

Journal of the House

Friday, May 2, 2014

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

Devotional Exercises

Devotional exercises were conducted by Teen Challenge, a singing group from Johnson, Vt.

House Resolution Referred to Committee

H.R. 22

House resolution, entitled

House resolution relating to amending the Rules and Orders of the House of Representatives related to audio recording

Offered by: Representatives Pearson of Burlington and Turner of Milton

Whereas, the Vermont House of Representatives does not maintain an official audio recording record of floor proceedings, and

Whereas, for historic research, legislative history, and public information access purposes, the existence of an official audio recording would be of great public benefit, now therefore be it

Resolved by the House of Representatives:

That Rule 86 of the Rules and Orders of the House of Representatives is amended to read:

(a) The taking of pictures on the floor of the House of Representatives and the ~~machine~~ unofficial audio or video recording of the proceedings during a session ~~thereof~~ are prohibited except by previous permission of the presiding officer. When permission is given, all equipment to be used must be placed where it will be used before the opening of the sitting involved. The use of telephones ~~or allowing telephones to ring~~ or electronic devices for telephonic purposes or allowing telephones or electronic devices to ring in the House Chamber during a session ~~thereof~~, is prohibited.

(b) The House Clerk shall maintain an official audio recording of all floor proceedings.

Which was read and referred to the committee on Rules.

House Resolution Referred to Committee**H.R. 23**

House resolution, entitled

House resolution relating to the public policy implications of the proposed Trans-Pacific Partnership Agreement and the Transatlantic Trade and Investment Partnership

Offered by: Representatives Pearson of Burlington and Keenan of St. Albans City

Whereas, the proposed Trans-Pacific Partnership Agreement (TPPA) is a multinational trade agreement in the Asia-Pacific region which, if implemented, could create the largest trading bloc in the world, and

Whereas, the Transatlantic Trade and Investment Partnership (TTIP) is a free trade agreement being negotiated with the European Union that could override Vermont's constitutionally guaranteed authority to pass laws and implement policies on a wide range of domestic issues, and

Whereas, the negotiations for the two trade agreements lack transparency and concern terms going beyond tariff agreements, and

Whereas, the trade agreements could impact state sovereignty and restrict the ability of Vermont to regulate certain corporate activities impacting the environment, health care, tobacco products, pharmaceuticals, energy, and agriculture, and

Whereas, states do not have an equal advisory capacity in the trade negotiations as that given to businesses, and

Whereas, the negotiating texts have not been published and there has not been public debate on U.S. trade policy, now therefore be it

Resolved by the House of Representatives:

That this legislative body requests the U.S. Trade Representative (USTR): (1) to increase transparency in TTIP and TPPA free-trade negotiations, (2) to publish information going beyond tariff negotiations, (3) to give states as equal an advisory role in the negotiations as that given to businesses, and (4) to consider state sovereignty and the impact of the trade agreements on state and local laws, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to the USTR and the Vermont Congressional Delegation.

Which was read and referred to the committee on Commerce and Economic Development.

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

S. 281

Senate bill, entitled

An act relating to vision riders and a choice of providers for vision and eye care services

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. 314

Senate bill, entitled

An act relating to miscellaneous amendments to laws related to motor vehicles

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

Proposal of Amendment Agreed to; Third Reading Ordered

S. 168

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

An act relating to making miscellaneous amendments to laws governing municipalities

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

TO THE HOUSE OF REPRESENTATIVES:

The Committee on Government Operations to which was referred Senate Bill No. 168 entitled "An act relating to making miscellaneous amendments to laws governing municipalities" respectfully reports that it has considered the same and recommends that the House propose to the Senate that the bill be amended as follows:

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

Second: In Sec. 4, 20 V.S.A. § 3621, by striking out subdivision (a)(1) in its entirety and inserting in lieu thereof the following:

(a)(1) The legislative body of a municipality may at any time issue a warrant to one or more police officers ~~or~~ constables, pound keepers, ~~or elected~~ or appointed animal control officers, directing them to proceed forthwith to impound all dogs or wolf-hybrids within the town or city not licensed according to the provisions of this subchapter, except as exempted by section 3587 of this title, and to enter a complaint against the owners or keepers thereof.

Third: In Sec. 6, 17 V.S.A. § 2651d, in subsection (a), in the first sentence, by striking out the words "by Australian ballot"

Fourth: By striking out Sec. 10 in its entirety and inserting in lieu thereof a new Sec. 10 to read Sec. 10. [Deleted.]

Fifth: In Sec. 11, 24 V.S.A. § 2291, by striking out subdivision (26) in its entirety and inserting in lieu thereof a new subdivision (26) to read:

(26) When a disaster or emergency has been declared by the Governor, a municipal building inspector, health officer, fire marshal, or zoning administrator may declare condemned to be destroyed a property that has been damaged in the disaster or emergency and is dangerous to life, health, or safety due to the disaster-related damage. The local legislative body may require that an official receive training on disaster-related condemnation before he or she may condemn property under this subdivision. The owner of property condemned under this subdivision may appeal the condemnation according to the condemnation appeals procedure of chapter 83 of this title, provided that any appeal to the Superior Court shall be to the Civil Division.

Sixth: By adding a Sec. 11a to read:

Sec. 11a. DISASTER CONDEMNATION TRAINING

On or before July 1, 2015, the Department of Health, in consultation with the Department of Housing and Community Development and the Department of Public Safety, shall develop condemnation guidance for inclusion in disaster training and education for local officials. The guidance shall include:

(1) methods of inspection of buildings and structures damaged by natural disaster; and

(2) standards for condemnation of buildings and structures damaged by natural disaster.

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. 218

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

An act relating to temporary employees

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

First: By inserting a new section to be Sec. 1a to read:

Sec. 1a. COMMISSIONER OF HUMAN RESOURCES; REPORT;
TEMPORARY STATE EMPLOYEES; SICK LEAVE BENEFITS

(a) On or before January 15, 2015, the Commissioner of Human Resources shall report to the House and Senate Committees on Government Operations regarding his or her analysis of whether temporary State employees should be able to earn sick leave benefits.

(b) In conducting his or her analysis, the Commissioner shall consider and include in the report:

(1) how many temporary employees are employed by the State;

(2) the departments in which those temporary employees are employed;

(3) how long those temporary employees have been employed in that capacity;

(4) how much it would cost the State to offer the temporary employees sick leave benefits; and

(5) whether there should be a pathway to permanent employment for temporary employees, and if so, what the standards for permanent employment should be.

Second: By striking out in its entirety Sec. 4 (effective date) and inserting in lieu thereof a new Sec. 4 to read:

Sec. 4. EFFECTIVE DATES

(a) This section and Secs. 1a and 2 shall take effect on passage.

(b) Secs. 1 and 3 shall take effect on July 1, 2014.

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

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the committee on Government Operations? **Reps. Shaw of Pittsford, Browning of Arlington, Davis of Washington, Emmons of Springfield, Hooper of Montpelier, Larocque of Barnet, Lenes of Shelburne, Macaig of Williston, Myers of Essex, Shaw of Derby and South of St. Johnsbury** moved to amend the recommendation of proposal of amendment offered by the committee on Government Operations as follows:

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

Sec. 2. DEPARTMENT OF CORRECTIONS PROVISIONS RELATING TO
CONTRABAND

(a) The Commissioner of Corrections shall adopt rules pursuant to 3 V.S.A. chapter 25 regarding procedures for conducting searches of the personal belongings of any person who enters the secure portion of a State correctional facility. The Commissioner shall consult with the Joint Legislative Corrections Oversight Committee in developing these rules and shall report periodically to the Committee regarding the implementation of these procedures and any issues of concern.

(b) The Commissioner shall identify the types and amounts of contraband, and the methods used to transport contraband into each State correctional facility, including perimeter breaches, mail, and contacts with visitors. The Commissioner shall include this information in the Commissioner's regular monthly reports to the Joint Legislative Corrections Oversight Committee from July 1, 2014 through December 1, 2014.

(c) On or before December 1, 2015, the Commissioner shall make recommendations to the Joint Legislative Corrections Oversight Committee regarding strategies to prevent contraband from entering State correctional facilities.

(d) The Commissioner may conduct preemployment drug screening in accordance with 21 V.S.A. § 512 of all permanent and temporary employees hired after July 1, 2014 and may conduct background investigations, including obtaining criminal history records in accordance with 20 V.S.A. § 2056a, prior to hiring any permanent or temporary employee.

(e) On or before October 15, 2014, the Department of Corrections shall prepare and submit a report to the Joint Legislative Corrections Oversight Committee on security and safety concerns at State correctional facilities arising from public or private entities employing offenders through work programs.

Second: In Sec. 4, by striking out the section in its entirety and inserting in lieu thereof two new sections to read:

Sec. 4. CONTACT VISITS

The Commissioner of Corrections shall update the Joint Legislative Corrections Oversight Committee on a process for permitting offenders to earn contact visits if the contact privilege was taken away.

Sec. 5. EFFECTIVE DATES

(a) This section and Secs. 1a, 2, and 4 shall take effect on passage.

(b) Secs. 1 and 3 shall take effect on July 1, 2014.

Which was agreed to.

Thereupon, the recommendation of proposal of amendment offered by the committee on Government Operations, as amended, was agreed to and third reading was ordered.

Joint Resolutioin Read Second Time; Third Reading Ordered

J.R.H. 19

Rep. Devereux of Mount Holly spoke for the committee on Government Operations.

Joint resolution entitled

Joint resolution relating to encouraging New Hampshire to enact laws protecting emergency responders from across state lines

Having appeared on the Calendar one day for notice, was taken up, read the second time and third reading ordered.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 221

Rep. Condon of Colchester, for the committee on Ways and Means, to which had been referred Senate bill, entitled

An act relating to providing statutory purposes for tax expenditures

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

* * * Income, Bank Franchise, Insurance Premium,
and Property Taxes * * *

Sec. 1. 16 V.S.A. § 2826 is added to read:

§ 2826. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for interest income from Vermont Student Assistance Corporation (VSAC) bonds in section 2825 of this title is to lower the cost of borrowing in order to finance education loan programs.

(b) The statutory purpose of the exemption for Vermont Student Assistance Corporation property tax in section 2825 of this title is to allow State instrumentalities that provide financial and information resources for postsecondary education and training to use all of their resources for those purposes.

Sec. 2. 30 V.S.A. § 8060(c) is added to read:

(c) The statutory purpose of the exemption for Vermont Telecommunications Authority (VTA) bonds and notes in section 8074 of this title is to lower the cost of borrowing in order to finance the expansion of broadband access across the State.

Sec. 3. 32 V.S.A. § 5813 is added to read:

§ 5813. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for Vermont municipal bond income in subdivision 5811(21)(A)(i) of this title is to lower the cost of borrowing in order to finance State and municipal projects.

(b) The statutory purpose of the Vermont flat capital gains exclusion in subdivision 5811(21)(B)(ii) of this title is intended to increase savings and investment by making the effective tax rate on capital gains income lower than the effective tax rate on earned income while exempting a portion of the gain that may represent inflation. The 40 percent business capital gains exclusion mitigates the impact of one-time realizations in a progressive tax structure.

(c) The statutory purpose of the Vermont credit for child and dependent care in subsection 5822(d) of this title is to provide financial assistance to employees who must incur dependent care expenses to stay in the workforce in the absence of prekindergarten programming.

(d) The statutory purpose of the Vermont credit for persons who are elderly or disabled in subsection 5822(d) of this title is to provide financial assistance to seniors and persons who are disabled with little tax-exempt retirement or disability income.

(e) The statutory purpose of the Vermont investment tax credit in subsection 5822(d) of this title is to encourage Vermont business investments by lowering the effective costs of certain activities.

(f) The statutory purpose of the Vermont farm income averaging credit in subdivision 5822(c)(2) of this title is to mitigate the adverse tax consequences of fluctuating farm incomes under a progressive tax structure and to provide stability to farm operations.

(g) The statutory purpose of the exemption for military pay in subdivisions 5823(a)(2) and (b)(3) of this title is to provide additional compensation for military personnel in recognition of their service to Vermont and to the country.

(h) The statutory purpose of the Vermont charitable housing credit in section 5830c of this title is to enable lower capital cost to certain affordable housing charities by restoring some of the forgone investment income through a tax credit to the investor.

(i) The statutory purpose of the Vermont affordable housing credit in section 5930u of this title is to increase the capital available to certain affordable housing projects for construction or rehabilitation by attracting up-front private investment.

(j) The statutory purpose of the Vermont qualified sale of a mobile home park credit in section 5828 of this title is to encourage sales of mobile home parks to a group composed of a majority of the mobile home park leaseholders, or to a nonprofit organization that represents such a group, and, in doing so, to provide stability to the inhabitants of such mobile home parks.

(k) The statutory purpose of the Vermont higher education investment credit in section 5825a of this title is to encourage contributions to Vermont 529 plans that would not otherwise occur and to lower the cost of higher education for Vermont students and the Vermont taxpayers who financially support them.

(l) The statutory purpose of the Vermont entrepreneurs' seed capital fund credit in section 5830b of this title is to provide incentives for investment in the Seed Capital Fund, ensuring it has sufficient capital to make equity investments in Vermont businesses.

(m) The statutory purpose of the Vermont historical rehabilitation tax credit in subsection 5930cc(a) of this title is to provide incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

(n) The statutory purpose of the Vermont facade improvement tax credit in subsection 5930cc(b) and sections 5930aa–5930ff of this title is to provide incentives to improve facades and rehabilitate historic properties in designated downtowns and village centers.

(o) The statutory purpose of the Vermont code improvement tax credit in subsection 5930cc(c) and sections 5930aa–5930ff of this title is to provide incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

(p) The statutory purpose of the Vermont research and development tax credit in section 5930ii of this title is to encourage business investment in research and development within Vermont and to attract and retain intellectual-property-based companies.

(q) The statutory purpose of the Vermont downtown tax credits in sections 5930n–5930r of this title is to provide incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

(r) The statutory purpose of the Vermont low-income child and dependent care tax credit in section 5828c of this title is to provide cash relief to lower-income employees who incur dependent care expenses in certified centers to enable them to remain in the workforce.

(s) The statutory purpose of the Vermont earned income tax credit in section 5828b of this title is to provide incentives for low-income working families and individuals and to offset the effect on these Vermonters of conventionally regressive taxes.

(t) The statutory purpose of the Vermont machinery and equipment tax credit in section 5930ll of this title is to provide an incentive to make a major, long-term capital investment in Vermont-based plant and property to ensure the continuation of in-state employment.

(u) The statutory purpose of the Vermont employment growth incentive in section 5930b of this title is to provide a cash incentive to encourage quality job growth in Vermont.

(v) The statutory purpose of the Vermont Downtown and Village Center Program tax credits in section 5930cc of this title is to provide incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

* * * Meals and Rooms Taxes and Insurance
Premium Taxes * * *

Sec. 4. 32 V.S.A. § 9247 is added to read:

§ 9247. HOSPITAL AND MEDICAL SERVICE CORPORATIONS AND
CREDIT UNIONS

Notwithstanding 8 V.S.A. §§ 4518, 4590, and 30901, hospital service corporations, medical service corporations, and credit unions shall be subject to the meals and rooms tax. The statutory purpose of the remaining exemptions in 8 V.S.A. § 4518 is to lower the cost of health services to Vermonters. The statutory purpose of the remaining exemptions in 8 V.S.A. § 4590 is to lower the cost of health services to Vermonters. The statutory purpose of the remaining exemptions in 8 V.S.A. § 30901 is to affirm the nonprofit, cooperative structure of credit unions.

Sec. 5. 32 V.S.A. § 9201 is added to read:

§ 9201. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for grocery-type items furnished for take-out in subdivision 9202(10)(D)(i) of this title is to limit the cost of goods that are necessary for the health and welfare of all people in Vermont.

(b) The statutory purpose of the exemption for meals served or furnished on the premises of a nonprofit organization in subdivision 9202(10)(D)(ii)(I) of this title is to allow more of the revenues generated by certain activities to be dedicated to furthering the public-service missions of the organizations.

(c) The statutory purpose of the exemption for meals provided on school premises in subdivision 9202(10)(D)(ii)(II) of this title is to reduce the overall cost of education in Vermont.

(d) The statutory purpose of the exemption for meals provided at hospitals and convalescent and nursing homes in subdivision 9202(10)(D)(ii)(IV) of this title is to reduce the overall costs of health care and senior care in Vermont.

(e) The statutory purpose of the exemption for summer camps for children in subdivision 9202(10)(D)(ii)(VI) of this title is to reduce the cost of summer education and outdoor activities for youth.

(f) The statutory purpose of the exemption for nonprofits at fairs, bazaars, picnics, and similar events in subdivision 9202(10)(D)(ii)(VII) of this title is to allow more of the revenues generated by certain activities to be dedicated to furthering the public-service missions of the organizations.

(g) The statutory purpose of the exemption for meals furnished to an employee of a hotel or restaurant operator as remuneration for his or her employment in subdivision 9202(10)(D)(ii)(VIII) of this title is to avoid the taxation of in-kind benefits.

(h) The statutory purpose of the exemption for meals served on the premises of a continuing care retirement community in subdivision 9202(10)(D)(ii)(XI) is to exclude meals prepared in a person's home from taxation.

(i) The statutory purpose of the exemption for student housing in subdivision 9202(8) of this title is to reduce the overall costs of education in Vermont.

(j) The statutory purpose of the exemption for rooms furnished to an employee of a hotel or restaurant operator as remuneration for his or her employment in subdivision 9202(6) of this title is to exclude the taxation of in-kind benefits.

(k) The statutory purpose of the exemption for summer camps for children in subdivision 9202(6) of this title is to reduce the cost of summer education and outdoor activities for youth.

(l) The statutory purpose of the exemption for rooms on the premises of a nonprofit in subdivision 9202(3)(C) of this title is to allow more of the revenues generated by certain activities to be dedicated to furthering the public-service missions of the organizations.

(m) The statutory purpose of the exemption for rooms on the premises of a continuing care retirement community in subdivision 9202(3)(D) of this title is to exclude from taxation rooms that are a person's residence.

* * * Sales Taxes * * *

Sec. 6. 32 V.S.A. § 9706 is added to read:

§ 9706. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for medical products in subdivision 9741(2) of this title is to lower the cost of medical products in order to support the health and welfare of Vermont residents.

(b) The statutory purpose of the exemption for agricultural inputs in subdivision 9741(3) of this title is to promote Vermont's agricultural economy.

(c) The statutory purpose of the exemption for veterinary supplies in subdivision 9741(3) of this title is to lessen the cost of veterinary services in order to support the health and welfare of Vermont animals.

(d) The statutory purpose of the exemption for fuels for railroads and boats in subdivision 9741(7) of this title is to avoid the taxation of fuels for the types of transportation for which public expenditure on infrastructure is unnecessary.

(e) The statutory purpose of the exemption for sales of food in subdivision 9741(13) of this title is to limit the cost of goods that are necessary for the health and welfare of all people in Vermont.

(f) The statutory purpose of the exemption for newspapers in subdivision 9741(15) of this title is to reduce the cost of access to news and community information for people in Vermont.

(g) The statutory purpose of the exemption for rentals of coin-operated washing facilities in subdivision 9741(19) of this title is to exclude from taxation facilities that are still operated with coins.

(h) The statutory purpose of the exemption for admission fees to nonprofit museums in subdivision 9741(20) of this title is to support the missions of certain nonprofit facilities and encourage higher visitation.

(i) The statutory purpose of the exemption for items sold to fire, ambulance, and rescue squads in subdivision 9741(21) of this title is to limit the tax on organizations charged with protecting the safety of the public.

(j) The statutory purpose of the exemption for funeral charges in subdivision 9741(22) of this title is to lessen the costs accumulated by the bereaved.

(k) The statutory purpose of the exemption for commercial, industrial, or agricultural research tangible personal property use in subdivision 9741(24) of this title is to reduce financial barriers to research and innovation in the commercial, industrial, and agricultural industries.

(l) The statutory purpose of the exemption for agricultural machinery and equipment in subdivision 9741(25) of this title is to promote Vermont's agricultural economy.

(m) The statutory purpose of the exemption for energy purchases for a residence in subdivision 9741(26) of this title is to limit the cost of goods that are necessary for the health and welfare of Vermonters.

(n) The statutory purpose of the exemption for energy purchases for farming in subdivision 9741(27) of this title is to promote Vermont's agricultural economy.

(o) The statutory purpose of the exemption for sales of films to movie theaters in subdivision 9741(28) of this title is to avoid double taxation.

(p) The statutory purpose of the exemption for aircraft and depreciable parts for commercial and private use in subdivision 9741(29) of this title is to promote the growth of the aircraft maintenance industry in Vermont.

(q) The statutory purpose of the exemption for railroad rolling stock and depreciable parts in subdivision 9741(30) of this title is to increase the use of rail for transport.

(r) The statutory purpose of the exemption for ferryboats and depreciable parts in subdivision 9741(31) of this title is to increase the use of ferries for transport.

(s) The statutory purpose of the exemption for sales of mobile homes and modular housing in subdivision 9741(32) of this title is to create equity between mobile and modular housing and traditional residential construction by providing an exemption for the estimated portion of the cost attributable to labor (versus materials).

(t) The statutory purpose of the exemption for the United States flag sold to or by exempt veterans' organizations in subdivision 9741(33) of this title is to support veterans' organizations in performing their traditional functions.

(u) The statutory purpose of the exemption for property transferred as an incidental part of a personal service transaction or transfer of intangible property rights in subdivision 9741(35) of this title is to forgo taxation when the cost of compliance exceeds the revenues.

(v) The statutory purpose of the exemption for advertising materials in subdivision 9741(36) of this title is to exclude tangible personal property from taxation if it is incidental to a larger service.

(w) The statutory purpose of the exemption for documents that record a professional service in subdivision 9741(37) of this title is to exclude tangible personal property from taxation if it is incidental to a service package.

(x) The statutory purpose of the tracked vehicles cap in subdivision 9741(38) of this title is to lessen the cost of capital investments.

(y) The statutory purpose of the exemption for sales of building materials in subdivisions 9741(39) of this title is to provide incentives to restore and revitalize downtown districts.

(z) The statutory purpose of the exemption for third party scrap construction materials in subdivision 9741(43) of this title is to promote the reuse and recycling of scrap construction materials.

(aa) The statutory purpose of the exemption for property incorporated in a railroad line in subdivision 9741(44) of this title is to increase the use of rail for transport by lowering the costs of materials.

(bb) The statutory purpose of the exemption for clothing and footwear in subdivision 9741(45) of this title is to limit the tax burden on the purchase of goods that are necessary for the health and welfare of all people in Vermont.

(cc) The statutory purpose of the exemptions for property incorporated into a net metering system, on-premise energy systems not connected to the electric distribution system, and solar hot water heating systems in subdivision 9741(46) of this title are to increase the deployment of solar technologies until the price of solar materials and installation decreases to the point it does not need State subsidization.

(dd) The statutory purpose of the exemption for purchases by and limited purchases from 501(c)(3) organizations in subdivision 9743(3) of this title is to reduce costs for certain nonprofit organizations in order to allow them to dedicate more of their financial resources to furthering the public-service missions of the organizations.

(ee) The statutory purpose of the exemption for building materials and supplies used in construction or repair of buildings by governmental bodies, 501(c)(3) organizations, or development corporations in subdivision 9743(4) of this title is to reduce the costs of construction for certain nonprofit organizations in order to allow them to dedicate more financial resources to their public-service missions.

(ff) The statutory purpose of the exemption for amusement charges for four events per year for 501(c)(4)-(13) and (19) organizations and political organizations in subdivision 9743(5) of this title is to reduce the costs for and encourage participation in a limited number of events organized by certain nonprofit organizations in order to allow these organizations to dedicate more financial resources to their public-service missions.

(gg) The statutory purpose of the exemption for amusement charges for events presented by 501(c)(3) organizations in subdivision 9743(7) of this title is to reduce the costs for and encourage participation in fundraising events organized by certain nonprofit organizations in order to allow these organizations to dedicate more financial resources to their public-service missions.

(hh) The statutory purpose of the reallocation of receipts from tax imposed on sales of construction materials in section 9819 of this title is to provide

incentives to restore and revitalize certain properties in designated downtown districts.

(ii) The statutory purpose of the exemption for sales by licensed auctioneers in subdivision 9741(48) of this title is to extend the “casual sale” exemption to sales involving an auctioneer selling on behalf of a third party.

* * * Property Taxes * * *

Sec. 7. 10 V.S.A. § 210 is added to read:

§ 210. STATUTORY PURPOSES

The statutory purpose of the exemption for local development corporations in section 236 of this title is to promote economic development.

Sec. 8. 10 V.S.A. § 602 is added to read:

§ 602. STATUTORY PURPOSES

The statutory purpose of the exemption for the Vermont Housing Finance Agency in subsection 641(a) of this title is to provide and promote affordable housing.

Sec. 9. 16 V.S.A. § 2170 is added to read:

§ 2170. STATUTORY PURPOSES

The statutory purpose of the exemption for the Vermont State Colleges in section 2178 of this title is to allow institutions providing higher education to deploy more of their financial resources to their educational missions.

Sec. 10. 16 App. V.S.A. § 1-15a is added to read:

§ 1-15a. STATUTORY PURPOSES

The statutory purpose of the exemption for the University of Vermont in section 1-15 of this chapter is to allow institutions providing higher education to deploy more of their financial resources to their educational missions.

Sec. 11. 18 V.S.A. § 5300 is added to read:

§ 5300. STATUTORY PURPOSES

The statutory purpose of the exemption for cemeteries in sections 5317 and 5376 of this title is to lower the cost of establishing and maintaining cemeteries.

Sec. 12. 22 V.S.A. § 68 is added to read:

§ 68. STATUTORY PURPOSES

The statutory purpose of the exemption for libraries in section 109 of this title is to aid libraries in offering free and public access to information and research resources.

Sec. 13. 24 V.S.A. § 4000 is added to read:

§ 4000. STATUTORY PURPOSES

The statutory purpose of the exemption for housing authorities in section 4020 of this title is to promote, provide, and preserve affordable housing.

Sec. 14. 32 V.S.A. § 3750 is added to read:

§ 3750. STATUTORY PURPOSES

The statutory purpose of the Vermont Use Value Appraisal Program in chapter 124 of this title is to preserve the working landscape and the rural character of Vermont.

Sec. 15. 32 V.S.A. § 3800 is added to read:

§ 3800. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for congressionally chartered organizations in subdivision 3802(2) of this title is to support certain organizations with a patriotic, charitable, historical, or educational purpose.

(b) The statutory purpose of the exemption for public, pious, and charitable property in sections 3832 and 3840 and subdivision 3802(4) of this title is to allow these organizations to dedicate more of their financial resources to furthering their public-service missions.

(c) The statutory purpose of the exemption for college fraternities and societies in subdivision 3802(5) of this title is to promote civic services.

(d) The statutory purpose of the exemption for Young Men's and Women's Christian Associations in subdivision 3802(6) of this title is to allow these organizations to dedicate more of their financial resources to furthering their public-service missions.

(e) The statutory purpose of the exemption for cemeteries in subdivision 3802(7) of this title is to lower the cost of establishing and maintaining cemeteries.

(f) The statutory purpose of the exemption for property owned by agricultural societies in subdivision 3802(9) of this title is to lower the cost of public access to agricultural events.

(g) The statutory purpose of the exemption for \$10,000.00 of appraised value of a residence for a veteran in subdivision 3802(11) of this title is to recognize disabled veterans' service to Vermont and to the country.

(h) The statutory purpose of the exemption for property exclusively installed and operated for the abatement of water pollution in subdivision 3802(12) of this title is to encourage real property improvements that abate water pollution by nonpublic entities that would not qualify for an exemption as a government entity.

(i) The statutory purpose of the exemption for humane societies in subdivision 3802(15) of this title is to lower operating costs for organizations that protect animals to allow them to dedicate more of their financial resources to furthering their public-service missions.

(j) The statutory purpose of the exemption for federally qualified health centers or rural health clinics in subdivision 3802(16) of this title is to support health centers that serve an underserved area or population, offer a sliding fee scale, provide comprehensive services, and have an ongoing quality assurance program.

(k) The statutory purpose of the railroad property alternative tax method in subdivision 3803(1) of this title is to provide an alternative to the traditional valuation method in order to achieve consistency across municipalities.

(l) The statutory purpose of the telephone property alternative tax method referenced in subdivision 3803(2) of this title is to provide an alternative to the traditional valuation method in order to achieve consistency across municipalities.

(m) The statutory purpose of the exemptions in Vermont permanent session law in 2008 Acts and Resolves No. 190, 1892 Acts and Resolves No. 213, 1945 Acts and Resolves No. 204, 1939 Acts and Resolves No. 250, 1921 Acts and Resolves No. 31, 1921 Acts and Resolves No. 262, 1910 Acts and Resolves No. 370, and 1900 Acts and Resolves No. 244 is to provide relief to specific properties that have demonstrated an individual purpose to the General Assembly.

Sec. 16. 32 V.S.A. § 5400 is added to read:

§ 5400. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for whey processing fixtures in subdivision 5401(10)(G) of this title is to support industries using whey processing facilities to convert waste into value-added products.

(b) The statutory purpose of the exemption for municipalities hosting large power plants in subsection 5402(d) of this title is to compensate businesses and residents of the community hosting a nuclear power facility.

(c) The statutory purpose of the exemption for qualified housing in subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent restricted housing provided to low- and moderate-income Vermonters are more equivalent to property taxed using the State homestead rate and to adjust the costs of investment in rent restricted housing to reflect more accurately the revenue potential of such property.

(d) The statutory purpose of the tax increment financing districts in subsection 5404a(f) of this title is to allow communities to encourage investment and improvements that would not otherwise occur and to use locally the additional property tax revenue attributable to those investments to pay off the debt incurred to construct the improvements.

(e) The statutory purpose of the Vermont Economic Progress Council approved stabilization agreements in section 5404a of this title is to provide exemptions on a case-by-case basis in conjunction with other economic development efforts in order to facilitate economic development that would not otherwise occur.

(f) The statutory purpose of the large power plants alternative tax method in subdivision 5401(10)(B) of this title is to provide an alternative to the traditional valuation method for a unique property.

(g) The statutory purpose of the wind-powered electric generating facilities alternative tax scheme in subdivision 5401(10)(J)(i) of this title is to provide an alternative to the traditional valuation method in order to achieve consistent valuation across municipalities.

(h) The statutory purpose of the renewable energy plant generating electricity from solar power alternative tax structure in subdivision 5401(10)(J)(ii) is to provide an alternative to the traditional valuation method in order to achieve consistent valuation across municipalities.

* * * Insurance Premium Taxes * * *

Sec. 17. 8 V.S.A. § 3700 is added to read:

§ 3700. STATUTORY PURPOSES

The statutory purpose of the exemption for annuity considerations in section 3718 of this title is to avoid reciprocity from other states.

Sec. 18. 8 V.S.A. § 4460 is added to read:

§ 4460. STATUTORY PURPOSES

The statutory purpose of the exemption for fraternal societies in section 4500 of this title is to support benevolent societies that provide benefits to members and to the community.

* * * Transportation Taxes * * *

Sec. 19. 23 V.S.A. § 3000 is added to read:

§ 3000. STATUTORY PURPOSES

The statutory purpose of the exemption for diesel tax in section 3003 of this title is to relieve off-road uses and farm truck uses from the user fee for the State highway system.

Sec. 20. 32 V.S.A. § 8900 is added to read:

§ 8900. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for pious or charitable institutions or volunteer fire companies in subdivision 8911(3) of this title is to lower the operating costs of pious and charitable organizations considered exempt under subdivision 3802(4) of this title to allow them to dedicate more of their financial resources to furthering their public-service missions.

(b) The statutory purpose of the exemption for nonregistered vehicles in subdivision 8911(5) of this title is to exclude from the tax vehicles that are not entitled to use the State highway system.

(c) The statutory purpose of the exemption for gifts in subdivision 8911(8) of this title is to avoid the intrusion of a tax into sharing transactions that are common within families.

(d) The statutory purpose of the exemption for persons with disabilities in subdivision 8911(12) of this title is to lessen the cost of purchasing a vehicle that has been modified to meet the physical needs of a qualifying Vermonter.

(e) The statutory purpose of the exemption for veterans in subdivision 8911(14) of this title is to remove every cost to a qualifying veteran of receiving a vehicle granted by the Veterans' Administration.

(f) The statutory purpose of the general exemption of trade-in value in subdivisions 8902(4) and (5) of this title is to ensure the use value of a vehicle is taxed only once.

* * * Tax Expenditure Report * * *

Sec. 21. 32 V.S.A. § 312 is amended to read:

§ 312. TAX EXPENDITURE REPORT

(a) As used in this section, “tax expenditure” shall mean the actual or estimated loss in tax revenue resulting from any exemption, exclusion, deduction, ~~or credit, preferential rate, or deferral of liability~~ applicable to the tax. Tax expenditures shall not include the following:

- (1) revenue outside the taxing power of the State;
- (2) provisions outside the normal structure of a particular tax, or taxed under an alternative tax structure;
- (3) revenue forgone as unduly burdensome to administer; and
- (4) for the purpose of avoiding government taxing itself.

(b) Tax expenditure reports. Biennially, as part of the budget process, beginning January 15, 2009, the Department of Taxes and the Joint Fiscal Office shall file with the House Committees on Ways and Means and on Appropriations and the Senate Committees on Finance and on Appropriations a report on tax expenditures in the personal and corporate income taxes, sales and use tax, and meals and rooms tax, insurance premium tax, bank franchise tax, education property tax, diesel fuel tax, gasoline tax, motor vehicle purchase and use tax, ~~and such other tax expenditures for which the Joint Fiscal Office and the Department of Taxes jointly have produced revenue estimates.~~ The Office of Legislative Council shall also be available to assist with this tax expenditure report. The report shall include, for each tax expenditure, the following information:

- (1) A a description of the tax expenditure;
- (2) ~~The~~ the most recent fiscal information available on the direct cost of the tax expenditure in the past two years;
- (3) ~~The~~ the date of enactment of the expenditure;
- (4) A a description of and estimate of the number of taxpayers directly benefiting from the expenditure provision;
- (5) a description of the statutory purpose explaining the policy goal behind the expenditure as required by subsection (d) of this section and 2013 Acts and Resolves No.73, Sec. 5; and
- (6) a compilation of the items excluded under subsection (a) of this section.

(c) [Deleted.]

(d) Every tax expenditure, as defined in subsection (a) of this section, in the tax expenditure report required by this section shall be accompanied in statute by a statutory purpose explaining the policy goal behind the exemption, exclusion, deduction, or credit applicable to the tax. The statutory purpose shall appear as a separate subsection or subdivision in statute and shall bear the title "Statutory Purpose." Notwithstanding any other provision of law, a tax expenditure listed in the tax expenditure report that lacks a statutory purpose in statute shall not be implemented or enforced until a statutory purpose is provided.

* * * Repeals * * *

Sec. 22. REPEALS

The following are repealed:

(1) 32 V.S.A. § 9741(39)(ii) (tax exemption on sales of building materials in excess of \$250,000.00).

(2) 32 V.S.A. § 9771a (limitation of tax on telecommunications services).

(3) 2010 Acts and Resolves No. 160, Sec. 2(d) (requiring January 15, 2015 tax expenditure report to include list of federal tax expenditures).

* * * Effective Date * * *

Sec. 23. EFFECTIVE DATE

This act shall take effect on July 1, 2014, except for Sec. 22(2) (Repeals; limitation of tax on telecommunications), which is repealed on January 1, 2015.

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.

Favorable Report; Third Reading Ordered

S. 225

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

An act relating to a report on recommended changes in the structure of Vermont State employment in order to reduce employment-related stress

Reported in favor of its passage. The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and third reading ordered.

Third Reading; Joint Resolution Adopted in Concurrence

J.R.S. 27

Joint resolution, entitled

Joint resolution relating to an application of the General Assembly for Congress to call a convention for proposing amendments to the U.S. Constitution

Was taken up and read the third time.

Pending the question, Shall the resolution be adopted in concurrence? **Rep. Sweaney of Windsor** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the resolution be adopted in concurrence? was decided in the affirmative. Yeas, 95. Nays, 43.

Those who voted in the affirmative are:

Ancel of Calais	Fay of St. Johnsbury *	Lippert of Hinesburg
Bartholomew of Hartland	Feltus of Lyndon	Macaig of Williston
Bissonnette of Winooski	Fisher of Lincoln	Malcolm of Pawlet
Botzow of Pownal	Frank of Underhill	Manwaring of Wilmington
Burditt of West Rutland	French of Randolph	Martin of Springfield
Burke of Brattleboro	Gallivan of Chittenden	Martin of Wolcott
Buxton of Tunbridge	Grad of Moretown	Masland of Thetford
Campion of Bennington	Greshin of Warren	McCarthy of St. Albans City
Canfield of Fair Haven	Haas of Rochester	McCullough of Williston
Carr of Brandon	Head of South Burlington	McFaun of Barre Town
Christie of Hartford	Heath of Westford	Michelsen of Hardwick
Clarkson of Woodstock	Hooper of Montpelier	Miller of Shaftsbury
Cole of Burlington	Huntley of Cavendish	Mook of Bennington
Connor of Fairfield	Jerman of Essex	Moran of Wardsboro
Conquest of Newbury	Jewett of Ripton	Morrissey of Bennington
Consejo of Sheldon	Johnson of South Hero	Mrowicki of Putney
Copeland-Hanzas of Bradford *	Keenan of St. Albans City	O'Brien of Richmond
Corcoran of Bennington	Klein of East Montpelier *	O'Sullivan of Burlington
Dakin of Chester	Komline of Dorset	Pearson of Burlington
Davis of Washington	Krebs of South Hero	Peltz of Woodbury
Devereux of Mount Holly	Krowinski of Burlington	Potter of Clarendon
Donovan of Burlington	Kupersmith of South Burlington	Pugh of South Burlington
Ellis of Waterbury	Lanpher of Vergennes	Ram of Burlington
Emmons of Springfield	Lenes of Shelburne	Russell of Rutland City
Fagan of Rutland City	Lewis of Berlin	Ryerson of Randolph
		Sharpe of Bristol

Shaw of Pittsford	Toll of Danville	Wilson of Manchester
Spengler of Colchester	Townsend of South	Woodward of Johnson
Stevens of Waterbury	Burlington	Wright of Burlington *
Stevens of Shoreham	Vowinkel of Hartford	Yantachka of Charlotte
Strong of Albany	Waite-Simpson of Essex	Young of Glover
Sweaney of Windsor	Webb of Shelburne	Zagar of Barnard
Toleno of Brattleboro	Weed of Enosburgh	

Those who voted in the negative are:

Batchelor of Derby	Hubert of Milton	Quimby of Concord
Beyor of Highgate	Johnson of Canaan	Rachelson of Burlington *
Bouchard of Colchester	Juskiewicz of Cambridge	Ralston of Middlebury
Brennan of Colchester	Kilmartin of Newport City	Savage of Swanton
Condon of Colchester	Kitzmiller of Montpelier	Scheuermann of Stowe
Cross of Winooski *	Koch of Barre Town	Shaw of Derby
Cupoli of Rutland City	Larocque of Barnet	Smith of New Haven
Deen of Westminster	Lawrence of Lyndon	South of St. Johnsbury
Dickinson of St. Albans	Marcotte of Coventry	Terenzini of Rutland Town
Town	Marek of Newfane	Trieber of Rockingham
Donaghy of Poultney *	McCormack of Burlington	Turner of Milton
Donahue of Northfield	Mitchell of Fairfax	Van Wyck of Ferrisburgh
Gage of Rutland City *	Nuovo of Middlebury	Winters of Williamstown
Goodwin of Weston	Pearce of Richford	Wizowaty of Burlington *
Higley of Lowell	Poirier of Barre City	

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

Branagan of Georgia	Helm of Fair Haven	Stuart of Brattleboro
Browning of Arlington	Hoyt of Norwich	Till of Jericho
Evans of Essex	Myers of Essex	Walz of Barre City
Hebert of Vernon	Partridge of Windham	

Rep. Copeland-Hanzas of Bradford explained her vote as follows:

“Mr. Speaker:

I believe our vote here today confirms what Calvin Coolidge said: ‘If ever the spirit of liberty should vanish in other parts of our Union, and support of our institution should languish, it could all be replenished from the generous store held by the people of the brave little state of Vermont.’”

Rep. Cross of Winooski explained his vote as follows:

“Mr. Speaker:

I abhor the excessive use of money to influence politics as much as anyone in this room. However, I believe our fellow citizens will take the corrective

actions needed as they vote. Sooner or later common sense will trump money.”

Rep. Donaghy of Poultney explained his vote as follows:

“Mr. Speaker:

This could possibly lead to a situation where Governor Shumlin would have to give half of his million dollar campaign war chest to Heidi. I don’t think that would be fair.”

Rep Fay of St. Johnsbury explained her vote as follows:

“Mr. Speaker:

Potential candidates for statewide or national office face a number of considerations - "do I have the stamina? How will this affect my family? What are my platform positions?" We should not face the question of whether we are willing to compromise our independent voice, our integrity, and our values in order to run a competitive race. My vote for JRS27 is a vote of hope that our democracy can be restored.”

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

“Mr. Speaker:

This resolution has more unknowns than knowns although I support the concept of limiting the influence of big money. This resolution offers little to the framework and process of future legislation. The devil is in the details that are lacking with this resolution.”

Rep. Klein of East Montpelier explained his vote as follows:

“Mr. Speaker:

I vote yes because when many of our elder statesmen lawyers serving in the legislature suggest we shouldn’t go forward and many of our young representatives say yes, go forward, I know I have made the correct choice for the future of our country.”

Rep. Rachelson of Burlington explained her vote as follows:

“Mr. Speaker:

Legal scholars have debated the ability for constitutional conventions to be limited, but it’s never been done before. While Citizens United is destroying democracy as we know it, this resolution and a constitutional convention could make this much worse.”

Rep. Wizowaty of Burlington explained her vote as follows:

“Mr. Speaker:

Although like most members of this body, I am appalled by the unlimited ability of corporations and wealthy individuals to influence elections, I don’t trust the process. There is no guarantee such a convention could be limited, as supporters hope. Maybe I’m too cynical about our country right now, but there’s also no guarantee we would have 13 Democratically controlled states that would be able to prevent the repeal of crucial rights currently enshrined in the Constitution – and potential outcome, which even supportive legal scholars acknowledge is a possibility, would be even more disastrous than the situation we have now.”

Rep. Wright of Burlington explained his vote as follows:

“Mr. Speaker:

I vote yes to send the message that we understand the negativity that comes with super-PACs....on all sides. Money is pervasive in politics. But we need reform right here in Vermont as well and if I am back here next year, I will introduce legislation to limit the influence of lobbyists through contributions to PACs, particularly during the legislative session.”

Report of Committee of Conference Adopted

S. 86

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill, entitled

An act relating to miscellaneous changes to election laws

Respectfully reported that it has met and considered the same and recommended that the Senate accede to the House’s proposal of amendment with the following amendments thereto:

First: In Sec. 3, by striking out in its entirety 17 V.S.A. § 2154 (statewide voter checklist)

Second: By striking out in its entirety Sec. 4, 1 V.S.A. § 317(c)(31), and inserting in lieu thereof a new Sec. 4 to read:

Sec. 4. [Deleted.]

Third: In Sec. 15, 17 V.S.A. § 2351 (primary election), following “A primary election shall be held on the ~~fourth~~” by striking out “first” and inserting in lieu thereof second

Fourth: In Sec. 16, 17 V.S.A. § 2356 (time for filing petitions and statements of nomination), by striking out in its entirety subsection (a) and inserting in lieu thereof a new subsection (a) to read:

(a) Primary petitions for major party candidates and statements of nomination ~~from~~ for minor party candidates ~~and independent candidates~~ shall be filed no sooner than the ~~second~~ fourth Monday in ~~May~~ April and not later than 5:00 p.m. on the ~~second~~ fourth Thursday after the first Monday in ~~June~~ May preceding the primary election prescribed by section 2351 of this ~~title~~ chapter, and not later than 5:00 p.m. of the 62nd day prior to the day of a special primary election.

Fifth: By adding a new section to be Sec. 17a to read:

Sec. 17a. 17 V.S.A. § 2402 is amended to read:

§ 2402. REQUISITES OF STATEMENT

* * *

(d)(1) A statement of nomination and a completed and signed consent form shall be filed ~~as set forth in section 2356 of this title;~~

(A) in the case of nomination for President or Vice President of the United States, no sooner than the fourth Monday in April and not later than 5:00 p.m. on August 1 in the year preceding the presidential general election; or

(B) in the case of any other independent candidate, no sooner than the fourth Monday in April and not later than 5:00 p.m. on the Thursday preceding the primary election prescribed by section 2351 of this chapter, and not later than 5:00 p.m. of the third day prior to the day of a special primary election.

(2) No public official receiving nominations shall accept a petition unless a completed and signed consent form is filed at the same time.

(3) A statement of nomination shall apply only to the election cycle in which the statement of nomination is filed.

* * *

Sixth: In Sec. 42, in 17 V.S.A. § 2602 (petitions for recounts), in subsection (b), in the second sentence, following “filed within ~~10~~ seven”, by inserting calendar

Seventh: In Sec. 74 (effective dates), by striking out in its entirety subdivision (3) and inserting in lieu thereof a new subdivision (3) to read:

(3) Secs. 15, 17 V.S.A. § 2351 (primary election); 16, 17 V.S.A. § 2356 (time for filing petitions and statements of nomination); and 17a, 17 V.S.A. § 2402 (requisites of statement), shall take effect on January 1, 2016; and

COMMITTEE ON THE PART OF
THE SENATE

SEN. JEANETTE K. WHITE
SEN. NORMAN H. MCALLISTER
SEN. ELDRED M. FRENCH

COMMITTEE ON THE PART OF
THE HOUSE

REP. LINDA J. MARTIN
REP. RONALD E. HUBERT
REP. MICHEL A. CONSEJO

Which was considered and adopted on the part of the House.

Senate Proposal of Amendment Concurred in

H. 581

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

An act relating to guardianship of minors

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

Sec. 1. 14 V.S.A. chapter 111, subchapter 2, article 1 is amended to read:

Article 1. Guardians of Minors

§ 2621. POLICY; PURPOSES

This article shall be construed in accordance with the following purposes and policies:

(1) It is presumed that the interests of minor children are best promoted in the child’s own home. However, when parents are temporarily unable to care for their children, guardianship provides a process through which parents can arrange for family members or other parties to care for the children.

(2) Family members can make better decisions about minor children when they understand the consequences of those decisions and are informed about the law and the available supports.

(3) Decisions about raising a child made by a person other than the child's parent should be based on the informed consent of the parties unless there has been a finding of parental unsuitability.

(4) When the informed consent of the parents cannot be obtained, parents have a fundamental liberty interest in raising their children unless a proposed guardian can show parental unsuitability by clear and convincing evidence.

(5) Research demonstrates that timely reunification between parents and their children is more likely when children have safe and substantial contact with their parents.

(6) It is in the interests of all parties, including the children, that parents and proposed guardians have a shared understanding about the length of time that they expect the guardianship to last, the circumstances under which the parents will resume care for their children, and the nature of the supports and services that are available to assist them.

§ 2622. DEFINITIONS

As used in this article:

(1) "Child" means an individual who is under 18 years of age and who is the subject of a petition for guardianship filed pursuant to section 2623 of this title.

(2) "Child in need of guardianship" means:

(A) A child who the parties consent is in need of adult care because of any one of the following:

(i) The child's custodial parent has a serious or terminal illness.

(ii) A custodial parent's physical or mental health prevents the parent from providing proper care and supervision for the child.

(iii) The child's home is no longer habitable as the result of a natural disaster.

(iv) A custodial parent of the child is incarcerated.

(v) A custodial parent of the child is on active military duty.

(vi) The parties have articulated and agreed to another reason that guardianship is in the best interests of the child.

(B) A child who is:

(i) abandoned or abused by the child's parent;

(ii) without proper parental care, subsistence, education, medical, or other care necessary for the child's well-being; or

(iii) without or beyond the control of the child's parent.

(3) "Custodial parent" means a parent who, at the time of the commencement of the guardianship proceeding, has the right and responsibility to provide the routine daily care and control of the child. The rights of the custodial parent may be held solely or shared and may be subject to the court-ordered right of the other parent to have contact with the child. If physical parental rights and responsibilities are shared pursuant to court order, both parents shall be considered "custodial parents" for purposes of this subdivision.

(4) "Nonconsensual guardianship" means a guardianship with respect to which:

(A) a parent is opposed to establishing the guardianship; or

(B) a parent seeks to terminate a guardianship that the parent previously agreed to establish.

(5) "Noncustodial parent" means a parent who is not a custodial parent at the time of the commencement of the guardianship proceeding.

(6) "Parent" means a child's biological or adoptive parent, including custodial parents; noncustodial parents; parents with legal or physical responsibilities, or both; and parents whose rights have never been adjudicated.

(7) "Parent-child contact" means the right of a parent to have visitation with the child by court order.

§ 2623. PETITION FOR GUARDIANSHIP OF MINOR; SERVICE

(a) A parent or a person interested in the welfare of a minor may file a petition with the Probate Division of the Superior Court for the appointment of a guardian for a child. The petition shall state:

(1) the names and addresses of the parents, the child, and the proposed guardian;

(2) the proposed guardian's relationship to the child;

(3) the names of all members of the proposed guardian's household and each person's relationship to the proposed guardian and the child;

(4) that the child is alleged to be a child in need of guardianship;

(5) specific reasons with supporting facts why guardianship is sought;

(6) whether the parties agree that the child is in need of guardianship and that the proposed guardian should be appointed as guardian;

(7) the child's current school and grade level;

(8) if the proposed guardian intends to change the child's current school, the name and location of the proposed new school and the estimated date when the child would enroll;

(9) the places where the child has lived during the last five years, and the names and present addresses of the persons with whom the child has lived during that period; and

(10) any prior or current court proceedings, child support matters, or parent-child contact orders involving the child.

(b)(1) A petition for guardianship of a child under this section shall be served on all parties and interested persons as provided by Rule 4 of the Vermont Rules of Probate Procedure.

(2)(A) The Probate Division may waive the notice requirements of subdivision (1) of this subsection (c) with respect to a parent if the Court finds that:

(i) the identity of the parent is unknown; or

(ii) the location of the parent is unknown and cannot be determined with reasonable effort.

(B) After a guardianship for a child is created, the Probate Division shall reopen the proceeding at the request of a parent of the child who did not receive notice of the proceeding as required by this subsection.

§ 2624. JURISDICTION; TRANSFER TO FAMILY DIVISION

(a) Except as provided in subsection (b) of this section, the Probate Division shall have exclusive jurisdiction over proceedings under this article involving guardianship of minors.

(b)(1)(A) A custodial minor guardianship proceeding brought in the Probate Division under this article shall be transferred to the Family Division if there is an open proceeding in the Family Division involving custody of the same child who is the subject of the guardianship proceeding in the Probate Division.

(B) A minor guardianship proceeding brought in the Probate Division under this article may be transferred to the Family Division on motion of a party or on the court's own motion if any of the parties to the probate

proceeding was a party to a closed divorce proceeding in the Family Division involving custody of the same child who is the subject of the guardianship proceeding in the Probate Division.

(2)(A) When a minor guardianship proceeding is transferred from the Probate Division to the Family Division pursuant to subdivision (1) of this subsection (b), the Probate judge and a Superior judge assigned to the Family Division shall confer regarding jurisdiction over the proceeding. Except as provided in subdivision (B) of this subsection (2), all communications concerning jurisdiction between the Probate judge and the Superior judge under this subsection shall be on the record. Whenever possible, a party shall be provided notice of the communication and an opportunity to be present when it occurs. A party who is unable to be present for the communication shall be provided access to the record.

(B) It shall not be necessary to inform the parties about or make a record of a communication between the Probate judge and the Superior judge under this subsection (b) if the communication involves scheduling, calendars, court records, or other similar administrative matters.

(C) After the Superior judge and Probate judge confer under subdivision (2)(A) of this subsection (b), the Superior judge may:

(i) consolidate the minor guardianship case with the pending matter in the Family Division and determine whether a guardianship should be established under this article; or

(ii) transfer the guardianship petition back to the Probate Division for further proceedings after the pending matter in the Family Division has been adjudicated.

(D) If a guardianship is established by the Family Division pursuant to subdivision (2)(C)(i) of this subsection, the guardianship case shall be transferred back to the Probate Division for ongoing monitoring pursuant to section 2631 of this title.

§ 2625. HEARING; COUNSEL; GUARDIAN AD LITEM

(a) The Probate Division shall schedule a hearing upon the filing of the petition and shall provide notice of the hearing to all parties and interested persons who were provided notice under subdivision 2623(c)(1) of this title.

(b) The child shall attend the hearing if he or she is 14 years of age or older unless the child's presence is excused by the Court for good cause. The child may attend the hearing if he or she is less than 14 years of age.

(c) The Court shall appoint counsel for the child if the child will be called as a witness. In all other cases, the Court may appoint counsel for the child.

(d)(1) The child may be called as a witness only if the Court finds after hearing that:

(A) the child's testimony is necessary to assist the Court in determining the issue before it;

(B) the probative value of the child's testimony outweighs the potential detriment to the child; and

(C) the evidence sought is not reasonably available by any other means.

(2) The examination of a child called as a witness may be conducted by the Court in chambers in the presence of such other persons as the Court may specify and shall be recorded.

(e) The Court may appoint a guardian ad litem for the child on motion of a party or on the Court's own motion.

(f)(1) The Court may grant an emergency guardianship petition filed ex parte by the proposed guardian if the Court finds that:

(A) both parents are deceased or medically incapacitated; and

(B) the best interests of the child require that a guardian be appointed without delay and before a hearing is held.

(2) If the Court grants an emergency guardianship petition pursuant to subdivision (1) of this subsection (e), it shall schedule a hearing on the petition as soon as practicable and in no event more than 72 hours after the petition is filed.

§ 2626. CONSENSUAL GUARDIANSHIP

(a) If the petition requests a consensual guardianship, the petition shall include a consent signed by the custodial parent or parents verifying that the parent or parents understand the nature of the guardianship and knowingly and voluntarily consent to the guardianship. The consent required by this subsection shall be on a form approved by the Court Administrator.

(b) On or before the date of the hearing, the parties shall file an agreement between the proposed guardian and the parents. The agreement shall address:

(1) the responsibilities of the guardian;

(2) the responsibilities of the parents;

(3) the expected duration of the guardianship, if known; and

(4) parent-child contact and parental involvement in decision making.

(c) Vermont Rule of Probate Procedure 43 (relaxed rules of evidence in probate proceedings) shall apply to hearings under this section.

(d) The Court shall grant the petition if it finds after the hearing by clear and convincing evidence that:

(1) the child is a child in need of guardianship as defined in subdivision 2622(2)(A) of this title;

(2) the child's parents had notice of the proceeding and knowingly and voluntarily consented to the guardianship;

(3) the agreement is voluntary;

(4) the proposed guardian is suitable; and

(5) the guardianship is in the best interests of the child.

(e) If the Court grants the petition, it shall approve the agreement at the hearing and issue an order establishing a guardianship under section 2628 of this title. The order shall be consistent with the terms of the parties' agreement unless the Court finds that the agreement was not reached voluntarily or is not in the best interests of the child.

§ 2627. NONCONSENSUAL GUARDIANSHIP

(a) If the petition requests a nonconsensual guardianship, the burden shall be on the proposed guardian to establish by clear and convincing evidence that the child is a child in need of guardianship as defined in subdivision 2622(2)(B) of this title.

(b) The Vermont Rules of Evidence shall apply to a hearing under this section.

(c) The Court shall grant the petition if it finds after the hearing by clear and convincing evidence that the proposed guardian is suitable and that the child is a child in need of guardianship as defined in subdivision 2622(2)(B) of this title.

(d) If the Court grants the petition, it shall issue an order establishing a guardianship under section 2628 of this title.

§ 2628. GUARDIANSHIP ORDER

(a) If the Court grants a petition for guardianship of a child under subsection 2626(d) or 2627(d) of this title, the Court shall enter an order

establishing a guardianship and naming the proposed guardian as the child's guardian.

(b) A guardianship order issued under this section shall include provisions addressing the following matters:

(1) the powers and duties of the guardian consistent with section 2629 of this title;

(2) the expected duration of the guardianship, if known;

(3) a family plan on a form approved by the Court Administrator that:

(A) in a consensual case is consistent with the parties' agreement; or

(B) in a nonconsensual case includes, at a minimum, provisions that address parent-child contact consistent with section 2630 of this title; and

(4) the process for reviewing the order consistent with section 2631 of this title.

§ 2629. POWERS AND DUTIES OF GUARDIAN

(a) The Court shall specify the powers and duties of the guardian in the guardianship order.

(b) The duties of a custodial guardian shall include the duty to:

(1) take custody of the child and establish his or her place of residence, provided that a guardian shall not change the residence of the child to a location outside the State of Vermont without prior authorization by the Court following notice to the parties and an opportunity for hearing;

(2) make decisions related to the child's education;

(3) make decisions related to the child's physical and mental health, including consent to medical treatment and medication;

(4) make decisions concerning the child's contact with others, provided that the guardian shall comply with all provisions of the guardianship order regarding parent-child contact and contact with siblings;

(5) receive funds paid for the support of the child, including child support and government benefits; and

(6) file an annual status report to the Probate Division, with a copy to each parent at his or her last known address, including the following information:

(A) the current address of the child and each parent;

(B) the child's health care and health needs, including any medical and mental health services the child received;

(C) the child's educational needs and progress, including the name of the child's school, day care, or other early education program, the child's grade level, and the child's educational achievements;

(D) contact between the child and his or her parents, including the frequency and duration of the contact and whether it was supervised;

(E) how the parents have been involved in decision making for the child;

(F) how the guardian has carried out his or her responsibilities and duties, including efforts made to include the child's parents in the child's life;

(G) the child's strengths, challenges, and any other areas of concern; and

(H) recommendations with supporting reasons as to whether the guardianship order should be continued, modified, or terminated.

§ 2630. PARENT-CHILD CONTACT

(a) The Court shall order parent-child contact unless it finds that denial of parent-child contact is necessary to protect the physical safety or emotional well-being of the child. Except for good cause shown, the order shall be consistent with any existing parent-child contact order. The order should permit the child to have contact of reasonable duration and frequency with the child's siblings, if appropriate.

(b) The Court may determine the reasonable frequency and duration of parent-child contact and may set conditions for parent-child contact that are in the child's best interests.

(c) The Court may modify the parent-child contact order upon motion of a party or upon the Court's own motion, or if the parties stipulate to the modification.

§ 2631. REPORTS; REVIEW HEARING

(a) The guardian shall file an annual status report to the Probate Division pursuant to subdivisions 2629(b)(4) and 2629(c)(5) of this title, and shall provide copies of the report to each parent at his or her last known address. The Court may order that a status report be filed more frequently than once per year.

(b) The Probate Division may set a hearing to review a report required by subsection (a) of this section or to determine progress with the family plan required by subdivision 2628(b)(3) of this title. The Court shall provide notice of the hearing to all parties and interested persons.

§ 2632. TERMINATION

(a) A parent may file a motion to terminate a guardianship at any time. The motion shall be filed with the Probate Division that issued the guardianship order and served on all parties and interested persons.

(b)(1) If the motion to terminate is made with respect to a consensual guardianship established under section 2626 of this title, the Court shall grant the motion and terminate the guardianship unless the guardian files a motion to continue the guardianship within 30 days after the motion to terminate is served.

(2) If the guardian files a motion to continue the guardianship, the matter shall be set for hearing and treated as a nonconsensual guardianship proceeding under section 2627 of this title. The parent shall not be required to show a change in circumstances, and the Court shall not grant the motion to continue the guardianship unless the guardian establishes by clear and convincing evidence that the minor is a child in need of guardianship under subdivision 2622(2)(B) of this title.

(3) If the Court grants the motion to continue, it shall issue an order establishing a guardianship under section 2628 of this title.

(c)(1) If the motion to terminate the guardianship is made with respect to a nonconsensual guardianship established under section 2627 or subdivision 2632(b)(3) of this title, the Court shall dismiss the motion unless the parent establishes that a change in circumstances has occurred since the previous guardianship order was issued.

(2) If the Court finds that a change in circumstances has occurred since the previous guardianship order was issued, the Court shall grant the motion to terminate the guardianship unless the guardian establishes by clear and convincing evidence that the minor is a child in need of guardianship under subdivision 2622(2)(B) of this title.

§ 2633. APPEALS

Notwithstanding 12 V.S.A. § 2551 or 2553, the Vermont Supreme Court shall have appellate jurisdiction over orders of the Probate Division issued under this article.

§ 2634. DEPARTMENT FOR CHILDREN AND FAMILIES POLICY

The Department for Children and Families shall adopt a policy defining its role with respect to families who establish a guardianship under this article. The policy shall be consistent with the following principles:

(1) The Family Services Division shall maintain a policy ensuring that when a child must be removed from his or her home to ensure the child's safety, the Division will pursue a CHINS procedure promptly if there are sufficient grounds under 33 V.S.A. § 5102.

(2) When the Family Services Division is conducting an investigation or assessment related to child safety and the child may be a child in need of care and supervision as defined in 33 V.S.A. § 5102(3), the Division shall not make any recommendation regarding whether a family should pursue a minor guardianship. The staff may provide referrals to community-based resources for information regarding minor guardianships.

(3) In response to a request from the Probate judge, the Family Services Division social worker shall attend a minor guardianship hearing and provide information relevant to the proceeding.

(4) If a minor guardianship is established during the time that the Family Services Division has an open case involving the minor, the social worker shall inform the guardian and the parents about services and supports available to them in the community and shall close the case within a reasonable time unless a specific safety risk is identified.

Sec. 2. 14 V.S.A. chapter 111, subchapter 2, article 1A is added to read:

Article 1A. Financial Guardians of Minors§ 2659. FINANCIAL GUARDIANSHIP; MINORS

(a) The Probate Division may appoint a financial guardian for a minor pursuant to this section if the minor is the owner of real or personal property. A financial guardian appointed pursuant to this section shall have the care and management of the estate of the minor but shall not have custody of the minor.

(b)(1) A parent or a person interested in the welfare of a minor may file a petition with the Probate Division of the Superior Court for the appointment of a guardian for a child. The petition shall state:

(A) the names and addresses of the parents, the child, and the proposed guardian;

(B) the proposed guardian's relationship to the child; and

(C) any real and personal property owned by the minor.

(2) A petition for financial guardianship of a minor under this section shall be served on all parties and interested persons as provided by Rule 4 of the Vermont Rules of Probate Procedure.

(c) The Probate Division shall schedule a hearing upon the filing of the petition and shall provide notice of the hearing to all parties.

(d) If the Court grants the petition for financial guardianship of the minor, the Court shall enter an order establishing a financial guardianship, naming the proposed guardian as the child's financial guardian, and specifying the powers and duties of the guardian.

(e) The duties of a financial guardian shall include the duty to:

(1) pursue, receive, and manage any property right of the minor's, including inheritances, insurance benefits, litigation proceeds, or any other real or personal property, provided the benefits or property shall not be expended without prior court approval;

(2) deposit any cash resources of the minor in accounts established for the guardianship, provided the cash resources of the minor shall not be comingled with the guardian's assets;

(3) responsibly invest and re-invest the cash resources of the minor;

(4) obtain court approval for expenditures of funds to meet extraordinary needs of the minor which cannot be met with other family resources;

(5) establish special needs trusts with court approval; and

(6) file an annual financial accounting with the Probate Division stating the funds received, managed, and spent on behalf of the minor.

Sec. 3. 14 V.S.A. chapter 111, subchapter 2, article 1A is redesignated as article 1B to read:

Article 1B. Permanent Guardianship for Minors

Sec. 4. 4 V.S.A. § 22 is amended to read:

§ 22. DESIGNATION AND SPECIAL ASSIGNMENT OF JUDICIAL OFFICERS AND RETIRED JUDICIAL OFFICERS

(a)(1) The ~~chief justice~~ Chief Justice may appoint and assign a retired justice Justice or judge with his or her consent or a ~~superior~~ Superior or Probate judge to a special assignment on the ~~supreme court~~ Supreme Court.

The ~~chief justice~~ Chief Justice may appoint, and the ~~administrative judge~~ Administrative Judge shall assign, an active or retired ~~justice~~ Justice or a retired judge, with his or her consent, to any special assignment in the ~~superior court~~ Superior Court or the ~~judicial bureau~~ Judicial Bureau.

(2) The ~~administrative judge shall~~ Administrative Judge may appoint and assign a judge to any special assignment in the ~~superior court~~ Superior Court. As used in this subdivision, a judge shall include a Superior judge, a Probate judge, a Family Division magistrate, or a judicial hearing officer.

(b) The ~~administrative judge~~ Administrative Judge may appoint and assign a member of the Vermont ~~bar~~ Bar residing within the ~~state~~ State of Vermont to serve temporarily as:

(1) an acting judge in ~~superior court~~ Superior Court;

(2) an acting magistrate; ~~or~~

(3) an acting Probate judge; or

(4) an acting hearing officer to hear cases in the ~~judicial bureau~~ Judicial Bureau.

* * *

Sec. 5. 4 V.S.A. § 455 is amended to read:

§ 455. TRANSFER OF PROBATE PROCEEDINGS

(a) Any guardianship action filed in the ~~probate division of the superior court~~ Probate Division of the Superior Court pursuant to 14 V.S.A. chapter 111, subchapter 2, article 1 of Title 14 and any adoption action filed in the ~~probate division~~ Probate Division pursuant to Title 15A may be transferred to the ~~family division of the superior court as provided in this section~~ Family Division of the Superior Court.

(b) ~~The family division~~ In an adoption action filed in the Probate Division pursuant to Title 15A, the Family Division shall order the transfer of the proceeding on motion of a party or on its own motion if it finds that the identity of the parties, issues, and evidence are so similar in nature to the parties, issues, and evidence in a proceeding pending in the family division Family Division that transfer of the probate action to the ~~family division~~ Family Division would expedite resolution of the issues or would best serve the interests of justice.

Sec. 6. REPEAL

14 V.S.A. §§ 2645 (appointment of guardian), 2651 (when minor refuses to choose), and 2653 (extent of guardian's control) are repealed.

Sec. 7. 13 V.S.A. § 4501 is amended to read:

§ 4501. LIMITATION OF PROSECUTIONS FOR CERTAIN CRIMES

* * *

(c) Prosecutions for any of the following offenses alleged to have been committed against a child under 18 years of age shall be commenced within 40 years after the commission of the offense, and not after:

- (1) sexual assault;
- (2) lewd and lascivious conduct;
- (3) sexual exploitation of a minor as defined in subsection 3258(c) of this title; ~~and~~
- (4) lewd or lascivious conduct with a child; and
- (5) manslaughter.

* * *

Sec. 8. EFFECTIVE DATE

This act shall take effect on September, 1, 2014.

Which proposal of amendment was considered and concurred in.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 28

Rep. Waite-Simpson of Essex, for the committee on Judiciary, to which had been referred Senate bill, entitled

An act relating to gender-neutral nomenclature for the identification of parents on birth certificates

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

First: In Sec. 1, 18 V.S.A. § 5071, in subsection (a), in the first new sentence, after "a parent of the child" and before "shall file" insert or a legal guardian of a mother under 18 years of age

and in subsection (b), by striking out subdivision (2) in its entirety and by striking out the subdivision (1) designation

and by striking out subsection (e) in its entirety and inserting in lieu thereof the following:

(e) When a birth certificate is issued, a parent or parents shall be identified with gender-neutral nomenclature.

Second: By striking out Sec. 5 in its entirety and inserting in lieu thereof three new sections to read as follows:

Sec. 5. 18 V.S.A. § 5078 is amended to read:§ 5078. ADOPTION; NEW BIRTH CERTIFICATE

(a) The ~~supervisor of vital records registration~~ Supervisor of Vital Records Registration shall establish a new birth certificate for a person born in the ~~state~~ State when the ~~supervisor~~ Supervisor receives a record of adoption as provided in 15 V.S.A. § 449 or a record of adoption prepared and filed in accordance with the laws of another state or foreign country.

(b) The new birth certificate shall be on a form prescribed by the ~~commissioner of health~~ Commissioner of Health. The new birth certificate shall include:

- (1) the actual place and date of birth;
- (2) the date of the filing of the original birth certificate; and
- (3) the adoptive parents as though they were natural parents;
- ~~(3) a notation that it was issued by authority of this chapter.~~

(c) The new birth certificate shall not contain a statement whether the adopted person was illegitimate and it shall not contain any content or statement that would distinguish it from any other original certificate of birth.

(d) The new certificate, and sufficient information to identify the original certificate, shall be transmitted to the clerk of the town of birth to be filed according to the procedures in 15 V.S.A. § 451.

(e) The ~~supervisor of vital records registration~~ Supervisor of Vital Records Registration shall not establish a new birth certificate if the ~~supervisor~~ Supervisor receives, accompanying the record of adoption, a written request that a new certificate not be established:

- (1) from the adopted person if 18 years of age or older; or
- (2) from the adoptive parent or parents if the adopted person is under 18 years of age.

(f) When the ~~supervisor of vital records registration~~ Supervisor of Vital Records Registration receives a record of adoption for a person born in another state, the ~~supervisor~~ Supervisor shall forward a certified copy of the record of adoption to the state registrar in the state of birth, with a request that a new birth certificate be established under the laws of that state.

Sec. 6. DEPARTMENT OF HEALTH REPORT; CERTIFIED COPIES OF BIRTH AND DEATH RECORDS

On or before January 15, 2015, the Commissioner of Health shall submit to the House and Senate Committees on Judiciary and the House and Senate Committees on Government Operations recommended requirements for the issuance of certified birth and death certificates in the State in a manner that complies with the generally accepted, national standards for the issuance of certified copies of birth and death certificates and that reduces the potential for identity theft. The recommendations shall include:

- (1) persons to whom a certified birth or death certificate may be issued;
- (2) application requirements for a birth or death certificate;
- (3) requirements for the custodians of certified birth or death certificates;
- (4) proposed legislative changes necessary to implement any recommendation; and
- (5) any other information that the Commissioner determines is relevant.

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2014.

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; Bill Passed in Concurrence
With Proposal of Amendment**

S. 287

Senate bill, entitled

An act relating to involuntary treatment and medication

Was taken up and pending third reading of the bill, **Rep. Moran of Wardsboro** moved to amend the House Proposal of amendment as follows:

First: By inserting a new section to be Sec. 1a after Sec. 1 to read as follows:

Sec. 1a. 18 V.S.A. § 7251 is amended to read:

§ 7251. PRINCIPLES FOR MENTAL HEALTH CARE REFORM

The ~~general assembly~~ General Assembly adopts the following principles as a framework for reforming the mental health care system in Vermont:

* * *

(10) The dignity and safety of all participants in Vermont's mental health system shall be protected, including health care professionals and other staff providing care and support to individuals with a mental condition.

Second: By striking out Sec. 4, 18 V.S.A. § 7257, in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. 18 V.S.A. § 7257 is amended to read:

§ 7257. REPORTABLE ADVERSE EVENTS

(a) An acute inpatient hospital, an intensive residential recovery facility, a designated agency, or a secure residential recovery facility shall report to the ~~department of mental health~~ Department of Mental Health instances of death or serious bodily injury to:

(1) individuals with a mental ~~health~~ condition in the custody or temporary custody of the ~~commissioner~~ Commissioner; or

(2) health care professionals or staff members of the hospital or facility when the death or injury was caused by an individual in the custody or temporary custody of the Commissioner.

(b) An acute inpatient hospital, an intensive residential recovery facility, a designated agency, or a secure residential recovery facility shall report to the Department of Mental Health any incident involving a simple assault pursuant to 13 V.S.A. § 1023, an aggravated assault pursuant to 13 V.S.A. § 1024, or the reckless endangerment of another person pursuant to 13 V.S.A. § 1025 when:

(1) the victim or assailant is an individual in the custody or temporary custody of the Commissioner; and

(2) a police report or workers' compensation claim, or both, were filed as a result of the event.

Third: By inserting a new section to be Sec. 5a after Sec. 5 to read as follows:

Sec. 5a. 18 V.S.A. § 7401 is amended to read:

§ 7401. POWERS AND DUTIES

Except insofar as this part of this title specifically confers certain powers, duties, and functions upon others, the ~~commissioner~~ Commissioner shall be charged with its administration. The ~~commissioner~~ Commissioner may:

* * *

(10) investigate complaints made by a patient, his or her attorney, ~~or an interested party on his or her behalf, or by a health care professional or staff member of a psychiatric hospital, intensive residential recovery facility, designated agency, or secure residential recovery facility, or his or her attorney with regard to work-related violence;~~

* * *

Fourth: By inserting a new section to be Sec. 5b after Sec. 5a to read as follows:

Sec. 5b. 18 V.S.A. § 7402 is amended to read:

§ 7402. RECORDS AND REPORTS

The ~~commissioner~~ Commissioner shall keep records of all commitments and admissions to a hospital and shall secure compliance with the laws relating thereto. The ~~commissioner~~ Commissioner shall report biennially to the ~~governor~~ Governor and the ~~general assembly~~ General Assembly on the condition of hospitals, on the physical and medical treatment of patients therein, on the safety of health care professionals and staff members having direct contact with individuals in the custody of the Commissioner, on the need for community services to former patients and those mentally ill persons not hospitalized, and on any other matters the ~~commissioner~~ Commissioner deems advisable.

Fifth: By inserting a new section to be Sec. 12a after Sec. 12 to read as follows:

Sec. 12a. 18 V.S.A. § 7617 is amended to read:

§ 7617. FINDINGS; ORDER

* * *

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

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

(e) Prior to ordering the hospitalization of a person, the ~~court~~ Court shall inquire into the adequacy of treatment to be provided to the person by the hospital. Hospitalization shall not be ordered unless the hospital in which the person is to be hospitalized can provide him or her with treatment which is adequate and appropriate to his or her condition and which takes into consideration the safety of its health care professionals and other staff members.

Pending the question, Shall the house proposal of amendment be amended as proposed by Rep. Moran of Wardsboro? **Rep. Davis of Washington** 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 proposal of amendment be amended as proposed by Rep. Moran of Wardsboro? was decided in the negative. Yeas, 30. Nays, 101.

Those who voted in the affirmative are:

Beyor of Highgate	Kilmartin of Newport City *	Quimby of Concord
Canfield of Fair Haven	Krebs of South Hero	South of St. Johnsbury
Cole of Burlington	Macaig of Williston	Spengler of Colchester
Consejo of Sheldon	Manwaring of Wilmington	Stevens of Waterbury
Dakin of Chester	Marcotte of Coventry	Stevens of Shoreham
Davis of Washington	Moran of Wardsboro	Terenzini of Rutland Town
Gage of Rutland City	Mrowicki of Putney	Vowinkel of Hartford
Higley of Lowell	O'Sullivan of Burlington	Winters of Williamstown
Hubert of Milton	Pearce of Richford	Wright of Burlington
Keenan of St. Albans City	Poirier of Barre City	Yantachka of Charlotte

Those who voted in the negative are:

Ancel of Calais	Botzow of Pownal	Burke of Brattleboro
Bartholomew of Hartland	Bouchard of Colchester	Buxton of Tunbridge
Batchelor of Derby	Brennan of Colchester	Campion of Bennington
Bissonnette of Winooski	Burditt of West Rutland	Carr of Brandon

Christie of Hartford	Jerman of Essex	Nuovo of Middlebury
Clarkson of Woodstock	Johnson of South Hero	O'Brien of Richmond
Connor of Fairfield	Johnson of Canaan	Pearson of Burlington
Conquest of Newbury	Juskiewicz of Cambridge	Peltz of Woodbury
Copeland-Hanzas of Bradford	Kitzmiller of Montpelier	Potter of Clarendon
Corcoran of Bennington	Klein of East Montpelier	Pugh of South Burlington *
Cross of Winooski	Koch of Barre Town	Rachelson of Burlington
Cupoli of Rutland City	Komline of Dorset	Ralston of Middlebury
Deen of Westminster	Krowinski of Burlington	Ram of Burlington
Devereux of Mount Holly	Kupersmith of South Burlington	Russell of Rutland City
Dickinson of St. Albans Town	Lanpher of Vergennes	Ryerson of Randolph
Donaghy of Poultney	Larocque of Barnet	Savage of Swanton
Donahue of Northfield	Lawrence of Lyndon	Scheuermann of Stowe
Donovan of Burlington	Lenes of Shelburne	Sharpe of Bristol
Ellis of Waterbury	Lewis of Berlin	Shaw of Pittsford
Emmons of Springfield	Lippert of Hinesburg	Shaw of Derby
Fagan of Rutland City	Malcolm of Pawlet	Smith of New Haven
Fay of St. Johnsbury	Marek of Newfane	Strong of Albany
Feltus of Lyndon	Martin of Springfield	Sweaney of Windsor
Fisher of Lincoln	Martin of Wolcott	Toll of Danville
Frank of Underhill	Masland of Thetford	Townsend of South Burlington
French of Randolph	McCarthy of St. Albans City	Trieber of Rockingham
Gallivan of Chittenden	McCormack of Burlington	Turner of Milton
Grad of Moretown	McCullough of Williston	Van Wyck of Ferrisburgh
Greshin of Warren	McFaun of Barre Town	Waite-Simpson of Essex
Haas of Rochester	Michelsen of Hardwick	Webb of Shelburne
Head of South Burlington	Miller of Shaftsbury	Wilson of Manchester
Heath of Westford	Mitchell of Fairfax	Woodward of Johnson
Huntley of Cavendish	Mook of Bennington	Young of Glover
	Morrissey of Bennington	Zagar of Barnard

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

Branagan of Georgia	Helm of Fair Haven	Stuart of Brattleboro
Browning of Arlington	Hooper of Montpelier	Till of Jericho
Condon of Colchester	Hoyt of Norwich	Toleno of Brattleboro
Evans of Essex	Myers of Essex	Walz of Barre City
Goodwin of Weston	Partridge of Windham	Weed of Enosburgh
Hebert of Vernon	Smith of Morristown	Wizowaty of Burlington

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

“Mr. Speaker:

Yes. This data is extremely important to the safety and welfare of both patients and personnel providing treatment. Shutting the blinds in the treatment room denies needed protections and transparency to the process of

involuntary drugging. Sunshine and transparency are what is needed to protect all citizens. Come on, "Let the sunshine in!" What do we have to lose?"

Rep. Pugh of South Burlington, explained her vote as follows:

"Mr. Speaker"

The sun is shining and I voted no because there is transparency. Section 3 of the bill already requires reports of staff injuries to the Department of Mental Health. Staff safety is important. The sun does shine in."

Pending third reading of the bill, **Rep. Donahue of Northfield** moved to amend the House Proposal of amendment as follows:

In Sec. 17, 18 V.S.A. § 7629, in subsection (a), by striking out the new language in its entirety and inserting in lieu thereof a new sentence to read:

The State of Vermont recognizes the fundamental right of a person to determine the extent of health care the person will receive, including treatment provided during periods of lack of competency that the person expressed a desire for when he or she was competent.

Which was agreed to.

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

Recess

At twelve o'clock and seventeen minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

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

Message from the Senate No. 60

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

Mr. Speaker:

I am directed to inform the House that:

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

H. 270. An act relating to providing access to publicly funded prekindergarten education.

H. 612. An act relating to Gas Pipeline Safety Program penalties.

H. 735. An act relating to Executive Branch and Judiciary fees.

H. 882. An act relating to compensation for certain State employees.

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

**Senate Proposal of Amendment Concurred in
with a Further Amendment Thereto**

S. 299

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

An act relating to sampler flights

By striking Sec. 6 in its entirety and inserting in lieu thereof three sections to be Secs. 6, 7, and 8 to read as follows:

Sec. 6. DEPARTMENT OF LIQUOR CONTROL REPORT

On or before January 15, 2015, the Commissioner of Liquor Control, in consultation with the Department of Health, shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on General, Housing and Military Affairs, the Senate Committee on Judiciary, and the House Committee on Judiciary regarding the risks associated with powdered alcohol products.

Sec. 7. 7 V.S.A. § 69 is added to read:

§ 69. POWDERED ALCOHOL PRODUCTS

(a) A person knowingly and unlawfully possessing a powdered alcohol product shall be fined not more than \$500.00.

(b) A person knowingly and unlawfully selling a powdered alcohol product shall be imprisoned not more than two years or fined not more than \$10,000.00, or both.

(c) As used in this section, “powdered alcohol product” means any alcoholic powder that can be added to water or food.

Sec. 8. EFFECTIVE DATES

(a) This Sec. and Secs. 3–7 shall take effect on passage.

(b) Secs. 1 and 2 shall take effect on July 1, 2014.

Thereupon, **Rep. Stevens of Waterbury** moved that the House concur in the Senate proposal of amendment with a further amendment thereto, as follows:

By striking Sec. 8 and inserting in lieu thereof two new sections to read:

Sec. 8. 31 V.S.A. § 654 is amended to read:

§ 654. POWERS AND DUTIES

The ~~commission~~ Commission shall ~~promulgate~~ adopt rules pursuant to 3 V.S.A. chapter 25 of Title 3, governing the establishment and operation of the ~~state lottery~~ State Lottery. The rules may include, ~~but shall not be limited to~~, the following:

* * *

(7) ~~Ticket sales~~ Lottery product sales locations, which may include ~~state~~ State liquor stores and liquor agencies; private business establishments, ~~except establishments holding first- or first- and third-class licenses pursuant to Title 7;~~ fraternal, religious, and volunteer organizations; town clerks' offices; and ~~state~~ State fairs, race tracks and other sporting arenas;

* * *

Sec. 9. EFFECTIVE DATES

This act shall take effect on passage.

Which was agreed to.

Action on Bill Postponed

S. 213

Senate bill, entitled

An act relating to an employee's use of benefits

Was taken up and pending the reading of the report of the committee on General, Housing and Military Affairs, on motion of **Rep. Moran of Wardsboro**, action on the bill was postponed until the next legislative day.

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:

S. 86

Senate bill, entitled

An act relating to miscellaneous changes to election laws

S. 281

Senate bill, entitled

An act relating to vision riders and a choice of providers for vision and eye care services

S. 287

Senate bill, entitled

An act relating to involuntary treatment and medication

S. 299

Senate bill, entitled

An act relating to sampler flights

S. 314

Senate bill, entitled

An act relating to miscellaneous amendments to laws related to motor vehicles

J.R.S. 27

Joint resolution, entitled

Joint resolution relating to an application of the General Assembly for Congress to call a convention for proposing amendments to the U.S. Constitution

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 740

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

An act relating to transportation impact fees

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

The Senate proposed to the House to amend the bill In Sec. 2, 10 V.S.A. chapter 151, subchapter 5 (transportation impact fees) as follows:

First: In § 6107 (transportation improvement district fund), by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) The Agency shall provide to the Treasurer an annual accounting of each TID and associated transportation impact fee for that district showing the

source, the amount collected, each project that was funded or that will be funded with the fee, and the amount expended.

Second: By striking out § 6108 (payment of fees) in its entirety and inserting in lieu thereof a new § 6108 to read as follows:

§ 6108. PAYMENT OF FEES

(a) An applicant shall pay a transportation impact fee assessed under this subchapter to the Agency, except that a District Commission may direct an applicant to pay a transportation impact fee to a municipality if the impacts of the applicant's development or subdivision are limited to municipal highways and rights-of-way or other municipal transportation facilities.

(b) A municipality receiving a transportation impact fee under this subchapter shall place the fee into a separate account, with balances in the account carried forward from year to year and remaining within the account. Interest earned by the account shall be deposited into the account. The municipality shall provide to the voters an annual accounting of each fee received under this subchapter showing the source, the amount of each fee received, and each project that was funded or will be funded with the fee.

Third: In § 6109 (unspent fee amounts; refunds), by striking out the last sentence.

Which proposal of amendment was considered and concurred in.

Favorable Report; Third Reading Ordered

S. 195

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

An act relating to increasing the penalties for second or subsequent convictions for disorderly conduct, and creating a new crime of aggravated disorderly conduct

Reported in favor of its passage. The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and third reading ordered.

Recess

At one o'clock and forty-five minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

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

Action on Bill Postponed**S. 184**

Senate bill, entitled

An act relating to eyewitness identification policy

Was taken up and pending third reading of the bill, on motion of **Rep. Lippert of Hinesburg**, action on the bill was postponed until the next legislative day.

Action on Bill Postponed**S. 295**

Senate bill, entitled

An act relating to pretrial services, risk assessments, and criminal justice programs

Was taken up and pending third reading of the bill, on motion of **Rep. Lippert of Hinesburg**, action on the bill was postponed until the next legislative day.

Action on Bill Postponed**S. 256**

Senate bill, entitled

An act relating to the solemnization of a marriage by a Judicial Bureau hearing officer

Was taken up and pending the reading of the report of the committee on Judiciary, on motion of **Rep. Lippert of Hinesburg**, action on the bill was postponed until the next legislative day.

Recess

At three o'clock and fifteen minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

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

Bill Referred to Committee on Appropriations**H. 673**

House bill, entitled

An act relating to retirement and pension amendments

Pending entrance on the Calendar for notice, carrying an appropriation, under rule 35a, was referred to the committee on Appropriations.

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

H. 735

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

An act relating to Executive Branch and Judiciary fees

Was taken up for immediate consideration.

The Senate proposed to the House to amend the bill, as follows:

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

Second: By striking out Sec. 6 in its entirety and inserting in lieu thereof a new Sec 6 to read as follows:

Sec. 6. 22 V.S.A. § 724 is amended to read:

§ 724. HISTORIC PRESERVATION SPECIAL FUNDS

* * *

(b) Archeology ~~operations special fund~~ Operations Special Fund. The ~~archeology operations special fund~~ Archeology Operations Special Fund is established pursuant to 32 V.S.A. chapter 7, subchapter 5 of chapter 7 of Title 32 to be used by the ~~division for historic preservation~~ Division for Historic Preservation for cost recovery related to activities undertaken by the ~~division~~ Division to carry out the provisions of sections 723, 761, and 762 of this title. Revenues to the ~~fund~~ Fund shall be from the following sources:

* * *

(2) A ~~\$400.00~~ \$500.00 one-time fee for each ~~standard banker box~~ archival box (standard banker box size) of archeological collection for the care and maintenance of such materials ~~for~~ at the Vermont Archeological Heritage Center in perpetuity paid by any person involved in a federally ~~or State~~ federally or State funded, licensed, ~~or permitted,~~ or approved project. This fee shall be paid on a pro rata basis for one-half and one-quarter boxes.

* * *

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

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

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

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

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

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

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

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

* * * Psychologists * * *

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

§ 3010. FEES; LICENSES

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

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

~~(4) Biennial renewal of trainee registration~~

~~\$ 90.00~~

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

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

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

(a) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

(d) Fees.

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

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

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

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

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

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

(f) A final relief from abuse order issued pursuant to 15 V.S.A. § 1103 requiring a person to relinquish firearms, ammunition, or other weapons shall direct the law enforcement agency, approved federally licensed firearms dealer, or other person in possession of the items under subsection (b) of this section to release them to the owner upon expiration of the order if all applicable fees have been paid.

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

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

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

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

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

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

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

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

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

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

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

(B) cooperating law enforcement agencies.

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

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

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

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

(C) the law enforcement agency that takes possession of the firearm, ammunition, or weapon shall present the owner with a receipt at the time of relinquishment which includes the serial number and identifying characteristics

of the firearm, ammunition, or weapon and record the receipt of the item or items in a log to be established by the Department.

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

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

* * * Dispatch Fees * * *

Sec. 21. UNIFORM DISPATCH FEES

The Commissioner of Public Safety shall propose specific dispatch service fee schedules for use under 20 V.S.A. § 1871(i) and, on or before January 15, 2015, report on the same to the House Committee on Ways and Means and the Senate Committee on Finance. Based on the Commissioner's report, uniform statewide fees for dispatch services provided by or under the direction of the Department of Public Safety shall be set by the General Assembly under the provisions of 32 V.S.A. § 603 on or before July 1, 2016. Fees collected by the Commissioner shall be reported in accordance with 32 V.S.A. § 605, and credited to a special fund established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 or to another budgeted fund other than the General Fund, and shall be available to the Department to offset the costs of collecting the amount owed.

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

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

* * * Vermont Web Portal * * *

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

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

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

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

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

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

* * * Dispensaries * * *

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

§ 4474f. DISPENSARY APPLICATION, APPROVAL, AND REGISTRATION

* * *

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

* * *

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

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

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

§ 7521. CHARGE IMPOSED; WHOLESale EXEMPTION

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

(b) The universal service charge shall not apply to wholesale transactions between telecommunications service providers where the service is a

component part of a service provided to an end user. This exemption includes, ~~but is not limited to,~~ network access charges and interconnection charges paid to a local exchange carrier.

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

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

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

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

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

§ 7524. PAYMENT TO FISCAL AGENT

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

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

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

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

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

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

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

§ 3022. ENFORCEMENT; INSPECTION

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

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

* * * Effective Dates * * *

Sec. 32. EFFECTIVE DATES

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

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

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

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

Rep. Branagan of Georgia
Rep. Clarkson of Woodstock
Rep. Masland of Thetford

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

Message from the Senate No. 61

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

Mr. Speaker:

I am directed to inform the House that:

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

H. 884. An act relating to miscellaneous tax changes.

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

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

H. 884

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

An act relating to miscellaneous tax changes

Was taken up for immediate consideration.

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

* * * Technical and Administrative Provisions * * *

* * * Personal and Corporate Income Taxes * * *

Sec. 1. 32 V.S.A. § 5862d is amended to read:

§ 5862d. FILING OF FEDERAL FORM 1099

(a) Any individual or business required to file a federal form 1099 with respect to a nonresident who performed services within the State during the taxable year shall file a copy of the form with the Department. The Commissioner may authorize electronic filing of the form.

(b) Any individual or business required to file information returns pursuant to 26 U.S.C. § 6050W shall within 30 days of the date the filing is due to the Internal Revenue Service file with the Commissioner a duplicate of such

information returns on which the recipient has a Vermont address. The Commissioner may authorize electronic filing of the form.

Sec. 2. 32 V.S.A. § 5862(c) is amended to read:

(c) Taxable corporations which received any income allocated or apportioned to this State under the provisions of section 5833 of this title for the taxable year and which under the laws of the United States constitute an affiliated group of corporations may elect to file a consolidated return in lieu of separate returns if such corporations qualify and elect to file a consolidated federal income tax return for that taxable year. Such an election to file a Vermont consolidated return shall continue for five years, including the year the election is made.

Sec. 3. 32 V.S.A. § 5862f is added to read:

§ 5862f. VERMONT GREEN UP CHECKOFF

(a) Returns filed by individuals shall include, on a form prescribed by the Commissioner of Taxes, an opportunity for the taxpayer to designate funds to Vermont Green Up, Inc.

(b) Amounts so designated shall be deducted from refunds due to, or overpayments made by, the designating taxpayers. All amounts so designated and deducted shall be deposited in an account by the Commissioner of Taxes for payment to Vermont Green Up, Inc. If at any time after the payment of amounts so designated to the account it is determined that the taxpayer was not entitled to all or any part of the amount so designated, the Commissioner may assess, and the account shall then pay to the Commissioner, the amount received, together with interest at the rate prescribed by section 3108 of this title, from the date the payment was made until the date of repayment.

(c) The Commissioner of Taxes shall explain to taxpayers the purposes of the account and how to contribute to it. The Commissioner shall make available to taxpayers the annual income and expense report of Vermont Green Up, Inc., and shall provide notice in the instructions for the State individual income tax return that the report is available at the Department of Taxes.

(d) If amounts paid with respect to a return are insufficient to cover both the amount owed on the return under this chapter and the amount designated by the taxpayer as a contribution to Vermont Green Up, Inc., the payment shall first be applied to the amount owed on the return under this chapter and the balance, if any, shall be deposited in the account.

(e) Nothing in this section shall be construed to require the Commissioner to collect any amount designated as a contribution to Vermont Green Up, Inc.

Sec. 4. 32 V.S.A. § 5930b(c)(9) is amended to read:

(9) Incentive claims must be filed annually no later than the last day of April of ~~each the current year of the~~ for the prior year's utilization period. For a claim to be considered a timely filing and eligible for an incentive payment, all forms and workbooks must be complete and all underlying documentation, such as that required pursuant to subsection 5842(c) of this title, must be filed with the Department of Taxes. Incomplete claims may be considered to have been timely filed if a complete claim is filed within the time prescribed by the Department of Taxes. If a claim is not filed each year of the utilization period, any incentive installment previously paid shall be recaptured in accordance with subsection (d) of this section and upon notice from the Department of Taxes that the business failed to file a complete timely claim, the Vermont Economic Progress Council shall revoke all authority for the business to earn and claim incentives under this subchapter. The incentive return shall be subject to all provisions of this chapter governing the filing of tax returns. No interest shall be paid by the Department of Taxes for any reason with respect to incentives allowed under this section.

Sec. 5. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2012~~ 2013, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 6. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States relating to federal estate and gift taxes as in effect on December 31, ~~2012~~ 2013, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) the credit for State death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;

(2) the applicable credit amount shall under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00; and

(3) the deduction for State death taxes under 26 U.S.C. § 2058 shall not apply.

* * * Tax Increment Financing Districts * * *

Sec. 7. 2011 Acts and Resolves No. 45, Sec. 16 is amended to read:

Sec. 16. BURLINGTON TAX INCREMENT FINANCING

(a) Pursuant to ~~Sec. 83 of No. 54 of the Acts of the 2009 Adj. Sess. (2010)~~ 2010 Acts and Resolves No. 54, Sec. 83, the ~~joint fiscal committee~~ Joint Fiscal Committee approved a formula for the implementation of a payment to the ~~education fund~~ Education Fund in lieu of tax increment payments.

(b) The terms of the formula approved by the ~~joint fiscal committee~~ Joint Fiscal Committee are as follows:

(1) Beginning in the fiscal year in which there is the incurrence of new TIF debt, the ~~city~~ City will calculate and make an annual payment on December 10th to the ~~education fund~~ Education Fund each year until 2025. The April 1, 2010 grand list for the area encompassing the existing Waterfront TIF – excluding two parcels at 25 Cherry Street or the Marriott Hotel (SPAN#114-035-20755) and 41 Cherry Street – is the baseline to be used as the starting point for calculating the tax increment that will be divided 25 percent to the ~~state education fund~~ State Education Fund and 75 percent to the ~~city~~ City of Burlington. At the conclusion of the TIF in FY2025, any surplus tax increment funds will be returned to the ~~city~~ City of Burlington and ~~state education fund~~ State Education Fund in proportion to the relative municipal and education tax rates as clarified in a letter from Mayor Bob Kiss to the ~~chair of the joint fiscal committee~~ Chair of the Joint Fiscal Committee dated September 9, 2009.

(2) The formula for calculating the payment in lieu of tax increment is as follows: first, the difference between the grand list for the Waterfront TIF excluding the two hotel parcels from the fiscal year in which the payment is due and the April 1, 2010 grand list is calculated. Next, that amount is multiplied by the current education property tax rates to determine the increment subject to payment. Finally, this new increment is multiplied by 25 percent to derive the payment amount.

(3) ~~The city of Burlington will prepare a report annually, beginning July 1, 2010, for both the joint fiscal committee and the department of taxes, which will contain:~~

~~(A) the calculation set out in subdivision (2) of this subsection;~~

~~(B) a listing of each parcel within the Waterfront TIF District and the 1996 original taxable value, 2010 extended base value, and the most recent values for all homestead and nonresidential property;~~

~~(C) a history of all of the TIF revenue and debt service payments; and~~

~~(D) details of new debt authorized, including repayment schedules.~~

[Repealed.]

Sec. 8. 24 V.S.A. § 1894(b) and (c) are amended to read:

(b) Use of the education property tax increment. For only debt ~~and related costs~~ incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, up to 75 percent of the education tax increment may be retained for up to 20 years, beginning with the education tax increment generated the year in which the first debt incurred for improvements financed in whole or in part with incremental education property tax revenue. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the 20-year retention period of education tax increment.

(c) Use of the municipal property tax increment. For only debt ~~and related costs~~ incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, not less than an equal share of the municipal tax increment pursuant to subsection (f) of this section shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.

Sec. 9. 24 V.S.A. § 1894(e) is amended to read:

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

Sec. 10. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

As of the date the district is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the ~~original taxable value has increased or decreased and the proportion which any such increase bears to the total assessed valuation of the real property for that year or the proportion which any such decrease bears to~~

the original taxable value total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district has increased or decreased relative to the original taxable value.

Sec. 11. 24 V.S.A. § 1896(a) is amended to read:

(a) In each year following the creation of the district, the listers or assessor shall include no more than the original taxable value of the real property in the assessed valuation upon which the ~~listers or assessor~~ treasurer computes the rates of all taxes levied by the municipality, ~~the school district~~, and every other taxing district in which the tax increment financing district is situated; but the ~~listers or assessor~~ treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year. In each year for which the assessed valuation exceeds the original taxable value, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property in the district which the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. No more than the percentages established pursuant to section 1894 of this subchapter of the municipal and ~~state~~ State education tax increments received with respect to the district and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness of the district has been fully paid. The final payment shall be reported to the ~~lister or assessor~~ treasurer, who shall thereafter include the entire assessed valuation of the district in the assessed valuations upon which municipal and other tax rates are computed and extended and ~~taxes are remitted to all taxing districts thereafter no taxes from the district shall be deposited in the district's tax increment financing account.~~

Sec. 12. 24 V.S.A. § 1901(3) is amended to read:

(3) Annually:

(A) ~~include in the municipal audit cycle prescribed in section 1681 of this title a report of finances of~~ ensure that the tax increment financing district, ~~including account required by section 1896 of this subchapter is subject to the annual audit prescribed in section 1681 of this title. Procedures must include verification of~~ the original taxable value and annual and total municipal and education tax increments generated, ~~annual and total expenditures on improvements and related costs, all indebtedness of the district, including the initial debt, interest rate, terms, and annual and total principal and interest payments, an accounting of revenue sources other than property tax revenue by~~

~~type and dollar amount, and an accounting of the special account required by section 1896 of this subchapter, including revenue, expenditures for debt and related costs, and current balance;~~

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

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

(j) Tax increment financing district rulemaking, oversight, and enforcement.

* * *

(2) Authority to issue decisions.

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

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

* * *

Sec. 14. 32 V.S.A. § 5404a(1) is amended to read:

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

(1) For municipalities with a district created prior to January 1, 2006 and a debt repayment schedule that anticipates retention of education increment beyond fiscal year 2016, an audit shall be conducted when approximately three-quarters of the period for retention of education increment has elapsed, and at the end of that same period, an audit shall be conducted for the final one-quarter period for retention of education increment, except that for the Milton Catamount/Husky district and the Burlington Waterfront district only a final audit shall be conducted to cover the period from the effective date of the rules pursuant to subdivision (j)(1) of this section to the end of the retention period.

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

* * * Property Taxes * * *

Sec. 15. 32 V.S.A. § 3436(b) is amended to read:

(b) The ~~director~~ Director shall ~~determine~~ establish designations recognizing levels of achievement and the necessary course work or evaluation of equivalent experience required ~~for~~ to attain each designation as ~~Vermont lister/assessor, Vermont property evaluator, and Vermont municipal assessor.~~ Designation for any one level shall be for a period of three years.

Sec. 16. 32 V.S.A. § 5408(a) is amended to read:

(a) Not later than ~~30~~ 35 days after ~~the receipt by its clerk~~ mailing of a notice under section 5406 of this title, a municipality may petition the Director of the Division of Property Valuation and Review for a redetermination of the municipality's equalized education property value and coefficient of dispersion. Such petition shall be in writing and shall be signed by the chair of the legislative body of the municipality or its designee.

Sec. 17. 32 V.S.A. § 5410(g) is amended to read:

(g) If the property identified in a declaration under subsection (b) of this section is not the taxpayer's homestead, or if the owner of a homestead fails to declare a homestead as required under this section, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill that may, as determined by the governing body of the municipality, include a penalty of up to three percent of the education tax on the property. ~~If~~ However, if the property incorrectly declared as a homestead is located in a municipality that has a lower homestead tax rate than the nonresidential tax rate, ~~the penalty shall be an amount equal to eight percent of the education tax on the property, but if the homestead tax rate is higher than the nonresidential tax rate, the penalty shall be in an amount equal to three percent of the education tax on the property.~~ ~~If an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, the penalty shall be eight percent of the education tax liability on the property, but if the nonresidential tax rate is higher than the homestead tax rate, then the penalty shall be in an amount equal to three percent of the education tax on the property~~ or if an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, then the governing body of the municipality may include a penalty of up to eight percent of the education tax liability on the property. If the Commissioner determines that the declaration or failure to declare was with fraudulent intent, then the municipality shall assess the taxpayer a penalty in an amount equal to 100 percent of the education tax on the property; plus any interest and late-payment fee or commission which may be due. Any penalty imposed under this section and any additional property tax interest and late-payment fee or commission shall be assessed and collected by the municipality in the same manner as a property tax under chapter 133 of this title. Notwithstanding section 4772 of this title, issuance of a corrected bill issued under this section does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current

year interest or penalties and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

Sec. 18. 32 V.S.A. § 5410(i) is amended to read:

(i) An owner filing a new or corrected declaration, or rescinding an erroneous declaration, after ~~September 1~~ October 15 shall not be entitled to a refund resulting from the correct property classification; and any additional property tax and interest which would result from the correct classification shall not be assessed as tax and interest, but shall instead constitute an additional penalty, to be assessed and collected in the same manner as penalties under subsection (g) of this section. Any change in property classification under this subsection shall not be entered on the grand list.

Sec. 19. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the November 1 notice sent by the Commissioner under subsection (a) of this section, issuance of such corrected new bill does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year interest or penalties and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For property tax adjustment amounts for which municipalities receive notice ~~on or~~ after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The property tax adjustment amount determined for the taxpayer shall be allocated first to current-year property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year property

tax on the homestead parcel. No adjustment shall be allocated to a property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the property tax adjustment amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the adjustment amount by the Commissioner of Taxes, whichever is later.

* * * Meals and Rooms Tax * * *

Sec. 20. 32 V.S.A. § 9202(10)(D)(ii)(X) is amended to read:

(X) purchased ~~with food stamps~~ under the U.S.D.A. Supplemental Nutrition Assistance Program (SNAP);

* * * Property Transfer Tax * * *

Sec. 21. 32 V.S.A. § 9608(a) is amended to read:

(a) Except as to transfers which are exempt pursuant to subdivision 9603(17) of this title, no town clerk shall record, or receive for recording, any deed to which is not attached a properly executed transfer tax return, complete and regular on its face, and a certificate in the form prescribed by the Natural Resources Board and the Commissioner of Taxes ~~signed under oath by the seller or the seller's legal representative~~, that the conveyance of the real property and any development thereon by the seller is in compliance with or exempt from the provisions of 10 V.S.A. chapter 151. The certificate shall indicate whether or not the conveyance creates the partition or division of land. If the conveyance creates a partition or division of land, there shall be appended the current "Act 250 Disclosure Statement," required by 10 V.S.A. § 6007. A town clerk who violates this section shall be fined \$50.00 for the first such offense and \$100.00 for each subsequent offense. A person who purposely or knowingly falsifies any statement contained in the certificate required is punishable by fine of not more than \$500.00 or imprisonment for not more than one year, or both.

* * * Non-Education Financing Policy and Revenue Provisions * * *

* * * Tax on Distilled Spirits * * *

Sec. 22. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON SPIRITUOUS LIQUOR

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

(1) if the gross revenue of the seller is ~~\$150,000.00~~ \$500,000.00 or lower, the rate of tax is five percent;

(2) if the gross revenue of the seller is between ~~\$150,000.00 and \$250,000.00~~, ~~the rate of tax is \$7,500.00 plus 15 percent of gross revenues over \$150,000.00~~ \$500,000.00 and \$750,000.00, the rate of the tax is \$25,000.00 plus 10 percent of the gross revenues over \$500,000.00;

(3) if the gross revenue of the seller is over ~~\$250,000.00~~ \$750,000.00, the rate of tax is 25 percent.

(b) The retail sales of spirituous liquor made by a manufacturer or rectifier at a fourth class or farmers' market license location shall be included in the gross revenue of a seller under this section, but only to the extent that the sales are of the manufacturer's or rectifier's own products, and not products purchased from other manufacturers and rectifiers.

* * * Employer Assessment * * *

Sec. 23. 21 V.S.A. § 2001 is amended to read:

§ 2001. PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this ~~state~~ State, an employers' health care fund contribution is established to provide a fair and reasonable method for sharing health care costs with employers who do not offer their employees health care coverage and employers who offer insurance but whose employees enroll in Medicaid.

Sec. 24. 21 V.S.A. § 2002 is amended to read:

§ 2002. DEFINITIONS

As used in this chapter:

* * *

(5) "Uncovered employee" means:

(A) an employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees;

(B) an employee who is not eligible for health care coverage offered by an employer to any other employees; or

(C) an employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and ~~either~~:

(i) is enrolled in Medicaid;

(ii) has no other health care coverage under either a private or public plan except Medicaid; or

~~(ii)~~(iii) has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.

* * *

Sec. 25. 21 V.S.A. § 2003 is amended to read:

§ 2003. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

(a) The Commissioner of Labor shall assess and an employer shall pay a quarterly Health Care Fund contribution for each full-time equivalent uncovered employee employed during that quarter ~~in excess of:~~

~~(1) eight full-time equivalent employees in fiscal years 2007 and 2008;~~

~~(2) six full-time equivalent employees in fiscal year 2009; and~~

~~(3) four full-time equivalent employees in fiscal years 2010 and thereafter.~~

~~(b) For any quarter in fiscal years 2007 and 2008, the amount of the Health Care Fund contribution shall be \$ 91.25 for each full-time equivalent employee in excess of eight. For each fiscal year after fiscal year 2008, the number of excluded full-time equivalent employees shall be adjusted in accordance with subsection (a) of this section, and the amount of the Health Care Fund contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.~~

(1) For any quarter in fiscal year 2015, the amount of the Health Care Fund contribution shall be calculated as follows:

(A) for employers with at least one but no more than 49 full-time equivalent employees, the amount of the Health Care Fund contribution shall be \$119.12 for each uncovered full-time equivalent employee in excess of four;

(B) for employers with between 50 and 249 full-time equivalent employees, the amount of the Health Care Fund Contribution shall be \$182.50 for each uncovered full-time equivalent employee in excess of four; and

(C) for employers with more than 250 full-time equivalent employees, the amount of the Health Care Fund Contribution shall be \$273.75 for each uncovered full-time equivalent employee in excess of four.

(2) For each fiscal year after fiscal year 2015, the Health Care Fund contribution amounts described in subdivision (1) of this subsection shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.

* * *

* * * Solar Capacity Tax * * *

Sec. 26. 32 V.S.A. § 3802(17) is amended to read:

(17) Real and personal property, except land, composing a renewable energy plant generating electricity from solar power, to the extent the plant is exempt from taxation under chapter 215 of this title which has a plant capacity of less than 50 kW and is either:

(A) operated on a net-metered system; or

(B) not connected to the electric grid and provides power only on the property on which the plant is located.

Sec. 27. 32 V.S.A. § 3481(1)(D) is added to read:

(D)(i) For real and personal property comprising a renewable energy plant generating electricity from solar power, except land and property that is exempt under subdivision 3802(17) of this title, the appraisal value shall be determined by an income capitalization or discounted cash flow approach that includes the following:

(I) an appraisal model identified and published by the Director employing appraisal industry standards and inputs;

(II) a discount rate determined and published annually by the Director;

(III) the appraisal value shall be 70 percent of the value calculated using the model published by the Director based on an expected 25-year project life and shall be set in the grand list next lodged after the plant

is commissioned and each subsequent grand list for the lesser of the remaining life of the project or 25 years;

(IV) for the purposes of calculating appraisal value for net metered systems receiving a credit specified in 30 V.S.A. § 219a (h)(1)(k), the model used to calculate value will not incorporate a factor for electricity rate escalation; and

(V) for plants operating as a net-metered system as described in 30 V.S.A. § 219a with a capacity of 50 kW or greater, the plant capacity used to determine value in the model shall be reduced by 50 kW and the appraisal value shall be calculated only on additional capacity in excess of 50 kW.

(ii) The owner of a project shall respond to a request for information from the municipal assessing officials by returning the information sheet describing the project in the form specified by the Director not later than 45 days after the request for information is sent to the owner. If the owner does not provide a complete and timely response, the municipality shall determine the appraisal value using the published model and the best estimates of the inputs to the model available to the municipality at the time, and the provisions of section 4006 of this title shall apply to the information form in the same manner as if the information form were an inventory as described in that section. Nothing in this subdivision (1) shall affect the availability of the exemption set forth in the provisions of section 3845 of this title or availability of a contract under the provisions of 24 V.S.A. § 2741.

Sec. 28. 32 V.S.A. § 3845 is amended to read:

§ 3845. ~~ALTERNATE~~ RENEWABLE ENERGY SOURCES

(a) At an annual or special meeting warned for that purpose, a town may, by a majority vote of those present and voting, exempt ~~alternate renewable~~ energy sources, as defined herein, from real and personal property taxation. Such exemption shall first be applicable against the grand list of the year in which the vote is taken and shall continue until voted otherwise, in the same manner, by the town.

(b) ~~For the purposes of~~ As used in this section, alternate renewable energy sources includes any plant, structure or facility used for the generation of electricity or production of shall have the same meaning as in 30 V.S.A. § 8002(17) for energy used on the premises for private, domestic, or agricultural purposes, no part of which may be for sale or exchange to the public. The term shall include, ~~but not be limited to~~ grist mills, windmills, facilities for the collection of solar energy or the conversion of organic matter to methane, ~~net metering~~ net-metering systems regulated by the Public Service

Board under 30 V.S.A. § 219a, and all component parts thereof ~~including, but excluding~~ land upon which the facility is located, ~~not to exceed one-half acre.~~

Sec. 29. 32 V.S.A. § 8701(c) is amended to read:

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity ~~equal to or less than 10 kW~~ less than 50kW.

* * * Valuation of Natural Gas and Petroleum Infrastructure * * *

Sec. 30. 32 V.S.A. § 3621 is added to read:

§ 3621. PETROLEUM AND NATURAL GAS INFRASTRUCTURE

For purposes of the statewide education property tax in chapter 135 of this title, the Director shall determine the appraised value of all property and fixtures composing and underlying a petroleum or natural gas facility, petroleum or natural gas transmission line, or petroleum or natural gas distribution line located within this State. The Director shall value such property at its fair market value, an assessment it shall reach by the cost approach to value by employing an actual cost-based methodology, adjusting that actual cost using a cost factor from industry-specific inflation indexes, and depreciating the resulting present cost using a depreciation schedule based on the property's estimated remaining life; provided, however, that after the property has been depreciated to 30 percent of its present cost or less, exclusive of salvage value, the property shall be appraised at 30 percent of its cost. The Director shall inform the local assessing officials of his or her appraised value under this section on or before May 1 of each year, and the local assessing officials shall use the Director's appraised value for purposes of assessing and collecting the statewide education property tax under chapter 135 of this title.

* * * Wood Products Manufacturer's Credit * * *

Sec. 30a. WOOD PRODUCT MANUFACTURE STUDY

The Secretary of Commerce and Community Development, in consultation with the Department of Taxes, shall study and recommend economic and tax incentives to ensure wood products manufacturers remain in Vermont, and that they thrive in Vermont. The Secretary shall report his or her findings and recommendations to the Senate Committee on Finance and the House Committee on Ways and Means on or before January 15, 2015.

* * * Income Taxes * * *

Sec. 31. 32 V.S.A. § 5870 is amended to read:

§ 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX RETURNS

The Commissioner of Taxes shall provide that individuals report use tax on their State individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability under chapter 233 of this title for the period of the tax return. Alternatively, they may elect to report an amount that is ~~0.08~~ 0.10 percent of their Vermont adjusted gross income, as shown on a table published by the Commissioner of Taxes; and use tax liability arising from the purchase of each item with a purchase price in excess of \$1,000.00 shall be added to the table amount.

Sec. 32. 32 V.S.A. § 5830e is added to read:

§ 5830e. ALTERNATE CALCULATION

For the purposes of calculating the taxes under section 5822 or 5832 of this chapter, dispensaries, established under 18 V.S.A. chapter 86, are permitted to recalculate their State tax liability with an allowance for any expense that was denied at the federal level due to 26 U.S.C. § 280E.

* * * Downtown and Village Center Tax Credits * * *

Sec. 33. 32 V.S.A. § 5930ee(1) is amended to read:

(1) The total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$1,700,000.00~~ \$2,200,000.00.

Sec. 34. 32 V.S.A. § 9741(39) is amended to read:

(39) Sales of building materials within any three consecutive years:

~~(i) in excess of one million dollars in purchase value, which may be reduced to \$250,000.00 in purchase value upon approval of the Vermont Economic Progress Council pursuant to section 5930a of this title, used in the construction, renovation, or expansion of facilities which are used exclusively, except for isolated or occasional uses, for the manufacture of tangible personal property for sale;~~

~~(ii) in excess of \$250,000.00 in purchase value incorporated into a downtown redevelopment project as defined by rule by the Commissioner of Housing and Community Affairs; provided that the municipality is not~~

~~receiving an allocation of sales tax receipts pursuant to section 9819 of this title.~~

* * * Estate Taxes * * *

Sec. 35. 32 V.S.A. § 7402(13) is amended to read:

(13) “Vermont gross estate” means for any decedent:

(A) the value of the federal gross estate under the laws of the United States, with the addition of federal adjusted taxable gifts of the decedent, but with no deduction under 26 U.S.C. § 2058 that is in excess of the basic exclusion amount under 26 U.S.C. § 2010(c)(3) with no provision for any amount under § 2010(c)(4); but excluding

(B) the value of real or tangible personal property which has an actual situs outside Vermont at the time of death of the decedent; and

(C) also excluding in the case of a nonresident of Vermont, the value of intangible personal property owned by the decedent.

Sec. 36. 32 V.S.A. § 7442a is amended to read:

§ 7442a. IMPOSITION OF A VERMONT ESTATE TAX AND RATE OF TAX

~~(a) A tax of 18 percent is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was a resident of this State. The base amount of this tax shall be a sum equal to the amount of the credit for State death taxes allowable to a decedent’s estate under 26 U.S.C. § 2011 as in effect on January 1, 2001. This base amount shall be reduced by the lesser of the following:~~

~~(1) The total amount of all constitutionally valid State death taxes actually paid to other states; or~~

~~(2) A sum equal to the proportion of the credit which the value of the property taxed by other states bears to the value of the decedent’s total gross estate for federal estate tax purposes.~~

~~(b) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was not a resident of this State. The amount of this tax shall be a sum equal to the proportion of the base amount of tax under subsection (a) of this section which the value of Vermont real and tangible personal property taxed in this State bears to the value of the decedent’s total gross estate for federal estate tax purposes.~~

~~(e) The Vermont estate tax shall not exceed the amount of the tax imposed by 26 U.S.C. § 2001 calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00, and with no deduction under 26 U.S.C. § 2058.~~

~~(d)~~(b) All values shall be as finally determined for federal estate tax purposes.

Sec. 37. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States, relating to federal estate and gift taxes as in effect on December 31, 2013, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

~~(1) the credit for state death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;~~

~~(2) the applicable credit amount under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00; and~~

~~(3) the deduction for state death taxes under 26 U.S.C. § 2058 shall not apply to the extent such laws conflict with any provision of this chapter.~~

Sec. 38. TAXABLE GIFTS

Notwithstanding the changes in this act, decedents dying after December 31, 2014, but who made taxable gifts as defined in 26 U.S.C. § 2503 between January 1, 2008 and December 31, 2014 may elect to have their Vermont estate taxed under the law in effect on December 31, 2014. The Department of Taxes is authorized to adopt rules, procedures, and forms necessary to implement this alternate calculation.

* * * Tobacco * * *

Sec. 39. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by

a voluntary unincorporated organization of the Armed Forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at ~~\$1.87~~ \$2.18 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of ~~\$1.87~~ \$2.18 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of ~~\$2.24~~ \$2.62 per package, and cigars with a wholesale price greater than \$2.17, which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 40. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every ~~retailer~~ retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the ~~retailer~~ retail dealer at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, but shall not apply to ~~retailers~~ retail dealers who hold less than \$500.00 in wholesale value of such snuff. Each ~~retailer~~ retail dealer subject to the tax shall, on or before July 25, ~~2006~~ 2014, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, ~~2006~~ 2014, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the ~~retailer~~ retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and

paid under this section shall not again be subject to tax under section 7811 of this title.

* * *

* * * Sales and Use Tax – Contractors * * *

Sec. 41. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

Unless the context in which they occur requires otherwise, the following terms when used in this chapter mean:

* * *

(5) Retail sale or sold at retail: means any sale, lease, or rental for any purpose other than for resale, sublease, or subrent, including sales to contractors, subcontractors, or repair persons of materials and supplies for use by them in erecting structures or otherwise improving, altering, or repairing real property.

Sec. 42. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this State. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

(1) Tangible personal property, including property used to improve, alter or repair the real property of others by a manufacturer or any person who is primarily engaged in the business of making retail sales of tangible personal property.

* * *

Sec. 43. 32 V.S.A. § 9745 is amended to read:

§ 9745. CERTIFICATE OR AFFIDAVIT OF EXEMPTION; DIRECT PAYMENT PERMIT

(a) Certificate or affidavit of exemption. The Commissioner may require that a vendor obtain an exemption certificate, which may be an electronic filing, with respect to the following sales: sales for resale; sales to organizations that are exempt under section 9743 of this title; and sales that qualify for a use-based exemption under section 9741 of this title. Acceptance of an exemption certificate containing such information as the Commissioner

may prescribe shall satisfy the vendor's burden under subsection 9813(a) of this title of proving that the transaction is not taxable. A vendor's failure to possess an exemption certificate at the time of sale shall be presumptive evidence that the sale is taxable.

(b) Direct payment permit. The Commissioner may, in his or her discretion, authorize a purchaser, who acquires tangible personal property or services under circumstances which make it impossible at the time of acquisition to determine the manner in which the tangible personal property or services will be used, to pay the tax directly to the Commissioner and waive the collection of the tax by the vendor through the issuance of a direct payment permit. ~~The Commissioner shall authorize any~~ Any contractor, subcontractor, or repairman who acquires tangible personal property consisting of materials and supplies for use by him or her in erecting structures for others, or building on, or otherwise improving, altering, or repairing real property of others, may apply for a direct payment permit to pay the tax directly to the Commissioner and waive the collection of the tax by the vendor. No such authority shall be granted or exercised except upon application to the Commissioner and the issuance by the Commissioner of a direct payment permit. If a direct payment permit is granted, its use shall be subject to conditions specified by the Commissioner and the payment of tax on all acquisitions pursuant to the permit shall be made directly to the Commissioner by the permit holder.

* * * Sales and Use Tax – Compost * * *

Sec. 44. 32 V.S.A. § 9701(48)–(52) are added to read:

(48) Compost: means a stable humus-like material produced by the controlled biological decomposition of organic matter through active management, but does not mean sewage, septage, or materials derived from sewage or septage.

(49) Manipulated animal manure: means manure that is ground, pelletized, mechanically dried, or consists of separated solids.

(50) Perlite: means a lightweight granular material made of volcanic material expanded by heat treatment for use in growing media.

(51) Planting mix: means material that is:

(A) used in the production of plants; and

(B) made substantially from compost, peat moss, or coir and other ingredients that contribute to fertility and porosity, including perlite, vermiculite, and other similar materials.

(52) Vermiculite: means a lightweight mica product expanded by heat treatment for use in growing media.

Sec. 45. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(3) Agriculture feeds, seed, plants, baler twine, silage bags, agricultural wrap, sheets of plastic for bunker covers, liming materials, breeding and other livestock, semen breeding fees, baby chicks, turkey poults, agriculture chemicals other than pesticides, veterinary supplies, and bedding; clean high carbon bulking agents, as that term is used in the Agency of Natural Resources Solid Waste Management Rules, used for composting; food residuals used for composting or on-farm energy production; and fertilizers and pesticides for use and consumption directly in the production for sale of tangible personal property on farms, including stock, dairy, poultry, fruit and truck farms, orchards, nurseries, or in greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities for sale.

* * *

(49) Sales of compost, animal manure, manipulated animal manure, and planting mix when sold in aggregate volumes of one cubic yard or greater, or when sold unpackaged.

* * * Use Tax – Telecommunication Services * * *

Sec. 46. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property or telecommunications service has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this State, except as otherwise exempted under this chapter:

(1) ~~Of~~ of any tangible personal property purchased at retail;

(2) ~~Of~~ of any tangible personal property manufactured, processed, or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention, or withdrawal from storage of tangible

personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business;

(3) ~~Of~~ of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; ~~and~~

(4) ~~Specified~~ specified digital products transferred electronically to an end user; ~~and~~

(5) telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service.

* * * Propane Canisters * * *

Sec. 47. 33 V.S.A. § 2503 is amended to read:

§ 2503. FUEL GROSS RECEIPTS TAX

(a) There is imposed a gross receipts tax of 0.5 percent on the retail sale of the following types of fuel:

(1) heating oil, propane, kerosene, and other dyed diesel fuel delivered to a residence or business;

(2) ~~propane~~;

(~~3~~) natural gas;

(~~4~~)(3) electricity;

(~~5~~)(4) coal.

* * *

Sec. 48. 32 V.S.A. § 9741(26) is amended to read:

(26) Sales of electricity, oil, gas, and other fuels used in a residence for all domestic use, including heating, but not including fuel sold at retail in free-standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. The Commissioner shall by rule determine that portion of the sales attributable to domestic use where fuels are used for purposes in addition to domestic use.

* * * Local Option Tax * * *

Sec. 48a. 24 V.S.A. § 138(a) is amended to read:

(a) Local option taxes are authorized under this section for the purpose of affording municipalities ~~an alternative~~ a method of raising municipal revenues ~~to facilitate the transition and reduce the dislocations in those municipalities that may be caused by reforms to the method of financing public education under the Equal Educational Opportunity Act of 1997. Accordingly:~~

~~(1) the local option taxes authorized under this section may be imposed by a municipality;~~

~~(2) a municipality opting to impose a local option tax may do so prior to July 1, 1998 to be effective beginning January 1, 1999, and anytime after December 1, 1998 a local option tax shall be effective beginning on the next tax quarter following 90 days' notice to the department of taxes of the imposition; and~~

~~(3) a local option tax may only be adopted by a municipality in which:~~

~~(A) the education property tax rate in 1997 was less than \$1.10 per \$100.00 of equalized education property value; or~~

~~(B) the equalized grand list value of personal property, business machinery, inventory, and equipment is at least ten percent of the equalized education grand list as reported in the 1998 Annual Report of the Division of Property Valuation and Review; or~~

~~(C) the combined education tax rate of the municipality will increase by 20 percent or more in fiscal year 1999 or in fiscal year 2000 over the rate of the combined education property tax in the previous fiscal year. A local option tax shall be effective beginning on the next tax quarter following 90 days' notice to the Department of Taxes of the imposition.~~

* * * Education Financing and Property Tax Revenue
and Policy Provisions * * *

* * * Statewide Education Property Tax Rates,
Base Education Amount, and Applicable Percentage * * *

Sec. 49. FINDINGS AND PURPOSE

(a) The General Assembly makes the following findings with respect to Secs. 49a and 50 of this act:

(1) The Commissioner of Taxes recommended the following rates under 32 V.S.A. § 5402b for fiscal year 2015:

(A) a nonresidential property tax rate of \$1.51 per \$100.00 of equalized education property value.;

(B) a homestead property tax rate of \$1.01 per \$100.00 of equalized education property value;

(C) an applicable percentage of 1.84; and

(D) a base education amount of \$9,382.00.

(2) The Commissioner's recommendations were based in part on the following factors:

(A) The use of one-time money, such as \$19.3 million in Education Fund surplus in fiscal year 2014, which is not available in fiscal year 2015. Using one-time money leaves a deficit that must be filled in the following year.

(B) Statewide education spending has increased by more than three percent for fiscal year 2015.

(C) Nonproperty tax revenues in the Education Fund have grown more slowly than projected.

(D) The statewide education grand list is projected to decline for the fourth consecutive year; consequently, taxes must be raised from a smaller base.

(E) The base education amount will increase which has the effect of creating upward pressure on the base property tax rates.

(3) Assuming no other changes, and an increase in education spending in excess of three percent, property tax base rates are projected to rise between \$0.06 and \$0.08 for fiscal year 2016. The use of additional one-time money in fiscal year 2015 will increase the amount of revenue that would need to be raised in fiscal year 2016.

(b) A balance needs to be struck between the ability of Vermonters to pay additional taxes now and invest in system-changing improvements for the future. It is the intent of the General Assembly to limit the use of one-time money in order to reserve the maximum amount possible to support school districts and supervisory unions to organize more economically their structure and activities to produce recurring savings year after year.

Sec. 50. FISCAL YEAR 2015 EDUCATION PROPERTY TAX RATES
AND APPLICABLE PERCENTAGE

(a) For fiscal year 2015 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rates of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.51 per \$100.00; and

(2) the tax rate for homestead property shall be \$1.00 multiplied by the district spending adjustment for the municipality per \$100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2015 only, “applicable percentage” in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.84 percent multiplied by the fiscal year 2015 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.84 percent.

Sec. 51. FISCAL YEAR 2015 BASE EDUCATION AMOUNT

As provided in 16 V.S.A. § 4011(b), the base education amount for fiscal year 2015 shall be \$9,382.00.

* * * Form of Budget Vote * * *

Sec. 52. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE IF BUDGET EXCEEDS BENCHMARK AND DISTRICT SPENDING IS ABOVE AVERAGE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the ~~commissioner~~ Secretary.

* * *

(D) The board shall present the budget to the voters by means of a question in the form of a vote provided as follows:

“Article #1 (School Budget):

The total proposed budget of \$ _____ is recommended by the school board to fund the school district’s educational program. The school district’s education spending in the total school budget to be raised by taxes is \$ _____.

The education spending in the budget, if approved, will result in spending of \$ _____ per (equalized) pupil. This projected spending per (equalized) pupil is _____% higher/lower than spending for the current year. Shall the voters of the school district approve the school board to expend \$ _____, which is the amount the school board has determined to be necessary for the ensuing fiscal year?”

* * *

* * * Increase in Average Daily Membership * * *

Sec. 53. 16 V.S.A. § 4010(b) is amended to read:

(b) ~~The commissioner~~ Secretary shall determine the long-term membership for each school district for each student group described in subsection (a) of this section. ~~The commissioner~~ Secretary shall use the actual average daily membership over two consecutive years, the latter of which is the current school year. ~~If, however, in one year, the actual average daily membership of kindergarten through 12th grade increases by at least 20 students over the previous year, the commissioner shall compute the long-term membership by adding 80 percent of the actual increase, to a maximum increase of 45 equalized pupils.~~

* * * Shared Equity * * *

Sec. 54. 32 V.S.A. § 3481 is amended to read:

§ 3481. DEFINITIONS

The following definitions shall apply in this Part and chapter 101 of this title, pertaining to the listing of property for taxation:

(1)(A) “Appraisal value” shall mean, with respect to property enrolled in a use value appraisal program, the use value appraisal as defined in subdivision 3752(12) of this title, multiplied by the common level of appraisal, and with respect to all other property, except for owner-occupied housing identified in subdivision (C) of this subdivision (1), the estimated fair market value. The estimated fair market value of a property is the price ~~which~~ that the property will bring in the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition which combine to give property a market value. Those elements shall include ~~a consideration of a decrease in value in nonrental residential property due to a housing subsidy covenant as defined in 27 V.S.A. § 610, or~~ the effect of any state State or local law or regulation affecting the use of land, including 10 V.S.A. chapter 151 or any land

capability plan established in furtherance or implementation thereof, rules adopted by the State Board of Health and any local or regional zoning ordinances or development plans. In determining estimated fair market value, the sale price of the property in question is one element to consider, but is not solely determinative.

* * *

(C) For owner-occupied housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, imposed by a governmental, quasi-governmental, or public purpose entity, that limits the price for which the property may be sold, the housing subsidy covenant shall be deemed to cause a material decrease in the value of the owner-occupied housing, and the appraisal value means not less than 60 and not more than 70 percent of what the fair market value of the property would be if it were not subject to the housing subsidy covenant. Every five years, starting in 2019, the Commissioner of Taxes, in consultation with the Vermont Housing Conservation Board, shall report to the General Assembly on whether the percentage of appraised value used in this subdivision should be altered, and the reasons for his or her determination.

(2) “Listed value” shall be an amount equal to 100 percent of the appraisal value. The ratio shall be the same for both real and personal property.

* * * Property Tax Exemptions * * *

Sec. 55. 32 V.S.A. § 3832(7) is amended to read:

(7) Real and personal property of an organization when the property is used primarily for health or recreational purposes, unless the town or municipality in which the property is located so votes at any regular or special meeting duly warned therefor, and except for the following types of property:

(A) Buildings and land owned and occupied by a health, recreation, and fitness organization which is:

(i) exempt from taxation under 26 U.S.C. § 501(c)(3),

(ii) used its income entirely for its exempt purpose, and

(iii) promotes exercise and healthy lifestyles for the community and serve citizens of all income levels;

(B) real and personal property operated as a skating rink, owned and operated on a nonprofit basis, but not necessarily by the same entity, and which, in the most recent calendar year, provided facilities to local public

schools for a sport officially recognized by the Vermont Principals' Association.

Sec. 56. 32 V.S.A. § 3839 is added to read:

§ 3839. MUNICIPALLY OWNED LAKESHORE PROPERTY

(a) Notwithstanding section 3659 of this title, a town may vote to exempt from its municipal taxes, in whole or in part, any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(1) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(2) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

(b) An exemption voted by a town under subsection (a) of this section shall be for up to ten years. Upon the expiration of the exemption, a town may vote additional periods of exemption not exceeding five years each.

Sec. 57. 32 V.S.A. § 5401(10)(K) is added to read:

(K) Any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(i) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(ii) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

Sec. 58. 32 V.S.A. § 5401(10)(F) is amended to read:

(F) Property owned by a municipality which is located within that municipality and which is used for municipal purposes including the provision of utility services, and including off-street parking garages built, owned, and managed by a municipality in a tax increment financing district. For the purpose of this section, public use of a municipal parking garage may include the leasing of the garage to multiple commercial tenants for part of the day, provided the garage is open to the general public during evenings and weekends.

* * * Occupancy of a Homestead * * *

Sec. 59. 32 V.S.A. § 5401(7) is amended to read:

(7) "Homestead":

(A) "Homestead" means the principal dwelling and parcel of land surrounding the dwelling, owned ~~and occupied~~ by a resident individual on April 1 and occupied as the individual's domicile for a minimum of 183 days out of the calendar year, or for purposes of the renter property tax adjustment under subsection 6066(b) of this title, rented and occupied by a resident individual as the individual's domicile.

* * *

(H) A homestead does not include any portion of a dwelling that is rented and a dwelling is not a homestead for any portion of the year in which it is rented.

* * *

* * * Excess Spending Anchor * * *

Sec. 60. 32 V.S.A. § 5401(12) is amended to read:

(12) "Excess spending" means:

(A) the per-equalized-pupil amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b);

(B) in excess of 123 percent of the statewide average district education spending per equalized pupil ~~in the prior fiscal year~~ increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district education spending per equalized pupil for fiscal year 2014 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2014 through the fiscal year for which the amount is being determined.

Sec. 61. 2013 Acts and Resolves No. 60, Sec. 2 is amended to read:

Sec. 2. 32 V.S.A. § 5401(12) is amended to read:

(12) "Excess spending" means:

(A) the per-equalized-pupil amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b);

(B) in excess of ~~123~~ 121 percent of the statewide average district education spending per equalized pupil increased by inflation, as determined

by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district education spending per equalized pupil for fiscal year 2014 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2014 through the fiscal year for which the amount is being determined.

* * * Electrical Generating Plants * * *

Sec. 62. 32 V.S.A. § 5402(d) is amended to read:

(d) A municipality which has upon its grand list an operating electric generating plant subject to the tax under ~~section 5402a of this chapter~~ chapter 213 of this title shall be subject to the nonresidential education property tax at three-quarters of the rate provided in subdivision (a)(1) of this section, as adjusted under section 5402b of this chapter; and shall be subject to the homestead education property tax at three-quarters of the base rate provided in subdivision (a)(2) of this section, as adjusted under section 5402b of this chapter, and multiplied by its district spending adjustment.

Sec. 63. EDUCATION TAXES IN VERNON

Notwithstanding any other provision of law, for the purposes of 32 V.S.A. § 5402(d), the town of Vernon shall continue to be treated as if its grand list included an operating electric generating plant subject to the tax under 32 V.S.A. chapter 213 until the end of fiscal year 2017, and shall be taxed as follows:

(1) for fiscal year 2017, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 83 percent of the rate as calculated under 32 V.S.A. § 5402(a);

(2) for fiscal year 2018, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 91 percent of the rate as calculated under 32 V.S.A. § 5402(a); and

(3) for fiscal year 2019 and after, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 100 percent of the rate as calculated under 32 V.S.A. § 5402(a).

* * * Supplemental Property Tax Relief * * *

Sec. 63a. SUPPLEMENTAL PROPERTY TAX RELIEF

Funds from the Supplemental Property Tax Relief Fund created by 32 V.S.A. § 6075 not specifically used for the Retired Teacher's Health Care

Fund in fiscal year 2015 shall be reserved to provide incentives to school districts and supervisory unions implementing long-term, systemic changes that result in cost savings without diminishing educational quality or opportunity.

* * * Repeal * * *

Sec. 64. REPEAL

32 V.S.A. § 3802(18) (municipally owned lakeshore property) is repealed on January 1, 2015.

* * * Effective Dates * * *

Sec. 65. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Secs. 1 (1099K filing requirement), 2 (consolidated returns), and 4 (VEGI) shall take effect retroactively to January 1, 2014 and apply for tax year 2014 and after.

(2) Sec. 3 (Vermont Green Up) shall take effect on January 1, 2015 and apply to returns filed after that date.

(3) Sec. 5 (annual income tax update) shall take effect retroactively to January 1, 2014 and apply to taxable years beginning on and after January 1, 2013.

(4) Sec. 6 (annual estate tax update) shall take effect retroactively to January 1, 2014 and apply to decedents dying on or after January 1, 2013.

(5) Secs. 17 (corrected tax bills due to late filing of declaration), 18 (last date for filing declaration), and 19 (corrected tax bills due to late filing of property tax adjustment claim) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(6) Sec. 22 (distilled spirits) shall take effect on July 1, 2014.

(7) Secs. 23–25 (employer assessment) shall take effect on September 1, 2014 and shall apply beginning with the calculation of the Health Care Fund contributions payable in the second quarter of fiscal year 2015, which shall be based on the number of an employer’s uncovered employees in the first quarter of fiscal year 2015.

(8) Secs. 26–29 (solar plant exemptions and valuation) and Sec. 30 (valuation of natural gas and petroleum infrastructure) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(9) Secs. 31 (use tax reporting) and 32 (marijuana dispensaries) shall take effect on January 1, 2015 and apply to tax year 2015 and after.

(10) Sec. 33 (downtown credits) shall apply to fiscal year 2015 and after.

(11) Secs. 34 (repeal of sales tax exemption), 39 (snuff), 40 (floor tax), 41 (definition of sales), 42 (contractors), 43 (certificates of exemption), 44 (definitions), 45 (compost), 46 (telecommunications use tax), 47 (fuel gross receipts tax), and 48 (propane canisters) shall take effect on July 1, 2014.

(12) Secs. 35–38 (estate taxes) shall take effect on January 1, 2015 and apply to decedents dying on or after that date.

(13) Secs. 50 (statewide education tax base rates) and 51 (base education amount) shall take effect on passage and apply to education property tax rates and the base education amount for fiscal year 2015.

(14) Sec. 52 (form of budget vote) shall take effect on January 1, 2015 and apply to budgets voted for fiscal year 2016.

(15) Sec. 53 (increased average daily membership) shall take effect on July 1, 2014 and shall apply to long-term membership calculations for fiscal year 2016 and after.

(16) Secs. 54 (shared equity housing), 55 (health and recreation property), 56 (town voted exemption), 57 (education property tax exemption), and Sec. 58 (parking garages) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(17) Sec. 59 (occupancy of a homestead) shall take effect on January 1, 2015 and apply to homestead declarations for 2015 and after.

(18) Secs. 60 and 61 (anchoring excess spending) shall take effect on July 1, 2014 and apply to property tax calculations for fiscal year 2016 and after.

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

Rep. Ancel of Calais
Rep. Branagan of Georgia
Rep. Sharpe of Bristol

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

Adjournment

At three o'clock and fifty minutes in the afternoon, on motion of **Rep. Turner of Milton**, the House adjourned until tomorrow at nine o'clock in the forenoon.

Concurrent Resolutions Adopted

The following concurrent resolutions, having been placed on the Consent Calendar on the preceding legislative day, and no member having requested floor consideration as provided by Joint Rules of the Senate and House of Representatives, are hereby adopted in concurrence.

H.C.R. 341

House concurrent resolution congratulating Marc Chabot on winning State and national teaching awards;

H.C.R. 342

House concurrent resolution honoring Ron Hance for his leadership of the Heritage Family Credit Union;

H.C.R. 343

House concurrent resolution honoring Betty Kinsman for her pioneering leadership of the Springfield Area Parent Child Center;

H.C.R. 344

House concurrent resolution honoring Francis Whitcomb of Albany as an extraordinary citizen, educator, and as Vermont's active community member of the year;

H.C.R. 345

House concurrent resolution congratulating 10th grade composer Susalina Francy on the Vermont Symphony Orchestra's premier of *Beowulf's Last Battle*;

H.C.R. 346

House concurrent resolution designating April 29, 2014 as Alzheimer's Awareness Day in Vermont;

H.C.R. 347

House concurrent resolution congratulating Lisa Bianconi on being selected as a Grammy Music Educator Award finalist;

H.C.R. 348

House concurrent resolution congratulating the 2013 St. Johnsbury All-Star Babe Ruth 14 and Under Vermont championship baseball team;

H.C.R. 349

House concurrent resolution honoring Prevention Works! VT;

H.C.R. 350

House concurrent resolution celebrating the 25th anniversary of Outright Vermont;

H.C.R. 351

House concurrent resolution honoring Bruce Corwin for his musical leadership of the Brattleboro American Legion Band;

H.C.R. 352

House concurrent resolution congratulating Champlain Valley Union High School on its golden anniversary;

H.C.R. 353

House concurrent resolution honoring Grace Worcester Greene of Berlin for inspiring children to read and discover their local public library;

H.C.R. 354

House concurrent resolution congratulating the Vermont Arts Council on its 50th anniversary and designating 2015 as the Year of the Arts in Vermont;

H.C.R. 355

House concurrent resolution congratulating Jacob Cady and David Gratton on their age group championships in the Elks Vermont and New England Hoop Shoots;

S.C.R. 56

Senate concurrent resolution designating May 11–17 as Women’s Lung Health Week in Vermont;

[The full text of the concurrent resolutions appeared in the House Calendar Addendum on the preceding legislative day and will appear in the Public Acts and Resolves of the 2014, seventy-second Adjourned session.]