granted leave of the House to withdraw his amendment.

Pending third reading of the bill, **Rep. Donahue of Northfield** moved to propose to the Senate to amend the bill as follows:

In Sec. 2, 23 V.S.A. § 115, in subdivision (l)(4)(A), by striking the phrase "bear on its face" and inserting in lieu thereof the phrase on its face bear the phrase "non-REAL ID compliant identification card" and

Which was disagreed to.

Pending third reading of the bill, **Rep. Savage of Swanton** moved to propose to the Senate to amend the bill as follows:

First: In Sec. 1, 23 V.S.A. § 603, in subdivision (e)(1), by striking the phrase "reliable proof of Vermont residence" and inserting in lieu thereof

"reliable proof of financial responsibility in accordance with subsection (g) of this section, of Vermont residence,"

Second: In Sec. 1, 23 V.S.A. § 603, in subsection (f), by striking the phrase "reliable proof of Vermont residence" and inserting in lieu thereof "reliable proof of financial responsibility in accordance with subsection (g) of this section, of Vermont residence,"

Third: In Sec. 1, 23 V.S.A. § 603, by inserting a new subsection (g) prior to the existing subsection (g) to read:

(g) For purposes of this section, "reliable proof of financial responsibility" means that prior to issuing a privilege card under this section, the Commissioner shall require either proof of insurance in accordance with section 801 of this title or submission of a surety bond executed and issued by a person authorized to issue surety bonds in this State in the amounts specified in section 800 of this title.

and by relettering the remaining subsections to be alphabetically correct

Theruepon, **Rep. Savage of Swanton** asked and was granted leave of the House to withdaw his amendment.

Thereupon, the bill was read a third time.

Thereupon, **Rep. Fagan of Rutland City** moved to recommit the bill to the committee on Transportation.

Pending the question, Shall the bill be recommitted to the Committee on Transportation? **Rep. Fagan of Rutland City** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be recommitted to the Committee on Transportation? was decided in the negative. Yeas, 37. Nays, 108.

Those who voted in the affirmative are:

Batchelor of Derby
Beyor of Highgate
Bouchard of Colchester
Canfield of Fair Haven
Cupoli of Rutland City
Devereux of Mount Holly
Dickinson of St. Albans Town
Donaghy of Poultney
Fagan of Rutland City
Gage of Rutland City
Goodwin of Weston
Hebert of Vernon
Higley of Lowell
Hubert of Milton
Johnson of Canaan
Juskiewicz of Cambridge
Kilmartin of Newport City *
Koch of Barre Town
Larocque of Barnet
Lawrence of Lyndon
Lewis of Berlin
Marcotte of Coventry
McFaun of Barre Town
Mitchell of Fairfax
Morrissey of Bennington
Myers of Essex
Pearce of Richford
Quimby of Concord
Savage of Swanton
Shaw of Derby
Smith of New Haven
Strong of Albany

Terenzini of Rutland Town
Turner of Milton
Van Wyck of Ferrisburgh
Winters of Williamstown
Wright of Burlington

Those who voted in the negative are:

Ancel of Calais
Bartholomew of Hartland
Bissonnette of Winooski
Botzow of Pownal
Branagan of Georgia
Brennan of Colchester
Burke of Brattleboro
Buxton of Tunbridge
Campion of Bennington
Carr of Brandon
Cheney of Norwich
Christie of Hartford
Clarkson of Woodstock
Cole of Burlington
Condon of Colchester
Connor of Fairfield
Conquest of Newbury
Consejo of Sheldon
Copeland-Hanzas of Bradford
Corcoran of Bennington
Cross of Winooski
Dakin of Chester
Davis of Washington
Deen of Westminster
Donahue of Northfield
Donovan of Burlington
Ellis of Waterbury
Emmons of Springfield
Evans of Essex
Fay of St. Johnsbury
Feltus of Lyndon
Fisher of Lincoln
Frank of Underhill
French of Randolph
Gallivan of Chittenden
Grad of Moretown
Greshin of Warren
Haas of Rochester
Head of South Burlington
Heath of Westford
Helm of Fair Haven
Hooper of Montpelier
Huntley of Cavendish
Jerman of Essex
Jewett of Ripton
Johnson of South Hero
Keenan of St. Albans City
Kitzmiller of Montpelier
Komline of Dorset
Krebs of South Hero
Krowinski of Burlington
Kupersmith of South Burlington
Lanpher of Vergennes
Lenes of Shelburne
Lippert of Hinesburg
Macaig of Williston
Malcolm of Pawlet
Manwaring of Wilmington
Marek of Newfane *
Martin of Springfield
Martin of Wolcott
Masland of Thetford
McCarthy of St. Albans City
McCormack of Burlington
McCullough of Williston
Michelsen of Hardwick
Miller of Shaftsbury
Mook of Bennington
Moran of Wardsboro
Mrowicki of Putney
Nuovo of Middlebury
O'Brien of Richmond
O'Sullivan of Burlington
Partridge of Windham
Pearson of Burlington
Peltz of Woodbury
Potter of Clarendon
Pugh of South Burlington
Rachelson of Burlington
Ralston of Middlebury
Ram of Burlington
Russell of Rutland City
Scheuermann of Stowe
Sharpe of Bristol
Shaw of Pittsford
South of St. Johnsbury
Spengler of Colchester
Stevens of Waterbury
Stevens of Shoreham
Stuart of Brattleboro
Sweaney of Windsor
Taylor of Barre City
Till of Jericho
Toleno of Brattleboro
Toll of Danville
Townsend of Randolph
Townsend of South Burlington
Trieber of Rockingham
Vowinkel of Hartford
Waite-Simpson of Essex
Webb of Shelburne
Weed of Enosburgh
Wilson of Manchester
Wizowaty of Burlington
Woodward of Johnson
Yantachka of Charlotte
Young of Glover
Zagar of Barnard

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

Browning of Arlington
Burditt of West Rutland
Klein of East Montpelier
Poirier of Barre City

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

"Mr. Speaker:

Our safety as a nation is more important than giving driving rights to a few immigrant workers."

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

"Mr. Speaker:

This is one of two explanations I shall give on this bill. By refusing to commit this bill back to committee for review by Homeland Security, we are putting mere convenience of those here illegally over their safety and the safety of our children and grandchildren who trust us to do the right thing. A prominent state official said, 'We look the other way when it comes to illegal aliens.' 'Looking the other way' will not be an adequate answer to those who use the security loopholes in this bill to do us serious harm. It will do little to quell the tears and grief of the widow and her children when an act of terrorism causes the loss of a husband."

Rep. Marek of Newfane explained his vote as follows:

"Mr. Speaker:

Our highly respected Commissioner of Public Safety is in regular contact with Homeland Security. He supports the bill as it is before us. He certainly would not do so if he thought it posed any security problem or if he had any thought whatsoever that it required a Homeland Security review."

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

"Mr. Speaker:

Our farmers and associated communities are crying out for the need to fill jobs so vitally important to the success of our Green Mountain State's economy. These necessary and historically proud jobs go unwanted by so many Vermonters in today's culture.

My vote is to render these newly migrated men and women the respect we should always give each human being. I was most impressed during testimony, hearing from each individual, just how diligent the effort to find work in order to support their families. As well as the strong desire to fit into a community and state they have come to love. My vote is for a sense of uplifting hope for these folks as well as for our dairy industry.

We as Vermonters are a far better people than name calling or placing titles or assigning stereotypes. We should embrace these newcomers as yet another

one of the threads of our fabric. That quilt we hold high as Vermont, which makes us such a special place. Our collective brand will survive and become even stronger in response to our positive actions here today.

My vote has been cast for inclusion, independence, dignity, justice, equality and in support of the human spirit. Look above; we stand for Freedom and Unity.

I vote no to recommit. I vote *yes* for fairness!"

Pending the question, Shall the bill pass in concurrence? **Rep. Jerman of Essex** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill pass in concurrence? was decided in the affirmative. Yeas, 105. Nays, 39.

Those who voted in the affirmative are:

Ancel of Calais
Bartholomew of Hartland
Bissonnette of Winooski
Botzow of Pownal
Burke of Brattleboro
Buxton of Tunbridge
Campion of Bennington
Carr of Brandon
Cheney of Norwich
Christie of Hartford
Clarkson of Woodstock
Cole of Burlington
Condon of Colchester
Connor of Fairfield *
Conquest of Newbury
Consejo of Sheldon
Cross of Winooski
Cupoli of Rutland City
Dakin of Chester
Davis of Washington
Deen of Westminster
Donahue of Northfield *
Donovan of Burlington
Ellis of Waterbury
Emmons of Springfield
Evans of Essex
Fay of St. Johnsbury
Feltus of Lyndon
Fisher of Lincoln
Frank of Underhill
French of Randolph
Gallivan of Chittenden
Goodwin of Weston *
Grad of Moretown
Greshin of Warren
Haas of Rochester
Head of South Burlington
Heath of Westford
Hooper of Montpelier
Huntley of Cavendish
Jerman of Essex
Jewett of Ripton
Johnson of South Hero
Juskiewicz of Cambridge
Keenan of St. Albans City
Kitzmiller of Montpelier
Komline of Dorset
Krebs of South Hero
Krowinski of Burlington
Kupersmith of South Burlington
Lanpher of Vergennes
Larocque of Barnet
Lenes of Shelburne
Lippert of Hinesburg
Macaig of Williston
Malcolm of Pawlet
Manwaring of Wilmington
Marek of Newfane *
Martin of Springfield
Martin of Wolcott
Masland of Thetford
McCarthy of St. Albans City
McCormack of Burlington
McCullough of Williston
Michelsen of Hardwick
Miller of Shaftsbury
Mitchell of Fairfax
Mook of Bennington
Moran of Wardsboro
Mrowicki of Putney *
Nuovo of Middlebury
O'Brien of Richmond
O'Sullivan of Burlington
Partridge of Windham
Pearson of Burlington
Peltz of Woodbury
Potter of Clarendon
Pugh of South Burlington
Rachelson of Burlington
Ralston of Middlebury
Ram of Burlington
Russell of Rutland City
Scheuermann of Stowe
Sharpe of Bristol
South of St. Johnsbury
Spengler of Colchester
Stevens of Waterbury
Stuart of Brattleboro
Sweaney of Windsor
Taylor of Barre City
Till of Jericho
Toleno of Brattleboro

Townsend of Randolph
Townsend of South Burlington
Trieber of Rockingham
Vowinkel of Hartford
Waite-Simpson of Essex
Webb of Shelburne
Weed of Enosburgh
Wilson of Manchester
Wizowaty of Burlington
Woodward of Johnson
Yantachka of Charlotte
Young of Glover
Zagar of Barnard

Those who voted in the negative are:

Batchelor of Derby
Beyor of Highgate
Bouchard of Colchester
Branagan of Georgia
Brennan of Colchester
Burditt of West Rutland
Canfield of Fair Haven *
Corcoran of Bennington
Devereux of Mount Holly
Dickinson of St. Albans Town
Donaghy of Poultney
Fagan of Rutland City *
Gage of Rutland City
Hebert of Vernon
Helm of Fair Haven
Higley of Lowell
Hubert of Milton
Johnson of Canaan
Kilmartin of Newport City *
Koch of Barre Town
Lawrence of Lyndon
Lewis of Berlin
Marcotte of Coventry
McFaun of Barre Town
Morrissey of Bennington
Myers of Essex
Pearce of Richford
Quimby of Concord
Savage of Swanton
Shaw of Pittsford
Shaw of Derby
Smith of New Haven
Stevens of Shoreham
Terenzini of Rutland Town *
Toll of Danville
Turner of Milton
Van Wyck of Ferrisburgh
Winters of Williamstown
Wright of Burlington *

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

Browning of Arlington
Copeland-Hanzas of Bradford
Klein of East Montpelier
Poirier of Barre City
Strong of Albany

Rep. Canfield of Fair Haven explained his vote as follows:

"Mr. Speaker:

I see this as a kick in the teeth to all of the millions of immigrants who have done things correctly and became naturalized United States citizens. I cannot support this measure."

Rep. Connor of Fairfield explained his vote as follows:

"Mr. Speaker:

This bill is not just about the dairy community. However it is this very community that has born the brunt of ugly comments. My family and friends have heard from Vermont farmers who support S.38. I have also heard from non-farm constituents asking me to support this legislation. In the morning, I have to look myself in the mirror and voting for S.38 will allow me a peaceful heart."

Rep. Donahue of Northfield explained her vote as follows:

"Mr. Speaker:

I vote yes for safe driving for all Vermonters. I regret that this also involves supporting something I am less comfortable with, because I feel I lack an adequate understanding of the potential consequences of the non-driver identification card with its primary purpose of identification, rather than of driving."

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

"Mr. Speaker:

This bill (S.38) has not been reviewed by the federal government, we do not know if it undermines the security procedures put in place to protect us from those in our country with the intent to do us harm. My vote has nothing to do with equity and fairness or adding new voices to the American Chorus. My vote has to do with protecting our state and nation before we proceed with S.38 which a Department of Homeland Security review would help to insure. I vote no because we have not had S.38 reviewed."

Rep. Goodwin of Weston explained his vote as follows:

"Mr. Speaker:

I voted yes, but not without concern for our farmers who are, more than ever, identified as employers of undocumented immigrants; and, Mr. Speaker, if I thought the people this bill is meant to accommodate were a threat, I would not have voted yes. But I think we lack the defensive thought that will develop after our first ski area sabotage."

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

"Mr. Speaker:

I would like to vote 'yes.' But I vote 'no' because my research shows clearly that this bill has significant potential for causing catastrophic harm to Vermonters and also to those among us undocumented from Mexico and Guatemala. Our farm workers know better than I, first hand, up-close, and personal, the reach of the four drug cartels based in Mexico. The Department of Justice has informed us that one or more of the drug cartels based in Mexico have active bases of operation in every state bordering Vermont. The same cartels have caused murder and mayhem in each of our border states. This bill expands drug cartel opportunities as many say, 'We are looking the other way.'

In addition to drug cartels, we need to understand terrorism. The bill expects DMV to accept Mexican and Guatemalan consul cards at face value,

and accept other consul ID cards if they meet the same ID and security standards and protocols of Mexico and Guatemala. But DMV does not have the ability to know the Mexican or Guatemalan standards and protocols, so what does DMV do when Syria, Iran, etc., create consular ID cards and claim they are the same as Mexico? Is it really 'looking the other way', or is it 'intentionally turning a blind eye' to the rights and needs of Vermonters, their children and grandchildren.

Equally important, we have turned a blind eye to the circumstances which drove them here. They came here to escape a barren landscape of opportunity, full of corruption, and murder of courageous officials and the most vulnerable. We have turned a blind eye to integrity, honesty, and protection of those we claim we are trying to help – Mexican and Guatemalan farm workers."

Rep. Marek of Newfane explained his vote as follows:

"Mr. Speaker:

We have roughly eleven and a half million illegal immigrants in the U.S., the overwhelming majority of whom are hard-working and actually pay taxes. The notion that a careful process to issue those few in Vermont with identification cards or driving cards will either affect immigration enforcement or threaten national security by its existence simply exalts fear over reason. Reason prevailed today."

Rep. Mrowicki of Putney explained his vote as follows:

"Mr. Speaker:

Buenos tardes mes amigos, I vote yes to honor my immigrant grandparents. I haven't forgotten where I came from. I vote yes to welcome new immigrants, new Americans, and to help move Vermont into the 21st century. Viva los nuevos immigrantes."

Rep. Terenzini of Rutland Town explained his vote as follows:

"Mr. Speaker:

I voted against this bill because it is a breach of homeland security."

Rep. Wright of Burlington explained his vote as follows:

"Mr. Speaker:

I vote, no. The answer lies in Federal immigration reform, which I believe is within our grasp. Today, in order to help people who are undocumented, we ignored the serious concerns of law enforcement and the reality of what has

happened in other states. The potential consequences of our actions could be very serious. We chose to ignore those concerns."

Proposal of Amendment Agreed to; Third Reading Ordered

S. 132

Rep. Devereux of Mount Holly, for the committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to sheriffs, deputy sheriffs, and the service of process

Reported in favor of its passage in concurrence with proposal of amendment as follows:

By striking Sec. 6 (amending 24 V.S.A. § 367) in its entirety and inserting in lieu thereof the following:

Sec. 6. 24 V.S.A. § 367 is amended to read:

§ 367. DEPARTMENT OF STATE'S ATTORNEYS AND SHERIFFS

(a) There is established a ~~department of state's attorneys~~ Department of State's Attorneys and Sheriffs which shall consist of the 14 state's attorneys and 14 sheriffs. The state's attorneys shall elect an ~~executive committee~~ Executive Committee of five state's attorneys from among their members. The members of the ~~executive committee~~ Executive Committee shall serve for terms of two years. There shall be one general appropriation for the ~~department of state's attorneys~~ Department of State's Attorneys and Sheriffs.

(b) The ~~executive committee~~ Executive Committee and the Executive Committee of the Vermont Sheriff's Association shall appoint an ~~executive director~~ Executive Director who shall serve at the pleasure of the ~~committee~~ Committees. The ~~executive director~~ Executive Director shall be an exempt employee.

(c) The ~~executive director~~ Executive Director shall prepare and submit all budgetary and financial materials and forms which are required of the head of a department of state government with respect to all state funds appropriated for all of the Vermont state's attorneys and sheriffs. At the beginning of each fiscal year, the ~~executive director~~ Executive Director, with the approval of the ~~executive committee~~ Executive Committee, shall establish allocations for each of the state's attorneys' offices from the state's attorneys' appropriation. Thereafter, the ~~executive director~~ Executive Director shall exercise budgetary control over these allocations and the general appropriation for state's attorneys. The Executive Director shall monitor the sheriff's transport budget and report to the sheriffs on a monthly basis the status of the budget. He or she

shall provide centralized support services for the state's attorneys and sheriffs with respect to budgetary planning, training, and office management, and perform such other duties as the ~~executive committee~~ Executive Committee directs. The ~~executive director~~ Executive Director may employ clerical staff as needed to carry out the functions of the ~~department~~ Department. ~~The executive director shall provide similar services to the sheriffs.~~

(d)(1) If an individual state's attorney is aggrieved by a decision of the ~~executive director~~ Executive Director pertaining to an expenditure or proposed expenditure by the state's attorney, the question shall be decided by the ~~executive committee~~ Executive Committee. The decision of the ~~committee~~ Committee shall be final.

(2) If an individual sheriff is aggrieved by a decision of the Executive Director pertaining to an expenditure or proposed expenditure by the sheriff, the question shall be decided by the Executive Committee of the Vermont Sheriff's Association. The decision of the Executive Committee of the Vermont Sheriff's Association shall be final.

(e) [Repealed.]

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 148

Rep. Grad of Moretown, for the committee on Judiciary, to which had been referred Senate bill, entitled

An act relating to criminal investigation records and the Vermont Public Records Act

Reported in favor of its passage in concurrence with proposal of amendment as follows:

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

Sec. 1. 1 V.S.A. § 317 is amended to read:

§ 317. DEFINITIONS; PUBLIC AGENCY; PUBLIC RECORDS AND DOCUMENTS

* * *

(c) The following public records are exempt from public inspection and copying:

* * *

(5)(A) records dealing with the detection and investigation of crime, ~~including those maintained on any individual or compiled in the course of a criminal or disciplinary investigation by any police or professional licensing agency;~~ but only to the extent that the production of such records:

(i) could reasonably be expected to interfere with enforcement proceedings;

(ii) would deprive a person of a right to a fair trial or an impartial adjudication;

(iii) could reasonably be expected to constitute an unwarranted invasion of personal privacy;

(iv) could reasonably be expected to disclose the identity of a confidential source, including a state, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of a record or information compiled by criminal law enforcement authority in the course of a criminal investigation or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source;

(v) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecution if such disclosure could reasonably be expected to risk circumvention of the law;

(vi) could reasonably be expected to endanger the life or physical safety of any individual;

(B) ~~provided, however, that~~ Notwithstanding subdivision (A) of this subdivision (5), records relating to management and direction of a law enforcement agency; records reflecting the initial arrest of a person, including any ticket, citation, or complaint issued for a traffic violation, as that term is defined in 23 V.S.A. § 2302; and records reflecting the charge of a person shall be public;

(C) It is the intent of the General Assembly that in construing subdivision (A) of this subdivision (5), the courts of this State will be guided by the construction of similar terms contained in 5 U.S.C. § 552(b)(7) (Freedom of Information Act) by the courts of the United States;

(D) It is the intent of the General Assembly that, consistent with the manner in which courts have interpreted subdivision (A) of this subdivision (5), a public agency shall not reveal information that could be used to facilitate the commission of a crime or the identity of a private individual who is a witness to or victim of a crime, unless withholding the identity or information would conceal government wrongdoing. A record shall not be withheld in its entirety because it contains identities or information that have been redacted pursuant to this subdivision;

* * *

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2013.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

Senate Proposal of Amendment Concurred in

H. 50

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

An act relating to the sale, transfer, or importation of pets

First: In Sec. 5, 20 V.S.A. § 3682, in subsection (c), by striking out "chapter 9" where it appears in the first and second sentences, and inserting in lieu thereof chapter 8

Second: In Sec. 6, 20 V.S.A. chapter 194, in § 3901, by striking out subdivision (11) in its entirety and inserting in lieu thereof the following:

(11) "Pet shop" means a place ~~where animals are bought, sold, exchanged, or offered for~~ of retail or wholesale business, including a flea market, that is not part of a private dwelling, where cats, dogs, wolf-hybrids, rabbits, rodents, birds, fish, reptiles, or other vertebrates are maintained or displayed for the purpose of sale or exchange to the general public.

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in

H. 136

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

An act relating to cost-sharing for preventive services

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

Sec. 1. 8 V.S.A. § 4100a is amended to read:

§ 4100a. MAMMOGRAMS; COVERAGE REQUIRED

(a) Insurers shall provide coverage for screening by ~~low-dose~~ mammography for the presence of occult breast cancer, as provided by this subchapter. Benefits provided shall cover the full cost of the mammography service, subject to a co-payment no greater than the co-payment applicable to care or services provided by a primary care physician under the insured's policy, provided that no co-payment shall exceed $25.00. Mammography services shall not be subject to deductible or coinsurance requirements.

(b) For females 40 years or older, coverage shall be provided for an annual screening. For females less than 40 years of age, coverage for screening shall be provided upon recommendation of a health care provider.

(c) After January 1, 1994, this section shall apply only to screening procedures conducted by test facilities accredited by the American College of Radiologists.

(d) For purposes of this subchapter:

(1) "Insurer" means any insurance company which provides health insurance as defined in subdivision 3301(a)(2) of this title, nonprofit hospital and medical service corporations, and health maintenance organizations. The term does not apply to coverage for specified disease or other limited benefit coverage.

(2) ~~"Low-dose mammography"~~ "Mammography" means the x-ray examination of the breast using equipment dedicated specifically for mammography, including the x-ray tube, filter, compression device, screens, films and cassettes. ~~The average radiation dose to the breast shall be the lowest dose generally recognized by competent medical authority to be practicable for yielding acceptable radiographic images.~~

(3) "Screening" includes the ~~low-dose~~ mammography test procedure and a qualified physician's interpretation of the results of the procedure, including additional views and interpretation as needed.

Sec. 2. 8 V.S.A. § 4100g is amended to read:

§ 4100g. COLORECTAL CANCER SCREENING, COVERAGE REQUIRED

(a) For purposes of this section:

(1) "Colonoscopy" means a procedure that enables a physician to examine visually the inside of a patient's entire colon and includes the concurrent removal of polyps, biopsy, or both.

(2) "Insurer" means insurance companies that provide health insurance as defined in subdivision 3301(a)(2) of this title, nonprofit hospital and medical services corporations, and health maintenance organizations. The term does not apply to coverage for specified disease or other limited benefit coverage.

(b) Insurers shall provide coverage for colorectal cancer screening, including:

(1) Providing an insured 50 years of age or older with the option of:

(A) Annual fecal occult blood testing plus one flexible sigmoidoscopy every five years; or

(B) One colonoscopy every 10 years.

(2) For an insured who is at high risk for colorectal cancer, colorectal cancer screening examinations and laboratory tests as recommended by the treating physician.

(c) For the purposes of subdivision (b)(2) of this section, an individual is at high risk for colorectal cancer if the individual has:

(1) A family medical history of colorectal cancer or a genetic syndrome predisposing the individual to colorectal cancer;

(2) A prior occurrence of colorectal cancer or precursor polyps;

(3) A prior occurrence of a chronic digestive disease condition such as inflammatory bowel disease, Crohn's disease, or ulcerative colitis; or

(4) Other predisposing factors as determined by the individual's treating physician.

(d) Benefits provided shall cover the colorectal cancer screening subject to a co-payment no greater than the co-payment applicable to care or services provided by a primary care physician under the insured's policy, provided that no co-payment shall exceed $100.00 for services performed under contract with the insurer. Colorectal cancer screening services performed under contract with the insurer also shall not be subject to deductible or coinsurance requirements. In addition, an insured shall not be subject to any additional charge for any service associated with a procedure or test for colorectal cancer screening, which may include one or more of the following:

(1) removal of tissue or other matter;

(2) laboratory services;

(3) physician services;

(4) facility use; and

(5) anesthesia.

(e) ~~If determined to be permitted by Centers for Medicare and Medicaid Services, for a patient covered under the Medicare program, the patient's out-of-pocket expenditure for a colorectal cancer screening shall not exceed $100.00, with the hospital or other health care facility where the screening is performed absorbing the difference between the Medicare payment and the Medicare negotiated rate for the screening.~~ [Deleted.]

Sec. 3. STATUTORY CONSTRUCTION; LEGISLATIVE INTENT

The express enumeration of the services associated with a procedure or test for colorectal cancer in 8 V.S.A. § 4100g(d) shall not be construed as indicating legislative intent with respect to the scope of covered services associated with any other procedure or test referenced in the Vermont Statutes Annotated.

Sec. 4. 8 V.S.A. § 4100a(a) is amended to read:

(a) Insurers shall provide coverage for screening by mammography for the presence of occult breast cancer, as provided by this subchapter. Benefits provided shall cover the full cost of the mammography service~~, subject to a co-payment no greater than the co-payment applicable to care or services provided by a primary care physician under the insured's policy, provided that no co-payment shall exceed $25.00. Mammography services~~ and shall not be subject to any co-payment, deductible, ~~or~~ coinsurance ~~requirements~~, or other cost-sharing requirement or additional charge.

Sec. 5. 8 V.S.A. § 4100g(d) is amended to read:

(d) ~~Benefits provided shall cover the colorectal cancer screening subject to a co-payment no greater than the co-payment applicable to care or services provided by a primary care physician under the insured's policy, provided that no co-payment shall exceed $100.00 for services performed under contract with the insurer.~~ Colorectal cancer screening services performed under contract with the insurer ~~also~~ shall not be subject to any co-payment, deductible, ~~or~~ coinsurance ~~requirements~~, or other cost-sharing requirement. In addition, an insured shall not be subject to any additional charge for any service associated

with a procedure or test for colorectal cancer screening, which may include one or more of the following:

(1) removal of tissue or other matter;

(2) laboratory services;

(3) physician services;

(4) facility use; and

(5) anesthesia.

Sec. 6. EFFECTIVE DATE

(a) Secs. 4 and 5 of this act shall take effect on October 1, 2013 and shall apply to all health benefit plans on and after October 1, 2013 on such date as a health insurer offers, issues, or renews the health benefit plan, but in no event later than October 1, 2014.

(b) The remaining sections of this act shall take effect upon passage.

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in

H. 182

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

An act relating to search and rescue

First: In Sec. 1, in § 1820 (definitions), by striking out subdivision (1) and inserting in lieu thereof the following:

(1) "Missing person" means an individual:

(A) whose whereabouts is unknown; and

(B)(i) ~~who is~~ with either ~~physically disabled, mentally disabled~~ a physical disability, a mental disability, or a developmental disability; or

(ii) who is an unemancipated minor.

Second: In Sec. 1, in 20 V.S.A. § 1845 (search and rescue report; response), in subdivision (b)(1), by adding a second sentence to read: The Department shall also ensure that notification is made to any municipal police and fire departments of the town in which the person is missing, any volunteer fire departments of that town, and any emergency medical service providers of that town which are in the search and rescue database.

Third: In Sec. 1, in § 1847 (Search and Rescue Council), by striking out subdivision (b)(1) (membership) in its entirety and inserting in lieu thereof the following:

(b)(1) Membership. The Council shall be composed of eight members who shall serve two-year terms commencing on July 1 of each odd-numbered year. Members of the Council shall be as follows:

(A) the Search and Rescue Coordinator;

(B) the Vermont State Police Search and Rescue Team Leader;

(C) one member of the Department of Fish and Wildlife, appointed by the Commissioner of the Department;

(D) one member of the public with experience in search and rescue operations, appointed by the Governor;

(E) one member of the National Ski Patrol or the Green Mountain Club with extensive experience in search and rescue operations, appointed by the Governor;

(F) one member of a professional or volunteer search and rescue organization, appointed by the Governor; and

(G) one volunteer firefighter and one career firefighter, each of whom has obtained National Association of Search and Rescue "SARTECH 3" or equivalent training and either Incident Command System (ICS) 200 or National Incident Management System (NIMS) 300 training, appointed by the Governor.

Fourth: In Sec. 1, in § 1847 (Search and Rescue Council), in subsection (f) (reimbursement), by striking out the last sentence

Fifth: By striking out Sec. 4 (effective dates) in its entirety and inserting in lieu thereof the following three new sections to be Sec. 4, Sec. 4a, and Sec. 5 to read as follows:

Sec. 4. PUBLICATION AND DISTRIBUTION OF SEARCH AND RESCUE PROTOCOL

(a) The Search and Rescue Coordinator set forth in Sec. 1 of this act shall publish a search and rescue protocol that describes the procedure set forth in Sec. 1, in 20 V.S.A. § 1845, that is required to be followed by any public safety agency or any nonpublic entity that specializes in protecting the safety of the public and which is included in the search and rescue database. The protocol shall be published as a resource for those agencies and entities to understand their responsibilities under Sec. 1, 20 V.S.A. § 1845, of this act.

(b) The Search and Rescue Coordinator shall ensure that the protocol is distributed to those public safety agencies and nonpublic entities within five business days of its publication.

Sec. 4a. REPEAL

20 V.S.A. § 1847 (Search and Rescue Council) is repealed.

Sec. 5. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) In Sec. 1 of this act, 20 V.S.A. § 1846 (search and rescue database) shall take effect no later than 15 days after passage of this act. The search and rescue database shall be established, populated, and used as set forth in 20 V.S.A. § 1846 upon its effective date;

(2) Sec. 4 (publication and distribution of search and rescue protocol) of this act shall take effect 15 days after the passage of this act; and

(3) Sec. 4a (repeal of 20 V.S.A. § 1847 (Search and Rescue Council)) of this act shall take effect on June 30, 2017.

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in with a Further Amendment Thereto

H. 377

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 3850. BLIGHTED PROPERTY IMPROVEMENT PROGRAM

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

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

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

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

Pending the question, Shall the House concur in the Senate proposal of amendment? **Rep. Dickinson of St. Albans Town,** for the committee on Commerce and Economic Development moved to concur in the Senate proposal of amendment with a further amendment thereto, as follows:

First: In Sec. 8, 24 V.S.A. § 2793e, by striking out subsection (h) in its entirety and inserting in lieu thereof a new subsection (h) as follows:

(h) Alternative designation. If a municipality has completed all of the planning and assessment steps of this section but has not requested designation of a neighborhood development area, an owner of land within a neighborhood planning area may apply to the State Board for neighborhood development area designation status for a portion of land within the neighborhood planning area. The applicant shall have the responsibility to demonstrate that all of the requirements for a neighborhood development area designation have been satisfied and to notify the municipality that the applicant is seeking the designation. The State Board shall provide the municipality with at least 14 days' prior notice of the Board's meeting to consider the application, and the municipality shall submit to the State Board the municipality's response, if any, to the application before or during that meeting. On approval of a neighborhood development area designation under this subsection, the applicant may proceed to obtain a jurisdictional opinion from the district coordinator under subsection (f) of this section in order to obtain the benefits granted to neighborhood development areas.

Second: By striking Sec. 14a (blighted property improvement program) in its entirety

Which was agreed to.

Rules Suspended; Bill Read the Third Time and Passed

H. 534

House bill, entitled

An act relating to approval of amendments to the charter of the City of Winooski

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill placed on all remaining stages of passage.

Thereupon, the bill was read the third time and passed.

Rules Suspended; Proposal of Amendment Agreed to and Third Reading Ordered

S. 7

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

An act relating to social networking privacy protection

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

Rep. Weed of Enosburgh, for the committee on General, Housing and Military Affairs, to which had been referred the bill reported in favor of its passage in concurrence with proposal of amendment as follows:

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

Sec. 1. SOCIAL NETWORKING PRIVACY PROTECTION STUDY COMMITTEE

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

(b) The Committee shall examine:

(1) existing social networking privacy laws and proposed legislation in other states;

(2) the interplay between state law and existing or proposed federal law on the subject of social networking privacy and employment; and

(3) any other issues relevant to social networking privacy or employment.

(c) The Committee shall make recommendations, including proposed legislation.

(d) The Committee shall consist of the following members:

(1) two representatives of employers, one appointed by the Speaker of the House and one by the Committee on Committees;

(2) two representatives from labor organizations, one appointed by the Speaker and one by the Committee on Committees;

(3) the Attorney General or designee;

(4) the Commissioner of Labor or designee;

(5) the Commissioner of Financial Regulation or designee;

(6) the Commissioner of Human Resources or designee;

(7) the Commissioner of Public Safety or designee;

(8) the Executive Director of the Human Rights Commission or designee; and

(9) a representative of the American Civil Liberties Union of Vermont.

(e) The Committee shall convene its first meeting on or before September 1, 2013. The Commissioner of Labor or designee shall be designated Chair of the Committee and shall convene the first and subsequent meetings.

(f) The Committee shall report its findings and recommendations on or before January 15, 2014 to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs.

(g) The Committee shall cease to function upon transmitting its report.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

Rep. Ralston of Middlebury, for the committee on Commerce and Economic Development, recommended that the House propose to the Senate to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Social Networking Privacy Protection Study * * *

Sec. 1. SOCIAL NETWORKING PRIVACY PROTECTION STUDY COMMITTEE

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

(b) The Committee shall examine:

(1) existing social networking privacy laws and proposed legislation in other states;

(2) the interplay between state law and existing or proposed federal law on the subject of social networking privacy and employment; and

(3) any other issues relevant to social networking privacy or employment.

(c) The Committee shall make recommendations, including proposed legislation.

(d) The Committee shall consist of the following members:

(1) two representatives of employers, one appointed by the Speaker of the House and one by the Committee on Committees;

(2) two representatives from labor organizations, one appointed by the Speaker and one by the Committee on Committees;

(3) the Attorney General or designee;

(4) the Commissioner of Labor or designee;

(5) the Commissioner of Financial Regulation or designee;

(6) the Commissioner of Human Resources or designee;

(7) the Commissioner of Public Safety or designee;

(8) the Executive Director of the Human Rights Commission or designee; and

(9) a representative of the American Civil Liberties Union of Vermont.

(e) The Committee shall convene its first meeting on or before September 1, 2013. The Commissioner of Labor or designee shall be designated Chair of the Committee and shall convene the first and subsequent meetings.

(f) The Committee shall report its findings and recommendations on or before January 15, 2014 to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs.

(g) The Committee shall cease to function upon transmitting its report.

* * * Bad Faith Assertions of Patent Infringement * * *

Sec. 2. 9 V.S.A. chapter 120 is added to read:

CHAPTER 120. BAD FAITH ASSERTIONS

OF PATENT INFRINGEMENT

§ 4195. LEGISLATIVE FINDINGS AND STATEMENT OF PURPOSE

(a) The General Assembly finds that:

(1) Vermont is striving to build an entrepreneurial and knowledge based economy. Attracting and nurturing small and medium sized internet technology ("IT") and other knowledge based companies is an important part of this effort and will be beneficial to Vermont's future.

(2) Patents are essential to encouraging innovation, especially in the IT and knowledge based fields. The protections afforded by the federal patent system create an incentive to invest in research and innovation, which spurs economic growth. Patent holders have every right to enforce their patents when they are infringed, and patent enforcement litigation is necessary to protect intellectual property.

(3) The General Assembly does not wish to interfere with the good faith enforcement of patents or good faith patent litigation. The General Assembly also recognizes that Vermont is preempted from passing any law that conflicts with federal patent law.

(4) Patent litigation can be technical, complex, and expensive. The expense of patent litigation, which may cost hundreds of thousands of dollars or more, can be a significant burden on small and medium sized companies. Vermont wishes to help its businesses avoid these costs by encouraging the most efficient resolution of patent infringement claims without conflicting with federal law.

(5) In order for Vermont companies to be able to respond promptly and efficiently to patent infringement assertions against them, it is necessary that they receive specific information regarding how their product, service, or technology may have infringed the patent at issue. Receiving such information at an early stage will facilitate the resolution of claims and lessen the burden of potential litigation on Vermont companies.

(6) Abusive patent litigation, and especially the assertion of bad faith infringement claims, can harm Vermont companies. A business that receives a letter asserting such claims faces the threat of expensive and protracted

litigation and may feel that it has no choice but to settle and to pay a licensing fee, even if the claim is meritless. This is especially so for small and medium sized companies and nonprofits that lack the resources to investigate and defend themselves against infringement claims.

(7) Not only do bad faith patent infringement claims impose a significant burden on individual Vermont businesses, they also undermine Vermont's efforts to attract and nurture small and medium sized IT and other knowledge based companies. Funds used to avoid the threat of bad faith litigation are no longer available to invest, produce new products, expand, or hire new workers, thereby harming Vermont's economy.

(b) Through this narrowly focused act, the General Assembly seeks to facilitate the efficient and prompt resolution of patent infringement claims, protect Vermont businesses from abusive and bad faith assertions of patent infringement, and build Vermont's economy, while at the same time respecting federal law and being careful to not interfere with legitimate patent enforcement actions.

§ 4196. DEFINITIONS

In this chapter:

(1) "Demand letter" means a letter, e-mail, or other communication asserting or claiming that the target has engaged in patent infringement.

(2) "Target" means a Vermont person:

(A) who has received a demand letter or against whom an assertion or allegation of patent infringement has been made;

(B) who has been threatened with litigation or against whom a lawsuit has been filed alleging patent infringement; or

(C) whose customers have received a demand letter asserting that the person's product, service, or technology has infringed a patent.

§ 4197. BAD FAITH ASSERTIONS OF PATENT INFRINGEMENT

(a) A person shall not make a bad faith assertion of patent infringement.

(b) A court may consider the following factors as evidence that a person has made a bad faith assertion of patent infringement:

(1) The demand letter does not contain the following information:

(A) the patent number;

(B) the name and address of the patent owner or owners and assignee or assignees, if any; and

(C) factual allegations concerning the specific areas in which the target's products, services, and technology infringe the patent or are covered by the claims in the patent.

(2) Prior to sending the demand letter, the person fails to conduct an analysis comparing the claims in the patent to the target's products, services, and technology, or such an analysis was done but does not identify specific areas in which the products, services, and technology are covered by the claims in the patent.

(3) The demand letter lacks the information described in subdivision (1) of this subsection, the target requests the information, and the person fails to provide the information within a reasonable period of time.

(4) The demand letter demands payment of a license fee or response within an unreasonably short period of time.

(5) The person offers to license the patent for an amount that is not based on a reasonable estimate of the value of the license.

(6) The claim or assertion of patent infringement is meritless, and the person knew, or should have known, that the claim or assertion is meritless.

(7) The claim or assertion of patent infringement is deceptive.

(8) The person or its subsidiaries or affiliates have previously filed or threatened to file one or more lawsuits based on the same or similar claim of patent infringement and:

(A) those threats or lawsuits lacked the information described in subdivision (1) of this subsection; or

(B) the person attempted to enforce the claim of patent infringement in litigation and a court found the claim to be meritless.

(9) Any other factor the court finds relevant.

(c) A court may consider the following factors as evidence that a person has not made a bad faith assertion of patent infringement:

(1) The demand letter contains the information described in subdivision (b)(1) of this section.

(2) Where the demand letter lacks the information described in subdivision (b)(1) of this section and the target requests the information, the person provides the information within a reasonable period of time.

(3) The person engages in a good faith effort to establish that the target has infringed the patent and to negotiate an appropriate remedy.

(4) The person makes a substantial investment in the use of the patent or in the production or sale of a product or item covered by the patent.

(5) The person is:

(A) the inventor or joint inventor of the patent or, in the case of a patent filed by and awarded to an assignee of the original inventor or joint inventor, is the original assignee; or

(B) an institution of higher education or a technology transfer organization owned or affiliated with an institution of higher education.

(6) The person has:

(A) demonstrated good faith business practices in previous efforts to enforce the patent, or a substantially similar patent; or

(B) successfully enforced the patent, or a substantially similar patent, through litigation.

(7) Any other factor the court finds relevant.

§ 4198. BOND

If a court determines that a target has established a reasonable likelihood that a person has made a bad faith assertion of patent infringement in violation of this chapter, the court may require the person to post a bond in an amount equal to a good faith estimate of the target's costs to litigate the claim. A bond ordered pursuant to this section shall not exceed $250,000.00.

§ 4199. ENFORCEMENT; REMEDIES; DAMAGES

(a) The Attorney General shall have the same authority under this chapter to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under chapter 63 of this title. In an action brought by the Attorney General under this chapter the court may award or impose any relief available under chapter 63 of this title.

(b) A target of conduct involving assertions of patent infringement, or a person aggrieved by a violation of this chapter or by a violation of rules adopted under this chapter, may bring an action in superior court. A court

may award the following remedies to a plaintiff who prevails in an action brought pursuant to this subsection:

(1) equitable relief;

(2) damages;

(3) costs and fees, including reasonable attorney's fees; and

(4) exemplary damages in an amount equal to $50,000.00 or three times the total of damages, costs, and fees, whichever is greater.

(c) This chapter shall not be construed to limit rights and remedies available to the State of Vermont or to any person under any other law and shall not alter or restrict the Attorney General's authority under chapter 63 of this title with regard to conduct involving assertions of patent infringement.

* * * Effective Date * * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

Rep. Koch of Barre Town, for the committee on Judiciary, recommended that the bill ought to pass when amended, as recommended by the committee on Commerce and Economic Development, and when further amended as follows:

In Sec. 2, by striking out section 4198 in its entirety and by inserting in lieu thereof a new section 4198 to read:

§ 4198. BOND

Upon motion by a target and a finding by the court that a target has established a reasonable likelihood that a person has made a bad faith assertion of patent infringement in violation of this chapter, the court shall require the person to post a bond in an amount equal to a good faith estimate of the target's costs to litigate the claim and amounts reasonably likely to be recovered under § 4199(b) of this chapter, conditioned upon payment of any amounts finally determined to be due to the target. A hearing shall be held if either party so requests. A bond ordered pursuant to this section shall not exceed $250,000.00. The court may waive the bond requirement if it finds the person has available assets equal to the amount of the proposed bond or for other good cause shown.

Thereupon, **Rep. Weed of Enosburgh**, asked and was granted leave of the House to withdraw the report of the committee on General, Housing and Military Affairs.

Thereupon, the recommendation of proposal of amendment offered by the committee on Judiciary was agreed to, and the recommendation of amendment offered by the committee on Commerce and Econmic Development, as amended, was agreed to and third reading ordered.

Senate Proposal of Amendment Concurred in with a Further Amendment Thereto

H. 101

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

An act relating to hunting, fishing, and trapping

First: In Sec. 6, 10 V.S.A. § 4252, by striking subdivisions (a)(9) and (10) in their entirety

and in the first sentence of subdivision (a)(12), after "archery, muzzle loader," and before the period, by striking "turkey, second archery, and second muzzle loader" and inserting in lieu thereof: and turkey

and in the first sentence of subsection (b), by striking ", second archery license, or" where it appears and inserting in lieu thereof: or a

Second: in Sec. 8, 10 V.S.A. § 4254b, by striking subdivision (a)(4) in its entirety and inserting in lieu thereof the following:

(4) "Long-term care facility" means any facility required to be licensed under 33 V.S.A. chapter 71 or a mental hospital required to be licensed under 18 V.S.A. chapter 43.

Third: By striking Sec. 9 in its entirety and inserting in lieu thereof the following:

Sec. 9. 10 V.S.A. § 4255 is amended to read:

§ 4255. LICENSE FEES

(a) Vermont residents may apply for licenses on forms provided by the ~~commissioner~~ Commissioner. Fees for each license shall be:

(1) Fishing license	$25.00
(2) Hunting license	$22.00
(3) Combination hunting and fishing license	$38.00
(4) Big game licenses (all require a hunting license)	
(A) archery license	$20.00
(B) muzzle loader license	$20.00
(C) turkey license	$23.00
(D) ~~second muzzle loader license~~ [Deleted.]	~~$17.00~~
(E) ~~second archery license~~ [Deleted.]	~~$17.00~~

(F) moose license $100.00

(G) ~~additional~~ early season bear tag $5.00

(5) Trapping license $20.00

(6) Hunting license for persons aged 17 or under $8.00

(7) Trapping license for persons aged 17 or under $10.00

(8) Fishing license for persons aged 15 through 17 $8.00

(9) Super sport license $150.00

(10) Three-day fishing license $10.00

(11) Combination hunting and fishing license for persons aged 17 or under $12.00

(12) Mentored hunting license $10.00

(b) Nonresidents may apply for licenses on forms provided by the ~~commissioner~~ Commissioner. Fees for each license shall be:

(1) Fishing license $50.00

(2) One-day fishing license $20.00

(3) [Deleted.]

(4) Hunting license $100.00

(5) Combination hunting and fishing license $135.00

(6) Big game licenses (all require a hunting license)

(A) archery license $38.00

(B) muzzle loader license $40.00

(C) turkey license $38.00

(D) ~~second muzzle loader license~~ [Deleted] ~~$25.00~~

(E) ~~second archery license~~ [Deleted.] ~~$25.00~~

(F) moose license $350.00

(G) ~~additional~~ early season bear tag $15.00

* * *

(j) If the ~~board~~ Board determines that a moose season will be held in accordance with the rules adopted under sections 4082 and 4084 of this title, the ~~commissioner~~ Commissioner annually may issue three no-cost moose

licenses to a ~~child or young adult age 21 years or under~~ person who has a ~~life threatening~~ life-threatening disease or illness and who is sponsored by a qualified charitable organization, provided that at least one of the no-cost annual moose licenses awarded each year shall be awarded to a child or young adult age 21 years of age or under who has a life-threatening illness. The child or ~~young~~ adult ~~must~~ shall comply with all other requirements of this chapter and the rules of the ~~board~~ Board. Under this subsection, a person may receive only one no-cost moose license in his or her lifetime. The ~~commissioner~~ Commissioner shall adopt rules in accordance with 3 V.S.A. chapter 25 ~~of Title 3~~ to implement this subsection. The rules shall define the child or ~~young~~ adult qualified to receive the no-cost license, shall define a qualified sponsoring charitable organization, and shall provide the application process and criteria for issuing the no-cost moose license.

* * *

(m) The fee for a therapeutic group fishing license issued under section 4254b of this title shall be $50.00 per year, provided that the Commissioner may waive the fee under this section if the applicant for a therapeutic group fishing license completes instructor certification under the Department's Let's Go Fishing Program. The Commissioner may, at his or her discretion, issue a free therapeutic fishing license to an applicant.

Fourth: In Sec. 20, 10 V.S.A. § 5201, in subdivision (a)(2), after "owner's name and a" and before "method by which to" by striking "legitimate" where it appears

Fifth: In Sec. 21 (Effective Dates), in subsection (b), by striking "Fish and Wildlife Board" where it appears and inserting in lieu thereof: Commissioner of Fish and Wildlife

Thereupon, **Rep. McCullough of Williston** moved to concur in the Senate proposal of amendment with a further amendment thereto, as follows:

First: in Sec. 8, 10 V.S.A. § 4254b, by striking subdivision (a)(4) in its entirety and inserting in lieu thereof the following:

(4) "Long-term care facility" means any facility required to be licensed under 33 V.S.A. chapter 71 or a psychiatric facility with a long-term care unit required to be licensed under 18 V.S.A. chapter 43.

Second: In Sec. 9, by adding subdivision (H) to 10 V.S.A. § 4255(a)(4) to read:

(H) additional deer archery tag	$23.00

Third: In Sec. 9, by adding subdivision (H) to 10 V.S.A. § 4255(b)(6) to read:

(H) additional deer archery tag	$38.00

Which was agreed to.

Rules Suspended; Bills Messaged to Senate Forthwith

On motion of **Rep. Turner of Milton,** the rules were suspended and the following bills were ordered messaged to the Senate forthwith:

H. 534

House bill, entitled

An act relating to approval of amendments to the charter of the City of Winooski

H. 101

House bill, entitled

An act relating to hunting, fishing, and trapping

Adjournment

At six o'clock and fifteen minutes in the evening, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.