

Journal of the House

Friday, May 6, 2016

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

Devotional Exercises

Devotional exercises were conducted by the State House Troubadours; Rep. Alison Clarkson, Rep. Mike Mrowicki and Rep. Robin Chesnut-Tangerman.

Recess

At nine o'clock and fifty-five minutes in the forenoon, the Speaker declared a recess until fall of the gavel.

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

Remarks Journalized

On motion of **Rep. Russell of Rutland City**, the following remarks by **Rep. Deen of Westminster** were ordered printed in the Journal:

“Madam Speaker:

We have a wise senior member of this body who will be retiring this year, the member from Windsor.

I am sorry she has made this decision because she actually likes me – for that reason alone I regret her leaving.

But her presence, in the House elevates the intelligence level, the wisdom, and the compassion of the body.

As we all know – Donna is fond of reminding us that Windsor is the birthplace of Vermont. And that is true but I do wish to remind her, Vermont may have been born in Windsor but it was conceived in Westminster.

The rivalries between our districts aside, I will miss the Representative from Windsor as a fellow House member for her years of pleasant but decisive leadership within the body.

She is of course much loved by her committee members but I will miss her as a fellow chair for her wise council to her fellow chairs when we faced what seemed like intractable situations and issues.

So Madame Speaker I bid a fond farewell to one of my House friends and mentors, Donna Sweaney, the member from Windsor.

Farewell my friend – I wish you safe travels into your future.”

Remarks Journalized

On motion of **Rep. Willhoit of St. Johnsbury**, the following remarks by **Rep. Tate of Mendon** were ordered printed in the Journal:

“Madam Speaker:

As all of you can hear, I’ve lost my voice. As most of you wish, I’m sorry I didn’t lose it sooner.

You know, yesterday all of the freshmen reps gathered in the well of the house to take a photo and I couldn’t help but think of the leg up I have had on all you other freshmen...that I was able, in my first term, to be seated next to the member from Middlebury, Betty Nuovo.

There’s a temptation in moments like these to resort to clichés and to say it has been an honor or a privilege to be able to sit next to and gather wisdom from a person like Betty Nuovo but, for someone who so effortlessly embodies the State of Vermont, clichés seem so underwhelming. She hasn’t just made me a better legislator - showing me how to read a calendar or explaining the various processes of this body. Through her quiet, gentle - but always wonderfully blunt manner, she’s made me a better person. A better father.

This past September we were blessed with a new baby boy, Everett. As he gets older, and other parents will back me up on this, he’s going to ask me, repeatedly, to tell him about the day he was born. I am looking forward to telling him about that brilliant summer day and how he was born in the beautiful town of Middlebury...and as luck would have it at the time, I was seatmates with Middlebury’s Representative, a woman full of wit and wisdom who took the time, despite our differences, to invest in me...because she loved this body and she loved this State. It has not just been my privilege and honor to be seated next to her, it has been, quite practically, my advantage. I love you, Betty, and I will always be grateful, here in this body or wherever life may take me - that I am able to take a little piece of your well-earned wisdom with me.”

Remarks Journalized

On motion of **Rep. Dame of Essex**, the following remarks by **Rep. Sibilia of Dover** were ordered printed in the Journal:

“Madam Speaker:

I have been very fortunate to have been able to serve with a great friend and mentor my first two years here.

For many years I worked at Dot's restaurant in Wilmington, VT as a waitress. Occasionally I wonder why I left. One of my favorite customers would come in, typically by herself, sit at the counter and read the newspaper. She was intelligent, passionate, and occasionally cranky. We would chat, discuss local issues of the day, and talk endlessly about our schools and what was happening to them Vermont's education finance system.

My whole life till that time was spent waitressing and happily raising my siblings and my three kids.

This customer thought I should reach a little higher. First she encouraged me to take a job at the local chamber, then a regional job and she has been so encouraging since my election to the House. She has always encouraged me to keep going. I thank the Member from Wilmington for her guidance, friendship and encouragement and will miss her very much."

Recess

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

At eleven o'clock and fifty-nine minutes in the forenoon, the Speaker called the House to order.

Senate Proposal of Amendment to House Proposal of Amendment to Senate Proposal of Amendment Concurred in

H. 95

An act relating to jurisdiction over delinquency proceedings by the Family Division of the Superior Court

The Senate concurs in the House proposal of amendment to the Senate proposal of amendment with the following proposal of amendment thereto:

By striking Secs. 37-89 in their entirety and inserting in lieu thereof the following:

Sec. 37. 23 V.S.A. § 4 is amended to read:

§ 4. DEFINITIONS

Except as may be otherwise provided herein, and unless the context otherwise requires in statutes relating to motor vehicles and enforcement of the law regulating vehicles, as provided in this title and 20 V.S.A. part 5, the following definitions shall apply:

* * *

(84) “Serious bodily injury” has the meaning set forth in 13 V.S.A. § 1021.

Sec. 38. 23 V.S.A. § 1091 is amended to read:

§ 1091. NEGLIGENCE OPERATION; GROSSLY NEGLIGENCE
OPERATION

(a) Negligent operation.

(1) A person who operates a motor vehicle on a public highway in a negligent manner shall be guilty of negligent operation.

(2) The standard for a conviction for negligent operation in violation of this subsection shall be ordinary negligence, examining whether the person breached a duty to exercise ordinary care.

(3) A person who violates this subsection shall be imprisoned not more than one year or fined not more than \$1,000.00, or both. If the person has been previously convicted of a violation of this subsection, the person shall be imprisoned not more than two years or fined not more than \$3,000.00, or both. If serious bodily injury to or death of any person other than the operator results, the operator shall be subject to imprisonment for not more than two years or to a fine of not more than \$3,000.00, or both. If serious bodily injury or death results to more than one person other than the operator, the operator may be convicted of a separate violation of this subdivision for each decedent or person injured.

(b) Grossly negligent operation.

(1) A person who operates a motor vehicle on a public highway in a grossly negligent manner shall be guilty of grossly negligent operation.

(2) The standard for a conviction for grossly negligent operation in violation of this subsection shall be gross negligence, examining whether the person engaged in conduct which involved a gross deviation from the care that a reasonable person would have exercised in that situation.

(3) A person who violates this subsection shall be imprisoned not more than two years or fined not more than \$5,000.00, or both. If the person has previously been convicted of a violation of this section, the person shall be imprisoned not more than four years or fined not more than \$10,000.00, or both. ~~If serious bodily injury as defined in 13 V.S.A. § 1021 to~~ If serious bodily injury or death of any person other than the operator results, the person operator shall be imprisoned for not more than 15 years or fined not more than \$15,000.00, or both. If serious bodily injury or death results to more than one person other than the operator, the operator may be convicted of a separate violation of this subdivision for each decedent or person injured.

(c) The provisions of this section do not limit or restrict the prosecution for manslaughter.

* * *

Sec. 39. EFFECTIVE DATES

(a) Secs. 9 (commencement of delinquency proceedings), 10 (transfer from other courts), and 11 (transfer from Family Division of the Superior Court) shall take effect on January 1, 2017.

(b) Sec. 16 (powers and responsibilities of the Commissioner regarding juvenile services) shall take effect on July 1, 2017.

(b) Secs. 6 (Jurisdiction), 7 (commencement of delinquency proceedings), and 8 (transfer from other courts) shall take effect on January 1, 2018.

(c) Secs. 1 (commencement of youthful offender proceedings in the Family Division), 2 (motion in Criminal Division of Superior Court), 3 (report from the Department), 4 (hearing in Family Division), and 5 (youthful offender determination and disposition order) shall take effect on July 1, 2018.

(d) This section and the remaining sections shall take effect on July 1, 2016.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 562

On motion of **Rep. Savage of Swanton**, the rules were suspended and House bill, entitled

An act relating to professions and occupations regulated by the Office of Professional Regulation and to the review of professional regulation

Appearing on the Calendar for notice, 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:

* * * Professional Regulation Review * * *

Sec. 1. 26 V.S.A. chapter 57 is amended to read:

CHAPTER 57. REVIEW OF ~~LICENSING STATUTES, BOARDS, AND~~ COMMISSIONS REGULATORY LAWS

§ 3101. POLICY AND PURPOSE

(a) It is the policy of the ~~state~~ State of Vermont that regulation be imposed upon a profession or occupation solely for the purpose of protecting the public. The ~~legislature~~ General Assembly believes that all individuals should be permitted to enter into a profession or occupation unless there is a demonstrated need for the ~~state~~ State to protect the interests of the public by restricting entry into the profession or occupation.

(b) If such a need is identified, the form of regulation adopted by the ~~state~~ State shall be the least restrictive form of regulation necessary to protect the public interest. If regulation is imposed, the profession or occupation may be subject to ~~periodic~~ review by the ~~legislature~~ Office of Professional Regulation and the General Assembly to ~~insure~~ ensure the continuing need for and appropriateness of such regulation.

§ 3101a. DEFINITIONS

~~The definitions contained in this section shall apply throughout~~ As used in this chapter, unless the context clearly requires otherwise:

(1) “Certification” means a voluntary process by which a statutory regulatory entity grants to ~~an individual,~~ a person who has met certain prerequisite qualifications; the right to assume or to use the title of the profession or occupation, or the right to assume or use the term “certified” in conjunction with the title. Use of the title or the term “certified,” as the case may be, by a person who is not certified is unlawful.

(2) “Licensing” and “licensure” mean a process by which a statutory regulatory entity grants to ~~an individual,~~ a person who has met certain prerequisite qualifications; the right to perform prescribed professional ~~and or~~ occupational tasks and to use the title of the profession or occupation. Practice without a license is unlawful.

(3) “License” means an individual, nontransferable authorization to carry on an activity based on qualifications such as:

(A) satisfactory completion of or graduation from an accredited or approved educational or training program; ~~and or~~

(B) acceptable performance on a qualifying examination or series of examinations.

(4) “Office” means the Office of Professional Regulation.

(5) “Practitioner” means ~~an individual~~ a person who is actively engaged in a specified profession or occupation.

~~(5)~~(6) “Public member” means an individual who has no material financial interest in the profession or occupation being regulated other than as a consumer.

~~(6)~~(7) “Registration” means a process ~~which requires~~ requiring that, prior to rendering services, ~~all practitioners~~ a practitioner formally notify a regulatory entity of ~~their~~ his, her, or its intent to engage in the profession or occupation. Notification may include the name and address of the practitioner, the location of the activity to be performed, and a description of the service to be provided.

(8) “Regulatory entity” means the statutory entity responsible for regulating a profession or occupation, such as a board or an agency of the State.

~~(7)~~(9) “Regulatory law” ~~as used in section 3104 of this title,~~ means any law in this State that requires a person engaged in a profession or occupation to be registered, certified, or licensed under this title or 4 V.S.A. chapter 23 or that otherwise regulates the operation of that profession or occupation.

§ 3102. ~~PERIODIC REVIEW REQUIREMENT~~

~~(a) Each licensing law enumerated below in subsection (b) of this section, each board related thereto, and the activities resulting shall be subject to review, at least once, in the manner provided in section 3104 of this title and on the basis of the criteria in section 3105 of this title.~~

~~(b) The following laws are subject to review:~~

- ~~(1) Chapter 15 of this title on electricians;~~
- ~~(2) Chapter 39 of this title on plumbers and plumbing;~~
- ~~(3) Chapter 28 of this title on nursing;~~
- ~~(4) Chapter 10 of this title on chiropractic;~~
- ~~(5) Chapter 6 of this title on barbers;~~
- ~~(6) Chapter 6 of this title on cosmeticians and hairdressers;~~
- ~~(7) Chapter 23 of this title on medicine and surgery;~~
- ~~(8) Chapter 33 of this title on osteopathic physicians and surgeons;~~
- ~~(9) Chapter 13 of this title on dentists and dental hygienists;~~
- ~~(10) 18 V.S.A. chapter 46 on nursing home administrators;~~
- ~~(11) Chapter 17 of this title on embalmers;~~
- ~~(12) Chapter 21 of this title on funeral directors;~~

- ~~(13) Chapter 44 of this title on veterinary science;~~
- ~~(14) Chapter 1 of this title on accountants;~~
- ~~(15) Chapter 59 of this title on private detectives;~~
- ~~(16) Chapter 55 of this title on psychologists;~~
- ~~(17) Chapter 36 of this title on pharmacy;~~
- ~~(18) Chapter 51 of this title on radiological technologists;~~
- ~~(19) Chapter 41 of this title on real estate brokers and salesmen;~~
- ~~(20) Chapter 20 of this title on engineering;~~
- ~~(21) Chapter 3 of this title on architects;~~
- ~~(22) Chapter 45 of this title on land surveyors;~~
- ~~(23) Chapter 31 of this title on physicians' assistants;~~
- ~~(24) Chapter 7 of this title on podiatry;~~
- ~~(25) 4 V.S.A. chapter 23 on attorneys;~~
- ~~(26) Chapter 47 of this title on opticians;~~
- ~~(27) Chapter 65 of this title on clinical mental health counselors;~~
- ~~(28) Chapter 67 of this title on hearing aid dispensers;~~
- ~~(29) Chapter 79 of this title on tattooists;~~
- ~~(30) Chapter 81 of this title on naturopathic physicians;~~
- ~~(31) Chapter 83 of this title on athletic trainers;~~
- ~~(32) Chapter 87 of this title on audiologists and speech language pathologists.~~

~~(c) Any new law to regulate another profession or occupation shall be based on the relevant criteria and standards in section 3105 of this title. [Repealed.]~~

§ 3104. PROCESS FOR REVIEW OF REGULATORY LAWS

~~(a) Either house of the general assembly may designate, by resolution, The Office may review a regulatory law or an issue that affects professions and occupations generally to be reviewed by the legislative council staff that is within its jurisdiction, and shall review any regulatory law within or outside its jurisdiction upon the request of the House or Senate Committee on Government Operations. Notwithstanding any provisions of this section to the contrary, the Office shall not review regulatory laws within the jurisdiction of~~

the Agency of Education. The staff Office shall base its review on the criteria and standards set forth in section 3105 of this title chapter.

(b) The review ~~may~~ shall also include the following inquiries in the discretion of the Office or in response to a Committee request:

(1) the extent to which ~~the board's~~ a regulatory entity's actions have been in the public interest and consistent with legislative intent;

(2) the extent to which the ~~board's rules are complete, concise, and easy to understand~~ profession's historical performance, including the actual history of complaints and disciplinary actions in Vermont, indicates that the costs of regulation are justified by the realized benefits to the public;

(3) the extent to which the ~~board's standards and procedures are fair and reasonable and accurately measure an applicant's qualifications~~ scope of the existing regulatory scheme for the profession is commensurate to the risk of harm to the public;

(4) the extent to which the profession's education, training, and examination requirements for a license or certification are consistent with the public interest;

(5) ~~the way in which the board receives, investigates, and resolves complaints from the public~~ the extent to which a regulatory entity's resolutions of complaints and disciplinary actions have been effective to protect the public;

(5)(6) the extent to which ~~the board~~ a regulatory entity has sought ideas from the public and from those it regulates, concerning reasonable ways to improve the service of the ~~board~~ entity and the profession or occupation regulated;

(6)(7) the extent to which ~~the board~~ a regulatory entity gives adequate public notice of its hearings and meetings and encourages public participation;

(7)(8) whether ~~the board~~ a regulatory entity makes efficient and effective use of its funds; and meets its responsibilities; and

(8)(9) whether ~~the board~~ a regulatory entity has sufficient funding to carry out its mandate.

(c)(1) The ~~legislative council staff~~ Office shall give adequate notice to the public, the ~~board~~ applicable regulatory entity, and the appropriate professional societies that it is reviewing a particular regulatory law and board, as applicable, that regulatory entity. Notice to the ~~board~~ regulatory entity and the professional societies shall be in writing.

(2) ~~All~~ The regulatory entity shall provide to the Office the information required under described in section 3107 of this ~~title~~ chapter and available data

~~reasonably requested~~ the Office requests for purposes of the review ~~shall be provided by the boards.~~

(3) The ~~staff~~ Office shall seek comments and information from the public and from members of the profession or occupation. It also shall give the ~~board~~ regulatory entity a chance to present its position and to respond to any matters raised in the review.

(4) The ~~staff~~ Office, upon its request, shall have assistance from the ~~department of finance and management~~ Department of Finance and Management, the ~~auditor of accounts~~ Auditor of Accounts, the ~~attorney general, the director of the office of professional regulation~~ Attorney General, the ~~joint fiscal committee~~ Joint Fiscal Committee, or any other ~~state~~ State agency.

~~(d)(1)~~ The ~~legislative council staff~~ Office shall file a separate written report for each review with the ~~speaker of the house and president of the senate and with the chairman of the appropriate house or senate committee as provided in subsection (f) of this section~~ House and Senate Committees on Government Operations, any legislative committees of jurisdiction for the underlying field of regulation, and the applicable regulatory entity. The reports shall contain:

~~(1)(A)~~ findings, alternative courses of action, and recommendations;₂

~~(2)(B)~~ a copy of the ~~board's~~ regulatory entity's administrative rules;₂
and

~~(3)(C)~~ appropriate legislative proposals.

~~(2)(A)~~ If the review is in regard to a regulatory law outside its jurisdiction, the Office shall submit the report in conjunction with the agency with jurisdiction over the licensing of the relevant profession.

~~(B)~~ In the event the Office and the agency with jurisdiction do not agree to any aspects of the report, the report shall incorporate separate responses of the Office and that agency.

~~(e)~~ The ~~legislative council staff~~ shall send a copy of the report to the board affected, and shall make copies available for public inspection. [Repealed.]

~~(f)~~ The ~~house and senate committees on government operations~~ shall be responsible for overseeing the preparation of reports by the legislative council staff under this chapter. [Repealed.]

~~(g)~~ After considering a report each committee shall send its findings and recommendations, including proposals for legislation, if any, to the house or to the senate, as appropriate. Any proposed licensing law shall be drafted

~~according to a uniform format recommended in the comprehensive plan.~~
~~[Repealed.]~~

§ 3105. CRITERIA AND STANDARDS

(a) A profession or occupation shall be regulated by the State only when:

(1) it can be demonstrated that the unregulated practice of the profession or occupation can clearly harm or endanger the health, safety, or welfare of the public, and the potential for the harm is recognizable and not remote or speculative;

(2) the public can reasonably be expected to benefit from an assurance of initial and continuing professional ability; and

(3) the public cannot be effectively protected by other means.

(b) After evaluating the criteria in subsection (a) of this section and considering governmental and societal costs and benefits, if the ~~Legislature~~ General Assembly finds that it is necessary to regulate a profession or occupation, the least restrictive method of regulation shall be imposed, consistent with the public interest and this section:

(1) if existing common law and statutory civil remedies and criminal sanctions are insufficient to reduce or eliminate existing harm, regulation should occur through enactment of stronger civil remedies and criminal sanctions;

(2) if a professional or occupational service involves a threat to the public and the service is performed primarily through business entities or facilities that are not regulated, the business entity or the facility should be regulated rather than its employee practitioners;

(3) if the threat to the public health, safety, or welfare, including economic welfare, is relatively small, regulation should be through a system of registration;

(4) if the consumer may have a substantial interest in relying on the qualifications of the practitioner, regulation should be through a system of certification; or

(5) if it is apparent that the public cannot be adequately protected by any other means, a system of licensure should be imposed.

(c) Any of the issues set forth in subsections (a) and (b) of this section and section 3107 of this ~~title~~ chapter may be considered in terms of their application to professions or occupations generally.

(d) Prior to review under this chapter and consideration by the General Assembly of any bill to regulate a profession or occupation and upon the

request of the House or Senate Committee on Government Operations, the Office of Professional Regulation shall make, in writing, a preliminary assessment of whether any particular request for regulation meets the criteria set forth in subsection (a) of this section. The Office shall report its preliminary assessment to the appropriate House or Senate Committee on Government Operations. ~~The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.~~

(e) After the review of a proposal to regulate a profession, the Office of Professional Regulation may decline to conduct an analysis and evaluation of the proposed regulation if it finds that:

(1) the proposed regulatory scheme appears to regulate fewer than 250 individuals; and

(2) the Office previously conducted an analysis and evaluation of the proposed regulation of the same profession or occupation, and no new information has been submitted that would cause the Office to alter or modify the recommendations made in its earlier report on ~~the~~ that proposed regulation ~~of the profession.~~

§ 3106. DIRECTOR OF THE OFFICE OF PROFESSIONAL REGULATION; ANNUAL REPORT

(a) Annually, prior to the commencement of each legislative session, the Director of the Office of Professional Regulation shall prepare a concise report on the activities of all boards and advisor professions under his or her jurisdiction. ~~Prior to the commencement of each legislative session, the Director shall prepare a report for publication on the Office's website containing The report shall include his or her assessments, conclusions, and recommendations with proposals for legislation, if any, to the Speaker of the House and to the Chairpersons of the House and Senate Committees on Government Operations and the chairpersons of the boards regarding those boards and advisor professions.~~

(b) The ~~Office~~ Director shall publish the report on the Office's website and shall also provide written copies of the report to the House and Senate Committees on Government Operations.

(c) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this section.

§ 3107. INFORMATION REQUIRED

Prior to review under this chapter and prior to consideration by the ~~legislature~~ General Assembly of any bill ~~which~~ that proposes to regulate a profession or occupation, the profession or occupation being reviewed or

seeking regulation shall explain each of the following factors, in writing, to the extent requested by the ~~appropriate house or senate committees on government operations~~ House or Senate Committee on Government Operations:

(1) Why regulation is necessary, including:

(A) the nature of the potential harm or threat to the public if the profession or occupation is not regulated;

(B) specific examples of the harm or threat identified in subdivision (1)(A) of this section;

(C) the extent to which consumers will benefit from a method of regulation ~~which~~ that permits identification of competent practitioners, indicating typical employers, if any, of practitioners;

(2) The extent to which practitioners are autonomous, as indicated by:

(A) the degree to which the profession or occupation requires the use of independent judgment, and the skill or experience required in making such judgment;

(B) the degree to which practitioners are supervised;

(3) The efforts that have been made to address the concerns that give rise to the need for regulation, including:

(A) voluntary efforts, if any, by members of the profession or occupation to:

(i) establish a code of ethics;

(ii) help resolve disputes between practitioners and consumers;

(iii) establish requirements for continuing education.

(B) recourse to and the extent of use of existing law;

(4) Why the alternatives to licensure specified in this subdivision would not be adequate to protect the public interest:

(A) stronger civil remedies or criminal sanctions;

(B) regulation of the business entity or facility providing the service rather than the employee practitioners;

(C) regulation of the program or service rather than the individual practitioners;

(D) registration of all practitioners;

(E) certification of practitioners;

(F) other alternatives;

(5) The benefit to the public if regulation is granted, including:

(A) how regulation will result in reduction or elimination of the harms or threats identified under subdivision (1) of this section;

(B) the extent to which the public can be confident that a practitioner is competent:

(i) whether the registration, certification, or licensure will carry an expiration date;

(ii) whether renewal will be based only upon payment of a fee, or whether renewal will involve reexamination, peer review, or other enforcement;

(iii) the standards for registration, certification, or licensure as compared with the standards of other jurisdictions;

(iv) the nature and duration of the educational requirement, if any, including, ~~but not limited to,~~ whether ~~such the~~ educational program requirement includes a substantial amount of supervised field experience; whether educational programs exist in this ~~state~~ State; whether there will be an experience requirement; whether the experience must be acquired under a registered, certified, or licensed practitioner; whether there are alternative routes of entry or methods of satisfying the eligibility requirements and qualifications; whether all applicants will be required to pass an examination; and, if an examination is required, by whom it will be developed and how the costs of development will be met;

(6) The form and powers of the regulatory entity, including:

(A) whether the regulatory entity is or would be a board composed of members of the profession or occupation and public members, or a ~~state~~ State agency, or both, and, if appropriate, their respective responsibilities in administering the system of registration, certification, or licensure;

(B) the composition of the board, if any, and the number of public members, if any;

(C) the powers and duties of the ~~board or state agency~~ regulatory entity regarding examinations;

(D) the system for receiving complaints and taking disciplinary action against practitioners;

(7) The extent to which regulation might harm the public, including:

(A) whether regulation will restrict entry into the profession or occupation, including:

(i) whether the standards are the least restrictive necessary to ~~insure~~ ensure safe and effective performance; and

(ii) whether persons who are registered, certified, or licensed in a another jurisdiction ~~which that the board or agency~~ regulatory entity believes has requirements that are substantially equivalent to those of this ~~state~~ State will be eligible for endorsement or some form of reciprocity;

(B) whether there are similar professions or occupations ~~which that~~ should be included, or portions of the profession or occupation ~~which that~~ should be excluded from regulation;

(8) How the standards of the profession or occupation will be maintained, including:

(A) whether effective quality assurance standards exist in the profession or occupation, such as legal requirements associated with specific programs that define or enforce standards, or a code of ethics; and

(B) how the proposed form of regulation will assure quality, including:

(i) the extent to which a code of ethics, if any, will be adopted; and

(ii) the grounds for suspension, revocation, or refusal to renew registration, certification, or licensure;

(9) A profile of the practitioners in this ~~state~~ State, including a list of associations, organizations, and other groups representing the practitioners and including an estimate of the number of practitioners in each group.

(10) The effect that registration, certification, or licensure will have on the costs of the services to the public.

* * * Alcohol and Drug Abuse Counselors * * *

Sec. 2. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

An Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a Director who shall be appointed by the Secretary of State and shall be an exempt employee. The following boards or professions are attached to the Office of Professional Regulation:

* * *

(45) Alcohol and drug abuse counselors.

Sec. 3. 18 V.S.A. § 4806 is amended to read:

§ 4806. DIVISION OF ALCOHOL AND DRUG ABUSE PROGRAMS

(a) The Division of Alcohol and Drug Abuse Programs shall plan, operate, and evaluate a consistent, effective program of substance abuse programs. All duties, responsibilities, and authority of the Division shall be carried out and exercised by and within the Department of Health.

(b) The Division shall be responsible for the following services:

- (1) prevention and intervention;
- (2) ~~licensure of alcohol and drug counselors; [Repealed.]~~
- (3) project CRASH schools; and
- (4) alcohol and drug treatment.

* * *

~~(e) Under subdivision (b)(4) of this section, the Commissioner of Health may contract with the Secretary of State for provision of adjudicative services of one or more administrative law officers and other investigative, legal, and administrative services related to licensure and discipline of alcohol and drug counselors. [Repealed.]~~

Sec. 4. 26 V.S.A. chapter 62 is amended to read:

CHAPTER 62. ALCOHOL AND DRUG ABUSE COUNSELORS

§ 3231. DEFINITIONS

As used in this chapter:

(1) “Alcohol and drug abuse counselor” means a person who engages in the practice of alcohol and drug abuse counseling for compensation.

(2) ~~“Commissioner” means the Commissioner of Health~~ “Director” means the Director of the Office of Professional Regulation.

(3) ~~“Deputy Commissioner” means the Deputy Commissioner of the Division of Alcohol and Drug Abuse Programs~~ “Office” means the Office of Professional Regulation.

(4) ~~“Disciplinary action” means any action taken by the administrative law officer appointed pursuant to 3 V.S.A. § 129(j) against a licensee or applicant based on a finding of unprofessional conduct by the licensee or applicant. “Disciplinary action” includes issuance of warnings and all sanctions, including denial, suspension, revocation, limitation, or restriction of licenses and other similar limitations. [Repealed.]~~

(5) “Practice of alcohol and drug abuse counseling” means the application of methods, including psychotherapy, ~~which~~ that assist an

individual or group to develop an understanding of alcohol and drug abuse dependency problems and to define goals and plan actions reflecting the individual's or group's interests, abilities, and needs as affected by alcohol and drug abuse dependency problems and comorbid conditions.

(6) "Supervision" means the oversight of a person for the purposes of teaching, training, or clinical review by a ~~professional in the same area of specialized practice~~ licensed alcohol and drug abuse counselor or a qualified supervisor as determined by the Director by rule.

§ 3232. PROHIBITION; PENALTIES

(a) ~~No~~ A person shall not perform either of the following acts:

(1) practice or attempt to practice alcohol and drug abuse counseling without a valid license issued in accordance with this chapter, except as otherwise provided in section 3233 of this ~~title~~ chapter; or

(2) use in connection with the person's name any letters, words, or insignia indicating or implying that the person is an alcohol and drug abuse counselor, unless the person is licensed or certified in accordance with this chapter.

(b) A person who violates any of the provisions of this section shall be subject to the penalties provided in 3 V.S.A. § 127~~(e)~~.

§ 3233. EXEMPTIONS

The provisions of subdivision 3232(a)(1) of this chapter, relating to the practice of alcohol and drug abuse counseling, shall not apply to:

* * *

(4) the activities and services of ~~approved alcohol and drug abuse counselors~~ an individual certified under this chapter who ~~are~~ is working in a preferred provider program under the supervision of a licensed alcohol and drug abuse counselor; or

* * *

§ 3234. COORDINATION OF PRACTICE ACTS

Notwithstanding any provision of law to the contrary, a person may practice psychotherapy when acting within the scope of a license or certification granted under this chapter, provided he or she does not hold himself or herself out as a practitioner of a profession for which he or she is not licensed or certified.

§ 3235. ~~DEPUTY COMMISSIONER~~ DIRECTOR; DUTIES

(a) ~~The Deputy Commissioner~~ In addition to the authority granted under 3 V.S.A. chapter 5, the Director shall:

(1) ~~provide general information to applicants for licensure as alcohol and drug abuse counselors~~ or certification under this chapter;

(2) ~~administer fees collected under this chapter;~~

(3) ~~administer examinations~~ refer complaints and disciplinary matters to an administrative law officer established under 3 V.S.A. § 129(j);

(4) ~~explain appeal procedures to licensees, certified individuals, and applicants for licensure~~ or certification under this chapter; and

(5) ~~receive applications for licensure~~ or certification under this chapter; issue and renew licenses or certifications; and revoke, suspend, reinstate, or condition licenses or certifications as ordered by an administrative law officer; and

(6) ~~contract with the Office of Professional Regulation to adopt and explain complaint procedures to the public, manage case processing, investigate complaints, and refer adjudicatory proceedings to an administrative law officer.~~

(b) ~~The Commissioner of Health, with the advice of the Deputy Commissioner, Director~~ may adopt rules necessary to perform the Deputy Commissioner's Director's duties under this section, including rules:

(1) Specifying acceptable master's degree requirements.

(2) Setting standards for certifying apprentice addiction professionals and alcohol and drug abuse counselors.

(3) Requiring completion and documentation of not more than 40 hours of acceptable continuing education every two years as a condition for license or certification renewal.

(4) Requiring licensed alcohol and drug abuse counselors to disclose to each client the licensee's professional qualifications and experience, those actions that constitute unprofessional conduct, the method for filing a complaint or making a consumer inquiry, and provisions relating to the manner in which the information shall be displayed and signed by both the licensee and the client. The rules may include provisions for applying or modifying these requirements in cases involving clients of preferred providers, institutionalized clients, minors, and adults under the supervision of a guardian.

(5) Regarding ethical standards for individuals licensed or certified under this chapter.

(6) Regarding display of license or certification.

(7) Regarding reinstatement of a license or certification which has lapsed for more than five years.

(8) Regarding supervised practice toward licensure or certification.

§ 3235a. ADVISOR APPOINTEES

(a) The Secretary of State shall appoint three individuals licensed under this chapter to serve as advisors in matters relating to alcohol and drug abuse counselors. Advisors shall be appointed as set forth in 3 V.S.A. § 129b. Two of the initial appointments may be for less than a full term.

(b) Appointees shall not have less than three years' licensed experience as an alcohol and drug abuse counselor in Vermont.

(c) The Director shall seek the advice of the advisors appointed under this section in carrying out the provisions of this chapter.

§ 3236. LICENSED ALCOHOL AND DRUG ABUSE COUNSELOR
ELIGIBILITY

(a) To be eligible for licensure as an alcohol and drug abuse counselor, an applicant shall:

(1) have received a master's degree or doctorate in a human services field from an accredited educational institution, including a degree in counseling, social work, psychology, or in an allied mental health field, or a master's degree or higher in a health care profession regulated under this title or Title 33, after having successfully completed a course of study with course work, including theories of human development, diagnostic and counseling techniques, and professional ethics, and which includes a supervised clinical practicum; and

(2)(A) have been awarded an approved counselor credential from the Division of Alcohol and Drug Abuse Programs in accordance with rules adopted by the Commissioner hold or be qualified to hold a current alcohol and drug counselor certification from the Office; or

(B) hold an International Certification and Reciprocity Consortium certification from another U.S. or Canadian jurisdiction or a U.S. or Canadian national certification organization approved by the Director;

(3) successfully pass the examination approved by the Director; and

(4) complete 2,000 hours of supervised practice as set forth in rule.

(b) A person who is engaged in supervised practice toward licensure who is not within the preferred provider network shall be registered on the roster of nonlicensed and noncertified psychotherapists.

§ 3236a. CERTIFICATION OF APPRENTICE ADDICTION
PROFESSIONALS AND ALCOHOL AND DRUG ABUSE
COUNSELORS

(a) The Director may certify an individual who has met requirements set by the Director by rule as:

- (1) an apprentice addiction professional; or
- (2) an alcohol and drug abuse counselor.

(b) The Director may seek cooperation with the International Certification and Reciprocity Consortium or other recognized alcohol and drug abuse provider credentialing organizations as a resource for examinations and rulemaking.

§ 3236b. LICENSURE OR CERTIFICATION BY ENDORSEMENT

The Director may issue a license or certification to an individual under this chapter if the individual holds a license or certification from a U.S. or Canadian jurisdiction that the Director finds has requirements for licensure or certification that are substantially equivalent to those required under this chapter.

§ 3237. APPLICATION

~~An individual may apply for a license under this chapter by filing, with the Deputy Commissioner, an application provided by the Deputy Commissioner. The application shall be accompanied by the required fees and evidence of eligibility. [Repealed.]~~

§ 3238. BIENNIAL RENEWALS

(a) Licenses and certifications shall be renewed every two years on a schedule set by the Office upon:

- (1) payment of the required fee, provided the person applying for renewal completes; and
- (2) documentation that the applicant has completed at least 40 hours of continuing education, approved by the Deputy Commissioner, during the preceding two-year period. The Deputy Commissioner shall establish, by rule, guidelines and criteria for continuing education credit Director.

~~(b) Biennially, the Deputy Commissioner shall forward a renewal form to each license holder. Upon receipt of the completed form and the renewal fee, the Deputy Commissioner shall issue a new license. [Repealed.]~~

(c) Any application for ~~renewal~~ reinstatement of a license ~~which or certification that~~ has expired shall be accompanied by the ~~renewal fee and a reinstatement fee~~ appropriate fees. A person shall not be required to pay renewal fees for years during which the license or certification was lapsed.

~~(d) The Commissioner of Health may, after notice and opportunity for hearing, revoke a person's right to renew a license if the license has lapsed for five or more years. [Repealed.]~~

§ 3239. UNPROFESSIONAL CONDUCT

The following conduct and the conduct set forth in 3 V.S.A. § 129a, by a person authorized to provide alcohol and drug abuse services under this chapter or an applicant for licensure or certification, constitutes unprofessional conduct:

* * *

(4) negligent, incompetent, or wrongful conduct in the practice of alcohol and drug abuse counseling; or

(5) harassing, intimidating, or abusing a client; ~~or~~

~~(6) agreeing with any other person or organization or subscribing to any code of ethics or organizational bylaws when the intent or primary effect of that agreement, code, or bylaw is to restrict or limit the flow of information concerning alleged or suspected unprofessional conduct to the Director.~~

§ 3240. REGULATORY FEE FUND

~~(a) An Alcohol and Drug Counselor Regulatory Fee Fund is created. All counselor licensing and examination fees received by the Division shall be deposited into the Fund and used to offset the costs incurred by the Division for these purposes and for the costs of investigations and disciplinary proceedings.~~

~~(b) To ensure that revenues derived by the Division are adequate to offset the cost of regulation, the Commissioner of Health and the Deputy Commissioner shall review fees from time to time and present proposed fee changes to the General Assembly. [Repealed.]~~

§ 3241. FEES

In addition to the fees otherwise authorized by law, the ~~Deputy Commissioner~~ Director may charge the following fees:

~~(1) Late renewal penalty, \$25.00 for a renewal submitted less than 30 days late. Thereafter, the Deputy Commissioner may increase the late renewal penalty by \$5.00 for every additional month or fraction of a month, provided that the total penalty for a late renewal shall not exceed \$100.00.~~

~~(2) Reinstatement of revoked or suspended license, \$20.00.~~

~~(3) Replacement of license, \$20.00.~~

~~(4) Verification of license, \$20.00.~~

~~(5) An examination fee established by the Deputy Commissioner, which shall be no greater than the costs associated with examinations.~~

~~(6) Licenses granted under rules adopted pursuant to 3 V.S.A. § 129(a)(10), \$20.00.~~

~~(7) Application for registration, \$75.00.~~

~~(8) Application for licensure or certification, \$100.00.~~

~~(9) Biennial renewal, \$135.00.~~

~~(10) Limited temporary license or work permit, \$50.00 for professions regulated by the Director as set forth in 3 V.S.A. § 125.~~

* * *

Sec. 5. TRANSITIONAL PROVISION; CURRENT CERTIFICATION

Notwithstanding the provisions of 26 V.S.A. § 3236a(a) set forth in Sec. 4 of this act, an individual currently certified by the Vermont Alcohol and Drug Abuse Certification Board as an apprentice addiction professional or an alcohol and drug abuse counselor may renew his or her certification as if previously granted to him or her by the Director of the Office of Professional Regulation pursuant to rules adopted by the Director.

Sec. 6. DIRECTOR OF THE OFFICE OF PROFESSIONAL REGULATION; REQUIRED RULEMAKING

The Director of the Office of Professional Regulation may adopt any rules necessary to implement the provisions of Secs. 4 and 5 of this act, prior to the effective date of those sections.

* * * Naturopathic Physicians * * *

Sec. 7. 2012 Acts and Resolves No. 116, Sec. 64(e), as amended by 2015 Acts and Resolves No. 38, Sec. 42, is amended to read:

(e) Formulary sunset; transition to examination.

(1) Subsection (c) of this section (formulary authorization) shall be repealed on July 1, ~~2016~~ 2017.

(2) Any naturopathic physician who is authorized to prescribe, dispense, and administer any prescription medicines under subsection (c) of this section shall have until July 1, ~~2016~~ 2017 to successfully complete the naturopathic pharmacology examination set forth in 26 V.S.A. § 4125(d) in order to be able to continue to prescribe, dispense, and administer any prescription medicines.

* * * Potable Water Supply and Wastewater System Designers and
Pollution Abatement Facility Operators * * *

Sec. 8. 10 V.S.A. § 1263 is amended to read:

§ 1263. DISCHARGE PERMITS

* * *

(d) A discharge permit shall:

(1) ~~specify~~ Specify the manner, nature, volume, and frequency of the discharge permitted and contain terms and conditions consistent with subsection (c) of this section;

(2) ~~require~~ Require proper operation and maintenance of any pollution abatement facility necessary in the treatment or processing of the waste by qualified personnel in accordance with standards established by the ~~secretary~~ Secretary and the Director of the Office of Professional Regulation. The ~~secretary~~ Secretary may require ~~operators to be certified under a program established by the secretary that a pollution abatement facility be operated by persons licensed under 26 V.S.A. chapter 97 and may prescribe the class of license required~~. The ~~secretary~~ Secretary may require a laboratory quality assurance sample program to ~~insure~~ ensure qualifications of laboratory analysts;

(3) ~~contain~~ Contain an operation, management, and emergency response plan when required under section 1278 of this title and additional conditions, requirements, and restrictions as the ~~secretary~~ Secretary deems necessary to preserve and protect the quality of the receiving waters, including ~~but not limited to~~ requirements concerning recording, reporting, monitoring, and inspection of the operation and maintenance of waste treatment facilities and waste collection systems; ~~and~~.

(4) ~~be~~ Be valid for the period of time specified therein, not to exceed five years.

* * *

Sec. 9. 10 V.S.A. § 1975 is amended to read:

§ 1975. DESIGNER LICENSES

(a) The ~~secretary~~ Director of the Office of Professional Regulation, after due consultation with the Secretary, shall establish and implement a process to license and periodically renew the licenses of designers of potable water supplies or wastewater systems, establish different classes of licensing for different potable water supplies and wastewater systems, and allow individuals to be licensed in various categories.

(b) ~~No~~ A person shall not design a potable water supply or wastewater system that requires a permit under this chapter without first obtaining a designer license from the ~~secretary~~ Director of the Office of Professional Regulation, except a professional engineer who is licensed in Vermont shall be deemed to have a valid designer license under this chapter, provided that:

(1) the engineer is practicing within the scope of his or her engineering specialty; and

(2) the engineer:

(A) to design a soil-based wastewater system, has satisfactorily completed a college-level soils identification course with specific instruction in the areas of soils morphology, genesis, texture, permeability, color, and redoximorphic features; ~~or~~

(B) has passed a soils identification test administered by the ~~secretary~~ Secretary; or

(C) retains one or more licensed designers who have taken the course specified in this subdivision or passed the soils identification test, whenever performing work regulated under this chapter.

(c) ~~No person shall review or act on permit applications for a potable water supply or wastewater system that he or she designed or installed. [Repealed.]~~

(d) The ~~secretary~~ Secretary or the Director of the Office of Professional Regulation may review, on a random basis, or in response to a complaint, or on his or her own motion, the testing procedures employed by a licensed designer, the systems designed by a licensed designer, the designs approved or recommended for approval by a licensed designer, and any work associated with the performance of these tasks.

(e) ~~After a hearing conducted under chapter 25 of Title 3, the secretary may suspend, revoke, or impose conditions on a designer license, except for one held by a professional engineer. This proceeding may be initiated on the secretary's own motion or upon a written request which contains facts or reasons supporting the request for imposing conditions, for suspension, or for revocation. Cause for imposing conditions, suspension, or revocation shall be~~

~~conduct specified under 3 V.S.A. § 129a as constituting unprofessional conduct by a licensee. [Repealed.]~~

(f) If a person who signs a design or installation certification submitted under this chapter certifies a design, installation, or related design or installation information and, as a result of the person's failure to exercise reasonable professional judgment, submits design or installation information that is untrue or incorrect, or submits a design or installs a wastewater system or potable water supply that does not comply with the rules adopted under this chapter, the person who signed the certification may be subject to penalties disciplined by the Director of the Office of Professional Regulation and be required to take all actions to remediate the affected project in accordance with the provisions of chapters 201 and 211 of this title.

* * *

Sec. 10. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

An Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a Director who shall be appointed by the Secretary of State and shall be an exempt employee. The following boards or professions are attached to the Office of Professional Regulation:

* * *

(46) Potable water supply and wastewater system designers

(47) Pollution abatement facility operators

Sec. 11. 26 V.S.A. chapter 97 is added to read:

CHAPTER 97. POTABLE WATER SUPPLY AND WASTEWATER SYSTEM DESIGNERS

Subchapter 1. General Provisions

§ 5001. PURPOSE AND EFFECT

In order to safeguard the life and health of the people of this State, a person, other than a professional engineer exempted under this chapter, shall not design a potable water supply or wastewater system that requires a permit or designer's certification or license under the laws of this State unless currently licensed under this chapter.

§ 5002. DEFINITIONS

As used in this chapter:

(1) “Director” means the Director of the Office of Professional Regulation.

(2) “License” means a current authorization granted by the Director permitting the practice of potable water supply or wastewater system design.

(3) “Potable water supply or wastewater system designer” or “designer” means a person who is licensed under this chapter to engage in the practice of potable water supply or wastewater system design.

(4) “Practice of potable water supply or wastewater system design” or “design” means planning the physical and operational characteristics of a potable water supply or wastewater system that requires a permit or designer’s certification or license under the laws of this State:

§ 5003. PROHIBITIONS; OFFENSES

(a) It shall be a violation of this chapter for any person, including any corporation, association, or individual, to:

(1) sell or fraudulently obtain or furnish any design degree, diploma, certificate of registration, license, or any other related document or record or to aid or abet therein;

(2) practice design under cover of any degree, diploma, registration, license, or related document or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation;

(3) practice design unless duly registered and currently licensed or otherwise authorized to do so under the provisions of this chapter;

(4) represent himself or herself as being licensed or otherwise authorized by this State to practice design or use in connection with a name any words, letters, signs, or figures that imply that a person is a licensed designer when not licensed or otherwise authorized under this chapter;

(5) practice design during the time a license or authorization issued under this chapter is suspended or revoked;

(6) employ an unlicensed or unauthorized person to practice as a licensed designer; or

(7) practice or employ a licensed designer to practice beyond the scope of his or her practice prescribed by rule.

(b) Any person violating this section shall be subject to the penalties provided in 3 V.S.A. § 127.

§ 5004. EXCEPTIONS

This chapter does not prohibit:

- (1) the furnishing of assistance in the case of an emergency or disaster;
- (2) the practice of design by a person employed by the U.S. government or any bureau, division, or agency thereof while in the discharge of his or her official federal duties; or
- (3) the practice of any other occupation or profession by a person duly licensed or otherwise authorized under the laws of this State.

§ 5005. QUALIFIED PROFESSIONAL ENGINEERS EXEMPT

A licensed professional engineer may practice design without a license under this chapter if he or she satisfies the criteria set forth in 10 V.S.A. § 1975(b).

Subchapter 2. Administration

§ 5011. DUTIES OF THE DIRECTOR

(a) The Director shall:

- (1) provide general information to applicants for licensure as designers;
- (2) receive applications for licensure, administer or approve examinations, and provide licenses to applicants qualified under this chapter;
- (3) administer fees as established by law;
- (4) refer all disciplinary matters to an administrative law officer;
- (5) renew, revoke, and reinstate licenses as ordered by an administrative law officer; and
- (6) explain appeal procedures to licensed designers and to applicants, and complaint procedures to the public.

(b) The Director shall adopt rules necessary to perform his or her duties under this section after due consultation with the Secretary of Natural Resources. These rules may establish grades, types, classes, or subcategories of licenses corresponding to prescribed scopes of practice.

§ 5012. ADVISOR APPOINTEES

(a)(1) The Secretary of State shall appoint three persons to be advisors to the Secretary, two of which shall be designers licensed under this chapter and one of which shall be a representative of the Agency of Natural Resources. Advisors shall be appointed for five-year staggered terms to serve at the

Secretary's pleasure as advisors in matters relating to design. Two of the initial appointments may be for a term of fewer than five years.

(2) A designer appointee shall have not fewer than five years' experience as a licensed designer immediately preceding appointment; shall be licensed as a designer in Vermont; and shall be actively engaged in the practice of design in this State during incumbency.

(3) The Agency of Natural Resources appointee shall be involved in the permitting program established under 10 V.S.A. chapter 64.

(b) The Director shall seek the advice of the advisor appointees in carrying out the provisions of this chapter.

Subchapter 3. Licenses

§ 5021. ELIGIBILITY FOR LICENSURE

(a) To be eligible for licensure as a designer, an applicant shall be at least 18 years of age; able to read and write the English language; hold a high school diploma, General Equivalency Diploma (GED), or equivalent; and demonstrate such specific education, training, experience, and examination performance as the Director may by rule require to hold the class of license sought.

(b) The Director may waive examination for an applicant licensed or certified in good standing by a foreign jurisdiction found by the Director to enforce equivalent standards to obtain the class of license sought in this State. The applicant's previous job description and experience in the design field may be considered.

§ 5022. LICENSE RENEWAL

(a)(1) A license shall be renewed every two years upon application, payment of the required fee, and proof of compliance with such continuing education or periodic reexamination requirements as the Director may by rule prescribe. Failure to comply with the provisions of this section shall result in suspension of all privileges granted to the licensee, beginning on the expiration date of the license.

(2) A license that has lapsed shall be renewed upon payment of the biennial renewal fee and the late renewal penalty.

(b) The Director may adopt rules necessary for the protection of the public to assure the Director that an applicant whose license has lapsed or who has not worked for more than three years as a licensed designer is professionally qualified for license renewal. Conditions imposed under this subsection shall be in addition to the requirements of subsection (a) of this section.

§ 5023. APPLICATIONS

Applications for licensure and license renewal shall be on forms provided by the Director. Each application shall contain a statement under oath showing the applicant's education, experience, and other pertinent information and shall be accompanied by the required fee.

§ 5024. LICENSURE GENERALLY

The Director shall issue a license or renew a license, upon payment of the fees required under this chapter, to an applicant or licensee who has satisfactorily met all the requirements of this chapter.

§ 5025. FEES

Applicants and persons regulated under this chapter shall pay those fees set forth in 3 V.S.A. § 125(b).

§ 5026. UNPROFESSIONAL CONDUCT

(a) Unprofessional conduct means the following conduct and the conduct set forth in 3 V.S.A. § 129a committed by a licensee, an applicant, or a person who later becomes an applicant:

(1) has made or caused to be made a false, fraudulent, or forged statement or representation in procuring or attempting to procure registration or renew a license to practice as a licensed designer;

(2) whether or not committed in this State, has been convicted of a crime related to water system design or installation or a felony which evinces an unfitness to practice design;

(3) is unable to practice design competently by reason of any cause;

(4) has willfully or repeatedly violated or caused the violation of any of the provisions of this chapter, the terms of a permit, the Vermont On-Site Wastewater and Potable Water Supply Regulations, or the Vermont Water Quality Standards;

(5) is habitually intemperate or is addicted to the use of habit-forming drugs;

(6) has a mental, emotional, or physical disability, the nature of which interferes with the ability to practice design competently;

(7) engages in conduct of a character likely to deceive, defraud, or harm the public;

(8) has reviewed or acted on permit applications for a potable water supply or wastewater system that he or she designed or installed.

(b) A person shall not be liable in a civil action for damages resulting from the good faith reporting of information to the Director or the Office of Professional Regulation about alleged incompetent, unprofessional, or unlawful conduct of a licensed designer.

Sec. 12. TRANSITIONAL PROVISIONS

(a) The five years' experience required by 26 V.S.A. § 5012(a)(2) (advisor appointees; qualifications of appointees) set forth in Sec. 11 of this act may include experience while licensed pursuant to subchapter 7 of the Agency of Natural Resources Wastewater System and Potable Water Supply Rules, and an initial advisor appointee may be in the process of applying for licensure from the Office of Professional Regulation if he or she otherwise meets the requirements for licensure as an licensed designer and the other requirements of 26 V.S.A. § 5012(a)(2).

(b) Pending adoption by the Director of administrative rules governing licensed designers, the Director may license designers consistent with subchapter 7 of the Agency of Natural Resources Wastewater System and Potable Water Supply Rules.

(c) A person holding a design license from the Agency of Natural Resources may obtain an equivalent license from the Office of Professional Regulation at no charge, valid through the expiration date assigned by the Agency, and thereafter renewable on a biennial schedule established by the Office.

Sec. 13. 26 V.S.A. chapter 99 is added to read:

CHAPTER 99. POLLUTION ABATEMENT FACILITY OPERATORS

Subchapter 1. General Provisions

§ 5101. PURPOSE AND EFFECT

In order to safeguard the life and health of the people of this State, a person shall not practice or offer to practice pollution abatement facility operation unless currently licensed under this chapter.

§ 5102. DEFINITIONS

As used in this chapter:

(1) "Director" means the Director of the Office of Professional Regulation.

(2) "License" means a current authorization granted by the Director permitting the practice of pollution abatement facility operation.

(3) "Permit," when used as a noun, means an authorization by the Agency of Natural Resources to operate a facility regulated under 10 V.S.A. § 1263.

(4) "Practice of pollution abatement facility operation" means the operation and maintenance of a facility regulated under 10 V.S.A. § 1263 by a person required by the terms of a permit to hold particular credentials, including those of an "operator," "assistant chief operator," or "chief operator."

(5) "Pollution abatement facility operator" means a person who is licensed under this chapter, or pursuant to rules developed pursuant to this chapter, to engage in the practice of pollution abatement facility operation consistent with a permit.

§ 5103. PROHIBITIONS; OFFENSES

(a) It shall be a violation of this chapter for any person, including any corporation, association, or individual, to:

(1) sell or fraudulently obtain or furnish any pollution abatement facility operation degree, diploma, certificate of registration, license, or any other related document or record or to aid or abet therein;

(2) practice or knowingly permit the practice of pollution abatement facility operation under cover of any degree, diploma, registration, license, or related document or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation;

(3) practice or permit the practice of pollution abatement facility operation other than by a person duly registered and currently licensed or otherwise authorized to do so under the provisions of this chapter;

(4) represent himself or herself as being licensed or otherwise authorized by this State to practice pollution abatement facility operation or use in connection with a name any words, letters, signs, or figures that imply that a person is a pollution abatement facility operator when not licensed or otherwise authorized under this chapter;

(5) practice pollution abatement facility operation during the time a license or authorization issued under this chapter is suspended or revoked; or

(6) employ an unlicensed or unauthorized person to practice as a pollution abatement facility operator.

(b) Any person violating this section shall be subject to the penalties provided in 3 V.S.A. § 127(c).

§ 5104. EXCEPTIONS

This chapter does not prohibit:

(1) the furnishing of assistance in the case of an emergency or disaster; or

(2) a person not licensed under this chapter from working under the direct or indirect supervision of a pollution abatement facility operator, where such employment is consistent with the terms, conditions, and intent of a facility's permit.

Subchapter 2. Administration§ 5111. DUTIES OF THE DIRECTOR

(a) The Director shall:

(1) provide general information to applicants for licensure as pollution abatement facility operators;

(2) receive applications for licensure, administer or approve examinations and training programs, and provide licenses to applicants qualified under this chapter;

(3) administer fees as established by law;

(4) refer all disciplinary matters to an administrative law officer;

(5) renew, revoke, and reinstate licenses as ordered by an administrative law officer; and

(6) explain appeal procedures to licensed pollution abatement facility operators and to applicants, and complaint procedures to the public.

(b) The Director shall adopt rules necessary to perform his or her duties under this section after due consultation with the Secretary of Natural Resources. These rules may establish grades, types, classes, or subcategories of licenses corresponding to facilities of distinct types and complexity.

§ 5112. ADVISOR APPOINTEES

(a)(1) The Secretary of State shall appoint three persons to be advisors to the Secretary, two of which shall be pollution abatement facility operators and one of which shall be a representative of the Agency of Natural Resources. Advisors shall be appointed for five-year staggered terms to serve at the Secretary's pleasure as advisors in matters relating to operation. Two of the initial appointments may be for a term of fewer than five years.

(2) A pollution abatement facility operator appointee shall have not fewer than five years' experience as a pollution abatement facility operator

immediately preceding appointment, shall be licensed as a pollution abatement facility operator in Vermont, and shall be actively engaged in the practice of pollution abatement facility operation in this State during incumbency.

(3) An appointee representing the Agency of Natural Resources shall be involved in the administration of the permitting program established under 10 V.S.A. § 1263.

(b) The Director shall seek the advice of the advisor appointees in carrying out the provisions of this chapter.

Subchapter 3. Licenses

§ 5121. ELIGIBILITY FOR LICENSURE

(a) To be eligible for licensure as a pollution abatement facility operator, an applicant shall be at least 18 years of age; be able to read and write the English language; hold a high school diploma, General Equivalency Diploma (GED), or equivalent; and demonstrate such specific education, training, experience, and examination performance as the Director may by rule require to hold the class of license sought.

(b) The Director may waive examination for an applicant licensed or certified in good standing by a foreign jurisdiction found by the Director to enforce equivalent standards to obtain the class of license sought in this State. The applicant's previous job description and experience in the pollution abatement field may be considered.

§ 5122. LICENSE RENEWAL

(a)(1) A license shall be renewed every two years upon application, payment of the required fee, and proof of compliance with such continuing education or periodic reexamination requirements as the Director may by rule prescribe. Failure to comply with the provisions of this section shall result in suspension of all privileges granted to the licensee, beginning on the expiration date of the license.

(2) A license that has lapsed shall be renewed upon payment of the biennial renewal fee and the late renewal penalty.

(b) The Director may adopt rules necessary for the protection of the public to assure the Director that an applicant whose license has lapsed or who has not worked for more than three years as a pollution abatement facility operator is professionally qualified for license renewal. Conditions imposed under this subsection shall be in addition to the requirements of subsection (a) of this section.

§ 5123. APPLICATIONS

Applications for licensure and license renewal shall be on forms provided by the Director. Each application shall contain a statement under oath showing the applicant's education, experience, and other pertinent information and shall be accompanied by the required fee.

§ 5124. LICENSURE GENERALLY

The Director shall issue a license or renew a license upon payment of the fees required under this chapter to an applicant or licensee who has satisfactorily met all the requirements of this chapter.

§ 5125. FEES

Applicants and persons regulated under this chapter shall pay those fees set forth in 3 V.S.A. § 125(b).

§ 5126. UNPROFESSIONAL CONDUCT

(a) Unprofessional conduct means the following conduct and the conduct set forth in 3 V.S.A. § 129a committed by a licensee, an applicant, or a person who later becomes an applicant:

(1) has made or caused to be made a false, fraudulent, or forged statement or representation in procuring or attempting to procure registration or renew a license to practice as a water treatment facility operator;

(2) whether or not committed in this State, has been convicted of a crime related to pollution abatement or environmental compliance or a felony which evinces an unfitness to practice water treatment facility operation;

(3) is unable to practice pollution abatement facility operation competently by reason of any cause;

(4) has willfully or repeatedly violated or caused the violation of any of the provisions of this chapter, the terms of a permit, the Vermont Water Pollution Control Permit Regulations, or the Vermont Water Quality Standards;

(5) is habitually intemperate or is addicted to the use of habit-forming drugs;

(6) has a mental, emotional, or physical disability, the nature of which interferes with the ability to practice pollution abatement facility operation competently;

(7) engages in conduct of a character likely to deceive, defraud, or harm the public;

(8) fails to display prominently his or her pollution abatement facility operator license in the office of a facility at which he or she performs licensed activities; or

(9) unreasonably fails to ensure proper operations of the facility.

(b) A person shall not be liable in a civil action for damages resulting from the good faith reporting of information to the Director or the Office of Professional Regulation about alleged incompetent, unprofessional, or unlawful conduct of a pollution abatement facility operator or facility, corporation, or municipal corporation employing such person.

Sec. 14. TRANSITIONAL PROVISIONS

(a) Notwithstanding the provision of 26 V.S.A. § 5112(a)(2) (advisor appointees; qualifications of appointees) that requires an appointee to be licensed as a pollution abatement facility operator in Vermont, an initial advisor appointee may be in the process of applying for licensure if he or she otherwise meets the requirements for licensure as a wastewater treatment facility operator and the other requirements of 26 V.S.A. § 5112(a)(2).

(b) Pending adoption by the Director of administrative rules governing pollution abatement facility operators, the Director may license individuals to operate pollution abatement facilities consistent with the Agency of Natural Resources Wastewater Treatment Facility Operator Certification Rule.

(c) A person holding an active certificate from the Agency of Natural Resources as an operator, assistant chief operator, or chief operator may obtain an equivalent license from the Office of Professional Regulation at no charge, valid through the expiration date assigned by the Agency, and thereafter renewable on a biennial schedule established by the Office.

Sec. 14a. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

* * *

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

* * *

~~(14) For certification of sewage treatment plant operators issued under 10 V.S.A. chapter 47:~~

~~(A) original application: \$125.00.~~

~~(B) renewal application: \$125.00. [Repealed.]~~

* * *

(21) ~~For class A and B designer licenses issued under 10 V.S.A. § 1975:~~

~~(A) Class A:~~

- ~~(i) original application \$150.00.~~
- ~~(ii) renewal application \$50.00 per year.~~
- ~~(iii) provisional license \$50.00.~~

~~(B) Class B:~~

- ~~(i) original application \$75.00.~~
- ~~(ii) renewal application \$50.00 per year.~~
- ~~(iii) provisional license \$50.00.~~

~~(C) Renewal late fee. The following fees shall be charged in addition to the renewal fees established in subdivisions (A) and (B) of this subdivision (21):~~

~~(i) application received within 30 days after expiration of license:~~
~~\$25.00.~~

~~(ii) application received 31 days or later after expiration of~~
~~license:~~ ~~\$50.00.~~

~~(iii) application received two years or more after expiration of~~
~~license shall be considered a new application for the designer license.~~

~~(D) Potable water supply exam fee: \$50.00. [Repealed.]~~

* * *

Sec. 15. CREATION OF NEW POSITION WITHIN THE OFFICE OF PROFESSIONAL REGULATION

(a) To support the administration of new professional regulation licensees created in Secs. 11 and 13 of this act, there is created within the Secretary of State's Office of Professional Regulation one (1) Licensing Board Specialist.

(b) Any funding necessary to support the position created under subsection (a) of this section shall be derived from the Office's Professional Regulatory Fee Fund, with no General Fund dollars.

* * * Board of Dental Examiners * * *

Sec. 16. 26 V.S.A. § 581 is amended to read:

§ 581. CREATION; QUALIFICATIONS

* * *

(c) ~~No A member of the board may~~ Board shall not be an officer or serve on a committee of his or her respective state or local professional dental, dental hygiene, or dental assisting organization, ~~nor shall any member of the board be on the faculty of a school of dentistry, dental hygiene, or dental assisting.~~

* * * Social Workers * * *

Sec. 17. 26 V.S.A. § 3202 is amended to read:

§ 3202. PROHIBITION; OFFENSES

* * *

(c) A State agency or a subdivision or contractor thereof shall not use or permit the use of the title "social worker" other than in relation to an employee holding a bachelor's, master's, or doctoral degree from an accredited school or program of social work.

* * * Land Surveyors * * *

Sec. 18. 27 V.S.A. § 1403 is amended to read:

§ 1403. COMPOSITION OF SURVEY PLATS

(a) Plats filed in accordance with this chapter shall be on sheets 11 inches by 17 inches or 18 inches by 24 inches in size or 24 inches by 36 inches if the town or city has appropriate storage facilities as determined by the town or city clerk.

(b) Plats filed in accordance with this chapter shall also conform with the following ~~further~~ requirements:

(1) Each survey plat shall contain an inset locus map clearly indicating the location of the land depicted and a legend of symbols used.

(2) All lettering and data shall be clearly legible.

(3) Plat scale ratios shall be sufficient to allow all pertinent survey data to be shown, and each plat shall contain a graphic scale graduated in units of measure used in the body of the plat.

(4) Each plat sheet shall have a minimum one-half inch margin, except the binder side, which shall have a minimum one and one-half inch margin.

(5) Each plat sheet shall contain a title area in the lower right-hand corner of the sheet stating the location of the land, scale expressed in engineering units, date of compilation, the name of the record owner as of that date, the land surveyor's certification as outlined in 26 V.S.A. § 2596, and a certification that the plat conforms with requirements of this section. These certifications shall be accompanied by the responsible land surveyor's seal, name and number, and signature.

(6) Each survey plat shall contain a graphical indication of the reference meridian used on the survey plat and a statement describing the basis of bearings referenced on the survey plat.

(7) When the plat sheet is produced by a reproduction process, the process shall be identified and certified to by the producer in the margin of the plat sheet. Original plat sheets shall be so identified and certified to by the same process.

(8) The recordable plat materials shall be composed in one of the following processes:

(A) fixed-line photographic process on stable base polyester film; or

(B) pigment ink on stable base polyester film or linen tracing cloth.

(c) Survey plats prepared and dated before July 1, 1992, shall be exempt from the requirements of subdivisions ~~(b)(2)-(7)~~ (b)(1)-(6) and (8) of this section, but shall comply with requirements in State law in effect when the plats were prepared and dated.

(d) Survey plats prepared and dated before any statutory regulation of land plats shall comply with ~~subsections~~ subsection (a) and ~~subdivisions (b)(1) and (b)(8)~~ subdivision (b)(7) of this section.

(e) Any survey plat exempted by subsection (c) or (d) of this section and revised after July 1, 1992, shall meet all the requirements of ~~sections 1401-1406 of this title~~ chapter.

Sec. 19. 27 V.S.A. § 1404 is amended to read:

§ 1404. ~~EXCEPTIONS~~ EXEMPTIONS

(a) Survey plats prepared and filed by municipal and State government agencies shall be exempt from subdivision 1403(b)(5) of this ~~title~~ chapter. Each plat sheet filed under this exemption shall contain a title area in the lower right-hand corner of the sheet stating the location of the land, the scale expressed in engineering units, and the date of compilation. Highway plats or plans filed under this exemption shall also include right-of-way detail sheets and a title sheet.

(b) Survey plats prepared and filed in accordance with 24 V.S.A. § 4463 shall be exempt from subdivision 1403(b)(5) of this ~~title~~ chapter. Survey plats or plans filed under this exemption shall contain a title area, the location of the land, and scale expressed in engineering units. In addition, they shall include inscriptions and data required by zoning and planning boards.

(c) Survey plats prepared and filed in accordance with chapter 15 of this title shall be exempt from subdivision ~~1403(b)(6)~~ 1403(b)(5) of this ~~title~~

chapter. Each plat sheet filed under this exemption shall contain a title area stating the location of the land, the scale expressed in engineering or architectural units, and the date of compilation.

* * * Professional Regulation Report * * *

Sec. 20. FINDINGS AND PURPOSE

(a) Findings.

(1) The General Assembly finds that multiple State agencies regulate a variety of professions and occupations. This includes the Office of Professional Regulation, which is focused primarily on licensing administration and enforcement and which regulates approximately 60,000 licensees across 46 professions. It also includes other State agencies that have other functions as their primary focus, with professional regulation as an ancillary aspect of their duties.

(2) The General Assembly further finds that the State should review the organization of professional regulation in the State to determine whether the regulation of certain professions and occupations should be transferred to the Office of Professional Regulation in order to allow State government to operate in a more effective and efficient manner.

(3) The General Assembly further finds that the State should review the makeup and supervision of professional regulatory entities in the State to determine whether they comply with antitrust law in light of recent U.S. Supreme Court precedent.

(b) Purpose. The purpose of Sec. 2 of this act is to provide the General Assembly and the Office of Professional Regulation with comprehensive information regarding the organizational structures of and the resources that are necessary for other State agencies in regulating the professions and occupations under their jurisdiction. This information will help the General Assembly determine whether the regulation of certain professions and occupations should be transferred to the Office. The purpose is also to provide the General Assembly and the Office of the Attorney General with information regarding the makeup and supervision of the professional regulatory entities in the State to ensure compliance with antitrust law.

Sec. 21. PROFESSIONAL REGULATION REPORT

On or before December 15, 2016, each of the agencies and departments set forth in subdivision (1) of this section shall provide a written report to the Senate and House Committees on Government Operations, and provide a copy of that report to the Office of Professional Regulation. The report shall contain the information set forth in subdivision (2) of this section for each of the

professions or occupations listed in subdivision (1) that are regulated by that agency or department or by a professional regulatory entity under the jurisdiction of the agency or department. On or before July 1, 2016, the Secretary of Administration shall prepare a form that the agencies and departments shall use to file this report, and the Secretary shall assist the agencies and departments as necessary in completing the report.

(1) Agencies and departments required to report; listed professions and occupations.

(A) Agency of Agriculture, Food and Markets:

- (i) dairy technicians;
- (ii) pesticide applicators;
- (iii) weighmasters; and
- (iv) weights and measures repairers.

(B) [Deleted.]

(C) Agency of Human Services:

- (i) child care center workers; and
- (ii) child care home providers.

(D) Agency of Natural Resources:

- (i) water system operators; and
- (ii) well drillers.

(E) Department of Health:

- (i) physicians;
- (ii) physician assistants;
- (iii) anesthesiologist assistants;
- (iv) podiatrists;
- (v) radiologist assistants;
- (vi) emergency medical personnel;
- (vii) asbestos abatement professionals; and
- (viii) lead abatement professionals.

(F) Department of Liquor Control:

- (i) sellers;

(ii) manufacturers;
(iii) distributors; and
(iv) any other professionals who may be regulated by the
Department.

(G) Department of Public Safety:

- (i) electricians;
- (ii) plumbers;
- (iii) elevator inspectors;
- (iv) elevator mechanics;
- (v) lift mechanics;
- (vi) commissioned boiler inspectors;
- (vii) chemical suppression;
- (viii) chimney sweeps;
- (ix) fire alarm inspectors;
- (x) fire sprinkler system designers;
- (xi) fire sprinkler system installers;
- (xii) oil burner installers;
- (xiii) propane gas installers;
- (xiv) natural gas installers;
- (xv) precious metal dealers;
- (xvi) emergency generator installers;
- (xvii) polygraph examiners; and
- (xviii) explosive blasters.

(2) Information required to be reported.

- (A) Agency or department name.
- (B) Regulation type (license, certification, or registration).
- (C) Number of persons regulated.
- (D) Legal basis for regulation, including:
 - (i) statutory authority;
 - (ii) administrative rules; and

(iii) agency or department policies.

(E) Purpose of regulation.

(F) A description of stakeholders in the regulation, including:

(i) those subject to regulation;

(ii) State entities;

(iii) consumers or clients;

(iv) employers;

(v) the public; and

(vi) any other applicable persons.

(G) A description of the governance structure, such as:

(i) a board or commission;

(ii) an agency or division head;

(iii) a panel; or

(iv) a hearing officer.

(H) A description of the decision makers:

(i) who set application requirements and practice standards;

(ii) who make decisions on applicants, enforcement, and discipline; and

(iii) specifying whether any decision maker is an active participant in the profession being regulated or, if the decision maker has taken a hiatus from the profession, whether the decision maker plans to return to the profession.

(I) Qualifications for regulation, including:

(i) examination;

(ii) education; and

(iii) experience.

(J) A description of the application process, including:

(i) receiving applications;

(ii) reviewing applications;

(iii) rejecting applications;

(iv) appealing application rejections;

(v) issuing licenses, certifications, or registrations; and

(vi) the average time to process licenses.

(K) The duration of the license, certification, or registration.

(L) A description of the renewal process and requirements.

(M) Citation of the standards of practice or codes of conduct for persons regulated set forth in:

(i) statute;

(ii) rule;

(iii) policy; or

(iv) another location.

(N) A description of the enforcement process, including:

(i) complaints;

(ii) investigations;

(iii) prosecutions;

(iv) hearings;

(v) discipline;

(vi) follow-up or monitoring; and

(vii) the average time to process complaints and cases.

(O) A description of any inspection process.

(P) A description of any systems, such as information technology systems, that are used to enable licensing, certification, or registration, renewal, enforcement, and inspection.

(Q) Staff members:

(i) number of full-time staff;

(ii) number of part-time staff;

(iii) job titles; and

(iv) duties.

(R) Budget:

(i) annual expenses;

(ii) annual revenues;

(iii) fees:

(I) the amount charged;

(II) how fee amounts are determined and set;

(III) the authority to establish those fees; and

(IV) how revenues from fees are used, indicating the specific uses if those revenues are used for purposes other than regulating the profession.

(iv) General Fund or special fund deposits; and

(v) appropriations from the General Fund.

(S) A description and the qualifications of any supervisor responsible for the oversight of the agency's or department's professional regulatory entity and whether that supervisor has the ability to veto or modify any decision by that professional regulatory entity.

(T) Any other information the agency or department believes is relevant for the purpose of this report.

Secs. 22–23. [Deleted.]

* * * Effective Dates * * *

Sec. 24. EFFECTIVE DATES

This act shall take effect on July 1, 2016, except:

(1) this section and Secs. 20 (findings and purpose) and 21 (professional regulation report) shall take effect on passage;

(2) Secs. 2-5 (regarding alcohol and drug abuse counselors) shall take effect on September 1, 2016;

(3) Secs. 8–14a (regarding potable water supply and wastewater system designers and pollution abatement facility operators) shall take effect on January 1, 2017; and

(4) Sec. 17, 26 V.S.A. § 3202 (social workers; prohibition) shall take effect on July 1, 2017.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in

S. 212

On motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to court-approved absences from home detention and home confinement furlough

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

The Senate concurred in the House proposal of amendment with the following proposal of amendments thereto:

First: In Sec. 2, 13 V.S.A. § 7554d(a)(1), after the words “addition to”, by inserting the words or in lieu of

Second: In Sec.7 (Effective Dates), by striking subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) Secs. 1 and 3-6 shall take effect on July 1, 2016.

Which proposal of amendment was considered and concurred in.

Recess

At twelve o'clock and twelve minutes in the afternoon, the Speaker declared a recess until one o'clock and fifteen minutes in the afternoon.

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

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the tenth day of February, 2016, he approved and signed a bill originating in the House of the following title:

H. 363 An act relating to the Petroleum Cleanup Fund

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-fourth day of February, 2016, he approved and signed bills originating in the House of the following titles:

H. 505 An act relating to approval of amendments to the charter of the Village of North Bennington

H. 524 An act relating to seeking a waiver to permit businesses to continue to purchase Exchange plans directly from insurers

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the eighth day of March, 2016, he approved and signed a bill originating in the House of the following title:

H. 611 An act relating to fiscal year 2016 budget adjustments

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the ninth day of March, 2016, he approved and signed a bill originating in the House of the following title:

H. 187 An act relating to absence from work for health care and safety

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the eighth day of April, 2016, he approved and signed bills originating in the House of the following titles:

H. 548 An act relating to extraordinary dividends for life insurers

H. 575 An act relating to eliminating the role of town service officers in administering General Assistance benefits

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twelfth day of April, 2016, he approved and signed bills originating in the House of the following titles:

H. 565 An act relating to United Methodist Church property

H. 625 An act relating to extending the exemption from encumbrance on title of properties subject to a pretransition stormwater permit

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the thirteenth day of April, 2016, he approved and signed a bill originating in the House of the following title:

H. 538 An act relating to captive insurance companies

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the nineteenth day of April, 2016, he approved and signed bills originating in the House of the following titles:

H. 248 An act relating to miscellaneous revisions to the air pollution statutes

H. 531 An act relating to aboveground storage tanks

H. 747 An act relating to the State Treasurer's authority to intercept State funding to a municipality or school district in default from a Municipal Bond Bank borrowing

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-sixth day of April, 2016, he approved and signed a bill originating in the House of the following title:

H. 530 An act relating to categorization of State contracts for service

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-eighth day of April, 2016, he approved and signed bills originating in the House of the following titles:

H. 458 An act relating to automatic voter registration through motor vehicle driver's license applications

H. 517 An act relating to the classification of State waters

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the third day of May, 2016, he approved and signed a bill originating in the House of the following title:

H. 261 An act relating to criminal record inquiries by an employer

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the fourth day of May, 2016, he approved and signed bills originating in the House of the following titles:

H. 674 An act relating to public notice of wastewater discharges

H. 539 An act relating to establishment of a Pollinator Protection Committee

H. 640 An act relating to expenses for the repair of town cemeteries

H. 824 An act relating to the adoption of occupational safety and health rules and standards

H. 135 An act relating to enabling the Vermont Department of Health to reach an agreement with the Nuclear Regulatory Commission regarding authority over regulation and licensing of radioactive material

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the fourth day of May, 2016, he approved and signed a bill originating in the House of the following title:

H. 580 An act relating to conservation easements

Message from the Senate No. 63

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

H. 871. An act relating to approval of amendments to the charter of the City of Montpelier.

And has passed the same in concurrence.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following titles:

S. 10. An act relating to the State DNA database.

S. 114. An act relating to the Open Meeting Law.

S. 215. An act relating to the regulation of vision insurance plans.

And has accepted and adopted the same on its part.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 859. An act relating to special education.

And has accepted and adopted the same on its part.

The Senate has considered House proposals of amendment to Senate bills of the following titles:

S. 14. An act relating to single dose, child-resistant packaging and labeling of marijuana-infused edible or potable products sold by a registered dispensary.

S. 245. An act relating to notice to patients of new health care provider affiliations.

And has concurred therein.

The Senate has considered House proposals of amendment to Senate proposals of amendment to House bill of the following title:

H. 130. An act relating to the Agency of Public Safety.

And has concurred therein.

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill entitled:

S. 230. An act relating to improving the siting of energy projects.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Bray
Senator Ashe
Senator Rodgers.

The Senate has considered House proposals of amendment to Senate proposals of amendment to Senate bills of the following titles:

S. 116. An act relating to rights of offenders in the custody of the Department of Corrections.

S. 169. An act relating to the Rozo McLaughlin Farm-to-School Program.

S. 183. An act relating to permanency for children in the child welfare system.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 84. An act relating to Internet dating services.

And has accepted and adopted the same on its part.

The Senate has considered House proposals of amendment to Senate proposals of amendment to House bills of the following titles:

H. 577. An act relating to voter approval of electricity purchases by municipalities and electric cooperatives.

H. 858. An act relating to miscellaneous criminal procedure amendments.

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

House Resolution Adopted

H.R. 25

House resolution, entitled

House resolution congratulating Sophia Parker of Addison on being crowned the 2015 Miss Vermont's Outstanding Teen

Offered by: Representative Lanpher of Vergennes

Whereas, as a member of the class of 2017 at Vergennes Union High School (VUHS), Sophia Parker has developed a laudable list of personal accomplishments, and

Whereas, she is an excellent student and earned National Honor Society (NHS) membership, and

Whereas, as her NHS community service project, Sophia Parker serves as a volunteer on the Vergennes Rescue Squad—an ideal opportunity, as she aspires to a career in emergency medicine, and

Whereas, in addition to her academic work, Sophia Parker is a student leader and is involved in VUHS athletics, and

Whereas, an accomplished writer and public speaker, Sophia Parker submitted one of the top 20 essays in U.S. Senator Bernie Sanders's 2015 State of the Union Essay Contest and was a finalist in Rotary International's speech competition, and

Whereas, outside of school, Sophia Parker has worked as a lifeguard and was selected for the Green Mountain Girls State program, and

Whereas, Sophia Parker's articulateness, outstanding preparation, and thoughtfulness all contributed to a near-perfect score on her Miss Vermont's Outstanding Teen interview, and

Whereas, the interview result, in combination with her strong performance in other aspects of the competition, resulted in the judges' crowning Sophia Parker as the 2015 Miss Vermont's Outstanding Teen at a Barre Opera House ceremony, and

Whereas, for the past year, Sophia Parker has spoken in classrooms and to civic organizations on her Miss Vermont's Outstanding Teen platform topic, wildlife rehabilitation and land stewardship, drawing on her own experience as a wildlife rehabilitator, and

Whereas, Sophia Parker represented Vermont at the 2015 Miss America's Outstanding Teen competition in Orlando, Florida, now therefore be it

Resolved by the House of Representatives:

That this legislative body congratulates Sophia Parker of Addison on being crowned the 2015 Miss Vermont's Outstanding Teen and wishes her every success in her future endeavors, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to Sophia Parker.

Which was read and adopted.

Rules Suspended; Report of Committee of Conference Adopted

S. 216

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

An act relating to prescription drug formularies

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the House recede from its proposal of amendment and that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) The costs of prescription drugs have been increasing dramatically without any apparent reason.

(2) Containing health care costs requires containing prescription drug costs.

(3) In order to contain prescription drug costs, it is essential to understand the drivers of those costs, as transparency is typically the first step toward cost containment.

Sec. 2. 18 V.S.A. § 4635 is added to read:

§ 4635. PHARMACEUTICAL COST TRANSPARENCY

(a) As used in this section:

(1) “Manufacturer” shall have the same meaning as “pharmaceutical manufacturer” in section 4631a of this title.

(2) “Prescription drug” means a drug as defined in 21 U.S.C. § 321.

(b)(1) The Green Mountain Care Board, in collaboration with the Department of Vermont Health Access, shall identify annually up to 15 prescription drugs on which the State spends significant health care dollars and for which the wholesale acquisition cost has increased by 50 percent or more over the past five years or by 15 percent or more over the past 12 months, creating a substantial public interest in understanding the development of the drugs’ pricing. The drugs identified shall represent different drug classes.

(2) The Board shall provide to the Office of the Attorney General the list of prescription drugs developed pursuant to this subsection and the percentage of the wholesale acquisition cost increase for each drug and shall make the information available to the public on the Board’s website.

(c)(1) For each prescription drug identified pursuant to subsection (b) of this section, the Office of the Attorney General shall require the drug’s manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug in a format that the Attorney General determines to be understandable and appropriate. The manufacturer shall submit to the Office of the Attorney General all relevant information and supporting documentation necessary to justify the manufacturer’s wholesale acquisition cost increase, which may include:

(A) all factors that have contributed to the wholesale acquisition cost increase;

(B) the percentage of the total wholesale acquisition cost increase attributable to each factor; and

(C) an explanation of the role of each factor in contributing to the wholesale acquisition cost increase.

(2) Nothing in this section shall be construed to restrict the legal ability of a prescription drug manufacturer to changes prices to the extent permitted under federal law.

(d) The Attorney General, in consultation with the Department of Vermont Health Access, shall provide a report to the General Assembly on or before December 1 of each year based on the information received from manufacturers pursuant to this section. The Attorney General shall also post the report on the Office of the Attorney General's website.

(e) Information provided to the Office of the Attorney General pursuant to this section is exempt from public inspection and copying under the Public Records Act and shall not be released in a manner that allows for the identification of an individual drug or manufacturer or that is likely to compromise the financial, competitive, or proprietary nature of the information.

(f) The Attorney General may bring an action in the Civil Division of the Superior Court, Washington County for injunctive relief, costs, and attorney's fees, and to impose on a manufacturer that fails to provide the information required by subsection (c) of this section a civil penalty of no more than \$10,000.00 per violation. Each unlawful failure to provide information shall constitute a separate violation. In any action brought pursuant to this section, the Attorney General shall have the same authority to investigate and to obtain remedies as if the action were brought under the Consumer Protection Act, 9 V.S.A. chapter 63.

Sec. 3. PRESCRIPTION DRUG FORMULARIES; RULEMAKING

On or before January 1, 2017, the Commissioner of Financial Regulation shall adopt rules pursuant to 3 V.S.A. chapter 25 to require all health insurers that offer health benefit plans to Vermont residents through the Vermont Health Benefit Exchange to provide information to enrollees, potential enrollees, and health care providers about the Exchange plans' prescription drug formularies. The rules shall ensure that the formulary is posted online in a standard format established by the Department of Financial Regulation; that the formulary is updated frequently and is searchable by enrollees, potential enrollees, and health care providers; and that it includes information about the prescription drugs covered, applicable cost-sharing amounts, drug tiers, prior authorization, step therapy, and utilization management requirements.

Sec. 4. 340B DRUG DISPENSING FEES

(a) The Department of Vermont Health Access shall use the same dispensing fee in its reimbursement formula for 340B prescription drugs as the Department uses to pay for non-340B prescription drugs under the Medicaid program.

(b) Notwithstanding the provisions of subsection (a) of this section, the Department is authorized to modify the dispensing fee or reimbursement formula provided to federally qualified health centers and Title X family planning clinics for dispensing 340B prescription drugs to Medicaid beneficiaries.

Sec. 5. 340B DRUG REIMBURSEMENT; REPORT

(a) The Department of Vermont Health Access shall:

(1) determine the formula used by other states' Medicaid programs to reimburse covered entities that use 340B pricing for dispensing prescription drugs to Medicaid beneficiaries;

(2) evaluate the advantages and disadvantages of using the same dispensing fee in its reimbursement formula for 340B prescription drugs as the Department uses to pay for non-340B prescription drugs under the Medicaid program; and

(3) identify the benefits, if any, of 340B drug pricing to consumers, other payers, and the overall health care system.

(b) On or before March 15, 2017, the Department shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance regarding its findings and recommendations, including recommended modifications to Vermont's 340B reimbursement formula, if any, and the financial implications of implementing any recommended modifications.

Sec. 6. OUT-OF-POCKET PRESCRIPTION DRUG LIMITS; 2018 PILOT; REPORTS

(a) The Department of Vermont Health Access shall convene an advisory group to develop options for bronze-level qualified health benefit plans to be offered on the Vermont Health Benefit Exchange for the 2018 plan year, including:

(1) one or more plans with a higher out-of-pocket limit on prescription drug coverage than the limit established in 8 V.S.A. § 4089i; and

(2) two or more plans with an out-of-pocket limit at or below the limit established in 8 V.S.A. § 4089i.

(b) The advisory group shall include at least the following members:

- (1) the Commissioner of Vermont Health Access or designee;
- (2) a representative of each of the commercial health insurers offering plans on the Vermont Health Benefit Exchange;
- (3) a representative of the Office of the Vermont Health Advocate;
- (4) a member of the Medicaid and Exchange Advisory Board, appointed by the Commissioner;
- (5) a representative of Vermont's AIDS services organizations;
- (6) a consumer appointed by Vermont's AIDS services organizations;
- (7) a representative of the American Cancer Society;
- (8) a consumer appointed by the American Cancer Society; and
- (9) a Vermont Health Connect navigator.

(c)(1) The advisory group shall meet at least six times prior to the Department submitting plan designs to the Green Mountain Care Board for approval.

(2) In developing the standard qualified health benefit plan designs for the 2018 plan year, the Department of Vermont Health Access shall present the recommendations of the advisory committee established pursuant to subsection (a) of this section to the Green Mountain Care Board.

(d)(1) Prior to the date on which qualified health plan forms must be filed with the Department of Financial Regulation pursuant to 8 V.S.A. § 4062, a health insurer offering qualified health benefit plans on the Vermont Health Benefit Exchange shall seek approval from the Green Mountain Care Board to modify the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i for one or more nonstandard bronze-level plans. In considering an insurer's request, the Green Mountain Care Board shall provide an opportunity for the advisory group established in subsection (a) of this section, and any other interested party, to comment on the recommended modifications.

(2)(A) Notwithstanding any provision of 8 V.S.A. § 4089i to the contrary, the Green Mountain Care Board may approve modifications to the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i for one or more bronze-level plans for the 2018 plan year only.

(B) For the 2018 plan year, the Department of Vermont Health Access shall certify at least two standard bronze-level plans that include the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i, as long as the plans comply with federal requirements. Notwithstanding any provision

of 8 V.S.A. § 4089i to the contrary, the Department may certify one or more bronze-level qualified health benefit plans with modifications to the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i for the 2018 plan year only.

(e)(1) For each individual enrolled in a bronze-level qualified health benefit plan for plan years 2016 and 2017 who had out-of-pocket prescription drug expenditures during the 2016 plan year that met the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i, the health insurer shall, absent an alternative plan selection or plan cancellation by the individual, automatically reenroll the individual in a bronze-level qualified health benefit plan for plan year 2018 with an out-of-pocket prescription drug limit at or below the limit established in 8 V.S.A. § 4089i.

(2) Prior to reenrolling the individual in a plan pursuant to subdivision (1) of this subsection, the health insurer shall notify the individual of the insurer's intent to reenroll automatically the individual in a bronze-level plan for plan year 2018 with an out-of-pocket prescription drug limit at or below the limit established in 8 V.S.A. § 4089i and of the availability of bronze-level plans with higher out-of-pocket prescription drug limits.

(f)(1) The Director of Health Care Reform in the Agency of Administration, in consultation with the Department of Vermont Health Access and the Office of Legislative Council, shall determine whether the Secretary of the U.S. Department of Health and Human Services has the authority under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152 (ACA), to waive annual limitations on out-of-pocket expenses or actuarial value requirements for bronze-level plans, or both. On or before October 1, 2016, the Director shall present information to the Health Reform Oversight Committee regarding the authority of the Secretary of the U.S. Department of Health and Human Services to waive out-of-pocket limits and actuarial value requirements, the estimated costs of applying for a waiver, and alternatives to a waiver for preserving the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i.

(2) If the Director of Health Care Reform determines that the Secretary has the necessary authority, then on or before March 1, 2017, the Commissioner of Vermont Health Access, with the Director's assistance, shall apply for a waiver of the cost-sharing or actuarial value limitations, or both, in order to preserve the availability of bronze-level qualified health benefit plans that meet Vermont's out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i.

(g) On or before February 15, 2017, the Department of Vermont Health Access shall provide to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance:

(1) an overview of the cost-share increase trend for bronze-level qualified health benefit plans offered on the Vermont Health Benefit Exchange for the 2014 through 2017 plan years that were subject to the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i;

(2) detailed information regarding lower cost-sharing amounts for selected services that will be available in bronze-level qualified health benefit plans in the 2018 plan year due to the flexibility to increase the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i pursuant to subdivision (d)(2) of this section;

(3) a comparison of the bronze-level qualified health benefit plans offered in the 2018 plan year in which there will be flexibility in the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i with the plans in which there will not be flexibility;

(4) information about the process engaged in by the advisory group established in subsection (a) of this section and the information considered to determine modifications to the cost-sharing amounts in all bronze-level qualified health benefit plans for the 2018 plan year, including prior year utilization trends, feedback from consumers and health insurers, Health Benefit Exchange outreach and education efforts, and relevant national studies;

(5) cost-sharing information for standard bronze-level qualified health benefit plans from states with federally facilitated exchanges compared to those on the Vermont Health Benefit Exchange; and

(6) an overview of the outreach and education plan for enrollees in bronze-level qualified health benefit plans offered on the Vermont Health Benefit Exchange.

(f) On or before February 1, 2018, the Department of Vermont Health Access shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance:

(1) enrollment trends in bronze-level qualified health benefit plans offered on the Vermont Health Benefit Exchange; and

(2) recommendations from the advisory group established pursuant to subsection (a) of this section regarding continuation of the out-of-pocket prescription drug limit established in 8 V.S.A. § 4089i.

Sec. 7. EFFECTIVE DATE

This bill shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to prescription drugs"

COMMITTEE ON THE PART OF
THE SENATE

SEN. KEVIN J. MULLIN
SEN. MICHAEL D. SIROTKIN
SEN. TIMOTHY R. ASHE

COMMITTEE ON THE PART OF
THE HOUSE

REP. WILLIAM J. LIPPERT
REP. CHRISTOPHER A. PEARSON
REP. ROBERT L. BANCROFT

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

Rules Suspended; Report of Committee of Conference Adopted

S. 155

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

An act relating to privacy protection

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the Senate accede to the House proposals of amendment, with further proposals of amendment as follows:

First: In Sec. 2, in 20 V.S.A. § 4622, in subsection (d), by inserting a subdivision (3) to read as follows:

(3)(A) If a law enforcement agency uses a drone in exigent circumstances pursuant to subdivision (c)(2)(B) of this section, the agency shall obtain a search warrant for the use of the drone within 48 hours after the use commenced.

(B) If the court denies an application for a warrant filed pursuant to subdivision (A) of this subdivision (d)(3):

(i) use of the drone shall cease immediately; and

(ii) information or evidence gathered through use of the drone shall be destroyed.

Second: In Sec. 5, in 13 V.S.A. § 8101, by inserting a new subdivision (1) to read as follows:

(1) “Adverse result” means:

(A) danger to the life or physical safety of an individual;

(B) flight from prosecution;

(C) destruction of or tampering with evidence;

(D) intimidation of potential witnesses; or

(E) serious jeopardy to an investigation or undue delay of a trial.

and by renumbering the remaining subdivisions to be numerically correct.

Third: In Sec. 5, 13 V.S.A. chapter 232, by striking § 8103 (Returns and service) in its entirety and inserting in lieu thereof a new § 8103 to read as follows:

§ 8103. NOTICE TO USER OR SUBSCRIBER

(a) Except as otherwise provided in this section, a law enforcement officer who executes a warrant or obtains electronic information in an emergency pursuant to subdivision 8102(b)(4) of this section shall serve upon, or deliver to by registered or first-class mail, electronic mail, or other means reasonably calculated to be effective, the identified targets of the warrant or emergency request a notice that informs the recipient that information about the recipient has been compelled or requested, and, if there was an emergency request, states with reasonable specificity the nature of the government action relative to which the information is sought. The notice shall include a copy of the warrant if a warrant was obtained. The notice shall be served, mailed, or delivered by reliable electronic means contemporaneously with the execution of the warrant, or, in the case of an emergency, within three days after obtaining the electronic information.

(b)(1) When a warrant is sought or electronic information is obtained in an emergency under subdivision 8102(b)(4) of this title, the law enforcement officer may submit a request supported by a sworn affidavit for an order delaying the notification required by subsection (a) of this section and prohibiting any party providing information from notifying any other party that information has been sought. The court shall issue the order if it determines that there is reason to believe that notification may have an adverse result. The delay shall not exceed the period of time for which the court finds there is reason to believe that the notification may have the adverse result, and in no event shall the delay exceed 90 days.

(2) The court may grant additional extensions of the delay for periods of up to 90 days each on the same grounds as provided for in subdivision (1) of this subsection.

(3) When the delayed notification period expires, a law enforcement officer shall serve upon, or deliver to by registered or first-class mail, electronic mail, or reliable electronic means to the identified targets of the warrant:

(A) the order for delayed notification;

(B) a document that includes the information described in subsection (a) of this section; and

(C) a copy of all electronic information obtained or a summary of that information, including, at a minimum:

(i) the number and types of records disclosed;

(ii) the date and time when the earliest and latest records were created; and

(iii) a copy of the motion seeking delayed notification.

(c) If there is no identified target of a warrant or emergency request at the time of its issuance, the government entity shall submit to the Department of Public Safety within three days of the execution of the warrant or issuance of the request all of the information required by subsection (a) of this section. If an order delaying notice is issued pursuant to subsection (b) of this section, the law enforcement officer shall submit to the Department upon the expiration of the delayed notification period all of the information required in subdivision (b)(3) of this section. The Department shall publish all reports required by this subsection on its Internet website within 90 days of receipt. The Department shall redact names and other identifying information from the reports.

(d) Except as otherwise provided in this section, nothing in this chapter shall prohibit or limit a service provider or any other party from disclosing information about any request or demand for electronic information.

(e) For purposes of this chapter, a warrant served upon a service provider is deemed to have been executed no later than five days after the information or data compelled by the warrant has been produced by the service provider to a law enforcement officer.

Fourth: In Sec. 6 (extension of sunset), by striking out “2019” and inserting in lieu thereof “2018”

Fifth: By striking out Sec. 8 in its entirety and inserting in lieu thereof the following:

Sec. 8. 23 V.S.A. § 1607 is amended to read:

§ 1607. AUTOMATED LICENSE PLATE RECOGNITION SYSTEMS

(a) Definitions. As used in this section:

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

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

(3) “Historical data” means any data collected by an ALPR system and stored on the statewide ALPR server operated by the Vermont Justice Information Sharing System of the Department of Public Safety. Any data collected by an ALPR system in accordance with this section shall be considered collected for a legitimate law enforcement purpose.

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

(5) “Legitimate law enforcement purpose” applies to access to active or historical data, and means investigation, detection, analysis, or enforcement of ~~a crime, traffic violation, or parking violation or of a commercial motor vehicle violation or a person’s defense against a charge of a crime or commercial motor vehicle violation,~~ or operation of AMBER alerts or missing or endangered person searches.

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

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

(c) ALPR use and data access; confidentiality.

(1)(A) Deployment of ALPR equipment by Vermont law enforcement agencies is intended to provide access to law enforcement reports of wanted or stolen vehicles and wanted persons and to further other legitimate law enforcement purposes. Use of ALPR systems by law enforcement officers and access to active data are restricted to legitimate law enforcement purposes.

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

(C)(i) Requests to ~~review~~ access active data shall be in writing and include the name of the requester, the law enforcement agency the requester is employed by, if any, and the law enforcement agency's Originating Agency Identifier (ORI) number. ~~The~~ To be approved, the request shall describe the legitimate law enforcement purpose must provide specific and articulable facts showing that there are reasonable grounds to believe that the data are relevant and material to an ongoing criminal, missing person, or commercial motor vehicle investigation or enforcement action. The written request and the outcome of the request shall be transmitted to ~~VTIAC~~ VIC and retained by ~~VTIAC~~ VIC for not less than three years.

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

(2)(A) A ~~VTIAC~~ VIC analyst shall transmit historical data only to a Vermont or out-of-state law enforcement officer or person who has a legitimate law enforcement purpose for the data. A law enforcement officer or other person to whom historical data are transmitted may use such data only for a legitimate law enforcement purpose. Entry of any data onto the statewide ALPR server other than data collected by an ALPR system itself must be approved by a supervisor and shall have a legitimate law enforcement purpose.

(B) Requests for historical data within six months of the date of the data's creation, whether from Vermont or out-of-state law enforcement officers or other persons, shall be made in writing to ~~an analyst at VTIAC~~ a VIC analyst. The request shall include the name of the requester, the law enforcement agency the requester is employed by, if any, and the law enforcement agency's ORI number. ~~The~~ To be approved, the request shall describe the legitimate law enforcement purpose must provide specific and

articulable facts showing that there are reasonable grounds to believe that the data are relevant and material to an ongoing criminal, missing person, or commercial motor vehicle investigation or enforcement action. ~~VTIAC~~ VIC shall retain all requests and shall record in writing the outcome of the request and any information that was provided to the requester or, if applicable, why a request was denied or not fulfilled. ~~VTIAC~~ VIC shall retain the information described in this subdivision (c)(2)(B) for no fewer than three years.

(C) After six months from the date of its creation, VIC may only disclose historical data:

(i) pursuant to a warrant if the data are not sought in connection with a pending criminal charge; or

(ii) to the prosecution or the defense in connection with a pending criminal charge and pursuant to a court order issued upon a finding that the data are reasonably likely to be relevant to the criminal matter.

(3) Active data and historical data shall not be subject to subpoena or discovery, or be admissible in evidence, in any private civil action.

(4) Notwithstanding any contrary provisions of subdivision (2) of this subsection, in connection with commercial motor vehicle screening, inspection, and compliance activities to enforce the Federal Motor Carrier Safety Regulations, the Department of Motor Vehicles (DMV):

(A) may maintain or designate a server for the storage of historical data that is separate from the statewide server;

(B) may designate a DMV employee to carry out the same responsibilities as a VIC analyst and a supervisor as specified in subdivision (2) of this subsection; and

(C) shall have the same duties as the VIC with respect to the retention of requests for historical data.

(d) Retention.

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

(2) Except as provided in this subsection and section 1608 of this title, information gathered by a law enforcement officer through use of an ALPR system shall only be retained for 18 months after the date it was obtained. When the permitted 18-month period for retention of the information has

expired, the Department of Public Safety and any local law enforcement agency with custody of the information shall destroy it and cause to have destroyed any copies or backups made of the original data. Data may be retained beyond the 18-month period pursuant to a preservation request made or disclosure order issued under Section 1608 of this title or pursuant to a warrant issued under Rule 41 of the Vermont or Federal Rules of Criminal Procedure.

(e) Oversight; rulemaking.

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

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

(B) the total number of ALPR readings each agency submitted, and the total number of all such readings submitted, to the statewide ALPR database;

(C) the 18-month cumulative number of ALPR readings being housed on the statewide ALPR database as of the end of the calendar year;

(D) the total number of requests made to ~~VTHAC~~ VIC for ALPR historical data;

~~(E)~~, the average age of the data requested, and the total number of these requests that resulted in release of information from the statewide ALPR database;

~~(F)~~(E) the total number of out-of-state requests;~~and~~

~~(G)~~ to VIC for historical data, the average age of the data requested, and the total number of out-of-state requests that resulted in release of information from the statewide ALPR database;

(F) the total number of alerts generated on ALPR systems operated by law enforcement officers in the State by a match between an ALPR reading and a plate number on an alert database and the number of these alerts that resulted in an enforcement action;

(G) the total number of criminal, missing person, and commercial motor vehicle investigations and enforcement actions to which active data

contributed, and a summary of the nature of these investigations and enforcement actions;

(H) the total number of criminal, missing person, and commercial motor vehicle investigations and enforcement actions to which historical data contributed, and a summary of the nature of these investigations and enforcement actions; and

(I) the total annualized fixed and variable costs associated with all ALPR systems used by Vermont law enforcement agencies and an estimate of the total of such costs per unit.

(2) ~~The~~ Before January 1, 2018, the Department of Public Safety ~~may~~ shall adopt rules to implement this section.

COMMITTEE ON THE PART OF
THE SENATE

SEN. JOSEPH C. BENNING
SEN. TIMOTHY R. ASHE
SEN. JEANETTE WHITE

COMMITTEE ON THE PART OF
THE HOUSE

REP. WILLEM W. JEWETT
REP. THOMAS B. BURDITT
REP. MARTIN LALONDE

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

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. 155

Senate bill, entitled

An act relating to privacy protection

S. 216

Senate bill, entitled

An act relating to prescription drug formularies

Recess

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

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

Message from the Senate No. 64

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 the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 533. An act relating to victim notification.

H. 571. An act relating to driver's license suspensions, driving with a suspended license, and DUI penalties.

H. 868. An act relating to miscellaneous economic development provisions.

H. 869. An act relating to judicial organization and operations.

And has accepted and adopted the same on its part.

The Senate has considered House proposal of amendment to Senate bill of the following title:

S. 55. An act relating to creating a flat rate for Vermont's estate tax and creating an estate tax exclusion amount that matches the federal amount.

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

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following title:

S. 154. An act relating to enhanced penalties for assaulting an employee of the Family Services Division of the Department for Children and Families and to criminal threatening.

And has accepted and adopted the same on its part.

Message from the Senate No. 65

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 the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon Senate bills of the following titles:

S. 155. An act relating to privacy protection.

S. 216. An act relating to prescription drug formularies.

And has accepted and adopted the same on its part.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 873. An act relating to making miscellaneous tax changes.

H. 876. An act relating to the transportation capital program and miscellaneous changes to transportation-related law.

H. 877. An act relating to transportation funding.

And has accepted and adopted the same on its part.

The Senate has considered joint resolution originating in the House of the following title:

J.R.H. 28. Joint resolution supporting the posthumous awarding of the Congressional Medal of Honor to Civil War Brigadier General George Jerrison Stannard.

And has adopted the same in concurrence.

Message from the Senate No. 66

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 the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 872. An act relating to Executive Branch fees.

And has accepted and adopted the same on its part.

House Resolution Adopted

H.R. 26

House resolution, entitled

House resolution in memory of Georgia firefighter Steven Lapierre

Offered by: Representatives Branagan of Georgia, Beyor of Highgate, Connor of Fairfield, Dickinson of St. Albans Town, Fiske of Enosburgh, Gamache of Swanton, Keenan of St. Albans City, Murphy of Fairfax,

Parent of St. Albans Town, Pearce of Richford, Savage of Swanton, and Turner of Milton

Whereas, firefighters risk their lives whenever they respond to a call, and volunteer firefighters perform their duties as a matter of civic pride, and

Whereas, Steven Lapierre, the son of the late former Georgia Fire Chief, Lucien Lapierre, was a dedicated and respected firefighter, and

Whereas, for many years, until his retirement in 2010, Steven Lapierre was a member of the St. Albans City Fire Department, where he gained broad experience as a full-time firefighter, and

Whereas, while serving in St. Albans City, Steven Lapierre maintained a volunteer firefighting career as a member of the Georgia Fire Department, which he joined, 40 years ago, at 18 years of age, and

Whereas, for 20 years, Steven Lapierre fulfilled the responsibilities of Georgia Town Fire Warden, a post for which he was especially well-qualified, and

Whereas, although his St. Albans City firefighting duties had concluded in 2010, Steven Lapierre remained an active member of the Georgia Fire Department and responded regularly to the department's calls, and

Whereas, on April 27, 2016, Steven Lapierre, as a member of the Georgia Fire Department, was fighting a brush fire, and

Whereas, while combating the fire, Steven Lapierre sustained a heart attack, and

Whereas, the staffs of the AmCare Ambulance Service, the Northwestern Medical Center, and the University of Vermont Medical Center made every possible effort to provide the best lifesaving medical care, and

Whereas, Steven Lapierre died on May 5, 2016, leaving two adult children and becoming the first Georgia firefighter to die in the line of duty during the department's 64-year history, and

Whereas, the citizens of Georgia will remember Steven Lapierre's special dedication to the Georgia Fire Department and the exemplary leadership and service he provided to the town for four decades, now therefore be it

Resolved by the House of Representatives:

That this legislative body extends its sincere condolences to the family of Georgia firefighter Steven Lapierre and to the Georgia Fire Department, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to each of Steven Lapierre's children and to the Georgia Fire Department.

Which was read and adopted.

Rules Suspended; Report of Committee of Conference Adopted

H. 571

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 driver's license suspensions, driving with a suspended license, and DUI penalties

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the Senate recede from its Proposal of Amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Pre-July 1, 1990 Criminal Traffic Offenses * * *

Sec. 1. TERMINATION OF SUSPENSIONS ARISING FROM PRE-JULY 1, 1990 CRIMINAL TRAFFIC OFFENSES

(a) Background.

(1) Prior to July 1, 1990, traffic offenses that are handled as civil traffic violations under current Vermont law were charged as criminal offenses.

(2) A defendant's failure to appear on such charges resulted in suspension of the defendant's privilege to operate a motor vehicle in Vermont.

(3) As of February 2016, approximately 26,260 defendants who failed to appear in connection with pre-July 1, 1990 criminal traffic charges have pending suspensions as a result of their failure to appear. None of these charges relate to conduct that is criminal under current Vermont law.

(4) Many of the criminal complaints in these matters are fire- and water-damaged. In many of these cases, the facts underlying the complaints no longer can be proved.

(5) On February 22, 2016, the Office of the Attorney General mailed to all Criminal Divisions of the Superior Court and to the Judicial Bureau notices of dismissal of these pre-July 1, 1990 charges.

(b) Termination of suspensions.

(1) Notwithstanding 23 V.S.A. § 675 (fee prior to termination of suspension), as soon as possible after this act takes effect, the Commissioner of Motor Vehicles shall, without requiring an application or payment of a fee, terminate pending suspensions of a person's license or privilege to operate a motor vehicle that resulted from the person's failure to appear prior to July 1, 1990 on a criminal traffic offense charged by the State for conduct that is a civil traffic violation under current Vermont law.

(2) This subsection shall not affect pending suspensions of a person's license or privilege to operate other than those specifically described in subdivision (1) of this subsection.

* * * Driver Restoration Program * * *

Sec. 2. DRIVER RESTORATION PROGRAM

(a) Program established; intent.

(1) The Judicial Bureau and the Department of Motor Vehicles shall carry out a Driver Restoration Program (Program) from September 1, 2016 through November 30, 2016 (the "Program time period"). It is the intent of the General Assembly that the Program be a one-time event.

(2) As used in this section, "suspension" means a suspension of a person's license or privilege to operate a motor vehicle in Vermont imposed by the Commissioner of Motor Vehicles.

(3) The Program is only targeted at suspensions arising from nonpayment of a traffic violation judgment. Even if a person benefits under the Program from the termination of suspensions arising from nonpayment of traffic violation judgments, other suspensions such as those arising from driving under the influence in violation of 23 V.S.A. chapter 13, subchapter 13 shall remain in effect.

(4) The Judicial Bureau's historical experience in collecting traffic violation judgments is that, on average, 90 percent of all traffic violation judgments assessed in any twelve month period are paid in full within five years and that the remaining 10 percent are never paid. The consensus revenue forecast of revenue attributable to collections on traffic violation judgments is based on actual historical collections, and thus the forecast incorporates the Judicial Bureau's historical collection experience. The traffic violation judgments eligible for reduction under subsection (b) of this section will be

more than five fiscal years old at the time of the Program. The reduction of such judgments under the Program is expected to have no adverse impact on any of the special or other funds to which collections of traffic violation judgments are deposited.

(b) Traffic violation judgments entered prior to July 1, 2012; exception.

(1) During the Program time period, a person who has not paid in full the amount due on a traffic violation judgment entered prior to July 1, 2012 may apply to the Judicial Bureau for a reduction in the amount due on a form approved by the Court Administrator. Judgments for traffic violations that involve violation of a law specifically governing the operation of commercial motor vehicles shall not be eligible for reduction under the Program. The Program shall not apply to pre-July 1, 1990 criminal traffic offenses.

(2) A person shall be permitted to apply in person or through the mail. The Judicial Bureau may accept applications electronically or by other means.

(3) If a person submits a complete application during the Program time period and the judgment is eligible for reduction under subdivision (1) of this subsection, the Clerk of the Judicial Bureau or designee shall reduce the amount due on the judgment to \$30.00. Amounts paid toward a traffic violation judgment prior to the Judicial Bureau's granting an application under this subsection shall not be refunded or credited toward the amount due under the amended judgment.

(c) Consistent with Sec. 5 of this act, amending 4 V.S.A. § 1109 to direct the Judicial Bureau to provide a more flexible payment plan option, a person who has an amount due on a traffic violation judgment shall not be required to pay more than \$100.00 per month in order to be current on all of his or her traffic violation judgments, regardless of the dates when the judgments were entered. This subsection shall not be limited by the Program time period.

(d) Restoration of driving privileges.

(1) If a person has paid all traffic violation judgments reduced under subsection (b) of this section, and is under a payment plan for any other outstanding traffic violation judgments, the Judicial Bureau shall notify the Department of Motor Vehicles that the person is in compliance with his or her obligations.

(2) Notwithstanding 23 V.S.A. § 675 (fee prior to termination of suspension), the Commissioner of Motor Vehicles shall:

(A) upon receipt of the notice of compliance from the Judicial Bureau and without requiring an application or payment of a reinstatement fee,

terminate suspensions arising from nonpayment of a traffic violation judgment of a person described in subdivision (1) of this subsection (d);

(B) during the Program time period and without requiring an application or payment of a reinstatement fee, terminate suspensions arising from nonpayment of a traffic violation judgment of a person who has paid all outstanding traffic violation judgments in full or is in compliance with a Judicial Bureau payment plan prior to December 1, 2016.

(3) If a person described in subdivision (1) or (2)(B) of this subsection fails to make a payment under a payment plan, the Judicial Bureau shall notify the Department of Motor Vehicles if required under 4 V.S.A. § 1109, as amended by Sec. 5 of this act.

(4) This subsection shall not affect pending suspensions other than as specifically described in this subsection.

(e) Public awareness campaign. Prior to the start of the Program, the Agency of Transportation shall commence a campaign to raise public awareness of the Program, and shall conduct the campaign until the end of the Program. The Judicial Bureau, the Department of Motor Vehicles, and the Agency of Transportation shall prominently advertise the Program on their websites until the Program ends.

(f) Allocation of amounts collected. Amounts collected on traffic violation judgments reduced under subsection (b) of this section shall be allocated in accordance with the Process Review approved by the Court Administrator's Office entitled "Revenue Distributions - Civil Violations" and dated November 3, 2015.

(g) Reporting on Program. On or before the first meeting of the Joint Legislative Justice Oversight Committee that occurs after the end of the Program, the Court Administrator and the Department of Motor Vehicles shall coordinate to report to the Oversight Committee:

(1) all costs associated with running the Program;

(2) the number of traffic violation judgments reduced to \$30.00 under subsection (b) of this section, the total number of these judgments paid, and the total amount collected in connection with payment of the judgments;

(3) the number of persons eligible for a reduced judgment under subsection (b) of this section who did not apply for a reduced judgment;

(4) the number of suspensions terminated, as well as the number of unique persons whose suspensions were terminated, under subdivision (d)(2) of this section; and

(5) the number of persons whose license or privilege to operate was fully reinstated as a result of the termination of suspensions under subdivision (d)(2) of this section.

* * * Termination of Suspensions Repealed in Act * * *

Sec. 3. TERMINATION OF SUSPENSIONS REPEALED IN ACT

Notwithstanding 23 V.S.A. § 675 (fee prior to termination of suspension), as soon as possible after this act takes effect, the Commissioner of Motor Vehicles shall, without requiring an application or payment of a fee, terminate pending suspensions of a person's license or privilege to operate a motor vehicle and refusals of a person's license or privilege to operate that were imposed pursuant to the following provisions:

(1) 7 V.S.A. § 656(g) (underage alcohol violation; failure to pay civil penalty);

(2) 7 V.S.A. § 1005 (underage tobacco violation);

(3) 13 V.S.A. § 1753 (false public alarm; students and minors);

(4) 18 V.S.A. § 4230b(g) (underage marijuana violation; failure to pay civil penalty); and

(5) 32 V.S.A. § 8909 (driver's license suspensions for nonpayment of purchase and use tax).

* * * Amendment or Repeal of License Suspension and Registration Refusal Provisions and Underage Alcohol and Marijuana Crimes * * *

Sec. 4. REPEALS

23 V.S.A. §§ 305a (registration not renewed following nonpayment of traffic violation judgment) and 2307 (remedies for failure to pay traffic violations) are repealed.

Sec. 5. 4 V.S.A. § 1109 is amended to read:

§ 1109. REMEDIES FOR FAILURE TO PAY; CONTEMPT

(a) Definitions. As used in this section:

(1) "Amount due" means all financial assessments contained in a Judicial Bureau judgment, including penalties, fines, surcharges, court costs, and any other assessment authorized by law.

(2) "Designated collection agency" means a collection agency designated by the Court Administrator.

(3) [Repealed.]

(b) Late fees; suspensions for nonpayment of certain traffic violation judgments.

(1) A Judicial Bureau judgment shall provide notice that a \$30.00 fee shall be assessed for failure to pay within 30 days. If the defendant fails to pay the amount due within 30 days, the fee shall be added to the judgment amount and deposited in the Court Technology Special Fund established pursuant to section 27 of this title.

(2)(A) In the case of a judgment on a traffic violation for which the imposition of points against the person's driving record is authorized by law, the judgment shall contain a notice that failure to pay or otherwise satisfy the amount due within 30 days of the notice will result in suspension of the person's operator's license or privilege to operate, and that payment plan options are available. If the defendant fails to pay the amount due within 30 days of the notice, or by a later date as determined by a Judicial Bureau clerk or hearing officer, and the case is not pending on appeal, the Judicial Bureau shall provide electronic notice thereof to the Commissioner of Motor Vehicles. After 20 days from the date of receiving the electronic notice, the Commissioner shall suspend the person's operator's license or privilege to operate for a period of 30 days or until the amount due is satisfied, whichever is earlier.

(B) At minimum, the Judicial Bureau shall offer a payment plan option that allows a person to avoid a suspension of his or her license or privilege to operate by paying no more than \$30.00 per traffic violation judgment per month, and not to exceed \$100.00 per month if the person has four or more outstanding judgments.

(c)(1) Civil contempt proceedings. If an amount due remains unpaid for 75 days after the Judicial Bureau provides the defendant with a notice of judgment, the Judicial Bureau may initiate civil contempt proceedings pursuant to this subsection.

~~(1)~~(2) Notice of hearing. The Judicial Bureau shall provide notice by first class mail sent to the defendant's last known address that a contempt hearing will be held pursuant to this subsection, and that failure to appear at the contempt hearing may result in the sanctions listed in subdivision ~~(2)~~(3) of this subsection.

~~(2)~~(3) Failure to appear. If the defendant fails to appear at the contempt hearing, the hearing officer may direct the clerk of the Judicial Bureau to do one or more of the following:

(A) ~~Cause~~ cause the matter to be reported to one or more designated collection agencies; or

(B) ~~Refer~~ refer the matter to the Criminal Division of the Superior Court for contempt proceedings.

~~(C) Provide electronic notice thereof to the Commissioner of Motor Vehicles who shall suspend the person's operator's license or privilege to operate. However, the person shall become eligible for reinstatement if the amount due is paid or otherwise satisfied. [Repealed.]~~

~~(3)~~(4)(A) Hearing. The hearing shall be conducted in a summary manner. The hearing officer shall examine the defendant and any other witnesses and may require the defendant to produce documents relevant to the defendant's ability to pay the amount due. The State or municipality shall not be a party except with the permission of the hearing officer. The defendant may be represented by counsel at the defendant's own expense.

(B) Traffic violations; reduction of amount due. When the judgment is based upon a traffic violation, the hearing officer may reduce the amount due on the basis of the defendant's driving history, ability to pay, or service to the community; the collateral consequences of the violation; or the interests of justice. The hearing officer's decision on a motion to reduce the amount due shall not be subject to review or appeal except in the case of a violation of rights guaranteed under the Vermont or U.S. Constitution.

~~(4)~~(5) Contempt.

(A) The hearing officer may conclude that the defendant is in contempt if the hearing officer states in written findings a factual basis for concluding that:

(i) the defendant knew or reasonably should have known that he or she owed an amount due on a Judicial Bureau judgment;

(ii) the defendant had the ability to pay all or any portion of the amount due; and

(iii) the defendant failed to pay all or any portion of the amount due.

(B) In the contempt order, the hearing officer may do one or more of the following:

(i) Set a date by which the defendant shall pay the amount due.

(ii) Assess an additional penalty not to exceed ten percent of the amount due.

~~(iii) Order that the Commissioner of Motor Vehicles suspend the person's operator's license or privilege to operate. However, the person shall~~

~~become eligible for reinstatement if the amount due is paid or otherwise satisfied. [Repealed.]~~

(iv) Recommend that the Criminal Division of the Superior Court incarcerate the defendant until the amount due is paid. If incarceration is recommended pursuant to this subdivision ~~(4)(c)(5)~~, the Judicial Bureau shall notify the Criminal Division of the Superior Court that contempt proceedings should be commenced against the defendant. The Criminal Division of the Superior Court proceedings shall be de novo. If the defendant cannot afford counsel for the contempt proceedings in the Criminal Division of the Superior Court, the Defender General shall assign counsel at the Defender General's expense.

(d) Collections.

(1) If an amount due remains unpaid after the issuance of a notice of judgment, the Court Administrator may authorize the clerk of the Judicial Bureau to refer the matter to a designated collection agency.

(2) The Court Administrator or the Court Administrator's designee is authorized to contract with one or more collection agencies for the purpose of collecting unpaid Judicial Bureau judgments pursuant to 13 V.S.A. § 7171.

(e) For purposes of civil contempt proceedings, venue shall be statewide. No entry or motion fee shall be charged to a defendant who applies for a reduced judgment under subdivision (c)(4)(B) of this section.

(f) Notwithstanding 32 V.S.A. § 502, the Court Administrator is authorized to contract with a third party to collect fines, penalties, and fees by credit card, debit card, charge card, prepaid card, stored value card, and direct bank account withdrawals or transfers, as authorized by 32 V.S.A. § 583, and to add on and collect, or charge against collections, a processing charge in an amount approved by the Court Administrator.

Sec. 6. 7 V.S.A. § 656 is amended to read:

§ 656. PERSON UNDER 21 YEARS OF AGE MISREPRESENTING AGE, PROCURING, POSSESSING, OR CONSUMING ALCOHOLIC BEVERAGES; ~~FIRST OR SECOND OFFENSE~~; CIVIL VIOLATION

(a)(1) Prohibited conduct. A person under 21 years of age shall not:

(A) ~~falsely~~ Falsely represent his or her age for the purpose of procuring or attempting to procure malt or vinous beverages, spirits, or fortified wines from any licensee, State liquor agency, or other person or persons;

(B) ~~possess~~ Possess malt or vinous beverages, spirits, or fortified wines for the purpose of consumption by himself or herself or other minors, except in the regular performance of duties as an employee of a licensee licensed to sell alcoholic liquor; ~~or.~~

(C) ~~consume~~ Consume malt or vinous beverages, spirits, or fortified wines. A violation of this subdivision may be prosecuted in a jurisdiction where the minor has consumed malt or vinous beverages, spirits, or fortified wines or in a jurisdiction where the indicators of consumption are observed.

(2) Offense. ~~Except as otherwise provided in section 657 of this title, a~~ A person under 21 years of age who knowingly ~~and unlawfully~~ violates subdivision (1) of this subsection commits a civil violation and shall be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Abuse Safety Program. A person who fails to complete the program successfully shall be subject to:

(A) a civil penalty of \$300.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of ~~90~~ 30 days, for a first offense; and

(B) a civil penalty of not more than \$600.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of ~~180~~ 90 days, for a second or subsequent offense.

* * *

(e) Notice to Report to Diversion. Upon receipt from a law enforcement officer of a summons and complaint completed under this section, the Diversion Program shall send the person a notice to report to the Diversion Program. The notice to report shall provide that:

(1) The person is required to complete all conditions related to the offense imposed by the Diversion Program, including substance abuse screening and, if deemed appropriate following the screening, substance abuse ~~education~~ assessment or substance abuse counseling, or both.

(2) If the person does not satisfactorily complete the substance abuse screening, any required substance abuse ~~education~~ assessment or substance abuse counseling, or any other condition related to the offense imposed by the Diversion Program, the case will be referred to the Judicial Bureau, where the person, if found liable for the violation, shall be assessed a civil penalty, the person's driver's license will be suspended, and the person's automobile insurance rates may increase substantially.

(3) If the person satisfactorily completes the substance abuse screening, any required substance abuse ~~education~~ assessment or substance abuse

counseling, and any other condition related to the offense imposed by the Diversion Program, no penalty shall be imposed and the person's operator's license shall not be suspended.

* * *

~~(g) Failure to Pay Penalty. If a person fails to pay a penalty imposed under this section by the time ordered, the Judicial Bureau shall notify the Commissioner of Motor Vehicles, who shall suspend the person's operator's license and privilege to operate a motor vehicle until payment is made. [Repealed.]~~

* * *

Sec. 7. 7 V.S.A. § 657 is amended to read:

~~§ 657. PERSON UNDER 21 YEARS OF AGE MISREPRESENTING AGE, PROCURING, POSSESSING, OR CONSUMING ALCOHOLIC BEVERAGES; THIRD OR SUBSEQUENT OFFENSE~~

~~A person under 21 years of age who engages in conduct in violation of subdivision 656(a)(1) of this title commits a crime if the person has been adjudicated at least twice previously in violation of subdivision 656(a)(1) of this title and shall be imprisoned not more than 30 days or fined not more than \$600.00, or both. [Repealed.]~~

Sec. 8. 13 V.S.A. § 5201(5) is amended to read:

(5) "Serious crime" does not include the following misdemeanor offenses unless the judge at arraignment but before the entry of a plea determines and states on the record that a sentence of imprisonment or a fine over \$1,000.00 may be imposed on conviction:

~~(A) Minors misrepresenting age, procuring or possessing malt or vinous beverages or spirituous liquor (7 V.S.A. § 657(a)) [Repealed.]~~

* * *

Sec. 9. 28 V.S.A. § 205(c) is amended to read:

(c)(1) Unless the Court in its discretion finds that the interests of justice require additional standard and special conditions of probation, when the Court orders a specific term of probation for a qualifying offense, the offender shall be placed on administrative probation, which means that the only conditions of probation shall be that the probationer:

* * *

(2) As used in this subsection, "qualifying offense" means:

* * *

(M) ~~A first offense of a minor's misrepresenting age, procuring, possessing, or consuming liquors under 7 V.S.A. § 657. [Repealed.]~~

* * *

Sec. 10. 7 V.S.A. § 1005 is amended to read:

§ 1005. PERSONS UNDER 18 YEARS OF AGE; POSSESSION OF
TOBACCO PRODUCTS; MISREPRESENTING AGE OR
PURCHASING TOBACCO PRODUCTS; PENALTY

(a) A person under 18 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment. A person under 18 years of age shall not misrepresent his or her age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia. A person who possesses tobacco products, tobacco substitutes, or tobacco paraphernalia in violation of this subsection shall be subject to having the tobacco products, tobacco substitutes, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00. ~~In the case of failure to pay a penalty, the Judicial Bureau shall mail a notice to the person at the address in the complaint notifying the person that failure to pay the penalty within 60 days of the notice will result in either the suspension of the person's operator's license for a period of not more than 90 days or the delay of the initial licensing of the person for a period of not more than one year. A copy of the notice shall be sent to the Commissioner of Motor Vehicles, who, after expiration of 60 days from the date of notice and unless notified by the Judicial Bureau that the penalty has been paid shall either suspend the person's operator's license or cause initial licensing of the person to be delayed for the periods set forth in this subsection and the rules. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24. The Commissioner of Motor Vehicles shall adopt rules in accordance with the provisions of 3 V.S.A. chapter 25 to implement the provisions of this subsection, which may provide for incremental suspension or delays not exceeding cumulatively the maximum periods established by this subsection.~~

(b) A person under 18 years of age who misrepresents his or her age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be fined not more than \$50.00 or provide up to 10 hours of community service, or both.

Sec. 11. 13 V.S.A. § 1753 is amended to read:

§ 1753. FALSE PUBLIC ALARMS

(a) A person who initiates or willfully circulates or transmits a report or warning of an impending bombing or other offense or catastrophe, knowing that the report or warning is false or baseless and that it is likely to cause evacuation of a building, place of assembly, or facility of public transport, or to cause public inconvenience or alarm, shall, for the first offense, be imprisoned for not more than two years or fined not more than \$5,000.00, or both. For the second or subsequent offense, the person shall be imprisoned for not more than five years or fined not more than \$10,000.00, or both. In addition, the court may order the person to perform community service. Any community service ordered under this section shall be supervised by the ~~department of corrections~~ Department of Corrections.

~~(b) In addition, if the person is under 18 years of age, or if the person is enrolled in a public school, an approved or recognized independent school, a home study program, or tutorial program as those terms are defined in section 11 of Title 16:~~

~~(1) if the person has a motor vehicle operator's license issued under chapter 9 of Title 23, the commissioner of motor vehicles shall suspend the license for 180 days for a first offense and two years for a second offense; or~~

~~(2) if the person does not qualify for a license because the person is underage, the commissioner of motor vehicles shall delay the person's eligibility to obtain a drivers license for 180 days for the first offense and two years for the second offense. [Repealed.]~~

Sec. 12. 18 V.S.A. § 4230b is amended to read:

§ 4230b. MARIJUANA POSSESSION BY A PERSON UNDER 21 YEARS OF AGE; ~~FIRST OR SECOND OFFENSE~~; CIVIL VIOLATION

(a) Offense. ~~Except as otherwise provided in section 4230c of this title, a~~ A person under 21 years of age who knowingly and unlawfully possesses one ounce or less of marijuana or five grams or less of hashish commits a civil violation and shall be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Abuse Safety Program. A person who fails to complete the program successfully shall be subject to:

(1) a civil penalty of \$300.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of ~~90~~ 30 days, for a first offense; and

(2) a civil penalty of not more than \$600.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of ~~180~~ 90 days, for a second or subsequent offense.

* * *

(e) Notice to Report to Diversion. Upon receipt from a law enforcement officer of a summons and complaint completed under this section, the Diversion Program shall send the person a notice to report to the Diversion Program. The notice to report shall provide that:

(1) The person is required to complete all conditions related to the offense imposed by the Diversion Program, including substance abuse screening and, if deemed appropriate following the screening, substance abuse ~~education~~ assessment or substance abuse counseling, or both.

(2) If the person does not satisfactorily complete the substance abuse screening, any required substance abuse ~~education~~ assessment or substance abuse counseling, or any other condition related to the offense imposed by the Diversion Program, the case will be referred to the Judicial Bureau, where the person, if found liable for the violation, shall be assessed a civil penalty, the person's driver's license will be suspended, and the person's automobile insurance rates may increase substantially.

(3) If the person satisfactorily completes the substance abuse screening, any required substance abuse ~~education~~ assessment or substance abuse counseling, and any other condition related to the offense imposed by the Diversion Program, no penalty shall be imposed and the person's operator's license shall not be suspended.

* * *

~~(g) Failure to Pay Penalty. If a person fails to pay a penalty imposed under this section by the time ordered, the Judicial Bureau shall notify the Commissioner of Motor Vehicles, who shall suspend the person's operator's license and privilege to operate a motor vehicle until payment is made. [Repealed.]~~

* * *

Sec. 13. 18 V.S.A. § 4230c is amended to read:

§ 4230c. ~~MARIJUANA POSSESSION BY A PERSON UNDER 21 YEARS OF AGE; THIRD OR SUBSEQUENT OFFENSE; CRIME~~

~~No person shall knowingly and unlawfully possess marijuana. A person under 21 years of age who knowingly and unlawfully possesses one ounce or less of marijuana or five grams or less of hashish commits a crime if the person~~

~~has been adjudicated at least twice previously in violation of section 4230b of this title and shall be imprisoned not more than 30 days or fined not more than \$600.00, or both. [Repealed.]~~

Sec. 14. 20 V.S.A. § 2358 (b)(2)(B)(i)(XX) is amended to read:

(XX) 18 V.S.A. §§ 4230(a), ~~4230e~~, and 4230d (marijuana possession);

Sec. 15. 32 V.S.A. § 8909 is amended to read:

§ 8909. ENFORCEMENT

If the tax due under subsection ~~8903(a), (b) and (d)~~ 8903(d) of this title is not paid as hereinbefore provided the Commissioner shall suspend ~~such purchaser's or the rental company's right to operate a motor vehicle license to act as a rental company and motor vehicle registrations~~ such purchaser's or the rental company's right to operate a motor vehicle license to act as a rental company and motor vehicle registrations within the State of Vermont until such tax is paid, and such tax may be recovered with costs in an action brought in the name of the State on this statute.

* * * Driving with License Suspended * * *

Sec. 16. 23 V.S.A. § 674 is amended to read:

§ 674. OPERATING AFTER SUSPENSION OR REVOCATION OF
LICENSE; PENALTY; REMOVAL OF REGISTRATION PLATES;
TOWING

(a)(1) Except as provided in section 676 of this title, a person whose license or privilege to operate a motor vehicle has been suspended or revoked for a violation of this section or subsection 1091(b), 1094(b), or 1128(b) or (c) of this title and who operates or attempts to operate a motor vehicle upon a public highway before the suspension period imposed for the violation has expired shall be imprisoned not more than two years or fined not more than \$5,000.00, or both.

(2) A person who violates section 676 of this title for the ~~sixth~~ third or subsequent time shall, if the ~~five~~ two prior offenses occurred within two years of the third offense and on or after July 1, 2003 December 1, 2016, be imprisoned not more than two years or fined not more than \$5,000.00, or both.

(3) Violations of section 676 of this title that occurred prior to the date a person successfully completes the DLS Diversion Program ~~or prior to the date that a person pays the amount due to the Judicial Bureau in accordance with subsection 2307(b) of this chapter~~ shall not be counted as prior offenses under subdivision (2) of this subsection.

* * *

* * * Operating Without Obtaining a License * * *

Sec. 17. 23 V.S.A. § 601 is amended to read:

§ 601. LICENSE REQUIRED

* * *

(g) A person who violates this section commits a traffic violation, except that a person who violates this section after a previous conviction under this section within the prior two years shall be subject to imprisonment for not more than 60 days or a fine of not more than \$5,000.00, or both. An unsworn printout of the person's Vermont motor vehicle conviction history may be admitted into evidence to prove a prior conviction under this section.

* * * Assessment of Points Against a Person's Driving Record * * *

Sec. 18. 23 V.S.A. § 4(44) is amended to read:

(44) "Moving violation" ~~shall mean~~ means any violation of any provision of this title, while the motor vehicle is being operated on a public highway, over which operation the operator has discretion as to commission of the act, ~~with exception of except for~~ offenses pertaining to:

(A) a parked vehicle, equipment, size, weight, inspection, or registration of the vehicle and;

(B) child restraint or safety belt systems or seat belts as required in section 1258 or 1259 of this title; or

(C) motorcycle headgear under section 1256 of this title.

Sec. 19. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against his or her driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to Title 23 of the Vermont Statutes Annotated.)

(1) Two points assessed for:

* * *

(CCC)	§ 1256.	Motorcycle headgear <u>[Repealed.]</u> ;
(DDD)	§ 1257.	Face <u>Eye</u> Protection;

* * *

Sec. 20. 23 V.S.A. § 1257 is amended to read:

§ 1257. ~~FACE~~ EYE PROTECTION

If a motorcycle is not equipped with a windshield or screen, the operator of the motorcycle shall wear either eye glasses, goggles, or a protective face shield when operating the vehicle. The glasses, goggles, or face shield shall have colorless lenses when the motorcycle is being operated during the period of 30 minutes after sunset to 30 minutes before sunrise and at any other time when due to insufficient light or unfavorable atmospheric conditions, persons and vehicles on the highway are not clearly discernible at a distance of 500 feet ahead.

* * * Judicial Bureau Hearings; Consideration of Ability to Pay * * *

Sec. 21. 4 V.S.A. § 1106 is amended to read:

§ 1106. HEARING

(a) The Bureau shall notify the person charged and the issuing officer of the time and place for the hearing.

(b) The hearing shall be held before a hearing officer and conducted in an impartial manner. The hearing officer may, by subpoena, compel the attendance and testimony of witnesses and the production of books and records. All witnesses shall be sworn. The burden of proof shall be on the State or municipality to prove the allegations by clear and convincing evidence. As used in this section, "clear and convincing evidence" means evidence which establishes that the truth of the facts asserted is highly probable. Certified copies of records supplied by the Department of Motor Vehicles or the Agency of Natural Resources and presented by the issuing officer or other person shall be admissible without testimony by a representative of the Department of Motor Vehicles or the Agency of Natural Resources.

(c) The hearing officer shall make findings which shall be stated on the record or, if more time is needed, made in writing at a later date. The hearing officer may make a finding that the person has committed a lesser included violation. If the hearing officer finds that the defendant committed a violation, the hearing officer shall consider evidence of ability to pay, if offered by the defendant, prior to imposing a penalty.

(d) A law enforcement officer may void or amend a complaint issued by that officer by so marking the complaint and returning it to the Bureau, regardless of whether the amended complaint is a lesser included violation. At

the hearing, a law enforcement officer may void or amend a complaint issued by that officer in the discretion of that officer.

(e) A State's Attorney may dismiss or amend a complaint.

(f) The Supreme Court shall establish rules for the conduct of hearings under this chapter.

* * * Awareness of Payment and Hearing Options * * *

Sec. 22. RAISING AWARENESS OF TRAFFIC VIOLATION JUDGMENT
PAYMENT AND HEARING OPTIONS

(a) In conducting basic training courses and annual in-service trainings, the Criminal Justice Training Council is encouraged to train enforcement officers about the existence of payment plan options for traffic violation judgments. Enforcement officers are encouraged to mention these options to a motorist at the time of issuing a complaint for a traffic violation.

(b) The General Assembly recommends that the Judicial Bureau update the standard materials that enforcement officers provide to persons issued a civil complaint for a traffic violation to notify such persons of payment plan options and of the person's right to request a hearing on ability to pay.

(c) The General Assembly encourages the Judicial Bureau to prominently display on its website information about the existence of payment plan options for traffic violation judgments and the right of a person issued a complaint for a traffic violation to request a hearing on ability to pay.

(d) The Agency of Transportation shall carry out a campaign to raise public awareness of traffic violation judgment payment plan options and of a person's right to request a hearing before a Judicial Bureau hearing officer on his or her ability to pay a Judicial Bureau judgment.

* * * Statistics on License Suspensions Imposed and Pending * * *

Sec. 23. ANNUAL REPORTING OF LICENSE SUSPENSION STATISTICS

On or before January 15, 2017, and annually thereafter until January 15, 2021, the Department of Motor Vehicles shall submit a written report of the following statistics to the House and Senate Committees on Judiciary and on Transportation, relating to suspensions of a license or privilege to operate a motor vehicle in Vermont:

(1) The number of suspensions imposed in the prior calendar year and, of this number, the number of suspensions imposed:

(A) for nonpayment of a traffic violation judgment;

(B) for accumulation of points against a person's driving record;

(C) pursuant to 23 V.S.A. §§ 1206 and 1208 (criminal DUI convictions);

(D) pursuant to 23 V.S.A. § 1205 (civil DUI suspensions);

(E) pursuant to 23 V.S.A. § 1216 (civil DUI suspensions; under 21 years of age);

(F) 7 V.S.A. § 656 (underage alcohol violation; failure to report to or complete Diversion); and

(G) 18 V.S.A. § 4230b (underage marijuana violation; failure to report to or complete Diversion).

(2) The number of unique individuals whose licenses were suspended in the prior calendar year and, of this number, the number of individuals whose address of record with the Department of Motor Vehicles is Vermont.

(3) As of the date that the Department of Motor Vehicles queries its system in carrying out the annual report:

(A) the number of pending suspensions in effect and, of that number, the number of such suspensions attributable to each the grounds listed in subdivisions (1)(A)–(G) of this section; and

(B) the number of unique individuals with pending suspensions in effect and, of this number, the number of individuals whose address of record with the Department of Motor Vehicles is Vermont.

* * * Immunity for Forcible Entry of Motor Vehicle for Rescue Purposes * * *

Sec. 24. 12 V.S.A. § 5784 is added to read:

§ 5784. FORCIBLE ENTRY OF MOTOR VEHICLE TO REMOVE
UNATTENDED CHILD OR ANIMAL

A person who forcibly enters a motor vehicle for the purpose of removing a child or animal from the motor vehicle shall not be subject to civil liability for damages arising from the forcible entry if the person:

(1) determines the motor vehicle is locked or there is otherwise no reasonable method for the child or animal to exit the vehicle;

(2) reasonably and in good faith believes that forcible entry into the motor vehicle is necessary because the child or animal is in imminent danger of harm;

(3) notifies local law enforcement, fire department, or a 911 operator prior to forcibly entering the vehicle;

(4) remains with the child or animal in a safe location reasonably close to the motor vehicle until a law enforcement, fire, or other emergency responder arrives;

(5) places a notice on the vehicle that the authorities have been notified and specifying the location of the child or animal; and

(6) uses no more force to enter the vehicle and remove the child or animal than necessary under the circumstances.

* * * Law Enforcement Training and Data Collection * * *

Sec. 25. 20 V.S.A. § 2358 is amended to read:

§ 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

* * *

(e)(1) The criteria for all minimum training standards under this section shall include anti-bias training approved by the Vermont Criminal Justice Training Council and training on the State, county, or municipal law enforcement agency's fair and impartial policing policy, adopted pursuant to subsection 2366(a) of this title.

(2) On or before December 31, 2018, law enforcement officers shall receive a minimum of four hours of training as required by this subsection.

(3) In order to remain certified, law enforcement officers shall receive a refresher course on the training required by this subsection during every odd-numbered year in a program approved by the Vermont Criminal Justice Training Council.

Sec. 26. 20 V.S.A. § 2366 is amended to read:

§ 2366. LAW ENFORCEMENT AGENCIES; FAIR AND IMPARTIAL
POLICING POLICY; RACE DATA COLLECTION

~~(a)(1) Except as provided in subdivision (2) of this subsection, on or before September 1, 2014, every State, local, county, and municipal law enforcement agency, and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with section 2358 of this title, shall adopt a fair and impartial policing policy. The policy shall contain substantially the same elements of either the current Vermont State Police fair and impartial policing policy or the most current model policy issued by the Office of the Attorney General.~~

~~(2)~~ On or before January 1, 2016, the Criminal Justice Training Council, in consultation with stakeholders, including the Vermont League of Cities and Towns, the Vermont Human Rights Commission, and Migrant Justice, shall ~~adopt~~ create a model fair and impartial policing policy. On or before

July 1, 2016, every State, local, county, and municipal law enforcement agency, and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with section 2358 of this title, shall adopt a fair and impartial policing policy that includes, at a minimum, the elements of the Criminal Justice Training Council model policy.

(b) If a law enforcement agency or constable that is required to adopt a policy pursuant to subsection (a) of this section fails to do so on or before ~~September 1, 2014~~ July 1, 2016, that agency or constable shall be deemed to have adopted, and shall follow and enforce, the model policy issued by the ~~Office of the Attorney General~~ Criminal Justice Training Council.

(c) On or before September 15, 2014, and annually thereafter as part of their annual training report to the Council, every State, ~~local~~, county, and municipal law enforcement agency, and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with section 2358 of this title, shall report to the Council whether the agency or officer has adopted a fair and impartial policing policy in accordance with subsections (a) and (b) of this section ~~and which policy has been adopted~~. The Criminal Justice Training Council shall determine, as part of the Council's annual certification of training requirements, ~~if~~ whether current officers have received training on fair and impartial policing as required by 20 V.S.A. § 2358(e).

(d) On or before October 15, 2014, and annually thereafter on April 1, the Criminal Justice Training Council shall report to the House and Senate Committees on Judiciary which departments and officers have adopted a fair and impartial policing policy, ~~which policy has been adopted~~, and whether officers have received training on fair and impartial policing.

(e)(1) On or before September 1, 2014, every State, ~~local~~, county, and municipal law enforcement agency shall collect roadside stop data consisting of the following:

- (A) the age, gender, and race of the driver;
- (B) the reason for the stop;
- (C) the type of search conducted, if any;
- (D) the evidence located, if any; and
- (E) the outcome of the stop, including whether:
 - (i) a written warning was issued;
 - (ii) a citation for a civil violation was issued;
 - (iii) a citation or arrest for a misdemeanor or a felony occurred; or

(iv) no subsequent action was taken.

(2) Law enforcement agencies shall work with the Criminal Justice Training Council and a vendor chosen by the Council with the goals of collecting uniform data, adopting uniform storage methods and periods, and ensuring that data can be analyzed. Roadside stop data, as well as reports and analysis of roadside stop data, shall be public.

(3) On or before September 1, 2016 and annually thereafter, law enforcement agencies shall provide the data collected under this subsection to the vendor chosen by the Criminal Justice Training Council under subdivision (2) of this subsection or, in the event the vendor is unable to continue receiving data under this section, to the Council. Law enforcement agencies shall provide the data collected under this subsection in an electronic format specified by the receiving entity.

(4) The data provided pursuant to subdivision (3) of this subsection shall be posted electronically in a manner that is analyzable and accessible to the public on the receiving agency's website.

Sec. 27. TRAINING FOR LAW ENFORCEMENT; IMPAIRED DRIVING

(a) It is imperative that Vermont provide adequate training to both local and State law enforcement officers regarding the detection of impaired driving. Advanced Roadside Impaired Driving Enforcement (ARIDE) training provides instruction to officers at a level above Basic Standardized Sobriety Testing and proves helpful to an officer in determining when a Drug Recognition Expert (DRE) should be called. Vermont should endeavor to train as many law enforcement officers as possible in ARIDE. DREs receive a more advanced training in the detection of drugged driving and should be an available statewide resource for officers in the field.

(b) The Secretary of Transportation and the Commissioner of Public Safety shall work collaboratively to:

(1) ensure that funding is available, either through the Governor's Highway Safety Program's administration of National Highway Traffic Safety Administration funds or other State funding sources, for training the number of officers necessary to provide sufficient statewide coverage for enforcement efforts to address impaired driving; and

(2) collect data regarding the number and geographic distribution of law enforcement officers who receive ARIDE and DRE training.

* * * Study; Credit-Based Motor Vehicle Insurance Scoring * * *

Sec. 28. STUDY OF CREDIT REPORTS AND MOTOR VEHICLE INSURANCE RATES

The Commissioner of Financial Regulation shall conduct a study of credit-based insurance scoring for motor vehicle insurance. The study shall make findings regarding the prevalence of use of credit-based insurance scoring and related rating factors in Vermont's market for motor vehicle insurance, its impact on Vermont motor vehicle insurance consumers, and how limitations on the use of such scoring would affect insurance companies doing business in Vermont and the affordability and availability of motor vehicle insurance. The Commissioner shall report his or her findings and recommendations to the General Assembly on or before December 15, 2016.

* * * Effective Dates * * *

Sec. 29. EFFECTIVE DATES

(a) This section, Sec. 1 (termination of suspensions arising from pre-1990 failures to appear on criminal traffic offense charges), Sec. 2(e) (public awareness campaign), Sec. 3 (termination of suspensions repealed in act), Secs. 4–15 (amendment or repeal of license suspension and registration refusal provisions and underage alcohol and marijuana crimes), and Sec. 28 (study of credit reports and motor vehicle insurance rates) shall take effect on passage.

(b) Secs. 25–26 (related to law enforcement training and data collection) shall take effect on passage, except that in Sec. 25, 20 V.S.A. § 2358(e)(3) shall take effect on January 1, 2019.

(c) All other sections shall take effect on July 1, 2016.

And that after passage the title of the bill be amended to read:

An act relating to driver's license suspensions and judicial, criminal justice, and insurance topics.

COMMITTEE ON THE PART OF	COMMITTEE ON THE PART OF
SEN. RICHARD W. SEARS	REP. CHARLES W. CONQUEST
SEN. ALICE W. NITKA	REP. WILLEM W. JEWETT
SEN. MARGARET K. FLORY	REP. WILLIAM P. CANFIELD

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

Rules Suspended; Report of Committee of Conference Adopted

H. 868

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

An act relating to miscellaneous economic development provisions

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Economic Development Authority * * *

Sec. A.1. [Reserved.]

Sec. A.2. 10 V.S.A. § 216 is amended to read:

§ 216. AUTHORITY; GENERAL POWERS

The Authority is hereby authorized:

* * *

(15) To delegate to loan officers the power to review, approve, and make loans under this chapter, subject to the approval of the manager, and to disburse funds on such loans, subject to the approval of the manager, ~~provided that such loans do not exceed \$350,000.00 in aggregate amount for any industrial loan for any three year period for any particular individual, partnership, corporation, or other entity or related entity, or do not exceed \$350,000.00 in aggregate amount if the loan is guaranteed by the Farm Services Agency, or its successor agency, or \$300,000.00 in aggregate amount if the loan is not guaranteed by the Farm Services Agency, or its successor agency, for any agricultural loan for any three year period for any particular individual, partnership, corporation, or other entity or related entity. No funds may be disbursed for any loan approved under this provision, except for any agricultural loan referenced above in an amount not to exceed \$50,000.00, and no rejection of a loan by a loan officer pursuant to this subdivision shall become final, until three working days after the members of the Authority are notified by facsimile, electronic mail, or overnight delivery mailed or sent on the day of approval or rejection, of the intention to approve or reject such loan. If any member objects within that three day period, the approval or rejection will be held for reconsideration by the members of the Authority at its next duly scheduled meeting.~~

* * *

Sec. A.3. 10 V.S.A. § 219 is amended to read:

§ 219. RESERVE FUNDS

* * *

(d) In order to ensure the maintenance of the debt service reserve requirement in each debt service reserve fund established by the Authority, there may be appropriated annually and paid to the Authority for deposit in each such fund, such sum as shall be certified by the Chair of the Authority, to the Governor, the President of the Senate, and the Speaker of the House, as is necessary to restore each such debt service reserve fund to an amount equal to the debt service reserve requirement for such fund. The Chair shall annually, on or about February 1, make, execute, and deliver to the Governor, the President of the Senate, and the Speaker of the House, a certificate stating the sum required to restore each such debt service reserve fund to the amount aforesaid, and the sum so certified may be appropriated, and if appropriated, shall be paid to the Authority during the then current State fiscal year. The principal amount of bonds or notes outstanding at any one time and secured in whole or in part by a debt service reserve fund to which State funds may be appropriated pursuant to this subsection shall not exceed ~~\$130,000,000.00~~ \$155,000,000.00, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the Authority in contravention of the Constitution of the United States.

Sec. A.4. 10 V.S.A. § 220 is added to read:

§ 220. TRANSFER FROM INDEMNIFICATION FUND

The State Treasurer shall transfer from the Indemnification Fund created in former section 222a of this title to the Authority all current and future amounts deposited to that Fund.

Sec. A.5. 10 V.S.A. § 234 is amended to read:

§ 234. THE VERMONT JOBS FUND

* * *

(c) Monies in the Fund may be loaned to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title at interest rates and on terms and conditions to be set by the Authority to establish a line of credit in an amount not to exceed ~~\$60,000,000.00~~ \$100,000,000.00 to be advanced to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title.

* * *

Sec. A.6. 10 V.S.A. chapter 16A is amended to read:

CHAPTER 16A. VERMONT AGRICULTURAL CREDIT PROGRAM

§ 374a. CREATION OF THE VERMONT AGRICULTURAL CREDIT PROGRAM

(a) There is created the Vermont Agricultural Credit Program, which will provide an alternative source of sound and constructive credit to farmers and forest products businesses who are not having their credit needs fully met by conventional agricultural credit sources at reasonable rates and terms. The Program is intended to meet, either in whole or in part, the credit needs of eligible agricultural facilities and farm operations in fulfillment of one or more of the purposes listed in this subsection by making direct loans and participating in loans made by other agricultural credit providers:

* * *

(b) No borrower shall be approved for a loan from the corporation that would result in the aggregate principal balances outstanding of all loans to that borrower exceeding the then-current maximum Farm Service Agency loan guarantee limits, or ~~\$2,000,000.00~~ \$5,000,000.00, whichever is greater.

§ 374b. DEFINITIONS

As used in this chapter:

(1) “Agricultural facility” means land and rights in land, buildings, structures, machinery, and equipment which is used for, or will be used for producing, processing, preparing, packaging, storing, distributing, marketing, or transporting agricultural or forest products which have been primarily produced in this State, and working capital reasonably required to operate an agricultural facility.

(2) “Agricultural land” means real estate capable of supporting commercial farming or forestry, or both.

(3) “Agricultural products” mean crops, livestock, forest products, and other farm or forest commodities produced as a result of farming or forestry activities.

(4) “Farm ownership loan” means a loan to acquire or enlarge a farm or agricultural facility, to make capital improvements including construction, purchase, and improvement of farm and agricultural facility buildings that can be made fixtures to the real estate, to promote soil and water conservation and protection, and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(5) “Authority” means the Vermont Economic Development Authority.

(6) “Cash flow” means, on an annual basis, all income, receipts, and revenues of the applicant or borrower from all sources and all expenses of the applicant or borrower, including all debt service and other expenses.

(7) "Farmer" means an individual directly engaged in the management or operation of an agricultural facility or farm operation for whom the agricultural facility or farm operation constitutes two or more of the following:

(A) is or is expected to become a significant source of the farmer's income;

(B) the majority of the farmer's assets; and

(C) an occupation in which the farmer is actively engaged, either on a seasonal or year-round basis.

(8) "Farm operation" shall mean the cultivation of land or other uses of land for the production of food, fiber, horticultural, silvicultural, orchard, maple syrup, Christmas trees, forest products, or forest crops; the raising, boarding, and training of equines, and the raising of livestock; or any combination of the foregoing activities. Farm operation also includes the storage, preparation, retail sale, and transportation of agricultural or forest commodities accessory to the cultivation or use of such land.

(9) "Forest products business" means a Vermont enterprise that is primarily engaged in managing, harvesting, trucking, processing, manufacturing, crafting, or distributing products derived from Vermont forests.

(10) "Livestock" shall mean cattle, sheep, goats, equines, fallow deer, red deer, reindeer, American bison, swine, poultry, pheasant, chukar partridge, coturnix quail, ferrets, camelids and ratites, cultured trout propagated by commercial trout farms, and bees.

~~(10)~~(11) "Loan" means an operating loan or farm ownership loan, including a financing lease, provided that such lease transfers the ownership of the leased property to each lessee following the payment of all required lease payments as specified in each lease agreement.

~~(11)~~(12) "Operating loan" means a loan to purchase livestock, farm or forestry equipment, or fixtures to pay annual operating expenses of a farm operation or agricultural facility, to pay loan closing costs, and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

~~(12)~~(13) "Program" means the Vermont Agricultural Credit Program established by this chapter.

~~(13)~~(14) "Project" or "agricultural project" means the creation, establishment, acquisition, construction, expansion, improvement, strengthening, reclamation, operation, or renovation of an agricultural facility or farm operation.

(14)(15) "Resident" means a person who is or will be domiciled in this State as evidenced by an intent to maintain a principal dwelling place in the State indefinitely and to return there if temporarily absent, coupled with an act or acts consistent with that intent, including the filing of a Vermont income tax return within 18 months of the application for a loan under this chapter. In the case of a limited liability company, partnership, corporation, or other business entity, resident means a business entity formed under the laws of Vermont, the majority of which is owned and operated by Vermont residents who are natural persons.

* * *

§ 374h. LOAN ELIGIBILITY STANDARDS

A farmer, or a limited liability company, partnership, corporation, or other business entity the majority ownership of which is vested in one or more farmers, shall be eligible to apply for a farm ownership or operating loan, provided the applicant is:

* * *

(4) an operator or proposed operator of an agricultural facility, ~~or farm operation, or forest products business~~ for whom the loan reduces investment costs to an extent that offers the applicant a reasonable chance to succeed in the operation and management of an agricultural facility or farm operation;

* * *

(7) able to demonstrate that the applicant is responsible and able to manage responsibilities as owner or operator of the farm operation, ~~or agricultural facility, or forest products business~~;

* * *

(13) able to demonstrate that the proposed loan will be adequately secured by a mortgage on real property ~~with a satisfactory maturity date in no event later than 20 years from the date of inception of the mortgage~~, or by a security agreement on personal property ~~with a satisfactory maturity date in no event longer than the average remaining useful life of the assets in which the security interest is being taken~~; and

* * *

Sec. A.7. REPEALS

(a) 2009 Acts and Resolves No. 54, Sec. 112(b), pledging up to \$1,000,000.00 of the full faith and credit of the State for loss reserves for the Vermont Economic Development Authority small business loan program and TECH loan program, is repealed.

(b) In 10 V.S.A. chapter 12 (Vermont Economic Development Authority) the following are repealed:

(1) subchapter 2, §§ 221–229 (Mortgage Insurance); and

(2) subchapter 8, §§ 279–279b (Vermont Financial Access Program).

* * * Cooperatives; Electronic Voting * * *

Sec. B.1. 11 V.S.A. § 995 is amended to read:

§ 995. ARTICLES

Each association formed under this subchapter shall prepare and file articles of incorporation setting forth:

(1) The name of the association;₂

(2) The purpose for which it is formed;₂

(3) The place where its principal business will be transacted;₂

(4) The names and addresses of the directors thereof who are to serve until the election and qualification of their successors;₂

(5) The name and residence of the clerk;₂

(6) When organized without capital stock, whether the property rights and interest of the members are equal, and, if unequal, the general rules applicable to all members by which the property rights and interest, respectively, of each member shall be determined and fixed, and provision for the admission of new members who shall be entitled to share in the property of the association in accordance with such general rules. This provision or paragraph of the certificate of organization shall not be altered, amended, or replaced except by the written consent or vote representing three-fourths of the members;₂

(7) When organized with capital stock, the amount of such stock, the number of shares into which it is divided, and the par value thereof;₂

(8) The capital stock may be divided into preferred and one or more classes of common stock. When so divided, the certificate of organization shall contain a statement of the number of shares of stock to which preference is granted, the number of shares of stock to which no preference is granted, and the nature and definite extent of the preference and privileges granted to each;₂

(9) The articles of incorporation of any association organized under this subchapter ~~shall~~ may provide that the members or stockholders thereof shall have the right to vote in person ~~or alternate only and not by proxy or otherwise~~ or through another method of communication, including through a telecommunications or electronic medium, but a member or stockholder may

not vote by proxy. This provision or paragraph of the articles of association shall not be altered and shall not be subject to amendment;.

(10) In addition to the foregoing, the articles of incorporation of any association incorporated hereunder may contain any provision consistent with law with respect to management, regulation, government, financing, indebtedness, membership, the establishment of voting districts and the election of delegates for representative purposes, the issuance, retirement, and transfer of its stock, if formed with capital stock, or any provisions relative to the way or manner in which it shall operate or with respect to its members, officers, or directors and any other provisions relating to its affairs;.

(11) The certificate shall be subscribed by the incorporators and shall be sworn to by one or more of them; and shall be filed with the ~~secretary of state~~ Secretary of State. A certified copy shall also be filed with the ~~secretary of agriculture, food and markets;~~ Secretary of Agriculture, Food and Markets.

(12) When so filed, the certificate of organization or a certified copy thereof shall be received in the courts of this ~~state~~ State as prima facie evidence of the facts contained therein and of the due incorporation of such association.

* * * Regional Planning and Economic Development * * *

Sec. C.1. 24 V.S.A. chapter 76 is amended to read:

CHAPTER 76. ECONOMIC DEVELOPMENT PERFORMANCE CONTRACTS GRANTS

* * *

§ 2782. PROPOSALS FOR PERFORMANCE ~~CONTRACTS~~ GRANTS FOR ECONOMIC DEVELOPMENT

(a) The Secretary shall ~~annually award~~ negotiate and issue performance ~~contracts~~ grants to qualified regional development corporations, regional planning commissions, or both in the case of a joint proposal, to provide economic development services under this chapter.

(b) A proposal shall be submitted in response to a request for proposals issued by the Secretary.

(c) The Secretary may require that a service provider submit with a proposal, or subsequent to the filing of a proposal, additional supportive data or information that he or she considers necessary to make a decision to award or to assess the effectiveness of a performance ~~contract~~ grant.

§ 2783. ELIGIBILITY FOR PERFORMANCE ~~CONTRACTS~~ GRANTS

Upon receipt of a proposal for a performance ~~contract~~ grant, the Secretary shall within 60 days determine whether or not the service provider may be

awarded a performance ~~contract~~ grant under this chapter. The Secretary shall enter into a performance ~~contract~~ grant with a service provider if the Secretary finds:

(1) the service provider serves an economic region generally consistent with one or more of the State's regional planning commission regions;

(2) the service provider demonstrates the ability and willingness to provide planning and resource development services to local communities and to assist communities in evaluating economic conditions and prepare for economic growth and stability;

(3) the service provider demonstrates an ability to gather economic and demographic information concerning the area served;

(4) the service provider has, or demonstrates it will be able to secure, letters of support from the legislative bodies of the affected municipalities;

(5) the service provider demonstrates a capability and willingness to assist existing business and industry, to encourage the development and growth of small business, and to attract industry and commerce;

(6) the service provider appears to be the best qualified service provider from the region to accomplish and promote economic development;

(7) the service provider needs the performance ~~contract-award~~ grant and that the performance ~~contract-award~~ grant will be used for the employment of professional persons or expenses consistent with performance ~~contract~~ grant provisions, or both;

(8) the service provider presents an operating budget and has adequate funds available to match the performance ~~contract-award~~ grant;

(9) the service provider demonstrates a willingness to involve the public of the region in its policy-making process by offering membership to representatives of all municipalities in the economic region which shall elect the directors of the governing board;

(10) the service provider demonstrates a willingness to coordinate its activities with the planning functions of any regional planning commission located in the same geographic area as the service provider.

§ 2784. TERMS OF PERFORMANCE ~~CONTRACTS~~ GRANTS

(a)(1) Funds available ~~under~~ through a performance ~~contract~~ grant may only be used by an applicant to perform the duties or provide the services ~~set forth~~ specified in the performance ~~contract~~ grant.

(2) The amount and terms of the performance ~~contract-award~~ grant shall be determined by the ~~parties to the contract~~ Secretary.

(b) A performance ~~contract~~ grant shall be made for a period ~~agreed to by the parties specified by the grant.~~

(c) Payments to a service provider shall be made pursuant to the terms of the performance ~~contract~~ grant.

§ 2784a. PLANS

A service provider awarded a performance ~~contract~~ grant under this chapter shall conduct its activities under subdivision 2784(a)(1) of this title consistent with local and regional plans.

* * *

§ 2786. APPLICABILITY OF STATE LAWS

(a) A service provider awarded a performance ~~contract~~ grant by the Secretary under this chapter shall be subject to 1 V.S.A. chapter 5, subchapter 2 (open meetings) and 1 V.S.A. chapter 5, subchapter 3 (public records), except that in addition to any limitation provided in subchapter 2 or 3:

(1) no person shall disclose any information relating to a proposed transaction or agreement between the service provider and another person, in furtherance of the service provider's public purposes under the law, prior to final execution of such transaction or agreement; and

(2) meetings of the service provider's board to consider such proposed transactions or agreements may be held in executive session under 1 V.S.A. § 313.

(b) Nothing in this section shall be construed to limit the exchange of information between or among regional development corporations or regional planning commissions concerning any activity of the corporations and the commissions, provided that such information shall be subject to the provisions of subsection (a) of this section.

(c) The provisions of 2 V.S.A. chapter 11 (registration of lobbyist) shall apply to regional development corporations and regional planning commissions.

* * *

Sec. C.2. 24 V.S.A. § 4341a is amended to read:

§ 4341a. PERFORMANCE ~~CONTRACTS~~ GRANTS FOR REGIONAL PLANNING SERVICES

(a) The Secretary of Commerce and Community Development shall negotiate and ~~enter into performance contracts with~~ issue performance grants to regional planning commissions, or ~~with~~ to regional planning commissions

and regional development corporations in the case of a joint ~~contract~~ grant, to provide regional planning services.

(b) A performance ~~contract~~ grant shall address how the regional planning commission, or regional planning commission and regional development corporation jointly, will improve results and achieve savings compared with the current regional service delivery system, which may include:

- (1) a proposal without change in the makeup or change of the area served;
- (2) a joint proposal to provide different services ~~under one contract with pursuant to a grant to~~ one or more regional service providers;
- (3) ~~co-location~~ colocation with other local, regional, or State service providers;
- (4) merger with one or more regional service providers;
- (5) consolidation of administrative functions and additional operational efficiencies within the region; or
- (6) such other cost-saving mechanisms as may be available.

* * * Vermont Training Program * * *

Sec. D.1. 10 V.S.A. § 531 is amended to read:

§ 531. THE VERMONT TRAINING PROGRAM

* * *

(b) Eligibility for grant. The Secretary of Commerce and Community Development may award a grant to an employer if:

* * *

(2) the employer provides its employees with at least three of the following:

* * *

(H) other paid time off, ~~including~~ excluding paid sick days;

* * *

(e) Work-based learning activities.

(1) In addition to eligible training authorized in subsection (b) of this section, the Secretary of Commerce and Community Development may annually allocate up to 10 percent of the funding appropriated for the Program to fund work-based learning programs and activities with eligible employers to introduce Vermont students in a middle school, secondary school, career

technical education program, or postsecondary school to manufacturers and other regionally significant employers.

(2) An employer with a defined work-based learning program or activity developed in partnership with a middle school, secondary school, career technical education program, or postsecondary school may apply to the Program for a grant to offset the costs the employer incurs for the work-based learning program or activity, including the costs of transportation, curriculum development, and materials.

* * *

(k) Annually on or before January 15, the Secretary shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs. In addition to the reporting requirements under section 540 of this title, the report shall identify:

(1) all active and completed contracts and grants;

(2) from among the following, the category the training addressed:

(A) preemployment training or other training for a new employee to begin a newly created position with the employer;

(B) preemployment training or other training for a new employee to begin in an existing position with the employer;

(C) training for an incumbent employee who, upon completion of training, assumes a newly created position with the employer;

(D) training for an incumbent employee who upon completion of training assumes a different position with the employer;

(E) training for an incumbent employee to upgrade skills;

(3) for the training identified in subdivision (2) of this subsection whether the training is onsite or classroom-based;

(4) the number of employees served;

(5) the average wage by employer;

(6) any waivers granted;

(7) the identity of the employer, or, if unknown at the time of the report, the category of employer;

(8) the identity of each training provider; ~~and~~

(9) whether training results in a wage increase for a trainee, and the amount of increase; and

(10) the number, type, and description of grants for work-based learning programs and activities awarded pursuant to subsection (e) of this section.

* * * Corporations; Mergers, Conversions, Domestications, Share Exchanges,
Limited Liability Company Technical Corrections * * *

Sec. E.1. 11A V.S.A. chapter 11 is amended to read:

~~CHAPTER 11. MERGER AND SHARE EXCHANGE~~

~~§ 11.01. MERGER~~

~~(a) One or more corporations may merge into another corporation if the board of directors of each corporation adopts and its shareholders (if required by section 11.03 of this title) approve a plan of merger.~~

~~(b) The plan of merger must set forth:~~

~~(1) the name of each corporation planning to merge and the name of the surviving corporation into which each other corporation plans to merge;~~

~~(2) the terms and conditions of the merger; and~~

~~(3) the manner and basis of converting the shares of each corporation into shares, obligations, or other securities of the surviving or any other corporation or into cash or other property in whole or in part.~~

~~(c) The plan of merger may set forth:~~

~~(1) amendments to the articles of incorporation of the surviving corporation; and~~

~~(2) other provisions relating to the merger.~~

~~§ 11.02. SHARE EXCHANGE~~

~~(a) A corporation may acquire all of the outstanding shares of one or more classes or series of another corporation if the board of directors of each corporation adopts and its shareholders (if required by section 11.03 of this title) approve the exchange.~~

~~(b) The plan of exchange must set forth:~~

~~(1) the name of the corporation whose shares will be acquired and the name of the acquiring corporation;~~

~~(2) the terms and conditions of the exchange;~~

~~(3) the manner and basis of exchanging the shares to be acquired for shares, obligations, or other securities of the acquiring or any other corporation or for cash or other property in whole or in part.~~

~~(c) The plan of exchange may set forth other provisions relating to the exchange.~~

~~(d) This section does not limit the power of a corporation to acquire all or part of the shares of one or more classes or series of another corporation through a voluntary exchange or otherwise.~~

~~§ 11.03. ACTION ON PLAN~~

~~(a) After adopting a plan of merger or share exchange, the board of directors of each corporation party to the merger, and the board of directors of the corporation whose shares will be acquired in the share exchange, shall submit the plan of merger (except as provided in subsection (g) of this section) or share exchange for approval by its shareholders.~~

~~(b) For a plan of merger or share exchange to be approved:~~

~~(1) the board of directors must recommend the plan of merger or share exchange to the shareholders, unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the plan; and~~

~~(2) the shareholders entitled to vote must approve the plan.~~

~~(c) The board of directors may condition its submission of the proposed merger or share exchange on any basis.~~

~~(d) The corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting in accordance with section 7.05 of this title. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the plan of merger or share exchange and contain or be accompanied by a copy or summary of the plan.~~

~~(e) Unless this title, the articles of incorporation, or the board of directors (acting pursuant to subsection (c) of this section) require a greater vote or a vote by voting groups, the plan of merger or share exchange to be authorized must be approved by each voting group entitled to vote separately on the plan by a majority of all the votes entitled to be cast on the plan by that voting group.~~

~~(f) Separate voting by voting groups is required:~~

~~(1) on a plan of merger if the plan contains a provision that, if contained in a proposed amendment to articles of incorporation, would require action by one or more separate voting groups on the proposed amendment under section 10.04 of this title;~~

~~(2) on a plan of share exchange by each class or series of shares included in the exchange, with each class or series constituting a separate voting group.~~

~~(g) Action by the shareholders of the surviving corporation on a plan of merger is not required if:~~

~~(1) the articles of incorporation of the surviving corporation will not differ (except for amendments enumerated in section 10.02 of this title) from its articles before the merger;~~

~~(2) each shareholder of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and relative rights, immediately after;~~

~~(3) the number of voting shares outstanding immediately after the merger, plus the number of voting shares issuable as a result of the merger (either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger), will not exceed by more than 20 percent the total number of voting shares of the surviving corporation outstanding immediately before the merger; and~~

~~(4) the number of participating shares outstanding immediately after the merger, plus the number of participating shares issuable as a result of the merger (either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger), will not exceed by more than 20 percent the total number of participating shares outstanding immediately before the merger.~~

~~(h) As used in subsection (g) of this section:~~

~~(1) "Participating shares" mean shares that entitle their holders to participate without limitation in distributions.~~

~~(2) "Voting shares" mean shares that entitle their holders to vote unconditionally in elections of directors.~~

~~(i) After a merger or share exchange is authorized, and at any time before articles of merger or share exchange are filed, the planned merger or share exchange may be abandoned (subject to any contractual rights), without further shareholder action, in accordance with the procedure set forth in the plan of merger or share exchange or, if none is set forth, in the manner determined by the board of directors.~~

§ 11.04. MERGER OF SUBSIDIARY

~~(a) A parent corporation owning at least 90 percent of the outstanding shares of each class of a subsidiary corporation may merge the subsidiary into itself without approval of the shareholders of the parent or subsidiary.~~

~~(b) The board of directors of the parent shall adopt a plan of merger that sets forth:~~

~~(1) the names of the parent and subsidiary; and~~

~~(2) the manner and basis of converting the shares of the subsidiary into shares, obligations, or other securities of the parent or any other corporation or into cash or other property in whole or in part.~~

~~(c) The parent shall mail a copy or summary of the plan merger to each shareholder of the subsidiary who does not waive the mailing requirement in writing.~~

~~(d) The parent may not deliver articles of merger to the secretary of state for filing until at least 30 days after the date it mailed a copy of the plan of merger to each shareholder of the subsidiary who did not waive the mailing requirement.~~

~~(e) Articles of merger under this section may not contain amendments to the articles of incorporation of the parent corporation (except for amendments enumerated in section 10.02 of this title).~~

~~§ 11.05. ARTICLES OF MERGER OR SHARE EXCHANGE~~

~~(a) After a plan of merger or share exchange is approved by the shareholders, or adopted by the board of directors if shareholder approval is not required, the surviving or acquiring corporation shall deliver to the secretary of state for filing, articles of merger or share exchange setting forth:~~

~~(1) the plan of merger or share exchange;~~

~~(2) if shareholder approval was not required, a statement to that effect;~~

~~(3) if approval of the shareholders of one or more corporations party to the merger or share exchange was required:~~

~~(A) the designation, number of outstanding shares, and number of votes entitled to be cast by each voting group entitled to vote separately on the plan as to each corporation; and~~

~~(B) either the total number of votes cast for and against the plan by each voting group entitled to vote separately on the plan or the total number of undisputed votes cast for the plan separately by each voting group and a statement that the number cast for the plan by each voting group was sufficient for approval by that voting group.~~

~~(b) A merger or share exchange takes effect upon the effective date of the articles of merger or share exchange as provided in section 1.23 of this title.~~

~~§ 11.06. EFFECT OF MERGER OR SHARE EXCHANGE~~

~~(a) When a merger takes effect:~~

~~(1) every other corporation party to the merger merges into the surviving corporation and the separate existence of every corporation except the surviving corporation ceases;~~

~~(2) the title to all real estate and other property owned by each corporation party to the merger is vested in the surviving corporation without reversion or impairment;~~

~~(3) the surviving corporation has all liabilities of each corporation party to the merger;~~

~~(4) a proceeding pending against any corporation party to the merger may be continued as if the merger did not occur or the surviving corporation may be substituted in the proceeding for the corporation whose existence ceased;~~

~~(5) the articles of incorporation of the surviving corporation are amended to the extent provided in the plan of merger; and~~

~~(6) the shares of each corporation party to the merger that are to be converted into shares, obligations, or other securities of the surviving or any other corporation or into cash or other property are converted, and the former holders of the shares are entitled only to the rights provided in the articles of merger or to their rights under chapter 13 of this title.~~

~~(b) When a share exchange takes effect, the shares of each acquired corporation are exchanged as provided in the plan, and the former holders of the shares are entitled only to the exchange rights provided in the articles of share exchange or to their rights under chapter 13 of this title.~~

~~§ 11.07. MERGER OR SHARE EXCHANGE WITH FOREIGN CORPORATION~~

~~(a) One or more foreign corporations may merge or enter into a share exchange with one or more domestic corporations if:~~

~~(1) in a merger, the merger is permitted by the law of the state or country under whose law each foreign corporation is incorporated and each foreign corporation complies with that law in effecting the merger;~~

~~(2) in a share exchange, the corporation whose shares will be acquired is a domestic corporation, whether or not a share exchange is permitted by the~~

~~law of the state or country under whose law the acquiring corporation is incorporated;~~

~~(3) the foreign corporation complies with section 11.05 of this title if it is the surviving corporation of the merger or acquiring corporation of the share exchange; and~~

~~(4) each domestic corporation complies with the applicable provisions of sections 11.01 through 11.04 of this title and, if it is the surviving corporation of the merger or acquiring corporation of the share exchange, with section 11.05 of this title.~~

~~(b) Upon the merger or share exchange taking effect, the surviving foreign corporation of a merger and the acquiring foreign corporation of a share exchange is deemed:~~

~~(1) to appoint the secretary of state as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of each domestic corporation party to the merger or share exchange; and~~

~~(2) to agree that it will promptly pay to the dissenting shareholders of each domestic corporation party to the merger or share exchange the amount, if any, to which they are entitled under chapter 13 of this title.~~

~~(c) This section does not limit the power of a foreign corporation to acquire all or part of the shares of one or more classes or series of a domestic corporation through a voluntary exchange or otherwise.~~

CHAPTER 11. CONVERSION, MERGER, SHARE EXCHANGE, AND DOMESTICATION

§ 11.01. DEFINITIONS

As used in this chapter:

(1) “Constituent corporation” means a constituent organization that is a corporation.

(2) “Constituent organization” means an organization that is a party to a conversion, merger, share exchange, or domestication pursuant to this chapter.

(3) “Conversion” means a transaction authorized by sections 11.02 through 11.07 of this title.

(4) “Converted organization” means the converting organization as it continues in existence after a conversion.

(5) “Converting organization” means the domestic organization that approves a plan of conversion pursuant to section 11.04 of this title or the

foreign organization that approves a conversion pursuant to the law of its jurisdiction of formation.

(6) “Domestic organization” means an organization whose internal affairs are governed by the law of this State.

(7) “Domesticated corporation” means the corporation that exists after a domesticating corporation effects a domestication pursuant to sections 11.13 through 11.16 of this title.

(8) “Domesticating corporation” means the corporation that effects a domestication pursuant to sections 11.13 through 11.16 of this title.

(9) “Domestication” means a transaction authorized by sections 11.13 through 11.16 of this title.

(10) “Governing statute” means the statute that governs an organization’s internal affairs.

(11) “Interest holder” means:

(A) a shareholder of a business corporation;

(B) a member of a nonprofit corporation;

(C) a general partner of a general partnership, including a limited liability partnership;

(D) a general partner of a limited partnership, including a limited liability partnership;

(E) a limited partner of a limited partnership, including a limited liability partnership;

(F) a member of a limited liability company;

(G) a shareholder of a general cooperative association;

(H) a member of a limited cooperative association or mutual benefit enterprise;

(I) a member of an unincorporated nonprofit association;

(J) a beneficiary or beneficial owner of a statutory trust, business trust, or common-law business trust; or

(K) any other direct holder of an interest.

(12) “Merger” means a merger authorized by sections 11.08 through 11.12 of this title.

(13) “Organization:”

(A) means any of the following, whether a domestic or foreign organization, and regardless of whether organized for profit:

- (i) a business corporation;
- (ii) a nonprofit corporation;
- (iii) a general partnership, including a limited liability partnership;
- (iv) a limited partnership, including a limited liability limited partnership;
- (v) a limited liability company;
- (vi) a general cooperative association;
- (vii) a limited cooperative association or mutual benefit enterprise;
- (viii) an unincorporated nonprofit association;
- (ix) a statutory trust, business trust, or common-law business trust; or
- (x) any other person that has:
 - (I) a legal existence separate from any interest holder of that person; or
 - (II) the power to acquire an interest in real property in its own name; and

(B) does not include:

- (i) an individual;
- (ii) a trust with a predominantly donative purpose or a charitable trust;
- (iii) an association or relationship that is not an organization listed in subdivision (A) of this subdivision (13) and is not a partnership under 11 V.S.A. chapter 22 or 23, or a similar provision of law of another jurisdiction;
- (iv) a decedent's estate; or
- (v) a government or a governmental subdivision, agency, or instrumentality.

(14) "Organizational documents" means the organizational documents for a domestic or foreign organization that create the organization, govern the internal affairs of the organization, and govern relations between or among its interest holders, including:

(A) for a general partnership, its statement of partnership authority and partnership agreement;

(B) for a limited liability partnership, its statement of qualification and partnership agreement;

(C) for a limited partnership, its certificate of limited partnership and partnership agreement;

(D) for a limited liability company, its certificate or articles of organization and operating agreement, or comparable records as provided in its governing statute;

(E) for a business trust, its agreement of trust and declaration of trust;

(F) for a business corporation, its certificate or articles of incorporation, bylaws, and other agreements among its shareholders which are authorized by its governing statute, or comparable records as provided in its governing statute; and

(G) for any other organization, the basic records that create the organization and determine its internal governance and the relations among the persons that own it, have an interest in it, or are members of it.

(15) “Personal liability” means:

(A) liability for a debt, obligation, or other liability of an organization which is imposed on a person:

(i) by the governing statute solely by reason of the person co-owning, having an interest in, or being a member of the organization; or

(ii) by the organization’s organizational documents under a provision of the governing statute authorizing those documents to make one or more specified persons liable for all or specified debts, obligations, or other liabilities of the organization solely by reason of the person or persons co-owning, having an interest in, or being a member of the organization; or

(B) an obligation of an interest holder under the organizational documents of an organization to contribute to the organization.

(16) “Private organizational documents” means organizational documents or portions thereof for a domestic or foreign organization that are not part of the organization’s public record, if any, and includes:

(A) the bylaws of a business corporation;

(B) the bylaws of a nonprofit corporation;

(C) the partnership agreement of a general partnership or limited liability partnership;

(D) the partnership agreement of a limited partnership or limited liability limited partnership;

(E) the operating agreement of a limited liability company;

(F) the bylaws of a general cooperative association;

(G) the bylaws of a limited cooperative association or mutual benefit enterprise;

(H) the governing principles of an unincorporated nonprofit association; and

(I) the trust instrument of a statutory trust or similar rules of a business trust or common-law business trust.

(17) “Protected agreement” means:

(A) a record evidencing indebtedness and any related agreement in effect on July 1, 2017;

(B) an agreement that is binding on an organization on July 1, 2017;

(C) the organizational documents of an organization in effect on July 1, 2017; or

(D) an agreement that is binding on any of the partners, directors, managers, or interest holders of an organization on July 1, 2017.

(18) “Public organizational documents” means the record of organizational documents required to be filed with the Secretary of State to form an organization, and any amendment to or restatement of that record, and includes:

(A) the articles of incorporation of a business corporation;

(B) the articles of incorporation of a nonprofit corporation;

(C) the statement of partnership authority of a general partnership;

(D) the statement of qualification of a limited liability partnership;

(E) the certificate of limited partnership of a limited partnership;

(F) the articles of organization of a limited liability company;

(G) the articles of incorporation of a general cooperative association;

(H) the articles of organization of a limited cooperative association or mutual benefit enterprise; and

(I) the certificate of trust of a statutory trust or similar record of a business trust.

(19) “Record,” used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(20) “Share exchange” means a share exchange authorized by sections 11.08 through 11.12 of this title.

(21) “Surviving organization” means an organization into which one or more other organizations are merged whether the organization preexisted the merger or was created by the merger.

§ 11.02. CONVERSION AUTHORIZED

(a) By complying with sections 11.03 through 11.06 of this title, a domestic corporation may become a domestic organization that is a different type of organization.

(b) By complying with sections 11.03 through 11.06 of this title, a domestic organization may become a domestic corporation.

(c) By complying with sections 11.03 through 11.06 of this title applicable to foreign organizations, a foreign organization that is not a foreign corporation may become a domestic corporation if the conversion is authorized by the law of the foreign organization’s jurisdiction of formation.

(d) If a protected agreement contains a provision that applies to a merger of a domestic corporation but does not refer to a conversion, the provision applies to a conversion of the corporation as if the conversion were a merger until the provision is amended after July 1, 2017.

§ 11.03. PLAN OF CONVERSION

(a) A domestic corporation may convert to a different type of organization under section 11.02 of this title by approving a plan of conversion, and a domestic organization, other than a corporation, may convert into a domestic corporation by approving a plan of conversion. The plan shall be in a record and shall contain:

(1) the name of the converting corporation or organization;

(2) the name, jurisdiction of formation, and type of organization of the converted organization;

(3) the manner and basis for converting an interest holder’s interest in the converting organization into any combination of an interest in the converted organization and other consideration;

(4) the proposed public organizational documents of the converted organization if it will be an organization with public organizational documents filed with the Secretary of State;

(5) the full text of the private organizational documents of the converted organization that are proposed to be in a record;

(6) the other terms and conditions of the conversion; and

(7) any other provision required by the law of this State or the organizational documents of the converting corporation.

(b) A plan of conversion may contain any other provision not prohibited by law.

§ 11.04. APPROVAL OF CONVERSION

Subject to section 11.17 of this title and any contractual rights, a converting organization shall approve a plan of conversion as follows:

(1) a domestic corporation shall approve a plan of conversion in accordance with the procedures for approving a merger under section 11.10 of this title;

(2) any other organization shall approve a plan of conversion in accordance with its governing statute and its organizational documents; provided:

(A) if its organizational documents do not address the manner for approving a conversion, then a plan of conversion shall be approved by the same vote required under the organizational documents for a merger; and

(B) if its organizational documents do not provide for approval of a merger, then by the approval of the number or percentage of interest holders required to approve a merger under the governing statute.

§ 11.05. AMENDMENT OR ABANDONMENT OF PLAN OF CONVERSION

(a) A domestic corporation may amend a plan of conversion:

(1) in the same manner the corporation approved the plan, if the plan does not specify how to amend the plan; or

(2) by its directors and shareholders as provided in the plan, but a shareholder who was entitled to vote on or consent to approval of the conversion is entitled to vote on or consent to an amendment of the plan that will change:

(A) the amount or kind of consideration the shareholder may receive under the plan;

(B) the public organizational documents, if any, or private organizational documents of the converted organization in effect after the conversion, except for a change that the interest holders of the converted

organization are not required to approve under its governing statute or organizational documents; or

(C) other terms or conditions of the plan if the change would adversely affect the shareholder in any material respect.

(b) A domestic general or limited partnership may amend a plan of conversion:

(1) in the same manner the partnership approved the plan, if the plan does not specify how to amend the plan; or

(2) by the partners as provided in the plan, but a partner who was entitled to vote on or consent to approval of the conversion is entitled to vote on or consent to an amendment of the plan that will change:

(A) the amount or kind of consideration the partner may receive under the plan;

(B) the public organizational documents, if any, or private organizational documents of the converted organization in effect after the conversion, except for a change that the interest holders of the converted organization are not required to approve under its governing statute or organizational documents; or

(C) other terms or conditions of the plan if the change would adversely affect the partner in any material respect.

(c) A domestic limited liability company may amend a plan of conversion:

(1) in the same manner the company approved the plan, if the plan does not specify how to amend the plan; or

(2) by the managers or members as provided in the plan, but a member who was entitled to vote on or consent to approval of the conversion is entitled to vote on or consent to an amendment of the plan that will change:

(A) the amount or kind of consideration the member may receive under the plan;

(B) the public organizational documents, if any, or private organizational documents of the converted organization in effect after the conversion, except for a change that the interest holders of the converted organization are not required to approve under its governing statute or organizational documents; or

(C) other terms or conditions of the plan if the change would adversely affect the member in any material respect.

(d)(1) After a domestic converting organization approves a plan of conversion, and before a statement of conversion takes effect, the organization may abandon the conversion as provided in the plan.

(2) Unless prohibited by the plan, the organization may abandon the plan in the same manner it approved the plan.

(e)(1) A domestic converting organization that abandons a plan of conversion pursuant to subsection (d) of this section shall deliver a signed statement of abandonment to the Secretary of State for filing before the statement of conversion takes effect.

(2) The statement of abandonment shall contain:

(A) the name of the converting organization;

(B) the date the Secretary of State filed the statement of conversion; and

(C) a statement that the converting organization has abandoned the conversion pursuant to this section.

(3) A statement of abandonment takes effect on filing, and on filing the conversion is abandoned and does not take effect.

§ 11.06. STATEMENT OF CONVERSION; EFFECTIVE DATE OF CONVERSION

(a) A converting organization shall sign a statement of conversion and deliver it to the Secretary of State for filing.

(b) A statement of conversion shall contain:

(1) the name, jurisdiction of formation, and type of organization prior to the conversion;

(2) the name, jurisdiction of formation, and type of organization following the conversion;

(3) if the converting organization is a domestic organization, a statement that the organization approved the plan of conversion in accordance with the provisions of this chapter, or, if the converting organization is a foreign organization, a statement that the organization approved the conversion in accordance with its governing statute; and

(4) the public organizational documents of the converted organization.

(c) A statement of conversion may contain any other provision not prohibited by law.

(d) If the converted organization is a domestic organization, its public organizational documents, if any, shall comply with the law of this State.

(e)(1) If a converted organization is a domestic corporation, its conversion takes effect when the statement of conversion takes effect.

(2) If a converted organization is not a domestic corporation, its conversion takes effect on the later of:

(A) the date and time provided by its governing statute; or

(B) when the statement of conversion takes effect.

§ 11.07. EFFECT OF CONVERSION

(a) When a conversion takes effect:

(1) The converted organization is:

(A) organized under and subject to the governing statute of the converted organization; and

(B) the same organization continuing without interruption as the converting organization.

(2) The property of the converting organization continues to be vested in the converted organization without transfer, assignment, reversion, or impairment.

(3) The debts, obligations, and other liabilities of the converting organization continue as debts, obligations, and other liabilities of the converted organization.

(4) Except as otherwise provided by law or the plan of conversion, the rights, privileges, immunities, powers, and purposes of the converting organization remain in the converted organization.

(5) A court or other authority may substitute the name of the converted organization for the name of the converting organization in any pending action or proceeding.

(6) The public organizational documents of the converted organization takes effect.

(7) The provisions of the organizational documents of the converted organization that are required to be in a record, if any, that were approved as part of the plan of conversion take effect.

(8) The interests in the converting organization are converted, and the interest holders of the converting organization are entitled only to the rights provided to them under the plan of conversion.

(b) Except as otherwise provided in the organizational documents of a domestic converting organization, a conversion does not give rise to any rights that a shareholder, member, partner, limited partner, director, or third party would have upon a dissolution, liquidation, or winding up of the converting organization.

(c) When a conversion takes effect, a person who did not have personal liability with respect to the converting organization and becomes subject to personal liability with respect to the converted organization as a result of the conversion has personal liability only to the extent provided by the governing statute of the converted organization and only for those debts, obligations, and other liabilities that the converted organization incurs after the conversion.

(d) When a conversion takes effect, a person who had personal liability for a debt, obligation, or other liability of the converting organization but who does not have personal liability with respect to the converted organization is subject to the following rules:

(1) The conversion does not discharge any personal liability under this title to the extent the personal liability was incurred before the conversion took effect.

(2) The person does not have personal liability under this title for any debt, obligation, or other liability that arises after the conversion takes effect.

(3) This title continues to apply to the release, collection, or discharge of any personal liability preserved under subdivision (1) of this subsection as if the conversion had not occurred.

(4) The person has the rights of contribution from another person that are provided by this title, law other than this title, or the organizational documents of the converting organization with respect to any personal liability preserved under subdivision (1) of this subsection as if the conversion had not occurred.

(e) When a conversion takes effect, a person may serve a foreign organization that is the converted organization with process in this State for the collection and enforcement of any of its debts, obligations, and other liabilities as provided in section 5.04 of this title.

(f) If the converting organization is a registered foreign organization, its registration to do business in this State is canceled when the conversion takes effect.

(g) A conversion does not require an organization to wind up its affairs and does not constitute or cause the dissolution of the organization.

§ 11.08. MERGER AUTHORIZED; PLAN OF MERGER

(a) A corporation organized pursuant to this title may merge with one or more other constituent organizations pursuant to this section and sections 11.09 through 11.12 of this title and a plan of merger if:

(1) the governing statute of each of the other constituent organizations authorizes the merger;

(2) the merger is not prohibited by the law of a jurisdiction that enacted any of the governing statutes; and

(3) each of the other constituent organizations complies with its governing statute in effecting the merger.

(b) A plan of merger shall be in a record and shall include:

(1) the name and type of each constituent organization;

(2) the name and type of the surviving constituent organization and, if the surviving constituent organization is created by the merger, a statement to that effect;

(3) the terms and conditions of the merger, including the manner and basis for converting an interest holder's interest in each constituent organization into any combination of an interest in the surviving organization and other consideration;

(4) if the merger creates the surviving constituent organization, the surviving constituent organization's organizational documents that are proposed to be in a record; and

(5) if the merger does not create the surviving constituent organization, any amendments to the surviving constituent organization's organizational documents that are, or are proposed to be, in a record.

§ 11.09. SHARE EXCHANGE AUTHORIZED; PLAN OF SHARE EXCHANGE

(a) A corporation may acquire all of the outstanding shares of one or more classes or series of another corporation if the board of directors of each corporation adopts, and its shareholders, if required under section 11.10 of this title, approve a plan of share exchange.

(b) The plan of share exchange shall be in a record and shall include:

(1) the name of the corporation whose shares will be acquired and the name of the acquiring corporation; and

(2) the terms and conditions of the share exchange; including the manner and basis of exchanging the shares to be acquired in exchange for shares of the acquiring corporation or other consideration.

(c) The plan of share exchange may contain any other provision not prohibited by law.

§ 11.10. APPROVAL OF PLAN OF MERGER OR SHARE EXCHANGE

(a) Subject to section 11.17 of this title and any contractual rights, a constituent organization shall approve a plan of merger or share exchange as follows:

(1) If the constituent organization is a corporation:

(A) the board of directors must recommend the plan of merger or share exchange to the shareholders, unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the plan; and

(B) the shareholders entitled to vote must approve the plan.

(2) If the constituent organization is not a corporation, the plan of merger or share exchange shall be approved in accordance with the organization's governing statute and organizational documents.

(b) The board of directors of a constituent corporation may condition its submission of the proposed merger or share exchange on any basis.

(c) For a constituent organization that is a domestic corporation:

(1)(A) The constituent organization shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting in accordance with section 7.05 of this title.

(B) The notice shall also state that the purpose, or one of the purposes, of the meeting is to consider the plan of merger or share exchange and contain or be accompanied by a copy or summary of the plan.

(2) Unless this title, the articles of incorporation, or the board of directors acting pursuant to subsection (b) of this section requires a greater vote or a vote by voting groups, the plan of merger or share exchange must be approved by each voting group entitled to vote separately on the plan by a majority of all the votes entitled to be cast on the plan by that voting group.

(3) Separate voting by voting groups is required:

(A) on a plan of merger if the plan contains a provision that, if contained in a proposed amendment to articles of incorporation, would require

action by one or more separate voting groups on the proposed amendment under section 10.04 of this title; and

(B) on a plan of share exchange by each class or series of shares included in the exchange, with each class or series constituting a separate voting group.

(4) Action by the shareholders of the surviving corporation on a plan of merger is not required if:

(A) the articles of incorporation of the surviving corporation will not differ, except for amendments enumerated in section 10.02 of this title, from its articles before the merger;

(B) each shareholder of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and relative rights, immediately after;

(C) the number of voting shares outstanding immediately after the merger, plus the number of voting shares issuable as a result of the merger, either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 20 percent the total number of voting shares of the surviving corporation outstanding immediately before the merger; and

(D) the number of participating shares outstanding immediately after the merger, plus the number of participating shares issuable as a result of the merger, either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 20 percent the total number of participating shares outstanding immediately before the merger.

(5) As used in this subsection:

(A) "Participating shares" means shares that entitle their holders to participate without limitation in distributions.

(B) "Voting shares" means shares that entitle their holders to vote unconditionally in elections of directors.

(d) Subject to section 11.17 of this title and any contractual rights, after a constituent organization approves a merger or share exchange, and before the organization delivers articles of merger or share exchange to the Secretary of State for filing, a constituent organization may amend the plan or abandon the merger or share exchange:

(1) as provided in the plan; or

(2) except as otherwise prohibited in the plan, in the same manner it approved the plan.

§ 11.11. FILING REQUIRED FOR MERGER OR SHARE EXCHANGE;
EFFECTIVE DATE

(a) After each constituent organization approves a merger or share exchange, a person with appropriate authority shall sign articles of merger or share exchange on behalf of:

(1) each constituent corporation; and

(2) each other constituent organization as required by its governing statute.

(b) Articles of merger under this section shall be in a record and shall include:

(1) the name and type of each constituent organization and the jurisdiction of its governing statute;

(2) the name and type of the surviving constituent organization, the jurisdiction of its governing statute, and, if the merger creates the surviving constituent organization, a statement to that effect;

(3) the date the merger takes effect under the governing statute of the surviving constituent organization;

(4) if the merger creates the surviving constituent organization, its public organizational documents;

(5) if the surviving constituent organization preexists the merger, any amendments to its public organizational documents;

(6) a statement on behalf of each constituent organization that it approved the merger as required by its governing statute;

(7) if the surviving constituent organization is a foreign constituent organization not authorized to transact business in this State, the street and mailing addresses of an office that the Secretary of State may use for service of process pursuant to subsection 5.04(b) of this title; and

(8) any additional information the governing statute of a constituent organization requires.

(c) A merger takes effect under this chapter:

(1) if the surviving constituent organization is a corporation, upon the later of:

(A) compliance with subsection (f) of this section; or

(B) subject to section 1.23 of this title, as specified in the articles of merger; or

(2) if the surviving constituent organization is not a corporation, as provided by the governing statute of the surviving constituent organization.

(d) Articles of share exchange under this section shall be in a record and shall include:

(1) the name and type of each constituent organization and the jurisdiction of its governing statute;

(2) the date the share exchange takes effect under the governing statute of each of the constituent organizations;

(3) a statement on behalf of each constituent organization that it approved the share exchange as required by its governing statute;

(4) if either constituent organization is a foreign organization not authorized to transact business in this State, the street and mailing addresses of an office that the Secretary of State may use for service of process pursuant to subsection 5.04(b) of this title; and

(5) any additional information the governing statute of a constituent organization requires.

(e) A share exchange takes effect under this chapter upon the later of:

(1) compliance with subsection (f) of this section; or

(2) subject to section 1.23 of this title, as specified in the articles of share exchange.

(f) Each constituent organization shall deliver the articles of merger or share exchange for filing in the Office of the Secretary of State.

§ 11.12. EFFECT OF MERGER OR SHARE EXCHANGE

(a) When a merger takes effect:

(1) the surviving constituent organization continues or comes into existence;

(2) each constituent organization that merges into the surviving constituent organization ceases to exist as a separate entity;

(3) the property of each constituent organization that ceases to exist vests in the surviving constituent organization without transfer, assignment, reversion, or impairment;

(4) the debts, obligations, and other liabilities of each constituent organization that ceases to exist continue as debts, obligations, and other liabilities of the surviving constituent organization;

(5) an action or proceeding pending by or against a constituent organization that ceases to exist continues as if the merger did not occur;

(6) except as prohibited by other law, the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving constituent organization;

(7) except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger take effect;

(8) except as otherwise agreed, if a constituent corporation ceases to exist, the merger does not dissolve the corporation for the purposes of chapter 14 of this title;

(9) if the merger creates the surviving constituent organization, its public organizational documents take effect; and

(10) if the surviving constituent organization preexists the merger, any amendments to its public organizational documents take effect.

(b)(1) A surviving constituent organization that is a foreign organization consents to the jurisdiction of the courts of this State to enforce a debt, obligation, or other liability the constituent organization owes, if before the merger the constituent organization was subject to suit in this State on the debt, obligation, or other liability.

(2) A surviving constituent organization that is a foreign organization and not authorized to transact business in this State appoints the Secretary of State as its agent for service of process for the purposes of enforcing a debt, obligation, or other liability under this subsection.

(3) A person shall serve the Secretary of State under this subsection in the same manner, and the service has the same consequences, as in section 5.04 of this title.

(c) When a share exchange takes effect:

(1) the shares of each acquired constituent organization are exchanged as provided in the plan of share exchange; and

(2) the former holders of the shares are entitled only to the exchange rights provided in the articles of share exchange or to their rights under chapter 13 of this title.

§ 11.13. DOMESTICATION AUTHORIZED

(a) A foreign corporation may become a domestic corporation pursuant to this section and sections 11.14 through 11.17 of this title and a plan of domestication if:

(1) the foreign corporation's governing statute and its organizational documents permit the domestication; and

(2) the foreign corporation complies with its governing statute and organizational documents.

(b) A domestic corporation may become a foreign corporation pursuant to this section and sections 11.14 through 11.17 of this title and a plan of domestication if:

(1) its organizational documents permit the domestication; and

(2) the corporation complies with this section and sections 11.14 through 11.17 of this title and its organizational documents.

(c) A plan of domestication shall be in a record and shall include:

(1) the name of the domesticating corporation before domestication and the jurisdiction of its governing statute;

(2) the name of the domesticated corporation after domestication and the jurisdiction of its governing statute;

(3) the terms and conditions of the domestication, including the manner and basis for converting an interest holder's interest in the domesticating organization into any combination of an interest in the domesticated organization and other consideration; and

(4) the organizational documents of the domesticated corporation that are, or are proposed to be, in a record.

§ 11.14. ACTION ON PLAN OF DOMESTICATION

(a) A domesticating corporation shall approve a plan of domestication as follows:

(1) if the domesticating corporation is a domestic corporation, in accordance with this chapter and the corporation's organizational documents; provided that:

(A) if its organizational documents do not specify the vote needed to approve domestication, then by the same vote required for a merger under its organizational documents; or

(B) if its organizational documents do not specify the vote required for a merger, then by the number or percentage of shareholders required to approve a merger under this chapter;

(2) if the domesticating corporation is a foreign corporation, as provided in its organizational documents and governing statute.

(b) Subject to any contractual rights, after a domesticating corporation approves a domestication and before it delivers articles of domestication to the Secretary of State for filing, the domesticating corporation may amend the plan or abandon the domestication:

(1) as provided in the plan; or

(2) except as otherwise prohibited by the plan, in the same manner it approved the plan.

§ 11.15. FILING REQUIRED FOR DOMESTICATION; EFFECTIVE DATE

(a) A domesticating corporation that approves a plan of domestication shall deliver to the Secretary of State for filing articles of domestication that include:

(1) a statement, as the case may be, that the corporation was domesticated from or into another jurisdiction;

(2) the name of the corporation and the jurisdiction of its governing statute prior to the domestication;

(3) the name of the corporation and the jurisdiction of its governing statute following domestication;

(4) the date the domestication takes effect under the governing statute of the domesticated company; and

(5) a statement that the corporation approved the domestication as required by the governing statute of the jurisdiction to which it is domesticating.

(b) When a domesticating corporation delivers articles of domestication to the Secretary of State pursuant to subsection (a) of this section, it shall include:

(1) if the domesticating corporation will be a domestic corporation, articles of incorporation pursuant to section 2.02 of this title;

(2) if the domesticating corporation will be a foreign corporation authorized to transact business in this State, an application for a certificate of authority pursuant to section 15.03 of this title; or

(3) if the domesticating corporation will be a foreign corporation that is not authorized to transact business in this State, the street and mailing

addresses of an office that the Secretary of State may use for service of process pursuant to subsection 5.04(b) of this title.

(c) A domestication takes effect:

(1) when the articles of domestication of the domesticating corporation take effect, if the corporation is domesticating to this State; and

(2) according to the governing statute of jurisdiction to which the corporation is domesticating.

§ 11.16. EFFECT OF DOMESTICATION

(a) When a domestication takes effect:

(1) The domesticated corporation is for all purposes the corporation that existed before the domestication.

(2) The property owned by the domesticating corporation remains vested in the domesticated corporation.

(3) The debts, obligations, and other liabilities of the domesticating corporation continue as debts, obligations, and other liabilities of the domesticated corporation.

(4) An action or proceeding pending by or against a domesticating corporation continues as if the domestication had not occurred.

(5) Except as prohibited by other law, the rights, privileges, immunities, powers, and purposes of the domesticating corporation remain vested in the domesticated corporation.

(6) Except as otherwise provided in the plan of domestication, the terms and conditions of the plan of domestication take effect.

(7) Except as otherwise agreed, the domestication does not dissolve a domesticating corporation for the purposes of this chapter 11.

(b)(1) A domesticated corporation that was a foreign corporation consents to the jurisdiction of the courts of this State to enforce a debt, obligation, or other liability the domesticating corporation owes, if, before the domestication, the domesticating corporation was subject to suit in this State on the debt, obligation, or other liability.

(2) A domesticated corporation that was a foreign corporation and not authorized to transact business in this State appoints the Secretary of State as its agent for service of process for purposes of enforcing a debt, obligation, or other liability under this subsection.

(3) A person shall serve the Secretary of State under this subsection in the same manner, and the service has the same consequences, as in section 5.04 of this title.

(c) A corporation that domesticates in a foreign jurisdiction shall deliver to the Secretary of State for filing a statement surrendering the corporation's certificate of organization that includes:

(1) the name of the corporation;

(2) a statement that the articles of incorporation are surrendered in connection with the domestication of the company in a foreign jurisdiction;

(3) a statement that the corporation approved the domestication as required by this title; and

(4) the name of the relevant foreign jurisdiction.

§ 11.17. RESTRICTION ON APPROVAL OF CONVERSION, MERGER,
AND DOMESTICATION

(a) An approval or amendment of a plan of conversion, plan of merger, or plan of domestication under this chapter is ineffective without the approval of each interest holder of a surviving constituent who will have personal liability for a debt, obligation, or other liability of the organization, unless:

(1) a provision of the organization's organizational documents provides in a record that some or all of its interest holders may be subject to personal liability by a vote or consent of fewer than all of the interest holders; and

(2)(A) the interest holder voted for or consented in a record to the provision referenced in subdivision (1) of this subsection; or

(B) the interest holder became an interest holder after the organization adopted the provision referenced in subdivision (1) of this subsection.

(b) An interest holder does not provide consent as required in subdivision (a)(2)(A) of this section merely by consenting to a provision of the organizational documents that permits the organization to amend the organizational documents with the approval of fewer than all of the interest holders.

§ 11.18. CHAPTER NOT EXCLUSIVE

(a) This chapter does not preclude an organization from being converted, merged, or domesticated under law other than this title.

(b) This chapter does not limit the power of a corporation to acquire all or part of the shares of one or more classes or series of another corporation through means other than those included in this chapter.

Sec. E.2. 11A V.S.A. § 13.02 is amended to read:

§ 13.02. RIGHT TO DISSENT

(a) A shareholder is entitled to dissent from, and obtain payment of the fair value of his or her shares in the event of, any of the following corporate actions:

(1) Merger. Consummation of a plan of merger to which the corporation is a party;

(A) if shareholder approval is required for the merger by section ~~11.03~~ 11.10 of this title or the articles of incorporation and the shareholder is entitled to vote on the merger; or

(B) if the corporation is a subsidiary that is merged with its parent under section ~~11.04~~ 11.08 of this title;

(2) Share exchange. Consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the plan;

(3) Conversion. Consummation of a plan of conversion pursuant to section 11.03 of this title to which the corporation is a party unless the shareholders of the corporation will have the same dissenters' rights after conversion to the converted organization as they hold before conversion.

(4) Domestication. Consummation of a plan of domestication pursuant to section 11.14 of this title to which the corporation is a party unless the shareholders of the corporation will have the same dissenters' rights after domestication to the domesticated organization as they hold before domestication.

(5) Sale of assets. Consummation of a sale or exchange of all, or substantially all, of the property of the corporation other than in the usual and regular course of business, if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within one year after the date of sale;

~~(4)(6)~~ Amendment to articles. An amendment of the articles of incorporation that materially and adversely affects rights in respect of a dissenter's shares because it:

- (A) alters or abolishes a preferential right of the shares;
- (B) creates, alters, or abolishes a right in respect of redemption, including a provision respecting a sinking fund for the redemption or repurchase, of the shares;
- (C) alters or abolishes a preemptive right of the holder of the shares to acquire shares or other securities;
- (D) excludes or limits the right of the shares to vote on any matter, or to cumulate votes, other than a limitation by dilution through issuance of shares or other securities with similar voting rights; or
- (E) reduces the number of shares owned by the shareholder to a fraction of a share if the fractional share so created is to be acquired for cash under section 6.04 of this title;~~or~~.

~~(5)~~(7) Market exception. Any corporate action taken pursuant to a shareholder vote to the extent the articles of incorporation, bylaws, or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares.

(b) A shareholder entitled to dissent and obtain payment for his or her shares under this chapter may not challenge the corporate action creating his or her entitlement unless the action is unlawful or fraudulent with respect to the shareholder or the corporation.

Sec. E.3. 11 V.S.A. chapter 25 is amended to read:

CHAPTER 25. LIMITED LIABILITY COMPANIES

* * *

§ 4003. EFFECT OF OPERATING AGREEMENT; NONWAIVABLE PROVISIONS

(a) Except as otherwise provided in subsection (b) of this section, an operating agreement regulates the affairs of the company and the conduct of its business and governs relations among the members, among the managers, and among the members, managers, and the limited liability company. To the extent the operating agreement does not otherwise provide, this chapter regulates the affairs of the company, the conduct of its business, and governs relations among the members, among the managers, and among members, managers, and the limited liability company.

(b) An operating agreement may not:

(1) vary a limited liability company's capacity under subsection 4011(e) of this title to sue and be sued in its own name;

(2) except as provided in subchapter 8 of this chapter, vary the law applicable under subsection 4011(g) of this title;

(3) vary the power of the court under section 4030 of this title;

(4) subject to subsections (c) through (f) of this section, eliminate or restrict the duty of loyalty, the duty of care, or any other fiduciary duty;

(5) subject to subsections (c) through (f) of this section, eliminate or restrict the contractual obligation of good faith and fair dealing under subsection 4059(d) of this title;

(6) unreasonably restrict the duties and rights with respect to books, records, and other information stated in section 4058 of this title, but the operating agreement may impose reasonable restrictions on the availability and use of information obtained under that section and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;

(7) vary the power of a court to decree dissolution in the circumstances specified in subdivision 4101(a)(4) of this title;

(8) vary the requirement to wind up a limited liability company's business as specified in section ~~4102~~ 4101 of this title;

* * *

§ 4141. DEFINITIONS

~~As~~ As used in this subchapter:

* * *

(3) "Conversion" means a transaction authorized by sections ~~by~~ 4142 through 4147 of this title.

* * *

(13) "Limited partnership" means a limited partnership created under chapter ~~44~~ 23 of this title, a predecessor law, or comparable law of another jurisdiction.

* * *

(17) "Partnership" means a general partnership under chapter ~~9~~ 22 of this title, a predecessor law, or comparable law of another jurisdiction.

* * *

(21) "Protected agreement" means:

(A) ~~a record of an instrument or agreement evidencing indebtedness and any related agreement of an organization in effect on the effective date set forth in section 4171 of this title on July 1, 2016, or on the date the organization elects to become subject to this chapter, whichever is earlier;~~

(B) ~~an agreement that is binding on an organization on the effective date set forth in section 4171 of this title on July 1, 2016, or on the date the organization elects to become subject to this chapter, whichever is earlier;~~

(C) ~~the organizational documents of an organization in effect on the effective date set forth in section 4171 of this title on July 1, 2016, or on the date the organization elects to become subject to this chapter, whichever is earlier; or~~

(D) ~~an agreement that is binding on any of the ~~governors~~ directors, officers, general partners, managers, or interest holders of an organization on the effective date set forth in section 4171 of this title on July 1, 2016, or on the date the organization elects to become subject to this chapter, whichever is earlier.~~

* * *

§ 4142. CONVERSION AUTHORIZED

(a) By complying with sections ~~4142~~ 4143 through 4146 of this title, a domestic limited liability company may become a domestic organization that is a different type of organization.

(b) By complying with sections 4143 through 4146 of this title, a domestic limited liability company may convert into a different type of foreign organization if the conversion is authorized by the foreign statute that governs the organization after conversion and the converting organization complies with the statute.

(c) By complying with sections ~~4142~~ 4143 through 4146 of this title, a domestic ~~partnership or limited partnership~~ organization may become a domestic limited liability company.

~~(e)~~(d) By complying with sections ~~4142~~ 4143 through 4146 of this title applicable to foreign organizations, a foreign organization that is not a foreign limited liability company may become a domestic limited liability company if the conversion is authorized by the law of the foreign organization's jurisdiction of formation.

~~(d)~~(e) If a protected agreement contains a provision that applies to a merger of a domestic limited liability company but does not refer to a conversion, the provision applies to a conversion of the company as if the conversion were a merger until the provision is amended ~~after the effective date set forth in~~

section 4171 of this title after July 1, 2016, or after the date the organization elects to become subject to this chapter, whichever is earlier.

* * *

§ 4149. ACTION ON PLAN OF MERGER BY CONSTITUENT LIMITED LIABILITY COMPANY

(a) Subject to section 4156 of this title, a plan of merger shall be approved in accordance with the organizational documents of the constituent limited liability company, or, in the absence of a provision governing approval of ~~conversions~~ a merger, by all the members of the limited liability company entitled to vote on or consent to any matter.

(b) Subject to section 4156 of this title and any contractual rights, after a merger is approved, and at any time before the articles of merger are delivered to the Secretary of State for filing under section 4150 of this title, a constituent limited liability company may amend the plan or abandon the merger:

(1) as provided in the plan; or

(2) except as otherwise prohibited in the plan, with the same consent as was required to approve the plan.

* * *

Sec. E.4. 11 V.S.A. § 1623 is amended to read:

§ 1623. REGISTRATION BY ~~CORPORATIONS AND LIMITED LIABILITY COMPANIES~~ BUSINESS ORGANIZATIONS

(a) A ~~corporation or limited liability company~~ business organization doing business in this State under any name other than that of the ~~corporation or limited liability company~~ business organization shall be subject to all the provisions of this chapter; and shall file returns sworn to by some officer or ~~member~~ director of ~~such the~~ the corporation or mutual benefit enterprise, or by some member or manager of ~~such the~~ the limited liability company, or by some partner of the partnership or limited partnership, setting forth:

(1) the name and location of the principal office of the business organization;

(2) the name other than the corporation or limited liability company name under which such the organization will conduct business is carried on;

(3) the name of the town wherein such business is to be carried on, or towns where the organization conducts business under the name; and

(4) a brief description of the kind of business transacted under such name, and the corporate or the limited liability company name and location of

the principal office of such corporation or limited liability company the organization conducts under the name.

* * *

* * * Vermont State Treasurer; Public Retirement Plan * * *

Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF ESTABLISHING
A PUBLIC RETIREMENT PLAN

(a) Creation of Committee.

(1) There is created a Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan.

(2) It is the intent of the General Assembly that the Committee continue the work of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016.

(b) Membership.

(1) The Public Retirement Plan Study Committee shall be composed of eight members as follows:

(A) the State Treasurer or designee;

(B) the Commissioner of Labor or designee;

(C) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(D) an individual with private sector experience in the area of providing retirement products and financial services to small businesses, to be appointed by the Speaker;

(E) an individual with experience or expertise in the area of the financial needs of an aging population, to be appointed by the Committee on Committees;

(F) an individual with experience or expertise in the area of the financial needs of Vermont youth or young working adults, to be appointed by the Treasurer;

(G) a representative of employers, to be appointed by the Speaker; and

(H) a representative of employees who currently lack access to employer-sponsored retirement plans, to be appointed by the Committee on Committees.

(2) Unless another appointee is specified pursuant to the authority granted under subdivision (1) of this subsection, the members of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, shall serve as the members of the Committee created pursuant to this section.

(c) Powers and duties.

(1)(A) The Committee shall study the feasibility of establishing a public retirement plan, including the following:

(i) the access Vermont residents currently have to employer-sponsored retirement plans and the types of employer-sponsored retirement plans;

(ii) data and estimates on the amount of savings and resources Vermont residents will need for a financially secure retirement;

(iii) data and estimates on the actual amount of savings and resources Vermont residents will have for retirement, and whether those savings and resources will be sufficient for a financially secure retirement;

(iv) current incentives to encourage retirement savings, and the effectiveness of those incentives;

(v) whether other states have created a public retirement plan and the experience of those states;

(vi) whether there is a need for a public retirement plan in Vermont;

(vii) whether a public retirement plan would be feasible and effective in providing for a financially secure retirement for Vermont residents;

(viii) other programs or incentives the State could pursue in combination with a public retirement plan, or instead of such a plan, in order to encourage residents to save and prepare for retirement; and

(B) if the Committee determines that a public retirement plan is necessary, feasible, and effective, the Committee shall study:

(i) potential models for the structure, management, organization, administration, and funding of such a plan;

(ii) how to ensure that the plan is available to private sector employees who are not covered by an alternative retirement plan;

(iii) how to build enrollment to a level where enrollee costs can be lowered;

(iv) whether such a plan should impose any obligation or liability upon private sector employers; and

(v) any other issue the Committee deems relevant.

(2) The Committee shall:

(A) continue monitoring U.S. Department of Labor guidance concerning State Savings Programs for Non-Governmental Employees regarding ERISA rules and other pertinent areas of analysis;

(B) further analyze the relationship between the role of states and the federal government; and

(C) continue its collaboration with educational institutions, other states, and national stakeholders.

(3) The Committee shall have the assistance of the staff of the Office of the Treasurer, the Department of Labor, and the Department of Disabilities, Aging, and Independent Living.

(d) Report. On or before January 15, 2018, the Committee shall report to the General Assembly its findings and any recommendations for legislative action. In its report, the Committee shall state its findings as to every factor set forth in subdivision (c)(1)(A) of this section, whether it recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the Committee's report shall include specific recommendations as to the factors listed in subdivision (c)(1)(B) of this section.

(e) Meetings; term of Committee; Chair. The Committee may meet as frequently as necessary to perform its work and shall cease to exist on January 15, 2018. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

(f) Reimbursement. For attendance at meetings, members of the Committee who are not employees of the State of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

* * * Vermont State Treasurer; ABLE Savings Program * * *

Sec. F.2. 33 V.S.A. § 8001 is amended to read:

§ 8001. PROGRAM ESTABLISHED

* * *

(c) The Treasurer or designee shall have the authority to implement the Program in cooperation with one or more states or other partners in the manner

he or she determines is in the best interests of the State and designated beneficiaries.

(d) The Treasurer or designee shall have the authority to adopt rules, policies, and procedures necessary to implement the provisions of this chapter and comply with applicable federal law.

Sec. F.3. 2015 Acts and Resolves No. 51, Sec. C.8 is amended to read:

Sec. C.8. VERMONT ABLE TASK FORCE; REPORTS

The Until the State Treasurer or designee implements the ABLE Savings Program pursuant to 33 V.S.A. chapter 80, the Treasurer shall convene a Vermont ABLE Task Force to include representatives of the Department of Disabilities, Aging, and Independent Living, the Vermont Developmental Disabilities Council, Vermont Center for Independent Living, Green Mountain Self-Advocates, and other stakeholders with relevant expertise, to provide recommendations annually beginning on or before January 15, 2016 to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs on planning and delivery of the ABLE Savings Program, including:

- (1) promotion and marketing of the Program;
- (2) rules governing operation of ABLE accounts, including mechanisms for consumer convenience;
- (3) fees charged to account owners;
- (4) future enhancements to protect from the loss of State benefits as may be necessary to fulfill the intent of the ABLE Act;
- (5) the composition and charge of an ABLE Advisory Board; and
- (6) a progress update on implementation of the Program consistent with U.S. Treasury Department Rules, the Internal Revenue Code, and the federal ABLE Act (P.L. 113-295 of 2014).

* * * Vermont State Treasurer;

Private Activity Bond Advisory Committee * * *

Sec. F.4. PRIVATE ACTIVITY BOND ADVISORY COMMITTEE

Notwithstanding any provision of 32 V.S.A. § 994 to the contrary, the Private Activity Bond Advisory Committee shall not meet or perform its statutory duties except upon call of the Vermont State Treasurer in his or her discretion.

* * * Vermont State Treasurer;

Vermont Community Loan Fund * * *

Sec. F.5. REPEAL

2014 Acts and Resolves No. 179, Sec. E.131(a) (Treasurer authority to invest in Vermont Community Loan Fund) is repealed.

Sec. F.6. 10 V.S.A. § 9 is added to read:

§ 9. INVESTMENT IN VERMONT COMMUNITY LOAN FUND

Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, the State Treasurer is authorized to invest up to \$1,000,000.00 of short-term operating or restricted funds in the Vermont Community Loan Fund on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b)–(c).

* * * Vermont State Treasurer; Treasurer's Local Investment
Advisory Committee * * *

Sec. F.7. REPEAL

2014 Acts and Resolves No. 199, Secs. 23–25 (Treasurer's Local Investment Advisory Committee, Report, and Sunset) are repealed.

Sec. F.8. REPEAL

2015 Acts and Resolves No. 51, Sec. E.3 (extending sunset of Local Investment Advisory Committee provisions) is repealed.

Sec. F.9. 10 V.S.A. §§ 10–11 are added to read:

§ 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR
LOCAL INVESTMENTS

(a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, the Vermont State Treasurer shall have the authority to establish a credit facility of up to 10 percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b)–(c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9.

(b) The amount authorized in subsection (a) of this section shall include all credit facilities authorized by the General Assembly and established by the Treasurer, and the renewal or replacement of those credit facilities.

§ 11. TREASURER'S LOCAL INVESTMENT ADVISORY COMMITTEE

(a) Creation of committee. The Treasurer's Local Investment Advisory Committee is established to advise the Treasurer on funding priorities and address other mechanisms to increase local investment.

(b) Membership.

(1) The Advisory Committee shall be composed of six members as follows:

(A) the State Treasurer or designee;

(B) the Chief Executive Officer of the Vermont Economic Development Authority or designee;

(C) the Chief Executive Officer of the Vermont Student Assistance Corporation or designee;

(D) the Executive Director of the Vermont Housing Finance Agency or designee;

(E) the Director of the Municipal Bond Bank or designee; and

(F) the Director of Efficiency Vermont or designee.

(2) The State Treasurer shall be the Chair of the Advisory Committee and shall appoint a vice chair and secretary. The appointed members of the Advisory Committee shall be appointed for terms of six years and shall serve until their successors are appointed and qualified.

(c) Powers and duties. The Advisory Committee shall:

(1) meet regularly to review and make recommendations to the State Treasurer on funding priorities and using other mechanisms to increase local investment in the State of Vermont;

(2) invite regularly State organizations, citizens' groups, and members of the public to Advisory Committee meetings to present information on needs for local investment, capital gaps, and proposals for financing; and

(3) consult with constituents and review feedback on changes and needs in the local and State investment and financing environments.

(d) Meetings.

(1) Meetings of the Advisory Committee shall occur at the call of the Treasurer.

(2) A majority of the members of the Advisory Committee who are physically present at the same location or available electronically shall constitute a quorum, and a member may participate and vote electronically.

(3) To be effective, action of the Advisory Committee shall be taken by majority vote of the members at a meeting in which a quorum is present.

(e) Report. On or before January 15, the Advisory Committee annually shall submit a report to the Senate Committees on Appropriations, on

Economic Development, Housing and General Affairs, on Finance, and on Government Operations and the House Committees on Appropriations, on Commerce and Economic Development, on Ways and Means, and on Government Operations. The report shall include the following:

(1) the amount of the subsidies associated with lending through each credit facility authorized by the General Assembly and established by the Treasurer;

(2) a description of the Advisory Committee's activities; and

(3) any information gathered by the Advisory Committee on the State's unmet capital needs, and other opportunities for State support for local investment and the community.

* * * Medicaid for Working People with Disabilities * * *

Sec. G.1. 33 V.S.A. § 1902 is amended to read:

§ 1902. QUALIFICATION FOR MEDICAL ASSISTANCE

(a) In determining whether a person is medically indigent, the Secretary of Human Services shall prescribe and use an income standard and requirements for eligibility which will permit the receipt of federal matching funds under Title XIX of the Social Security Act.

(b) Workers with disabilities whose income is less than 250 percent of the federal poverty level shall be eligible for Medicaid. The income also must not exceed the Medicaid protected income level for one or the Supplemental Security Income (SSI) payment level for two, whichever is higher, after disregarding all earnings of the working individual with disabilities, any Social Security disability insurance benefits, and any veteran's disability benefits. Earnings of the working individual with disabilities shall be documented by evidence of Federal Insurance Contributions Act tax payments, Self-Employment Contributions Act tax payments, or a written business plan approved and supported by a third-party investor or funding source. The resource limit for this program shall be ~~\$5,000.00~~ \$10,000.00 for an individual and ~~\$6,000.00~~ \$15,000.00 for a couple at the time of enrollment in the program. Assets attributable to earnings made after enrollment in the program shall be disregarded.

* * * Vermont Employment Growth Incentive * * *

Sec. H.1. 32 V.S.A. chapter 105 is added to read:

CHAPTER 105. VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

Subchapter 1. Vermont Economic Progress Council

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; and

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from his or her region.

(c) Terms.

(1) Members of the Council appointed by the Governor shall serve initial staggered terms with five members serving four-year terms, and four members serving two-year terms.

(2) After the initial term expires, a member's term is four years and a member may be reappointed.

(3) A term commences on April 1 of each odd-numbered year.

(d) Compensation.

(1) For attendance at a meeting and for other official duties, a member appointed by the Governor shall be entitled to compensation for services and

reimbursement of expenses as provided in section 1010 of this title, except that a member who is a member of the General Assembly shall be entitled to compensation for services and reimbursement of expenses as provided in 2 V.S.A. § 406.

(2) A regional member who does not otherwise receive compensation and reimbursement of expenses from his or her regional development or planning organization shall be entitled to compensation and reimbursement of expenses for attendance at meetings and for other official duties as provided in section 1010 of this title.

(e) Operation.

(1) The Governor shall appoint a chair from the Council's members.

(2) The Council shall receive administrative support from the Agency of Commerce and Community Development and the Department of Taxes.

(3) The Council shall have:

(A) an executive director appointed by the Governor with the advice and consent of the Senate who is knowledgeable in subject areas of the Council's jurisdiction and who is an exempt State employee; and

(B) administrative staff.

(f) Rulemaking authority. The Council shall have the authority to adopt policies and procedures as necessary, and to adopt rules under 3 V.S.A. chapter 25, to implement the provisions of this chapter.

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, or to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

§ 3326. COST-BENEFIT MODEL

(a) The Council shall adopt and maintain a cost-benefit model for assessing and measuring the projected net fiscal cost and benefit to the State of proposed economic development activities.

(b) The Council shall not modify the cost-benefit model without the prior approval of the Joint Fiscal Committee.

Subchapter 2. Vermont Employment Growth Incentive Program

§ 3330. PURPOSE; FORM OF INCENTIVES; ENHANCED INCENTIVES;
ELIGIBLE APPLICANT

(a) Purpose. The purpose of the Vermont Employment Growth Incentive Program is to generate net new revenue to the State by encouraging a business to add new payroll, create new jobs, and make new capital investments and sharing a portion of the revenue with the business.

(b) Form of incentives; enhanced incentives.

(1) The Vermont Economic Progress Council may approve an incentive under this subchapter in the form of a direct cash payment in annual installments.

(2) The Council may approve the following enhanced incentives:

(A) an enhanced incentive for a business in a labor market area with higher than average unemployment or lower than average wages pursuant to section 3334 of this title;

(B) an enhanced incentive for an environmental technology business pursuant to section 3335 of this title; and

(C) an enhanced incentive for a business that participates in a State workforce training program pursuant to section 3336 of this title.

(c) Eligible applicant. Only a business may apply for an incentive pursuant to this subchapter.

§ 3331. DEFINITIONS

As used in this subchapter:

(1) “Award period” means the consecutive five years during which a business may apply for an incentive under this subchapter.

(2) “Base employment” means the number of full-time Vermont jobs held by non-owner employees as of the date a business with an approved application commences its proposed economic activity.

(3) “Base payroll” means the Vermont gross salaries and wages paid as compensation to full-time Vermont jobs held by non-owner employees as of the date a business with an approved application commences its proposed economic activity.

(4) “Capital investment performance requirement” means the minimum value of additional investment in one or more capital improvements.

(5) “Jobs performance requirement” means the minimum number of qualifying jobs a business must add.

(6) “Labor market area” means a labor market area as designated by the Vermont Department of Labor.

(7) “Non-owner” means a person with no more than 10 percent ownership interest, including attribution of ownership interests of the person’s spouse, parents, spouse’s parents, siblings, and children.

(8) “Payroll performance requirement” means the minimum value of Vermont gross salaries and wages a business must pay as compensation for one or more qualifying jobs.

(9) “Qualifying job” means a new, permanent position in Vermont that meets each of the following criteria:

(A) The position is filled by a non-owner employee who regularly works at least 35 hours each week.

(B) The business provides compensation for the position that equals or exceeds the wage threshold.

(C) The business provides for the position at least three of the following:

(i) health care benefits with 50 percent or more of the premium paid by the business;

(ii) dental assistance;

(iii) paid vacation;

(iv) paid holidays;

(v) child care;

(vi) other extraordinary employee benefits;

(vii) retirement benefits;

(viii) other paid time off, excluding paid sick days.

(D) The position is not an existing position that the business transfers from another facility within the State.

(E) When the position is added to base employment, the business’s total employment exceeds its average annual employment during the two preceding years, unless the Council determines that the business is establishing a significantly different, new line of business and creating new jobs in the new line of business that were not part of the business prior to filing its application.

(10) "Utilization period" means each year of the award period and the four years immediately following each year of the award period.

(11) "Vermont gross wages and salaries" means Medicare wages as reported on Federal Tax Form W-2 to the extent those wages are Vermont wages, excluding income from nonstatutory stock options.

(12) "Wage threshold" means the minimum amount of annualized Vermont gross wages and salaries a business must pay for a qualifying job, as required by the Council in its discretion, but not less than:

(A) 60 percent above the State minimum wage at the time of application; or

(B) for a business located in a labor market area in which the average annual unemployment rate is higher than the average annual unemployment rate for the State, 40 percent above the State minimum wage at the time of application.

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

(1) A business may apply for an incentive in one or more years of an award period by submitting an application to the Council in the format the Council specifies for that purpose.

(2) For each award year the business applies for an incentive, the business shall:

(A) specify a payroll performance requirement;

(B) specify a jobs performance requirement or a capital investment performance requirement, or both; and

(C) provide any other information the Council requires to evaluate the application under this subchapter.

(b) Mandatory criteria. The Council shall not approve an application unless it finds:

(1) Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title, the new revenue the proposed activity generates to the State exceeds the costs of the activity to the State.

(2) The host municipality welcomes the new business.

(3) The proposed economic activity conforms to applicable town and regional plans.

(4) If the business proposes to expand within a limited local market, an incentive would not give the business an unfair competitive advantage over other Vermont businesses in the same or similar line of business and in the same limited local market.

(5) But for the incentive, the proposed economic activity:

(A) would not occur; or

(B) would occur in a significantly different manner that is significantly less desirable to the State.

§ 3333. CALCULATING THE VALUE OF AN INCENTIVE

Except as otherwise provided for an enhanced incentive for a business in a qualifying labor market area under section 3334 of this title, an enhanced incentive for an environmental technology business under section 3335 of this title, or an enhanced incentive for workforce training under section 3336 of this title, the Council shall calculate the value of an incentive for an award year as follows:

(1) Calculate new revenue growth. To calculate new revenue growth, the Council shall use the cost-benefit model created pursuant to section 3326 of this title to determine the amount by which the new revenue generated by the proposed economic activity to the State exceeds the costs of the activity to the State.

(2) Calculate the business's potential share of new revenue growth. Except as otherwise provided for an environmental technology business in section 3335 of this title, to calculate the business's potential share of new revenue growth, the Council shall multiply the new revenue growth determined under subdivision (1) of this subsection by 80 percent.

(3) Calculate the incentive percentage. To calculate the incentive percentage, the Council shall divide the business's potential share of new revenue growth by the sum of the business's annual payroll performance requirements.

(4) Calculate qualifying payroll. To calculate qualifying payroll, the Council shall subtract from the payroll performance requirement the projected value of background growth in payroll for the proposed economic activity.

(5) Calculate the value of the incentive. To calculate the value of the incentive, the Council shall multiply qualifying payroll by the incentive percentage.

(6) Calculate the amount of the annual installment payments. To calculate the amount of the annual installment payments, the Council shall:

(A) divide the value of the incentive by five; and

(B) adjust the value of the first installment payment so that it is proportional to the actual number of days that new qualifying employees are employed in the first year of hire.

§ 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING LABOR MARKET AREA

(a) The Council may increase the value of an incentive for a business that is located in a labor market area in which:

(1) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or

(2) the average annual wage is less than the average annual wage for the State.

(b) In each calendar year, the amount by which the Council may increase the value of all incentives pursuant to this section is:

(1) \$1,500,000.00 for one or more initial approvals; and

(2) \$1,000,000.00 for one or more final approvals.

(c) The Council may increase the cap imposed in subdivision (b)(2) of this section by not more than \$500,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(d) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(e) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

§ 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL TECHNOLOGY BUSINESS

(a) As used in this section, an "environmental technology business" means a business that:

(1) is subject to income taxation in Vermont; and

(2) seeks an incentive for economic activity in Vermont that the Secretary of Commerce and Community Development certifies is primarily research, design, engineering, development, or manufacturing related to one or more of the following:

(A) waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation;

(B) natural resource protection and management, including water and wastewater purification and treatment, air pollution control and prevention or remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation;

(C) energy efficiency or conservation;

(D) clean energy, including solar, wind, wave, hydro, geothermal, hydrogen, fuel cells, waste-to-energy, or biomass.

(b) The Council shall consider and administer an application from an environmental technology business pursuant to the provisions of this subchapter, except that:

(1) the business's potential share of new revenue growth shall be 90 percent; and

(2) to calculate qualifying payroll, the Council shall:

(A) determine the background growth rate in payroll for the applicable business sector in the award year;

(B) multiply the business's full-time payroll for the award year by 20 percent of the background growth rate; and

(C) subtract the product from the payroll performance requirement for the award year.

§ 3336. ENHANCED INCENTIVE FOR WORKFORCE TRAINING

(a) A business whose application is approved may elect to claim the incentive specified for an award year as an enhanced training incentive by:

(1) notifying the Council of its intent to pursue an enhanced training incentive and dedicate its incentive funds to training through the Vermont Training Program; and

(2) applying for a grant from the Vermont Training Program to perform training for one or more new employees who hold qualifying jobs.

(b) If a business is awarded a grant for training under this section, the Agency of Commerce and Community Development shall disburse grant funds for on-the-job training of 75 percent of wages for each employee in training or 75 percent of trainer expense, and the business shall be responsible for the remaining 25 percent of the applicable training costs.

(c) A business that successfully completes its training shall submit a written certificate of completion to the Agency of Commerce and Community Development which shall notify the Department of Taxes.

(d) Upon notification by the Agency, and if the Department determines that the business has earned the incentive for the award year, it shall:

(1) disburse to the business a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subsection (b) of this section;

(2) disburse to the Agency of Commerce and Community Development a payment in an amount equal to 25 percent of the cost for training expenses pursuant to subsection (b) of this section; and

(3) disburse the remaining value of the incentive in annual installments pursuant to section 3337 of this title.

§ 3337. EARNING AN INCENTIVE

(a) Earning an incentive; installment payments.

(1) A business with an approved application earns the incentive specified for an award year if, within the applicable time period provided in this section, the business:

(A) maintains or exceeds its base payroll and base employment;

(B) meets or exceeds the payroll performance requirement specified for the award year; and

(C) meets or exceeds the jobs performance requirement specified for the award year, or the capital investment performance requirement specified for the award year, or both.

(2) A business that earns an incentive specified for an award year is eligible to receive an installment payment for the year in which it earns the incentive and for each of the next four years in which the business:

(A) maintains or exceeds its base payroll and base employment;

(B) maintains or exceeds the payroll performance requirement specified for the award year; and

(C) if the business earns an incentive by meeting or exceeding the jobs performance target specified for the award year, maintains or exceeds the jobs performance requirement specified for the award year.

(b) Award year one.

(1) For award year one, a business has from the date it commences its proposed economic activity through December 31 of that year, plus two

additional years, to meet the performance requirements specified for award year one.

(2) A business that does not meet the performance requirements specified for award year one within this period becomes ineligible to earn incentives for the award year and for all remaining award years in the award period.

(c) Award years two and three.

(1) For award year two and award year three, beginning on January 1 of the award year, a business has three years to meet the performance requirements specified for the award year.

(2) A business that does not meet the performance requirements specified for award year two or for award year three within three years becomes ineligible to earn incentives for the award year and for all remaining award years in the award period.

(d) Extending the earning period in award years one and two. Notwithstanding subsection (b) of this section:

(1) Upon request, the Council may extend the period to earn an incentive for award year one or award year two if it determines:

(A) a business did not earn the incentive for the award year due to facts or circumstances beyond its control; and

(B) there is a reasonable likelihood the business will earn the incentive within the extended period.

(2) The Council may extend the period to earn an incentive:

(A) for award year one, by two years, reviewed annually; or

(B) for award year two, by one year.

(3) If the Council extends the period to earn an incentive, it shall recalculate the value of the incentive using the cost-benefit model and shall adjust the amount of the incentive as is necessary to account for the extension.

(e) Award year four.

(1) Beginning on January 1 of award year four, a business that remains eligible to earn incentives has two years to meet the performance requirements specified for award year four.

(2) A business that does not meet the performance requirements specified for award year four within two years becomes ineligible to earn incentives for award year four and award year five.

(f) Award year five.

(1) Beginning on January 1 of award year five, a business that remains eligible to earn incentives has one year to meet the performance requirements specified for award year five.

(2) A business that does not meet the performance requirements specified for award year five by the end of that award year becomes ineligible to earn the incentive specified for that award year.

(g) Carrying forward growth that exceeds targets. If a business exceeds one or more of the payroll performance requirement, the jobs performance requirement, or the capital investment performance requirement specified for an award year, the business may apply the excess payroll, excess jobs, and excess capital investment toward the performance requirement specified for a future award year, provided that the business maintains the excess payroll, excess jobs, or excess capital investment into the future award year.

§ 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH
DEPARTMENT OF TAXES

(a) On or before April 30 following each year of the utilization period, a business with an approved application shall submit an incentive claim to the Department of Taxes.

(b) A business shall include the information the Department requires, including the information required in section 5842 of this title and other documentation concerning payroll, jobs, and capital investment necessary to determine whether the business earned the incentive specified for an award year and any installment payment for which the business is eligible.

(c) The Department may consider an incomplete claim to be timely filed if the business files a complete claim within the additional time allowed by the Department in its discretion.

(d) Upon finalizing its review of a complete claim, the Department shall:

(1) notify the business and the Council whether the business is entitled to an installment payment for the applicable year; and

(2) make an installment payment to which the business is entitled.

(e) The Department shall not pay interest on any amounts it holds or pays for an incentive or installment payment pursuant to this subchapter.

§ 3339. RECAPTURE; REDUCTION; REPAYMENT

(a) Recapture.

(1) The Department of Taxes may recapture the value of one or more installment payments a business has claimed, with interest, if:

(A) the business fails to file a claim as required in section 3338 of this title; or

(B) during the utilization period, the business experiences:

(i) a 90 percent or greater reduction from base employment; or

(ii) if it had no jobs at the time of application, a 90 percent or greater reduction from the sum of its job performance requirements.

(2) If the Department determines that a business is subject to recapture under subdivision (1) of this subsection, the business becomes ineligible to earn or claim an additional incentive or installment payment for the remainder of the utilization period.

(3) Notwithstanding any other statute of limitations, the Department may commence a proceeding to recapture amounts under subdivision (1) of this subsection as follows:

(A) under subdivision (1)(A) of this subsection, no later than three years from the last day of the utilization period; and

(B) under subdivision (1)(B) of this subsection, no later than three years from date the business experiences the reduction from base employment, or three years from the last day of the utilization period, whichever occurs first.

(b) Reduction; recapture. If a business fails to make capital investments that equal or exceed the sum of its capital investment performance requirements by the end of the award period:

(1) The Department shall:

(A) calculate a reduced incentive by multiplying the combined value of the business's award period incentives by the same proportion that the business's total actual capital investments bear to the sum of its capital investment performance requirements; and

(B) reduce the value of any remaining installment payments for which the business is eligible by the same proportion.

(2) If the value of the installment payments the business has already received exceeds the value of the reduced incentive, then:

(A) the business becomes ineligible to claim any additional installment payments for the award period; and

(B) the Department shall recapture the amount by which the value of the installment payments the business has already received exceeds the value of the reduced incentive.

(c) Tax liability.

(1) A person who has the duty and authority to remit taxes under this title shall be personally liable for an installment payment that is subject to recapture under this section.

(2) For purposes of this section, the Department of Taxes may use any enforcement or collection action available for taxes owed pursuant to chapter 151 of this title.

§ 3340. REPORTING

(a) On or before September 1 of each year, the Vermont Economic Progress Council and the Department of Taxes shall submit a joint report on the incentives authorized in this subchapter to the House Committees on Ways and Means, on Commerce and Economic Development, and on Appropriations, to the Senate Committees on Finance, on Economic Development, Housing and General Affairs, and on Appropriations, and to the Joint Fiscal Committee.

(b) The Council and the Department shall include in the joint report:

(1) the total amount of incentives authorized during the preceding year;

(2) with respect to each business with an approved application:

(A) the date and amount of authorization;

(B) the calendar year or years in which the authorization is expected to be exercised;

(C) whether the authorization is active; and

(D) the date the authorization will expire; and

(3) the following aggregate information:

(A) the number of claims and incentive payments made in the current and prior claim years;

(B) the number of qualifying jobs; and

(C) the amount of new payroll and capital investment.

(c) The Council and the Department shall present data and information in the joint report in a searchable format.

(d) Notwithstanding any provision of law to the contrary, an incentive awarded pursuant to this subchapter shall be treated as a tax expenditure for purposes of chapter 5 of this title.

§ 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS INFORMATION

(a) The Vermont Economic Progress Council and the Department of Taxes shall use measures to protect proprietary financial information, including reporting information in an aggregate form.

(b) Information and materials submitted by a business concerning its income taxes and other confidential financial information shall not be subject to public disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall be available to the Joint Fiscal Office or its agent upon authorization of the Joint Fiscal Committee or a standing committee of the General Assembly, and shall also be available to the Auditor of Accounts in connection with the performance of duties under section 163 of this title; provided, however, that the Joint Fiscal Office or its agent and the Auditor of Accounts shall not disclose, directly or indirectly, to any person any proprietary business information or any information that would identify a business except in accordance with a judicial order or as otherwise specifically provided by law.

(c) Nothing in this section shall be construed to prohibit the publication of statistical information, rulings, determinations, reports, opinions, policies, or other information so long as the data are disclosed in a form that cannot identify or be associated with a particular business.

§ 3342. ANNUAL PROGRAM CAP

(a) In each calendar year the Vermont Economic Progress Council may approve one or more incentives under this subchapter, the total value of which shall not exceed:

(1) \$15,000,000.00 for one or more initial approvals; and

(2) \$10,000,000.00 for one or more final approvals.

(b) The Council may increase the cap imposed in subdivision (a)(2) of this section by not more than \$5,000,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(c) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(d) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the

Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

Sec. H.2. 10 V.S.A. § 531(d)(2) is amended to read:

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that, except for an award under an enhanced ~~training~~ incentive for workforce training as provided in ~~32 V.S.A. § 5930b(h)~~ 32 V.S.A. § 3336, a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training; or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

Sec. H.3. 21 V.S.A. § 1314(e)(1) is amended to read:

(e)(1) Subject to such restrictions as the Board may by regulation prescribe, information from unemployment insurance records may be made available to any public officer or public agency of this or any other state or the federal government dealing with the administration or regulation of relief, public assistance, unemployment compensation, a system of public employment offices, wages and hours of employment, workers' compensation, misclassification or miscoding of workers, occupational safety and health, or a public works program for purposes appropriate to the necessary operation of those offices or agencies. The Commissioner may also make information available to colleges, universities, and public agencies of the State for use in connection with research projects of a public service nature, and to the Vermont Economic Progress Council with regard to the administration of ~~32 V.S.A. chapter 151, subchapter 11E~~ 32 V.S.A. chapter 105, subchapter 2; but no person associated with those institutions or agencies may disclose that information in any manner that would reveal the identity of any individual or employing unit from or concerning whom the information was obtained by Commissioner.

* * *

Sec. H.4. 32 V.S.A. § 3102(e)(11) is amended to read:

(11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a successful business applicant under ~~section 5930a~~ chapter 105, subchapter 2 of this title and the ~~tax~~ incentive it has claimed and is reasonably necessary for the Joint Fiscal Office or its agent to perform the duties authorized by the Joint Fiscal Committee or a standing committee of the General Assembly under ~~subsection 5930a(h)~~ that subchapter; to the Auditor of Accounts for the performance of duties under section 163 of this title; to the

Department of Economic Development for the purposes of subsection 5922(f) of this title; and to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under ~~sections 5930a and 5930b~~ chapter 105, subchapter 2 of this title and the ~~tax~~ incentive it has claimed and is reasonably necessary for the ~~council~~ Council to perform its duties under ~~sections 5930a and 5930b~~ that subchapter.

Sec. H.5. 32 V.S.A. § 5401(10) is amended to read:

(10) "Nonresidential property" means all property except:

* * *

~~(H) Real property, excluding land, consisting of unoccupied new facilities, or unoccupied facilities under renovation or expansion, owned by a business that has obtained the approval of the Vermont Economic Progress Council under section 5930a of this title that is less than 75 percent complete, not in use as of April 1 of the applicable tax year, and for a period not to exceed two years. [Repealed.]~~

~~(I) Real property consisting of the value of remediation expenditures incurred by a business that has obtained the approval of the Vermont Economic Progress Council under section 5930a of this title for the construction of new, expanded or renovated facilities on contaminated property eligible under the redevelopment of contaminated properties program pursuant to 10 V.S.A. § 6615a(f), including supporting infrastructure, on sites eligible for the United States Environmental Protection Agency "Brownfield Program," for a period of 10 years. [Repealed.]~~

* * *

Sec. H.6. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
FINANCING DISTRICTS

(a) Tax agreements and exemptions affecting the education property tax grand list. A tax agreement or exemption shall affect the education property tax grand list of the municipality in which the property subject to the agreement is located if the agreement or exemption is:

(1) A prior agreement, meaning that it was:

(A) a tax stabilization agreement for any purpose authorized under 24 V.S.A. § 2741 or comparable municipal charter provisions entered into or proposed and voted by the municipality before July 1, 1997, or a property tax exemption adopted by vote pursuant to chapter 125 of this title or comparable municipal charter provisions before July 1, 1997; or

(B) an agreement relating to property sold or transferred by the New England Power Company of its Connecticut River system and its facilities along the Deerfield River which was warned before September 1, 1997.

(2) A tax stabilization agreement relating to industrial or commercial property entered into under 24 V.S.A. § 2741, or comparable municipal charter provisions ~~or an exemption for the purposes of economic development adopted by vote under sections 3834 (factories; quarries; mines), 3836 (private homes and dwellings), 3837 (airports), or 3838 (hotels) of this title or comparable municipal charter provisions after June 30, 1997 if subsequently approved by the Vermont Economic Progress Council pursuant to this subsection and section 5930a of this title. An agreement or exemption may be approved by the Vermont Economic Progress Council only if it has first been approved by the municipality in which the property is located with respect to the municipal tax liability of the property in that municipality. Any agreement or exemption approved by the Vermont Economic Progress Council may not affect the education tax liability of the property in a greater proportion than the agreement or exemption affects the municipal tax liability of the property. A municipality's approval of an agreement or exemption under this subsection may be made conditional upon approval of the agreement or exemption by the Vermont Economic Progress Council. The legislative body of the municipality in which the property subject to the agreement or exemption is located or the business that is subject to the agreement or exemption may request the Vermont Economic Progress Council to approve an agreement or exemption pursuant to section 5930a of this title. The Council shall also report to the General Assembly on the terms of the agreement or exemption, and the effect of the agreement or exemption on the education property tax grand list of the municipality and of the State. If so approved by the Council, an agreement or exemption shall be effective to reduce the property tax liability of the municipality under this chapter beginning April 1 of the year following approval.~~

(3) An agreement relating to affordable housing, which ~~may be submitted to the council for its approval under subdivision (2) of this subsection, or alternatively~~ may be approved under this subdivision by the Commissioner of Taxes upon recommendation of the Commissioner of Housing and Community Affairs provided the agreement provides either for new construction housing projects or rehabilitated preexisting housing projects and secures federal financial participation which may include projects financed with federal low income housing tax credits.

* * *

(b) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality's education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years, ~~subject to the provisions of subsection 5930b(f) of this title.~~ A municipality's property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized nonresidential rate for the tax year.

(c) Tax agreements not affecting the education property tax grand list. A tax agreement shall not affect the education property tax grand list if it is:

(1) A tax exemption adopted by vote of a municipality after July 1, 1997 under chapter 125 of this title, or voted under a comparable municipal charter provision or other provision of law for property owned by nonprofit organizations used for public, pious, or charitable purposes, ~~other than economic development exemptions voted under section 3834, 3836, 3837, or 3838 of this title and approved by the Vermont Economic Progress Council,~~ or exemptions of property of a nonprofit volunteer fire, rescue, or ambulance organization adopted by vote of a municipality.

(2) A tax stabilization agreement relating to agricultural property, ~~forest~~ land and forestland, open space land, or alternate energy generating plants entered into after July 1, 1997 by a municipality under 24 V.S.A. § 2741.

(3) A tax stabilization agreement relating to commercial or industrial property entered into after July 1, 1997 by a municipality under 24 V.S.A. § 2741, or a property tax exemption for purposes of economic development adopted by vote after July 1, 1997, ~~which has not been approved by the Vermont Economic Progress Council to affect the education grand list under subsection (a)(2) of this section and section 5930a of this title. In granting tax stabilization agreements for commercial or industrial property under 24 V.S.A. § 2741, a municipality shall consider any applicable guidelines established for the approval of such stabilization agreements by the Vermont Economic Progress Council established in subsection 5930a(c) of this title.~~

* * *

Sec. H.7. 32 V.S.A. § 5813 is amended to read:

§ 5813. STATUTORY PURPOSES

* * *

(u) ~~The statutory purpose of the Vermont employment growth incentive Vermont Employment Growth Incentive Program in section 5930b chapter 105, subchapter 2 of this title is to provide a cash incentive to encourage quality job growth in Vermont generate net new revenue to the State by encouraging a business to add new payroll, create new jobs, and make new capital investments and sharing a portion of the revenue with the business.~~

* * *

Sec. H.8. 32 V.S.A. § 5930ll(a)(1) is amended to read:

(1) “Full-time job” ~~has the same meaning as defined in subdivision 5930b(a)(9) of this title~~ means a permanent position filled by an employee who works at least 35 hours per week.

Sec. H.9. 32 V.S.A. § 9741(39) is amended to read:

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

Sec. H.10. EXTENSION OF CURRENT VEGI STATUTE; TRANSITION

Sec. 3(c) of No. 184 of the Acts of the 2005 Adj. Sess. (2006), as amended by Sec. 2 of No. 52 of the Acts of 2011, and as further amended by 2012 Acts and Resolves No. 143, Sec. 20, is amended to read:

(c) Beginning April 1, 2009, the economic incentive review board is authorized to grant payroll-based growth incentives pursuant to the Vermont employment growth incentive program established by Sec. 9 of this act. Unless extended by act of the General Assembly, as of ~~July 1, 2017~~ January 1, 2017, no new Vermont employment growth incentive (VEGI) awards under 32 V.S.A. § 5930b may be made. Any VEGI awards granted prior to ~~July 1, 2017~~ January 1, 2017 may remain in effect until used and shall be governed by the provisions of 32 V.S.A chapter 105.

Sec. H.11. PROSPECTIVE REPEAL OF CURRENT VEGI STATUTE

32 V.S.A. §§ 5930a and 5930b are repealed.

Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD INCENTIVES

Notwithstanding any provision of law to the contrary, the Vermont Economic Progress Council shall not accept or approve an application for a

Vermont Employment Growth Incentive under 32 V.S.A. chapter 105, subchapter 2 on or after January 1, 2021.

Sec. H.13. VERMONT EMPLOYMENT GROWTH INCENTIVE
POLICY REVIEW

(a) The Vermont Economic Progress Council shall review the following policy questions relating to the Vermont Employment Growth Incentive Program:

(1) whether the enhanced incentives available under the program are appropriate and necessary, including:

(A) an analysis of the growth in the environmental technology sector in Vermont as defined in the enhanced incentive for environmental technology business and whether growth in this sector obviates the need for the current enhancement; and

(B) whether the State should forgo additional net fiscal benefit under the enhancements and whether the policy objectives of the enhancements are met;

(2) whether and how to include a mechanism in the Program for equity investments in incentive recipients;

(3) whether and under what circumstances the Department of Taxes should have, and should exercise, the authority to recapture the value of incentives paid to a business that is subsequently sold or relocated out of the State, or that eliminates qualifying jobs after receiving an incentive;

(4) how to most effectively ensure, through the application and award process, that recipients of VEGI incentives are in compliance with all federal and State water quality and air quality laws and regulations;

(5) the size, industry, and profile of the businesses that historically have experienced, and are forecast to experience, the most growth in Vermont, and whether the Program should be more targeted to these businesses;

(6) changes to the Program to ensure incentives will benefit the creation and growth of more small businesses;

(7) whether additional applicant and program data reporting and transparency could be accomplished without damage to applicant businesses; and

(8) quantifiable standards for the type, quality, and value of employee benefits that an applicant must offer in order for a new job to count as a “qualifying job” for purposes of the Vermont Employment Growth Incentive Program.

(b) The Council shall have the authority to designate one or more policy study subcommittees to perform its work pursuant to this section, and shall collaborate with, and have the authority to request data, technical support, and other necessary assistance from, the Agency of Commerce and Community Development and the Departments of Labor and of Taxes.

(c) On or before January 15, 2017, the Council shall report its findings, conclusions, recommendations, and supporting data for legislative action to the House Committees on Commerce and Economic Development, on Ways and Means, and on Appropriations, and to the Senate Committees on Economic Development, Housing and General Affairs, on Finance, and on Appropriations.

Sec. H.14. VERMONT EMPLOYMENT GROWTH INCENTIVE
PROGRAM; TECHNICAL WORKING GROUP REVIEW

(a) On or before August 15, 2016, the Joint Fiscal Committee shall convene a Vermont Employment Growth Incentive Program Technical Working Group that shall consist of the following members, as designated by the Committee:

(1) the legislative economist or another designee from the Joint Fiscal Office;

(2) a policy analyst from the Agency of Commerce and Community Development;

(3) an economic and labor market information chief from the Department of Labor; and

(4) a fiscal analyst from the Department of Taxes or the State economist.

(b) The Group shall review the following questions relating to the Vermont Employment Growth Incentive Program:

(1) whether the cost-benefit model is effectively utilized;

(2) whether the inputs to the cost-benefit model should be adjusted for those applicants who assert that but for the incentive the scale or timing of the project would change;

(3) whether the Program can integrate the use of business-specific background growth rates in addition to, or in place of, industry-specific background growth rates; and, if industry-specific background growth rates are recommended, a methodology to review, calculate, and set those rates routinely; and

(4) whether differential rates in annual average wages or annual average unemployment, defined by labor market area, are appropriate triggers for an incentive enhancement for projects located in, or lower wage threshold for jobs

created in, qualifying labor market areas, and whether the margins of error in annual labor market area wage and unemployment rates are within an acceptable range of tolerance for this use.

(c) On or before January 15, 2017, the Group shall submit a report of its findings and conclusions to the Joint Fiscal Committee, the Vermont Economic Progress Council, and the House Committees on Commerce and Economic Development, on Ways and Means, and on Appropriations, and to the Senate Committees on Economic Development, Housing and General Affairs, on Finance, and on Appropriations.

* * * Blockchain Technology * * *

Sec. I.1. 12 V.S.A. § 1913 is added to read:

§ 1913. BLOCKCHAIN ENABLING

(a) As used in this section, “blockchain technology” means a mathematically secured, chronological, and decentralized consensus ledger or database, whether maintained via Internet interaction, peer-to-peer network, or otherwise.

(b) Authentication, admissibility, and presumptions.

(1) A digital record electronically registered in a blockchain shall be self-authenticating pursuant to Vermont Rule of Evidence 902, if it is accompanied by a written declaration of a qualified person, made under oath, stating the qualification of the person to make the certification and:

(A) the date and time the record entered the blockchain;

(B) the date and time the record was received from the blockchain;

(C) that the record was maintained in the blockchain as a regular conducted activity; and

(D) that the record was made by the regularly conducted activity as a regular practice.

(2) A digital record electronically registered in a blockchain, if accompanied by a declaration that meets the requirements of subdivision (1) of this subsection, shall be considered a record of regularly conducted business activity pursuant to Vermont Rule of Evidence 803(6) unless the source of information or the method or circumstance of preparation indicate lack of trustworthiness. For purposes of this subdivision (2), a record includes information or data.

(3) The following presumptions apply:

(A) A fact or record verified through a valid application of blockchain technology is authentic.

(B) The date and time of the recordation of the fact or record established through such a blockchain is the date and time that the fact or record was added to the blockchain.

(C) The person established through such a blockchain as the person who made such recordation is the person who made the recordation.

(D) If the parties before a court or other tribunal have agreed to a particular format or means of verification of a blockchain record, a certified presentation of a blockchain record consistent with this section to the court or other tribunal in the particular format or means agreed to by the parties demonstrates the contents of the record.

(4) A presumption does not extend to the truthfulness, validity, or legal status of the contents of the fact or record.

(5) A person against whom the fact operates has the burden of producing evidence sufficient to support a finding that the presumed fact, record, time, or identity is not authentic as set forth on the date added to the blockchain, but the presumption does not shift to a person the burden of persuading the trier of fact that the underlying fact or record is itself accurate in what it purports to represent.

(c) Without limitation, the presumption established in this section shall apply to a fact or record maintained by blockchain technology to determine:

(1) contractual parties, provisions, execution, effective dates, and status;

(2) the ownership, assignment, negotiation, and transfer of money, property, contracts, instruments, and other legal rights and duties;

(3) identity, participation, and status in the formation, management, record keeping, and governance of any person;

(4) identity, participation, and status for interactions in private transactions and with a government or governmental subdivision, agency, or instrumentality;

(5) the authenticity or integrity of a record, whether publicly or privately relevant; and

(6) the authenticity or integrity of records of communication.

(d) The provisions of this section shall not create or negate:

(1) an obligation or duty for any person to adopt or otherwise implement blockchain technology for any purpose authorized in this section; or

(2) the legality or authorization for any particular underlying activity whose practices or data are verified through the application of blockchain technology.

* * * Regulation of Lodging Accommodations * * *

Sec. J.1. STUDY; INTERNET-BASED LODGING

On or before January 15, 2017, the Departments of Taxes, of Health, of Tourism and Marketing, of Financial Regulation, and the Division of Fire Safety within the Department of Public Safety, engaging interested stakeholders as necessary, shall:

(1) review the provisions of law within their subject matter jurisdiction, and enforcement of those provisions if any, applicable to Internet-based lodging accommodations businesses; and

(2) report its findings, conclusions, and any recommendations for administrative action or legislative action, or both, to the House Committees on Commerce and Economic Development and on Ways and Means, and to the Senate Committees on Finance and on Economic Development, Housing and General Affairs.

* * * State Workforce Development Board * * *

Sec. K.1. 10 V.S.A. chapter 22A is amended to read:

CHAPTER 22A. WORKFORCE EDUCATION AND TRAINING

§ 540. WORKFORCE EDUCATION AND TRAINING LEADER

The Commissioner of Labor shall be the leader of workforce education and training in the State, and shall have the authority and responsibility for the coordination of workforce education and training within State government, including the following duties:

(1) Perform the following duties in consultation with the State Workforce ~~Investment~~ Development Board:

* * *

§ 541a. STATE WORKFORCE ~~INVESTMENT~~ DEVELOPMENT BOARD

(a) Board established; duties. Pursuant to the requirements of 29 U.S.C. § ~~2824~~ 3111, the Governor shall establish a State Workforce ~~Investment Development~~ Board to assist the Governor in the execution of his or her duties under the Workforce ~~Investment~~ Innovation and Opportunity Act of ~~1998~~ 2014 and to assist the Commissioner of Labor as specified in section 540 of this title.

(b) Additional duties; planning; process. In order to inform its decision-making and to provide effective assistance under subsection (a) of this section, the Board shall:

* * *

(2) maintain familiarity with the federal Comprehensive Economic Development Strategy (CEDS) and other economic development planning processes, and coordinate workforce and education activities in the State, including the development and implementation of the State plan required under the Workforce ~~Investment~~ Innovation and Opportunity Act of ~~1998~~ 2014, with economic development planning processes occurring in the State, as appropriate.

(c) Membership. The Board shall consist of the Governor and the following members who are appointed by the Governor in conformance with the federal Workforce Innovation and Opportunity Act and who serve at his or her pleasure, unless otherwise indicated:

(1) the Commissioner of Labor;

(2) two members of the Vermont House of Representatives appointed by the Speaker of the House;

~~(2)~~(3) two members of the Vermont Senate appointed by the Senate Committee on Committees;

~~(3)~~(4) the President of the University of Vermont ~~or designee;~~

~~(4)~~(5) the Chancellor of the Vermont State Colleges ~~or designee;~~

~~(5)~~(6) the President of the Vermont Student Assistance Corporation ~~or designee;~~

~~(6)~~(7) a representative of an independent Vermont college or university;

~~(7) the Secretary of Education or designee;~~

(8) a director of a regional technical center;

(9) a principal of a Vermont high school;

(10) two representatives of labor organizations who have been nominated by a State labor federations federation;

(11) two representatives of individuals and organizations who have experience with respect to youth activities, as defined in 29 U.S.C. § ~~2801(52)~~ 3102(71);

(12) two representatives of individuals and organizations who have experience in the delivery of workforce investment activities, as defined in 29 U.S.C. § ~~2801(51)~~ 3102(68);

(13) the lead State agency officials with responsibility for the programs and activities carried out by one-stop partners, as described in 29 U.S.C. § ~~2841(b)~~ 3151(b), or if no official has that responsibility, ~~a representative~~ representatives in the State with ~~expertise~~ responsibility relating to these programs and activities;

(14) the Commissioner of Economic Development;

(15) ~~the Commissioner of Labor~~ the Secretary of Commerce and Community Development;

(16) the Secretary of Human Services ~~or designee~~;

(17) the Secretary of Education;

(18) two individuals who have experience in, and can speak for, the training needs of underemployed and unemployed Vermonters; and

~~(18)~~(19) a number of appointees sufficient to constitute a majority of the Board who:

(A) are owners, chief executives, or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority;

(B) represent businesses with employment opportunities that reflect ~~the in-demand sectors and~~ employment opportunities of in the State; and

(C) are appointed from among individuals nominated by State business organizations and business trade associations.

(d) Operation of Board.

(1) Member representation.

(A) A member of the State Board may send a designee that meets the requirements of subdivision (B) of this subdivision (1) to any State Board meeting who shall count toward a quorum and shall be allowed to vote on behalf of the Board member for whom he or she serves as a designee.

(B) Members of the State Board or their designees who represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority within the organizations, agencies, or entities.

~~(B)~~(C) The members of the Board shall represent diverse regions of the State, including urban, rural, and suburban areas.

* * *

(6) Reimbursement.

* * *

(B) Unless otherwise compensated by his or her employer for performance of his or her duties on the Board, a nonlegislative member of the Board shall be eligible for per diem compensation of \$50.00 per day for attendance at a meeting of the Board, and for reimbursement of his or her necessary expenses, which shall be paid ~~by the Department of Labor solely from~~ through funds available for that purpose under the Workforce ~~Investment~~ Innovation and Opportunity Act of ~~1998~~ 2014.

(7) Conflict of interest. A member of the Board shall not:

* * *

(B) engage in any activity that the Governor determines constitutes a conflict of interest as specified in the State Plan required under 29 U.S.C. § ~~2822~~ 3112 or 3113.

(8) Sunshine provision. The Board shall make available to the public, on a regular basis through open meetings, information regarding the activities of the Board, including information regarding the State Plan adopted pursuant to 29 U.S.C. § ~~2822~~ 3112 or 3113 and prior to submission of the State Plan to the U.S. Secretary of Labor, information regarding membership, and, on request, minutes of formal meetings of the Board.

§ 541b. WORKFORCE EDUCATION AND TRAINING; DUTIES OF
OTHER STATE AGENCIES, DEPARTMENTS, AND PRIVATE
PARTNERS

(a) To ensure the State Workforce Investment Development Board and the Commissioner of Labor are able to fully perform their duties under this chapter, each agency and department within State government, and each person who receives funding from the State, shall comply within a reasonable period of time with a request for data and information made by the Board or the Commissioner in furtherance of their duties under this chapter.

(b) The Agency of Commerce and Community Development shall coordinate its work in adopting a statewide economic development plan with the activities of the Board and the Commissioner of Labor, ~~including the development and implementation of the State Plan for workforce education and training required under the Workforce Investment Act of 1998.~~

§ 542. REGIONAL WORKFORCE EDUCATION AND TRAINING

(a) The Commissioner of Labor, in coordination with the Secretary of Commerce and Community Development, and in consultation with the State Workforce ~~Investment~~ Development Board, is authorized to issue performance grants to one or more persons to perform workforce education and training activities in a region.

* * *

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

* * *

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce ~~Investment~~ Development Board, shall develop award criteria and may grant awards to the following:

* * *

§ 544. VERMONT STRONG INTERNSHIP PROGRAM

* * *

(b) The Department of Labor, in collaboration with the Agencies of Agriculture, Food and Markets and of Education, State-funded postsecondary educational institutions, the State Workforce ~~Investment~~ Development Board, and other State agencies and departments that have workforce education and training and training monies, shall:

* * *

Sec. K.2. 10 V.S.A. § 531(a)(1) is amended to read:

(a)(1) The Secretary of Commerce and Community Development, in consultation with the State Workforce ~~Investment~~ Development Board, shall have the authority to design and implement a Vermont Training Program, the purpose of which shall be to issue performance-based grants to employers and to education and training providers to increase employment opportunities in Vermont consistent with this chapter.

Sec. K.3. 16 V.S.A. § 1542(b) is amended to read:

(b) A regional advisory board, with the consent of the State Workforce ~~Investment~~ Development Board, may delegate its responsibilities to the grantee that performs workforce development activities in the region pursuant to 10 V.S.A. § 542. In this case, the grantee shall become the regional advisory board unless and until the school board that operates the career technical center requests that the regional advisory board be reconstituted pursuant to subsection (a) of this section.

* * * Vermont Creative Network * * *

Sec. L.1. VERMONT CREATIVE NETWORK

(a) Creation. The Vermont Arts Council, an independent nonprofit corporation, in collaboration with statewide partners, shall perform the duties specified in this section and establish the Vermont Creative Network, which shall be:

(1) a communications, advocacy, and capacity-building entity that strengthens Vermont's creative sector, utilizes it to enhance Vermonters' quality of life, increases the State's economic vitality; and

(2) based on a collective impact model and shall use Results Based Accountability as a planning and assessment tool.

(b) Outcomes and Indicators.

(1) The outcomes of the Vermont Creative Network are as follows:

(A) The Vermont creative sector enhances Vermonters' quality of life and has a positive economic impact on the State.

(B) Participants in Vermont's creative sector thrive as significant contributors to the State's general and economic well-being.

(C) Participants in Vermont's creative sector effectively share their talents with a broad range of Vermonters and visitors throughout the State.

(D) The creative sector focuses its collective energy on planning and development to advance the creative sector and its contributions to Vermonters' quality of life and the State's economic well-being.

(E) Participants in Vermont's creative sector collaborate to identify, advocate on behalf of, and promote common interests.

(2) Indicators to measure the success of these outcomes include the following:

(A) advancement of quality of life measures;

(B) improvements in planning and development;

(C) increases in workforce development;

(D) increases in economic activity;

(E) inclusion of creativity and innovation in the Vermont brand;

(F) increases in access and equity;

(G) increases in sustainability; and

(H) cross-pollination with other sectors.

(c) Duties. With oversight and support from the Vermont Arts Council, the Vermont Creative Network shall perform the following duties:

(1) On or before June 30, 2017, the Vermont Creative Network shall create, and may update and revise as necessary, a strategic plan that:

(A) identifies and addresses the needs of the creative sector and gaps in the creative sector's infrastructure;

(B) includes a plan to inventory Vermont's creative sector and creative industries based on existing data, studies, and analysis, including:

(i) existing assets, infrastructure, and resources;

(ii) the potential for new creators to enter the local economy, the methods to secure appropriate space and other infrastructure, and the opportunities and barriers to creative labor;

(iii) the types of creative products, services, and industries available in Vermont, and the financial viability of each; and

(iv) the current and potential markets in which Vermont creators can promote, distribute, and sell their products and services.

(2) The Vermont Creative Network shall support regional creativity zones.

(3) The Vermont Creative Network shall identify methods and opportunities to strengthen the links within the sector, including:

(A) advocacy for the use of local arts and cultural resources by Vermont schools, businesses, and institutions;

(B) support for initiatives that improve direct marketing of arts, culture, and creativity to consumers; and

(C) identifying creative financing opportunities for the creative sector.

(d) Authority. To accomplish the goals and perform the duties in this section, the Vermont Creative Network may:

(1) create a Network steering team;

(2) hire or assign staff;

(3) seek and accept funds from private and public entities; and

(4) utilize technical assistance, loans, grants, or other means approved by the Network steering team.

(e) Report.

(1) On or before January 15, 2017, the Vermont Arts Council shall submit a report concerning the activities of the Vermont Creative Network to the Governor and to the General Assembly.

(2) The report shall include a summary of work, including progress toward meeting the program outcomes, information regarding any meetings of the Network steering team, an accounting of all revenues and expenses related to the Network, and recommendations regarding future Network activity.

Sec. L.2. ALLOCATION OF APPROPRIATIONS TO VERMONT ARTS COUNCIL

Of the amounts appropriated from the General Fund to the Vermont Arts Council in Fiscal Year 2017, the Council shall allocate the amount of \$30,000.00 to perform the duties specified in Sec. L.1 of this act (Vermont Creative Network).

Secs. M.1.–M.2. [Reserved.]

Secs. N.1–N.2. [Reserved.]

* * * Vermont Sustainable Jobs Fund * * *

Sec. O.1. 10 V.S.A. § 328 is amended to read:

§ 328. CREATION OF THE SUSTAINABLE JOBS FUND PROGRAM

(a) There is created a Sustainable Jobs Fund Program to create quality jobs that are compatible with Vermont's natural and social environment.

(b) The Vermont Economic Development Authority shall incorporate a nonprofit corporation pursuant to the provisions of subdivision 216(14) of this title to administer the Sustainable Jobs Fund Program, and to fulfill the purposes of this chapter by means of loans or grants to eligible applicants for eligible activities, provided that any funds contributed to the Program by the Authority under subsection (c) of this section shall be used for lending purposes only.

(c)(1) Notwithstanding the provisions of subdivision 216(14) of this title, the Authority may contribute not more than \$1,000,000.00 to the capital of the corporation formed under this section, and the Board of Directors of the corporation formed under this section shall consist of:

(A) the Secretary of Commerce and Community Development or his or her designee;

(B) the Secretary of Agriculture, Food and Markets or his or her designee;

(C) a director appointed by the Governor; and

(D) eight independent directors, no more than two of whom shall be State government employees or officials, and who shall be selected as vacancies occur by vote of the existing directors from a list of names offered by a nominating committee of the Board created for that purpose.

(2)(A) Each independent director shall serve a term of three years or until his or her earlier resignation.

(B) A director may be reappointed, but no independent director and no director appointed by the Governor shall serve for more than three terms.

(C) The director appointed by the Governor shall serve at the pleasure of the Governor and may be removed at any time with or without cause.

(3) A director of the Board who is or is appointed by a State government official or employee shall not be eligible to hold the position of Chair, Vice Chair, Secretary, or Treasurer of the Board.

~~(d) The Vermont Economic Development Authority may hire or assign a program director to administer, manage, and direct the affairs and business of the Board, subject to the policies, control, and direction of the corporation formed under this section. [Repealed.]~~

(e) The Agency of Commerce and Community Development shall have the authority and responsibility for the administration and implementation of the Program.

(f) The Vermont Sustainable Jobs Fund Program shall work collaboratively with the Agency of Agriculture, Food and Markets to assist the Vermont slaughterhouse industry in supporting its efforts at productivity and sustainability.

Sec. O.2. 2002 Acts and Resolves No. 142, Sec. 254(a) is amended to read:

~~(a) All authority and responsibility for the administration and implementation of the sustainable jobs fund and the sustainable jobs program established by chapter 15A of Title 10 is transferred from the Vermont economic development authority to the agency of commerce and community development, secretary's office. The agency shall be the successor to all rights and obligations of the authority in any matter pertaining to the fund and the program on and after July 1, 2002. [Repealed.]~~

Secs. P.1–P.2. [Reserved.]

* * * Tax Study * * *

Sec. Q.1. [Reserved.]

Sec. Q.2. VERMONT TAX STUDY

(a) The Joint Fiscal Office, with assistance from the Office of Legislative Council, and under the direction of the Joint Fiscal Committee, shall conduct a study of Vermont State taxes.

(b) The study shall:

(1) Analyze historical trends since 2005 in Vermont taxes as compared to other states, and compare the percentage of Vermont revenue from each State-level source to the percentage of revenue from each state-level source in other states.

(2) Analyze State tax levels per capita, per income level, or by incidence on typical Vermont families of a variety of incomes, and on typical Vermont business enterprises of a variety of sizes and types, and analyze trends in the taxpayer revenue base.

(3) Analyze cross-border tax policies and competitiveness with neighboring states, including:

(A) impacts on the pattern of retailing, the location of retail activity, and retail market share;

(B) impacts of retail sales tax rates and other related excise taxes, including on tobacco products, and to the extent data is available, on alcohol and gasoline; and

(C) the impact by business size, to the extent data is available.

(c) Based upon the data resulting from the study in subsection (b) of this section, the Joint Fiscal Office shall, as part of the study or separately, review the future Vermont economic and demographic trends and implications for Vermont's tax structure and performance of the major State revenue sources, including simplicity, equity, stability, and competitiveness.

(d) The Vermont Department of Taxes shall cooperate with and provide assistance as needed to the Joint Fiscal Office.

(e) The Joint Fiscal Office shall submit the study, including recommendations for further research or analysis, to the General Assembly on or before January 15, 2017.

* * * Financial Literacy Commission * * *

Sec. R.1. 9 V.S.A. § 6002(b)(7) is amended to read:

(7) ~~a representative~~ two representatives, each from a nonprofit entity that provides financial literacy and related services to persons with low income;

(A) one appointed by the Governor; and

(B) one appointed by the Office of Economic Opportunity from among candidates proposed by the Community Action Agencies;

* * *

Sec. S.1. [Reserved.]

* * * Workforce Housing;

Down Payment Assistance Program * * *

Sec. T.1. [Reserved.]

Sec. T.2. AFFORDABLE HOUSING; STUDY

On or before December 15, 2016, the Agency of Commerce and Community Development shall report to the House Committees on Commerce and Economic Development and on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs on the following:

(1) A review of existing statutes and programs, such as property tax reallocation, that may serve as tools to update existing housing stock.

(2) Data from the Agency of Natural Resources, the Agency of Agriculture, Food and Markets, and the Natural Resources Board with respect to priority housing projects.

(A) For each such project, these agencies shall provide in the report:

(i) Whether the project received an exemption under 10 V.S.A. chapter 151 (Act 250).

(ii) The amount of the fee savings under Act 250.

(iii) The amount of the fee savings under permit programs administered by the Agency of Natural Resources.

(iv) The cost under 10 V.S.A. § 6093 to mitigate primary agricultural soils and a comparison to what that cost of such mitigation would have been if the project had not qualified as a priority housing project.

(B) Based on this data, the report shall summarize the benefits provided to priority housing projects.

(C) As used in this subdivision (2), “primary agricultural soils” and “priority housing project” have the same meaning as in 10 V.S.A. § 6001.

(3) The results of a process led by the Executive Director of the Vermont Economic Progress Council to engage stakeholders, including representatives of the private lending industry; the private housing development industry; a municipality that has an Tax Increment Financing

District; a municipality that has a designated downtown, growth center, or neighborhood development area; a municipality that has a priority housing project; the Department of Housing and Community Development; the Department of Economic Development; the Department of Taxes; and the Vermont Housing and Conservation Board, to investigate alternative municipal infrastructure financing to enable smaller communities to build the needed infrastructure to support mixed-income housing projects in communities around the State.

Sec. T.3. 10 V.S.A. § 303 is amended to read:

§ 303. DEFINITIONS

As used in this chapter:

(1) “Board” means the Vermont Housing and Conservation Board established by this chapter.

(2) “Fund” means the Vermont Housing and Conservation Trust Fund established by this chapter.

(3) “Eligible activity” means any activity which will carry out either or both of the dual purposes of creating affordable housing and conserving and protecting important Vermont lands, including activities which will encourage or assist:

(A) the preservation, rehabilitation, or development of residential dwelling units ~~which~~ that are affordable to:

(i) lower income Vermonters; or

(ii) for owner-occupied housing, Vermonters whose income is less than or equal to 120 percent of the median income based on statistics from State or federal sources;

* * *

Sec. T.4. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

* * *

(g)(1) In any fiscal year, the allocating agency may award up to:

(A) \$400,000.00 in total first-year credit allocations to all applicants for rental housing projects, for ~~a total~~ an aggregate limit of \$2,000,000.00 over any given five-year period that credits are available under this subdivision (A);

(B) \$300,000.00 in total first-year credit allocations for owner-occupied unit financing or down payment loans consistent with the

allocation plan, including for new construction and manufactured housing, for ~~a total~~ an aggregate limit of \$1,500,000.00 over any given five-year period that credits are available under this subdivision (B).

~~(2) In fiscal years 2016, 2017, and 2018, the allocating agency may award up to \$125,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(2) of this section for a total aggregate limit of \$375,000.00 over the five-year period that credits are available under this subdivision.~~

In any fiscal year, total first-year credit allocations under subdivision (1) of this subsection plus succeeding-year deemed allocations shall not exceed \$3,500,000.00.

~~(h) The aggregate limit for all credit allocations available under this section in any fiscal year is \$3,875,000.00.~~

(1) In fiscal year 2016 through fiscal year 2022, the allocating agency may award up to \$125,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(2) of this section.

(2) In any fiscal year, total first-year credit allocations under subdivision (1) of this subsection plus succeeding-year deemed allocations shall not exceed \$625,000.00.

* * * Effective Dates * * *

Sec. U.1. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

- (1) Secs. A.2–A.7 (Vermont Economic Development Authority).
- (2) Sec. B.1 (cooperatives; electronic voting).
- (3) Sec. E.4 (technical correction to business registration statute).
- (4) Sec. G.1 (Medicaid for working people with disabilities).
- (5) Sec. Q.2 (tax study).

(b) The following sections shall take effect on July 1, 2016:

- (1) Sec. D.1 (Vermont Training Program).
- (2) Secs. F.1–F.9 (Vermont State Treasurer).
- (3) Secs. H.10 (extension of VEGI sunset) and H.13–H.14 (VEGI program reviews).
- (4) Sec. I.1 (blockchain technology).

-
- (5) Sec. J.1 (Internet-based lodging accommodations study).
 - (6) Secs. K.1–K.3 (State Workforce Development Board).
 - (7) Secs. L.1–L.2 (Vermont Creative Network).
 - (8) Secs. O.1–O.2 (Vermont Sustainable Jobs Fund).
 - (9) Secs. T.2–T.4 (affordable housing study; VHCB; down payment assistance).
 - (c) The following sections shall take effect on July 1, 2017:
 - (1) Secs. C.1–C.2 (regional planning and development).
 - (2) Secs. E.1–E.2 (conversion, merger, share exchange, and domestication of a corporation).
 - (d)(1) Notwithstanding 1 V.S.A. § 214, Sec. E.3 (technical corrections to LLC Act) shall take effect retroactively as of July 1, 2015, and apply only to:
 - (A) a limited liability company formed on or after July 1, 2015; and
 - (B) except as otherwise provided in subdivision (4) of this subsection, a limited liability company formed before July 1, 2015 that elects, in the manner provided in its operating agreement or by law for amending the operating agreement, to be subject to this act.
 - (2) Sec. E.3 does not affect an action commenced, a proceeding brought, or a right accrued before July 1, 2015.
 - (3) Except as otherwise provided in subdivision (4) of this subsection, Sec. E.3 shall apply to all limited liability companies on and after July 1, 2016.
 - (4) For the purposes of applying Sec. E.3 to a limited liability company formed before July 1, 2015, for the purposes of applying 11 V.S.A. § 4023 and subject to 11 V.S.A. § 4003, language in the company's articles of organization designating the company's management structure operates as if that language were in the operating agreement.
 - (e) Sec. R.1 (Financial Literacy Commission) shall take effect on July 2, 2016.
 - (f) Secs. H.1–H.9 (Vermont Employment Incentive Growth Program) and Secs. H.11–H.12 (prospective repeal of current VEGI statute; prospective repeal of authority to issue award incentives) shall take effect on January 1, 2017.

COMMITTEE ON THE PART OF
THE SENATESEN. KEVIN MULLIN
SEN. BECCA BALINT
SEN. PHILIP BARUTHCOMMITTEE ON THE PART OF
THE HOUSEREP. WILLIAM BOTZOW
REP. JANET ANCEL
REP. MICHAEL MARCOTTE

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

Rules Suspended; Report of Committee of Conference Adopted**H. 869**

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

An act relating to judicial organization and operations

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the House accede to the Senate proposal of amendment with further proposals of amendment as follows:

First: In Sec. 1, 4 V.S.A. § 38, in subsection (a), by inserting a subdivision (3) to read as follows:

(3) In the Family Division of the Superior Court, proceedings, with the approval of the presiding judge, to assure compliance with existing court orders relating to parent-child contact; to act as a Master pursuant to V.R.C.P. 53 where no order has been made pursuant to 32 V.S.A. § 1758(b); and to provide case management of proceedings with 15 V.S.A. chapters 5, 11, 15, and 18; the Master shall not have authority to determine divorce or parentage actions, parental rights and responsibilities, or spousal maintenance or modifications of such orders.

Second: In Sec. 1, 4 V.S.A. § 38, in subsection (c), by striking out “(a)(4)” and inserting in lieu thereof (a)(3)

Third: By striking out Sec. 8a in its entirety and inserting in lieu thereof a new Sec. 8a to read as follows:

Sec. 8a. SPOUSAL SUPPORT AND MAINTENANCE TASK FORCE

On or before January 15, 2017, the Family Division Oversight Committee of the Supreme Court shall report to the Senate and House Committees on Judiciary on its study of spousal support and maintenance guidelines in Vermont. The report shall include any legislative recommendations for changes to Vermont's law concerning spousal support and maintenance.

*RICHARD W. SEARS
JOHN F. CAMPBELL
JOSEPH C. BENNING*

Committee on the part of the Senate

*MARTIN J. LALONDE
VICKI M. STRONG
MAXINE JO GRAD*

Committee on the part of the House

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

**Rules Suspended; Senate Proposal of Amendment to
House Proposal of Amendment Concurred in**

S. 116

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

An act relating to rights of offenders in the custody of the Department of Corrections

Was taken up for immediate consideration.

The Senate concurred in the House proposal of amendment with the following proposals of amendment thereto:

First: In Sec. 5, 28 V.S.A. § 107, in subdivision (b)(5), in the first sentence, after the phrase “chapter 25”, by inserting the following:

, provided that the Commissioner shall redact any information that may compromise the safety of any person prior to releasing or permitting inspection of such records under the rules

Second: In Sec. 5, 28 V.S.A. § 107, in subdivision (b)(5)(B), in the first sentence, by striking out “or would unreasonably jeopardize” and inserting in lieu thereof the following: or may compromise

Which proposal of amendment was considered and concurred in.

**Rules Suspended; Senate Proposal of Amendment to
House Proposal of Amendment Concurred in**

S. 183

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

An act relating to permanency for children in the child welfare system

Was taken up for immediate consideration.

The Senate has concurred in the House proposal of amendment with the following proposal of amendment:

By striking out Sec. 13 and inserting in lieu thereof the following:

Sec. 13. [Deleted.]

Which proposal of amendment was considered and concurred in.

Rules Suspended; Report of Committee of Conference Adopted

H. 84

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 Internet dating services

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof:

* * * Consumer Litigation Funding * * *

Sec. A.1. 8 V.S.A. chapter 74 is added to read:

CHAPTER 74. CONSUMER LITIGATION FUNDING COMPANIES

§ 2251. DEFINITIONS

As used in this chapter:

(1) "Charges" means the amount a consumer owes to a company in addition to the funded amount and includes an administrative fee, origination

fee, underwriting fee, processing fee, and any other fee regardless of how the fee is denominated, including amounts denominated as interest or rate.

(2) “Commissioner” means the Commissioner of Financial Regulation.

(3) “Consumer” means a natural person who is seeking or has obtained consumer litigation funding for a pending legal claim, provided:

(A) the claim is in Vermont; or

(B) the person resides or is domiciled in Vermont, or both.

(4) “Consumer litigation funding” or “funding” means a nonrecourse transaction in which a company purchases and a consumer assigns to the company a contingent right to receive an amount of the potential net proceeds of a settlement or judgment obtained from the consumer’s legal claim. If no proceeds or net proceeds are obtained, the consumer is not required to repay the company the funded amount or charges.

(5) “Consumer litigation funding company,” “litigation funding company,” or “company” means a person that provides consumer litigation funding to a consumer. The term does not include an immediate family member of the consumer, as defined in subdivision 2200(10) of this title.

(6) “Funded amount” means the amount of monies provided to, or on behalf of, the consumer pursuant to a litigation funding contract. The term excludes charges.

(7) “Health care facility” has the same meaning as in 18 V.S.A. § 9402(6).

(8) “Health care provider” has the same meaning as in 18 V.S.A. § 9402(7).

(9) “Litigation funding contract” or “contract” means a contract between a company and a consumer for the provision of consumer litigation funding.

(10)(A) “Net proceeds” means the amount recovered by a consumer as a result of a legal claim less costs associated with the legal claim or the underlying events giving rise to the legal claim, including:

(i) attorney’s fees, attorney liens, litigation costs;

(ii) claims or liens for related medical services owned and asserted by the provider of such services;

(iii) claims or liens for reimbursement arising from third parties who have paid related medical expenses, including claims from insurers, employers with self-funded health care plans, and publicly financed health care plans; and

(iv) liens for workers' compensation benefits paid to the consumer.

(B) This definition of "net proceeds" shall in no way affect the priority of claims or liens other than those for payments to the consumer litigation funding company under a consumer litigation funding contract subject to this chapter.

§ 2252. REGISTRATION; FEE; FINANCIAL STABILITY

(a) A company shall not engage in the business of consumer litigation funding without first filing a registration with the Commissioner on a form prescribed by the Commissioner and submitting a registration fee and proof of financial stability, as required by this section.

(b) A company shall submit a \$600.00 fee at the time of registration and at the time of each renewal. Registrations shall be renewed every three years.

(c) A company shall file with the Commissioner evidence of its financial stability which shall include proof of a surety bond or irrevocable letter of credit issued and confirmed by a financial institution authorized by law to transact business in Vermont that is equal to double the amount of the company's largest funded amount in Vermont in the prior three calendar years or \$50,000.00, whichever is greater.

§ 2253. CONTRACTS; DISCLOSURES AND REQUIREMENTS

(a) A contract shall be written in a clear and coherent manner using words with common, everyday meanings to enable the average consumer who makes a reasonable effort under ordinary circumstances to read and understand the terms of the contract without having to obtain the assistance of a professional.

(b) Each contract shall include consumer disclosures on the front page. The consumer disclosures shall be in a form prescribed by the Commissioner and shall include:

(1) a description of possible alternatives to a litigation funding contract, including secured or unsecured personal loans, and life insurance policies;

(2) notification that some or all of the funded amount may be taxable;

(3) a description of the consumer's right of rescission;

(4) the total funded amount provided to the consumer under the contract;

(5) an itemization of charges;

(6) the annual percentage rate of return;

(7) the total amount due from the consumer, including charges, if repayment is made any time after the funding contract is executed;

(8) a statement that there are no fees or charges to be paid by the consumer other than what is disclosed on the disclosure form;

(9) in the event the consumer seeks more than one litigation funding contract, a disclosure providing the cumulative amount due from the consumer for all transactions, including charges under all contracts, if repayment is made any time after the contracts are executed;

(10) a statement that the company has no right to make any decisions regarding the conduct of the legal claim or any settlement or resolution thereof and that the right to make such decisions remains solely with the consumer and his or her attorney;

(11) a statement that, if there is no recovery of any money from the consumer's legal claim, the consumer shall owe nothing to the company and that, if the net proceeds of the claim are insufficient to repay the consumer's indebtedness to the company, then the consumer shall owe the company no money in excess of the net proceeds; and

(12) any other statements or disclosures deemed necessary or appropriate by the Commissioner.

(c) Each contract shall include the following provisions:

(1) Definitions of the terms "consumer," "consumer litigation funding," and "consumer litigation funding company."

(2) A right of rescission, allowing the consumer to cancel the contract without penalty or further obligation if, within five business days following the execution of the contract or the consumer's receipt of any portion of the funded amount, the consumer gives notice of the rescission to the company and returns any funds provided to the consumer by the company.

(3) A provision specifying that, in the event of litigation involving the contract and at the election of the consumer, venue shall lie in the Vermont Superior Court for the county where the consumer resides.

(4) An acknowledgment that the consumer is represented by an attorney in the legal claim and has had an opportunity to discuss the contract with his or her attorney.

§ 2254. PROHIBITED ACTS

(a) A consumer litigation funding company shall not engage in any of the following conduct or practices:

(1) Pay or offer to pay commissions, referral fees, or any other form of consideration to any attorney, law firm, health care provider, health care

facility, or an employee of a law firm, health care provider, or health care facility for referring a consumer to the company.

(2) Accept any commissions, referral fees, or any other form of consideration from any attorney, law firm, health care provider, health care facility, or an employee of a law firm, health care provider, or health care facility.

(3) Advertise false or misleading information regarding its products or services.

(4) Receive any right to nor make any decisions with respect to the conduct of the consumer's legal claim or any settlement or resolution. The right to make such decisions shall remain solely with the consumer and his or her attorney.

(5) Knowingly pay or offer to pay for court costs, filing fees, or attorney's fees either during or after the resolution of the legal claim.

(6) Refer a consumer to a specific attorney, law firm, health care provider, or health care facility.

(7) Fail to provide promptly copies of contract documents to the consumer or to the consumer's attorney.

(8) Obtain a waiver of any remedy the consumer might otherwise have against the company.

(9) Provide legal advice to the consumer regarding the funding or the underlying legal claim.

(10) Assign a contract in whole or in part to a third party. Provided, however, if the company retains responsibility for collecting payment, administering, and otherwise enforcing the consumer litigation funding contract, the prohibition in this subdivision (10) shall not apply to an assignment:

(A) to a wholly-owned subsidiary of the company;

(B) to an affiliate of the company that is under common control with the company; or

(C) granting a security interest under Article 9 of the Uniform Commercial Code or as otherwise permitted by law.

(11) Report a consumer to a credit reporting agency if insufficient funds remain from the net proceeds to repay the company.

(12) Require binding arbitration in the event of a dispute between the consumer and the company. A consumer has the right to a trial in the event of a contractual dispute.

(b) An attorney or law firm retained by a consumer shall not have a financial interest in a company offering litigation funding to the consumer and shall not receive a referral fee or other consideration from such company, its employees, or its affiliates.

§ 2255. EFFECT OF COMMUNICATION ON PRIVILEGES

A communication between a consumer's attorney and the company shall not be discoverable or limit, waive, or abrogate the scope or nature of any statutory or common-law privilege, including the work-product doctrine and the attorney-client privilege.

§ 2256. EXAMINATIONS; CHARGES

For the purpose of protecting consumer interests and determining a company's financial stability and compliance with the requirements of this chapter, the Commissioner may conduct an examination of a company engaged in the business of consumer litigation funding. The company shall reimburse the Department of Financial Regulation all reasonable costs and expenses of such examination. In unusual circumstances and in the interests of justice, the Commissioner may waive reimbursement for the costs and expenses of an examination under this section.

§ 2257. NATIONWIDE LICENSING SYSTEM; INFORMATION SHARING; CONFIDENTIALITY

(a) In furtherance of the Commissioner's duties under this chapter, the Commissioner may participate in the Nationwide Mortgage Licensing System and Registry and may take such action regarding participation in the Registry as the Commissioner deems necessary to carry out the purposes of this section, including:

(1) issue rules or orders, or establish procedures, to further participation in the Registry;

(2) facilitate and participate in the establishment and implementation of the Registry;

(3) establish relationships or contracts with the Registry or other entities designated by the Registry;

(4) authorize the Registry to collect and maintain records and to collect and process any fees associated with licensure or registration on behalf of the Commissioner;

(5) require persons engaged in activities that require registration under this chapter to use the Registry for applications, renewals, amendments, surrenders, and such other activities as the Commissioner may require and to pay through the Registry all fees provided for under this chapter;

(6) authorize the Registry to collect fingerprints on behalf of the Commissioner in order to receive or conduct criminal history background checks, and, in order to reduce the points of contact which the Federal Bureau of Investigation may have to maintain for purposes of this subsection, the Commissioner may use the Registry as a channeling agent for requesting information from and distributing information to the Department of Justice or any other governmental agency; and

(7) in order to reduce the points of contact which the Commissioner may have to maintain for purposes of this chapter, use the Registry as a channeling agent for requesting and distributing information to and from any source so directed by the Commissioner.

(b) The Commissioner may require persons engaged in activities that require registration under this chapter to submit fingerprints, and the Commissioner may use the services of the Registry to process the fingerprints and to submit the fingerprints to the Federal Bureau of Investigation, the Vermont State Police, or any equivalent state or federal law enforcement agency for the purpose of conducting a criminal history background check. The company shall pay the cost of such criminal history background check, including any charges imposed by the Registry.

(c) Persons engaged in activities that require registration pursuant to this chapter shall pay all applicable charges to use the Registry, including such processing charges as the administrator of the Registry shall establish, in addition to the fees required under this chapter.

(d) The Registry is not intended to and does not replace or affect the Commissioner's authority to grant, deny, suspend, revoke, or refuse to renew registrations.

(e) In order to promote more effective regulation and reduce regulatory burden through supervisory information sharing:

(1) The privacy or confidentiality of any information or material provided to the Registry and any privilege arising under federal or state law (including the rules of any federal or state court) with respect to such information or material shall continue to apply to such information or material after the information or material has been disclosed to the Registry. Such information and material may be shared with all state and federal regulatory

officials with oversight authority without the loss of privilege or the loss of confidentiality protections provided by federal law or state law.

(2) To carry out the purpose of this section, the Commissioner is authorized to enter agreements or sharing arrangements with other governmental agencies, the Conference of State Bank Supervisors, the American Association of Residential Mortgage Regulators, or other associations representing governmental agencies.

(3) Information or material that is subject to privilege or confidentiality under subdivision (1) of this subsection shall not be subject to:

(A) disclosure under any federal or state law governing the disclosure to the public of information held by an officer or an agency of the federal government or the respective state; or

(B) subpoena or discovery or admission into evidence in any private civil action or administrative process unless with respect to any privilege held by the Registry with respect to such information or material the person to whom such information or material pertains waives, in whole or in part, in the discretion of the person, that privilege.

(4) This subsection shall not apply with respect to information or material relating to employment history and publicly adjudicated disciplinary and enforcement actions that are included in the Registry for access by the public.

(f) In this section, "Nationwide Mortgage Licensing System and Registry" or "the Registry" means a licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators as defined in 12 U.S.C. § 5102(6), or its successor in interest, or any alternative or replacement licensing system and registry designated by the Commissioner.

§ 2258. RULES

The Commissioner may adopt rules he or she deems necessary for the proper conduct of business and enforcement of this chapter.

§ 2259. PENALTIES; ENFORCEMENT

(a) After notice and opportunity for hearing in accordance with the Administrative Procedures Act, 3 V.S.A. chapter 25, the Commissioner may take action to enforce the provisions of this chapter and may:

(1) revoke or suspend a company's registration;

(2) order a company to cease and desist from further consumer litigation funding;

(3) impose a penalty of not more than \$1,000.00 for each violation or \$10,000.00 for each violation the Commissioner finds to be willful; and

(4) order the company to make restitution to consumers.

(b) The powers vested in the Commissioner by this chapter shall be in addition to any other powers of the Commissioner to enforce any penalties, fines, or forfeitures authorized by law.

(c) A company's failure to comply with the requirements of this chapter shall constitute an unfair or deceptive act in commerce enforceable under 9 V.S.A. chapter 63, the Consumer Protection Act.

(d) The powers vested in the Commissioner by this chapter shall be in addition to any other powers or rights of consumers or the Attorney General or others under any other applicable law or rule, including the Vermont Consumer Protection Act and any applicable rules adopted thereunder, provided the Commissioner's determinations concerning the interpretation and administration of the provisions of this chapter and rules adopted thereunder shall carry a presumption of validity.

§ 2260. ANNUAL REPORTS

(a) Annually, on or before April 1, each company registered under this chapter shall file a report with the Commissioner under oath and in the form and manner prescribed by the Commissioner. The report shall include any information the Commissioner requires concerning the company's business and operations during the preceding calendar year within Vermont and, in addition, shall include:

(1) the number of contracts entered into;

(2) the dollar value of funded amounts to consumers;

(3) the dollar value of charges under each contract, itemized and including the annual rate of return;

(4) the dollar amount and number of litigation funding transactions in which the realization to the company was as contracted; and

(5) the dollar amount and number of litigation funding transactions in which the realization to the company was less than contracted.

(b) To assist the general public with more fully understanding the nature of consumer litigation funding in Vermont, the Commissioner shall summarize and analyze relevant data submitted under this section and publish the summary and analysis on a web page maintained by the Department of Financial Regulation, as well as on a web page maintained by the Office of the Attorney General.

(c) Annually, beginning on or before October 1, 2017, the Commissioner and Attorney General shall report jointly to the General Assembly on the status of consumer litigation funding in Vermont and make any recommendations they deem necessary to improve the regulatory framework of consumer litigation funding, including a recommendation on whether Vermont should limit charges imposed under a consumer litigation funding contract.

Sec. A.2. CONSUMER LITIGATION FUNDING; INITIAL REPORT

(a) In addition to the reporting requirements in 8 V.S.A. § 2260, on or before January 10, 2017 each company registered under this chapter shall file a report with the Commissioner under oath and in the form and manner prescribed by the Commissioner. The report shall include any information the Commissioner requires concerning the company's business and operations during the preceding calendar year within Vermont and, in addition, shall include:

- (1) the number of contracts entered into;
- (2) the dollar value of funded amounts to consumers;
- (3) the dollar value of charges under each contract, itemized and including the annual rate of return;
- (4) the dollar amount and number of litigation funding transactions in which the realization to the company was as contracted; and
- (5) the dollar amount and number of litigation funding transactions in which the realization to the company was less than contracted.

(b) To assist the general public with more fully understanding the nature of consumer litigation funding in Vermont, the Commissioner shall summarize and analyze relevant data submitted under this section and publish the summary and analysis on a web page maintained by the Department of Financial Regulation, as well as on a web page maintained by the Office of the Attorney General.

(c) In addition to the reporting requirements in 8 V.S.A. § 2260, on or before January 31, 2017, the Commissioner and Attorney General shall report jointly to the General Assembly on the status of consumer litigation funding in Vermont and make any recommendations they deem necessary to improve the regulatory framework of consumer litigation funding, including a recommendation on whether Vermont should limit charges imposed under a consumer litigation funding contract and, if so, a specific recommendation on what that limit should be.

* * * Structured Settlement Agreements * * *

Sec. B.1. 9 V.S.A. § 2480ff(b) is amended to read:

(b) Not less than 20 days prior to the scheduled hearing on any application for approval of a transfer of structured settlement payment rights under section 2480dd of this title, the transferee shall file with the Court and serve on all interested parties a notice of the proposed transfer and the application for its authorization, including with such notice:

* * *

(7) a statement setting forth whether, to the best of the transferee's knowledge after making a reasonable inquiry to the payee, the structured settlement obligor, and the annuity issuer, there have been any previous transfers or applications for transfer of any structured settlement payment rights of the payee and giving details of all such transfers or applications for transfer;

(8) to the best of the transferee's knowledge after making reasonable inquiry to the payee, the structured settlement obligor, and the annuity issuer, a description of the remaining payments owed to the payee under the structured settlement if the court approves the proposed transfer, including the amount and dates or date ranges of the payments owed, provided that:

(A) the description may be filed under seal; and

(B) if the transferee's knowledge concerning the remaining payments changes after the transferee submits a notice of the proposed transfer, the transferee may provide updated information to the court at the hearing;

~~(8)~~(9) if available to the transferee after making a good faith request of the payee, the structured settlement obligor and the annuity issuer, the following documents, which shall be filed under seal:

(A) a copy of the annuity contract;

(B) a copy of any qualified assignment agreement; and

(C) a copy of the underlying structured settlement agreement;

~~(9)~~(10) either a certification from an independent professional advisor establishing that the advisor has given advice to the payee on the financial advisability of the transfer and the other financial options available to the payee or a written request that the Court determine that such advice is unnecessary pursuant to subdivision 2480dd(a)(2) of this title; and

~~(10)~~(11) notification of the time and place of the hearing and notification of the manner in which and the time by which written responses to

the application must be filed, which shall be not less than 15 days after service of the transferee's notice, in order to be considered by the court.

* * * Business Registration; Enforcement * * *

Sec. C.1. PURPOSE

(a) The purpose of 11 V.S.A. § 1637, as added in Sec. C. 2 of this act, is to protect consumers by ensuring that they have adequate public notice in the records of the Secretary of State when a person is no longer allowed to conduct business in this State.

(b) The purpose of Secs. C.3–C.14 is to standardize among the statutes governing business organizations authorized to conduct business in this State:

(1) the duty of a person to register with the Secretary of State; and

(2) the enforcement and penalties for failure register.

Sec. C.2. 11 V.S.A. § 1637 is added to read:

§ 1637. AUTHORITY TO TERMINATE AND AMEND REGISTRATION

(a) The Secretary of State shall have the authority to:

(1) terminate the registration of a person who, pursuant to a final court order or an assurance of discontinuance, is not authorized to conduct business in this State; and

(2) amend his or her records to reflect the termination of a registration pursuant to subdivision (1) of this section.

(b)(1) If the Secretary of State terminates the registration of a person pursuant to this section, the person appoints the Secretary as his or her agent for service of process in any proceeding based on a cause of action that arose during the time the person was authorized to transact, or was transacting without authorization, business in this State.

(2) Upon receipt of process, the Secretary of State shall deliver by registered mail a copy of the process to the secretary of the terminated person at its principal office shown in its most recent annual report or in any subsequent communication received from the person stating the current mailing address of its principal office, or, if none is on file, in its application for registration.

(c)(1) If a court or other person with sufficient legal authority reinstates the ability of a terminated person to conduct business in this State, the terminated person may file with the Secretary of State evidence of the reinstated authority and pay to the Secretary a fee of \$25.00 for each year the person is delinquent.

(2) Upon receipt of a filing and payment pursuant to subdivision (1) of this subsection, the Secretary shall cancel the termination and prepare a certificate of reinstatement, file the original of the certificate, and serve a copy on the person.

Sec. C.3. 11 V.S.A. § 1626 is amended to read:

§ 1626. FAILURE TO REGISTER; ENFORCING COMPLIANCE

~~Upon the complaint of the secretary of state, a person, copartnership, association, limited liability company or corporation carrying on business in this state contrary to this chapter may be enjoined therefrom by a superior court and fined not more than \$100.00.~~

(a) A person who is not registered with the Secretary of State as required under this chapter and any successor to the person or assignee of a cause of action arising out of the business of the person may not maintain an action or proceeding or raise a counterclaim, crossclaim, or affirmative defense in this State until the person, successor, or assignee registers with the Secretary.

(b) The failure of a person to register as required under this chapter does not impair the validity of a contract or act of the person or preclude it from defending an action or proceeding in this State.

(c) An individual does not waive a limitation on his or her personal liability afforded by other law solely by transacting business in this State without registering with the Secretary of State as required under this chapter.

(d) If a person transacts business in this State without registering with the Secretary of State as required under this chapter, the Secretary is its agent for service of process with respect to a right of action arising out of the transaction of business in this State.

(e) A person that transacts business in this State without registering with the Secretary of State as required under this chapter shall be liable to the State for:

(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it transacts business in this State without a registration;

(2) an amount equal to the fees due under this chapter during the period it transacted business in this State without a registration; and

(3) other penalties imposed by law.

(f) The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in subsection (e) of this

section and to restrain a person from transacting business in this State in violation of this chapter.

Sec. C.4. 11 V.S.A. § 3303 is amended to read:

§ 3303. EFFECT OF FAILURE TO QUALIFY

(a)(1) A foreign limited liability partnership transacting business in this ~~state~~ State may not maintain an action or proceeding or raise a counterclaim, crossclaim, or affirmative defense in this ~~state~~ State unless it has in effect a statement of foreign qualification.

(2) The successor to a foreign limited liability partnership that transacted business in this State without a certificate of authority and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in this State until the foreign limited liability partnership or its successor or assignee obtains a certificate of authority.

(b) The failure of a foreign limited liability partnership to have in effect a statement of foreign qualification does not impair the validity of a contract or act of the foreign limited liability partnership or preclude it from defending an action or proceeding in this ~~state~~ State.

(c) A limitation on personal liability of a partner is not waived solely by transacting business in this ~~state~~ State without a statement of foreign qualification.

(d) If a foreign limited liability partnership transacts business in this ~~state~~ State without a statement of foreign qualification, the ~~secretary of state~~ Secretary of State is its agent for service of process with respect to a right of action arising out of the transaction of business in this ~~state~~ State.

(e) A foreign limited liability partnership that transacts business in this State without a statement of foreign qualification shall be liable to the State for:

(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it transacts business in this State without a statement of foreign qualification;

(2) an amount equal to the fees due under this chapter during the period it transacted business in this State without a statement of foreign qualification; and

(3) other penalties imposed by law.

Sec. C.5. 11 V.S.A. § 3305 is amended to read:

§ 3305. ACTION BY ATTORNEY GENERAL

The ~~attorney general~~ Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in section 3303 of this title and to restrain a foreign limited liability partnership from transacting business in this ~~state~~ State in violation of this subchapter.

Sec. C.6. 11 V.S.A. § 3487 is amended to read:

§ 3487. TRANSACTION OF BUSINESS WITHOUT REGISTRATION

(a)(1) A foreign limited partnership transacting business in this ~~state~~ State may not maintain an action or proceeding or raise a counterclaim, crossclaim, or affirmative defense in this state State until it has registered in this ~~state~~ State.

(2) The successor to a foreign limited partnership that transacted business in this State without a certificate of authority and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in this State until the foreign limited partnership or its successor or assignee obtains a certificate of authority.

(b) The failure of a foreign limited partnership to register in this ~~state~~ State does not impair the validity of any contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending any action, suit, or proceeding in any court of this ~~state~~ State.

(c) A limited partner of a foreign limited partnership is not liable as a general partner of the foreign limited partnership solely by reason of having transacted business in this ~~state~~ State without registration.

(d) A foreign limited partnership, by transacting business in this ~~state~~ State without registration, appoints the ~~secretary of state~~ Secretary of State as its agent for service of process with respect to claims for relief and causes of action arising out of the transaction of business in this ~~state~~ State.

(e) A foreign limited partnership that transacts business in this State without a registration shall be liable to the State for:

(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it transacts business in this State without a registration;

(2) an amount equal to the fees due under this chapter during the period it transacted business in this State without a registration; and

(3) other penalties imposed by law.

Sec. C.7. 11 V.S.A. § 3488 is amended to read:

§ 3488. ACTION BY ATTORNEY GENERAL

The ~~attorney general~~ Attorney General may bring an action in the Civil Division of the Superior Court to collect the penalties imposed under section 3487 of this title and to restrain a foreign limited partnership from transacting business in this ~~state~~ State in violation of this subchapter.

Sec. C.8. 11 V.S.A. § 4119 is amended to read:

§ 4119. EFFECT OF FAILURE TO OBTAIN CERTIFICATE OF AUTHORITY

(a)(1) A foreign limited liability company transacting business in this State may not maintain a proceeding or raise a counterclaim, cross-claim, or affirmative defense in any court in this State until it obtains a certificate of authority to transact business in this State.

(2) The successor to a foreign limited liability company that transacted business in this State without a certificate of authority and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in this State until the foreign limited liability company or its successor or assignee obtains a certificate of authority.

(b) The failure of a foreign limited liability company to have a certificate of authority to transact business in this State does not impair the validity of a contract or act of the company or prevent the foreign limited liability company from defending an action or proceeding in this State.

(c) A member or manager of a foreign limited liability company is not liable for the debts, obligations, or other liabilities of the company solely because the company transacted business in this State without a certificate of authority.

(d) If a foreign limited liability company transacts business in this State without a certificate of authority, it appoints the Secretary of State as its agent for service of process for claims arising out of the transaction of business in this State.

(e) A foreign limited liability company that transacts business in this State without a certificate of authority shall be liable to the State for:

(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it transacts business in this State without a certificate of authority;

(2) an amount equal to the fees due under this chapter during the period it transacted business in this State without a certificate of authority; and

(3) other penalties imposed by law.

Sec. C.9. 11 V.S.A. § 4120 is amended to read:

§ 4120. ACTION BY ATTORNEY GENERAL

The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed under section 4119 of this title and to restrain a foreign limited liability company from transacting business in this State in violation of this chapter.

Sec. C.10. 11A V.S.A. § 15.02 is amended to read:

§ 15.02. CONSEQUENCES OF TRANSACTING BUSINESS WITHOUT AUTHORITY

(a) A foreign corporation transacting business in this ~~state~~ State without a certificate of authority may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense in any court in this ~~state~~ State until it obtains a certificate of authority.

(b) The successor to a foreign corporation that transacted business in this ~~state~~ State without a certificate of authority and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in this ~~state~~ State until the foreign corporation or its successor or assignee obtains a certificate of authority.

(c) A court may stay a proceeding commenced by a foreign corporation, its successor, or assignee until it determines whether the foreign corporation or its successor requires a certificate of authority. If it so determines, the court may further stay the proceeding until the foreign corporation or its successor obtains the certificate.

(d) A foreign corporation that transacts business in this State without a certificate of authority is liable to the ~~state~~ State for:

(1) a civil penalty of \$50.00 for each day, ~~but~~ not to exceed a total of ~~\$1,000.00~~ \$10,000.00 for each year, it transacts business in this ~~state~~ State without a certificate of authority;

(2) an amount equal to ~~all the fees that would have been imposed due under this chapter title during the years, or parts thereof,~~ period it transacted business in this ~~state~~ State without a certificate of authority; and

(3) ~~such other penalties as are imposed by law. The attorney general may collect all penalties due under this subsection.~~

~~(e) Upon petition of the attorney general~~ The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in this section and to restrain a foreign corporation not in compliance with this chapter, and its officers and agents, may be enjoined by the courts of this state from doing business within this ~~state~~ State.

(f) Notwithstanding subsections (a) and (b) of this section, the failure of a foreign corporation to obtain a certificate of authority does not impair the validity of its corporate acts, to the extent they are otherwise in compliance with law, or prevent it from defending any proceeding in this ~~state~~ State.

Sec. C.11. 11B V.S.A. § 15.02 is amended to read:

§ 15.02. CONSEQUENCES OF TRANSACTING BUSINESS WITHOUT
AUTHORITY

(a) A foreign corporation transacting business in this ~~state~~ State without a certificate of authority may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense in any court in this ~~state~~ State until it obtains a certificate of authority.

(b) The successor to a foreign corporation that transacted business in this ~~state~~ State without a certificate of authority and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in this ~~state~~ State until the foreign corporation or its successor or assignee obtains a certificate of authority.

(c) A court may stay a proceeding commenced by a foreign corporation, its successor, or assignee until it determines whether the foreign corporation or its successor requires a certificate of authority. If it so determines, the court may further stay the proceeding until the foreign corporation or its successor obtains the certificate.

~~(d) A foreign corporation is liable for a civil penalty of \$50.00 for each day, but not to exceed a total of \$1,000.00 for each year, it transacts business in this state without a certificate of authority, an amount equal to all fees that would have been imposed under this chapter during the years, or parts thereof, it transacted business in this state without a certificate of authority, and such other penalties as are imposed by law. The attorney general may collect all penalties due under this subsection. A foreign corporation that transacts business in this State without a certificate of authority is liable to the State for:~~

(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it transacts business in this State without a certificate of authority;

(2) an amount equal to the fees due under this title during the period it transacted business in this State without a certificate of authority; and

(3) other penalties imposed by law.

(e) The Attorney General may file an action in the Civil Division of Superior Court to collect the penalties due under this subsection and to restrain a foreign corporation not in compliance with this chapter from doing business within this State.

(f) Notwithstanding subsections (a) and (b) of this section, the failure of a foreign corporation to obtain a certificate of authority does not impair the validity of its corporate acts or prevent it from defending any proceeding in this state State.

Sec. C.12. 11C V.S.A. § 1402 is amended to read:

§ 1402. APPLICATION FOR CERTIFICATE OF AUTHORITY

(a) A foreign enterprise may apply for a certificate of authority by delivering an application to the Secretary of State for filing. The application shall state:

(1) the name of the foreign enterprise and, if the name does not comply with section 111 of this title, an alternative name adopted pursuant to section 1405 of this title;

(2) the name of the state or other jurisdiction under whose law the foreign enterprise is organized;

(3) the street address and, if different, mailing address of the principal office and, if the law of the jurisdiction under which the foreign enterprise is organized requires the foreign enterprise to maintain another office in that jurisdiction, the street address and, if different, mailing address of the required office;

(4) the street address and, if different, mailing address of the foreign enterprise's designated office in this State, and the name of the foreign enterprise's agent for service of process at the designated office; and

(5) the name, street address and, if different, mailing address of each of the foreign enterprise's current directors and officers.

(b) A foreign enterprise shall deliver with a completed application under subsection (a) of this section a certificate of good standing or existence or a similar record signed by the Secretary of State or other official having custody of the foreign enterprise's publicly filed records in the state or other jurisdiction under whose law the foreign enterprise is organized.

(c) A foreign enterprise may not transact business in this State without a certificate of authority.

Sec. C.13. 11C V.S.A. § 1407 is amended to read:

§ 1407. CANCELLATION OF CERTIFICATE OF AUTHORITY; EFFECT
OF FAILURE TO HAVE CERTIFICATE

(a) To cancel its certificate of authority, a foreign enterprise shall deliver to the Secretary of State for filing a notice of cancellation. The certificate is canceled when the notice becomes effective under section 203 of this title.

(b)(1) A foreign enterprise transacting business in this State may not maintain an action or proceeding or raise a counterclaim, crossclaim, or affirmative defense in this State unless it has a certificate of authority.

(2) The successor to a foreign enterprise that transacted business in this State without a certificate of authority and the assignee of a cause of action arising out of that business may not maintain a proceeding or raise a counterclaim, crossclaim, or affirmative defense based on that cause of action in any court in this State until the foreign enterprise or its successor or assignee obtains a certificate of authority.

(c) The failure of a foreign enterprise to have a certificate of authority does not impair the validity of a contract or act of the foreign enterprise or prevent the foreign enterprise from defending an action or proceeding in this State.

(d) A member of a foreign enterprise is not liable for the obligations of the foreign enterprise solely by reason of the foreign enterprise's having transacted business in this State without a certificate of authority.

(e) If a foreign enterprise transacts business in this State without a certificate of authority or cancels its certificate, it appoints the Secretary of State as its agent for service of process for an action arising out of the transaction of business in this State.

(f) A foreign enterprise that transacts business in this State without a certificate of authority is liable to the State for:

(1) a civil penalty of \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, it transacts business in this State without a certificate of authority;

(2) an amount equal to the fees due under this title during the period it transacted business in this State without a certificate of authority; and

(3) other penalties imposed by law.

Sec. C.14. 11C V.S.A. § 1408 is amended to read:

§ 1408. ACTION BY ATTORNEY GENERAL

The Attorney General may maintain an action in the Civil Division of the Superior Court to collect the penalties imposed in section 1407 of this title and to restrain a foreign enterprise from transacting business in this State in violation of this ~~article~~ chapter.

* * * Anti-Trust Penalties * * *

Sec. D.1. 9 V.S.A. § 2458 is amended to read:

§ 2458. RESTRAINING PROHIBITED ACTS

* * *

(b) In addition to the foregoing, the Attorney General or a State's Attorney may request and the court is authorized to render any other temporary or permanent relief, or both, as may be in the public interest including:

(1) the imposition of a civil penalty of not more than \$10,000.00 for each ~~violation~~ unfair or deceptive act or practice in commerce, and of not more than \$100,000.00 for an individual or \$1,000,000.00 for any other person for each unfair method of competition in commerce;

* * *

* * * Discount Membership Programs * * *

Sec. E.1. 9 V.S.A. chapter 63, subchapter 1D is amended to read:

Subchapter 1D. Third-Party Discount Membership Programs

§ 2470aa. DEFINITIONS

~~In~~ As used in this subchapter:

(1) "Billing information" means any data that enables a seller of a third-party discount membership program to access a consumer's credit or debit card, bank, or other account, but does not include the consumer's name, e-mail address, telephone number, or mailing address. For credit card and debit card accounts, billing information includes the full account number, card type, and expiration date, and, if necessary, the security code. For accounts at a financial institution, "billing information" includes the full account number and routing number, and, if necessary, the name of the financial institution holding the account.

(2) A "third-party discount membership program" is a program that entitles consumers to receive discounts, rebates, rewards, or similar incentives

on the purchase of goods or services or both, in whole or in part, from any third party.

§ 2470bb. APPLICABILITY

(a) A third-party discount membership program is a good or service within the meaning of subsection 2451a(b) of this chapter.

(b) This subchapter applies only to persons who are regularly and primarily engaged in trade or commerce in this State in connection with offering or selling third-party discount membership programs.

(c) This subchapter shall not apply to an electronic payment system, as defined in section 2480o of this title, or to a financial institution, as defined in 8 V.S.A. § 11101(32).

§ 2470cc. REQUIRED DISCLOSURES; CONSENT

(a) No person shall charge or attempt to charge a consumer for a third-party discount membership program, or to renew a third-party discount membership program beyond the term expressly agreed to by the consumer or the term permitted under section 2470ff of this title, whichever is shorter, unless:

(1) ~~Before~~ before obtaining the consumer's billing information, the person has clearly and conspicuously disclosed to the consumer all material terms of the transaction, including:

(A) a description of the types of goods and services on which a discount is available-;

(B) the name of the third-party discount membership program, ~~and the name and address of the seller of the program-, and a telephone number, e-mail address, or other contact information the consumer may use to contact the seller with questions concerning the operation of the program;~~

(C) the amount, or a good faith estimate, of the typical discount on each category of goods and services-;

(D) the cost of the program, including the amount of any periodic charges, how often such charges are imposed, and the method of payment-;

(E) the right to cancel and to terminate the program, which shall be no more restrictive than as required by section 2470ee of this subchapter, and a toll-free telephone number and e-mail address that can be used to cancel the membership-;

(F) the maximum length of membership, as described in section 2470ff of this subchapter-;

(G) in the event that the program is offered on the Internet through a link or referral from another business's website, the fact that the seller is not affiliated with that business; and

(H) the fact that periodic notices of the program billings will be e-mailed or mailed to the consumer, as the case may be, consistent with section 2470dd of this title; and

(2) ~~The~~ the person has received express informed consent for the charge from the consumer whose credit or debit card, bank, or other account will be charged, by:

(A) obtaining from the consumer:

(i) the consumer's billing information; and

(ii) the consumer's name and address and a means to contact the consumer; and

(B) requiring the consumer to perform an additional affirmative action, such as clicking on an online confirmation button, checking an online box that indicates the consumer's consent to be charged the amount disclosed, or expressly giving consent over the telephone.

(b) A person who sells third-party discount membership programs shall retain evidence of a consumer's express informed consent for at least three years after the consent is given.

(c) A person who sells a third-party discount membership program shall provide to a consumer on the receipt for the underlying good or service:

(1) confirmation that the consumer has signed up for a discount membership program;

(2) the price the consumer will be charged for the program;

(3) the date on which the consumer will first be charged for the program;

(4) the frequency of charges for the program; and

(5) information concerning the consumer's right to cancel the program and a toll-free telephone number, address, and e-mail address a consumer may use to cancel the program.

§ 2470dd. PERIODIC NOTICES

(a) A person who periodically charges a consumer for a third-party discount membership program shall send the consumer a notice of the charge no less frequently than every three months from the date of initial enrollment that clearly and conspicuously discloses:

- (1) a description of the program;
- (2) the name of the third-party discount membership program and the name and address of the seller of the program;
- (3) the cost of the program, including the amount of any periodic charges, how often such charges are imposed, and the method of payment;
- (4) the right to cancel and to terminate the program, which shall be no more restrictive than as required by section 2470ee of this subchapter, and a toll-free number and e-mail address that can be used to cancel the membership; and
- (5) the maximum length of membership, as described in section 2470ff of this subchapter.

(b) The notice specified in subsection (a) of this section:

(1) ~~Shall~~ shall be sent:

(A) ~~To~~ to the consumer's last known e-mail address, if the consumer enrolled in the third-party discount membership program online or by e-mail, with the subject line, "IMPORTANT INFORMATION ABOUT YOUR DISCOUNT PROGRAM BILLING," or substantially similar words, provided that the sender takes reasonable steps to verify that the e-mail has been opened; or

(B) ~~Otherwise~~ otherwise by first-class mail to the consumer's last known mailing address, with the heading on the enclosure and outside envelope, "IMPORTANT INFORMATION ABOUT YOUR DISCOUNT PROGRAM BILLING," or substantially similar words; and

(2) ~~Shall~~ shall not include any solicitation or advertising.

§ 2470ee. CANCELLATION AND TERMINATION

(a) In addition to any other right to revoke an offer, a consumer may cancel the purchase of a third-party discount membership program until midnight on the 30th day after the date the consumer has given express informed consent to be charged for the program. If the consumer cancels within the 30-day period, the seller of the third-party discount membership program shall, within 10 days of receiving the notice of cancellation, provide a full refund to the consumer.

(b)(1) Notice of cancellation shall be deemed given when deposited in a mailbox properly addressed and postage prepaid or when e-mailed to the e-mail address of the seller of the third-party discount membership program.

(2) A consumer may cancel a third-party discount membership program verbally by contacting the seller at a toll-free telephone number that the seller provides for that purpose.

(c) In addition to the right to cancel described in this subchapter, a consumer may terminate a third-party discount membership program at any time by providing notice to the seller by one of the methods described in this section. In that case, the consumer shall not be obligated to make any further payments under the program and shall not be entitled to any discounts under the program for any period of time after the last month for which payment has been made.

(d) If the seller of a third-party discount membership program cancels the program for any reason other than nonpayment by the consumer, the seller shall make pro rata reimbursement to the consumer of all periodic charges paid by the consumer for periods of time after cancellation. Prior to such cancellation, the seller shall first provide reasonable notice and an explanation of the cancellation in writing to the consumer.

§ 2470ff. MAXIMUM LENGTH OF PLAN

No person shall sell, or offer for sale, a third-party discount membership program lasting longer than 18 months.

§ 2470gg. BILLING INFORMATION

No person who offers or sells third-party discount membership programs shall obtain billing information relating to a consumer except directly from the consumer.

§ 2470hh. VIOLATIONS

(a) A person who violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as is provided under subchapter 1 of this chapter.

(c) It is an unfair and deceptive act and practice in commerce for any person to provide substantial assistance to the seller of a third-party discount membership program that has engaged or is engaging in an unfair or deceptive act or practice in commerce, when the person or the person's authorized agent:

(1) receives notice from a regulatory, law enforcement, or similar governmental authority that the seller of the third-party discount membership program is in violation of this subchapter;

(2) knows from information received or in its possession that the seller of the third-party discount membership program is in violation of this subchapter; or

(3) consciously avoids knowing that the seller of the third-party discount membership program is in violation of this subchapter.

(d) Subject to section 2452 of this title, a person who provides only incidental assistance, which does not further the sale of a third-party discount membership program, to the seller of the program, or who does not receive a benefit from providing assistance to the seller of a discount membership, shall not be liable under this section unless the person receives notice, knows, or consciously avoids knowing, pursuant to subdivision (c)(1), (2), or (3) of this section, that a third-party discount membership program is in violation of this chapter.

Sec. E.2. 9 V.S.A. chapter 63, subchapter 1E is added to read:

Subchapter 1E: Add-On Discount Membership Programs

§ 2470ii. DEFINITIONS

As used in this subchapter:

(1) An “add-on discount membership program” is a program that entitles consumers to receive discounts, rebates, rewards, or similar incentives on the purchase of goods or services or both, sold to a consumer during the purchase of a different good or service using the same billing information.

(2) “Billing information” means any data that enables a seller of an add-on discount membership program to access a consumer’s credit or debit card, bank, or other account, but does not include the consumer’s name, e-mail address, telephone number, or mailing address. For credit card and debit card accounts, billing information includes the full account number, card type, and expiration date, and, if necessary, the security code. For accounts at a financial institution, “billing information” includes the full account number and routing number, and, if necessary, the name of the financial institution holding the account.

§ 2470jj. APPLICABILITY

(a) An add-on discount membership program is a good or service within the meaning of subsection 2451a(b) of this title.

(b) This subchapter applies only to persons who are regularly engaged in offering or selling add-on discount membership programs.

(c) This subchapter shall not apply to an electronic payment system, as defined in section 2480o of this title, or to a financial institution, as defined in 8 V.S.A. § 11101(32).

§ 2470kk. REQUIRED DISCLOSURES; CONSENT

(a) No person shall charge or attempt to charge a consumer for an add-on discount membership program, or to renew an add-on discount membership program beyond the term expressly agreed to by the consumer, unless:

(1) before obtaining the consumer's billing information, the person has clearly and conspicuously disclosed to the consumer all material terms of the transaction, including:

(A) a description of the types of goods and services on which a discount is available;

(B) the name of the add-on discount membership program, the name and address of the seller of the program, and a telephone number, e-mail address, or other contact information the consumer may use to contact the seller with questions concerning the operation of the program;

(C) the cost of the program, including the amount of any periodic charges, how often such charges are imposed, and the method of payment; and

(D) the right to cancel and to terminate the program, which shall be no more restrictive than as required by section 247011 of this title, and a toll-free telephone number and e-mail address that can be used to cancel the membership;

(2) before obtaining the consumer's billing information, the person has received express informed consent for the add-on membership program from the consumer whose credit or debit card, bank, or other account will be charged, by requiring the consumer to perform an additional affirmative action, such as clicking on an online confirmation button, checking an online box that indicates the consumer's consent to be charged the amount disclosed, or expressly giving consent over the telephone; and

(3) after providing the disclosures and obtaining the consent required by subdivisions (1) and (2) of this subsection, obtaining from the consumer:

(A) the consumer's billing information; and

(B) the consumer's name and address, and a means to contact the consumer.

(b) A person who sells an add-on discount membership program shall retain evidence of a consumer's express informed consent for at least three years after the consent is given.

(c) A person who sells an add-on discount membership program shall provide to a consumer on the receipt for the underlying good or service:

(1) confirmation that the consumer has signed up for a discount membership program;

- (2) the price the consumer will be charged for the program;
- (3) the date on which the consumer will first be charged for the program;
- (4) the frequency of charges for the program; and
- (5) information concerning the consumer's right to cancel the program and a toll-free telephone number, address, and e-mail address a consumer may use to cancel the program.

§ 2470ll. CANCELLATION AND TERMINATION

(a) In addition to any other right to revoke an offer, a consumer may cancel the purchase of an add-on discount membership program until midnight on the 30th day after the date the consumer has given express informed consent to be charged for the program. If the consumer cancels within the 30-day period, the seller of the add-on discount membership program shall, within 10 days of receiving the notice of cancellation, provide a full refund to the consumer less the value of any discount the consumer has received by using the add-on discount membership program.

(b)(1) Notice of cancellation shall be deemed given when deposited in a mailbox properly addressed and postage prepaid or when e-mailed to the e-mail address of the seller of the add-on discount membership program.

(2) A consumer may cancel an add-on discount membership program verbally by contacting the seller at a toll-free telephone number that the seller provides for that purpose.

(c) In addition to the right to cancel described in this subchapter, a consumer may terminate an add-on discount membership program at any time by providing notice to the seller by one of the methods described in this section. In that case, the consumer shall not be obligated to make any further payments under the program and shall not be entitled to any discounts under the program for any period of time after the last month for which payment has been made.

(d) If the seller of an add-on discount membership program cancels the program for any reason other than nonpayment by the consumer, the seller shall make pro rata reimbursement to the consumer of all periodic charges paid by the consumer for periods of time after cancellation. Prior to such cancellation, the seller shall first provide reasonable notice and an explanation of the cancellation in writing to the consumer.

§ 2470mm. BILLING INFORMATION

A person who offers or sells a discount membership program may not obtain billing information relating to a consumer except directly from the consumer.

§ 2470nn. VIOLATIONS

(a) A person who violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as is provided under subchapter 1 of this chapter.

(c) It is an unfair and deceptive act and practice in commerce for any person to provide substantial assistance to the seller of an add-on discount membership program that has engaged or is engaging in an unfair or deceptive act or practice in commerce, when the person or the person's authorized agent:

(1) receives notice from a regulatory, law enforcement, or similar governmental authority that the seller of the add-on discount membership program is in violation of this subchapter;

(2) knows from information received or in its possession that the seller of the add-on discount membership program is in violation of this subchapter; or

(3) consciously avoids knowing that the seller of the add-on discount membership program is in violation of this subchapter.

(d) Subject to section 2452 of this title, a person who provides only incidental assistance, which does not further the sale of an add-on discount membership program, to the seller of the program, or who does not receive a benefit from providing assistance to the seller of a an add-on discount membership, shall not be liable under this section unless the person receives notice, knows, or consciously avoids knowing, pursuant to subdivision (c)(1), (2), or (3) of this section, that an add-on discount membership program is in violation of this chapter.

* * * Financial Institutions; Licensed Lender;
Technical Corrections * * *

F.1. 8 V.S.A. § 10101 is amended to read:

§ 10101. APPLICATION OF CONSUMER PROTECTION CHAPTER

Except as otherwise provided in this chapter, the provisions of this chapter shall apply to all financial institutions, as defined in subdivision 11101(32) of this title, licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, independent trust companies, money service providers,

debt adjusters, loan servicers, credit unions, and any other person doing or soliciting business in this State as described in Part 2, 4, or 5, ~~or 6~~ of this title, in addition to any other applicable consumer protection or remedy section not contained in this chapter, unless such consumer protection or remedy section is expressly made exclusive.

F.2. 8 V.S.A. § 10601 is amended to read:

§ 10601. APPLICATION

This subchapter shall apply to all persons licensed, authorized, or registered, or required to be licensed, authorized, or registered under Parts 2, 4, and 5, ~~and 6~~ of this title.

F.3. 8 V.S.A. 2200(17) is amended to read:

(17) “Mortgage loan originator”:

* * *

(D) Does not include:

(i) an individual engaged solely as a loan processor or underwriter, except as otherwise provided in subsection 2201(~~f~~)(g) of this chapter;

* * *

* * * Internet Dating Services * * *

Sec. G.1. FINDINGS AND PURPOSE

(a) The General Assembly finds:

(1) Currently, an Internet dating service does not have an affirmative duty under any state or federal law to ban a member of the service, but a service may choose to voluntarily ban a member for violating one or more terms of use, or because the service determines the member poses a risk of defrauding another member.

(2) In 2014, Internet dating services banned millions of members, the vast majority of which were banned within 72 hours of creating an account with the service.

(3) Of the members banned in 2014, well less than one percent contacted the Internet dating service concerning the ban.

(4) Due to a growing number of cases in which Vermont members of Internet dating services have lost significant financial amounts to persons using Internet dating services to defraud members or businesses, the Office of the Vermont Attorney General proposes this legislation, working with the input of multiple Internet dating services and other stakeholders.

(5) If an Internet dating service violates the statutory provisions created in this act, the Attorney General has the authority pursuant to 9 V.S.A. §§ 2458 and 2459 to request from a court, or to settle with the service for, restitution for a consumer or class of consumers affected by the violation.

(b) Purpose. The purposes of this act are:

(1) to protect Vermont consumers by requiring an Internet dating service to disclose in a timely manner important information about banned members to Vermont members of the service;

(2) to protect Internet dating services from liability to members for disclosing the information required by this act, while preserving liability to the State of Vermont and its agencies, departments, and subdivisions for violating this act; and

(3) to protect Vermont consumers and other members of Internet dating services by requiring an Internet dating service to notify its Vermont members when there is a significant change to the Vermont member's account information.

G.2. 9 V.S.A. chapter 63, subchapter 8 is added to read:

Subchapter 8. Internet Dating Services

§ 2482a. DEFINITIONS

In this chapter:

(1) "Account change" means a change to a member's password, username, e-mail address, or other contact information an Internet dating service uses to enable communications between members.

(2) "Banned member" means the member whose account or profile is the subject of a fraud ban.

(3) "Fraud ban" means barring a member's account or profile from an Internet dating service because, in the judgment of the service, the member poses a significant risk of attempting to obtain money from other members through fraudulent means.

(4) "Internet dating service" means a person, or a division of a person, that is primarily in the business of providing dating services principally on or through the Internet.

(5) "Member" means a person who submits to an Internet dating service information required to access the service and who obtains access to the service.

(6) “Vermont member” means a member who provides a Vermont residential or billing address or zip code when registering with the Internet dating service.

§ 2482b. REQUIREMENTS FOR INTERNET DATING SERVICES

(a) An Internet dating service shall disclose to all of its Vermont members known to have previously received and responded to an on-site message from a banned member:

(1) the user name, identification number, or other profile identifier of the banned member;

(2) the fact that the banned member was banned because, in the judgment of the Internet dating service, the banned member may have been using a false identity or may pose a significant risk of attempting to obtain money from other members through fraudulent means;

(3) that a member should never send money or personal financial information to another member; and

(4) a hyperlink to online information that clearly and conspicuously addresses the subject of how to avoid being defrauded by another member of an Internet dating service.

(b) The notification required by subsection (a) of this section shall be:

(1) clear and conspicuous;

(2) by e-mail, text message, or other appropriate means of communication; and

(3) sent within 24 hours after the fraud ban, or at a later time if the service has determined, based on an analysis of effective messaging, that a different time is more effective, but in no event later than three days after the fraud ban.

(c) An Internet dating service shall disclose in an e-mail, text message, or other appropriate means of communication, in a clear and conspicuous manner, within 24 hours after discovering an account change to a Vermont member’s account:

(1) the fact that information on the member’s account has been changed;

(2) a brief description of the change; and

(3) if applicable, how the member may obtain further information on the change.

(d)(1) A banned member from Vermont who is identified to one or more Vermont members pursuant to subsection (a) of this section shall have the right

to challenge the ban by written complaint to the Office of the Vermont Attorney General.

(2) The Office of the Attorney General shall review a challenge brought by a banned member pursuant to this subsection and, if it finds that there was no reasonable basis for banning the member, shall require the Internet dating service to take reasonable corrective action to cure the erroneous ban.

§ 2482c. LIMITED IMMUNITY

(a) An Internet dating service shall not be liable to any person, other than the State of Vermont, or any agency, department, or subdivision of the State, for disclosing to any member that it has banned a member, the user name or identifying information of the banned member, or the reasons for the Internet dating service's decision to ban such member in accordance with section 2482b of this title.

(b) An Internet dating service shall not be liable to any person, other than the State of Vermont, or any agency, department, or subdivision of the State, for the decisions regarding whether to ban a member, or how or when to notify a member pursuant to section 2482b of this title.

(c) This subchapter does not diminish or adversely affect the protections for Internet dating services that are afforded in 47 U.S.C. § 230 (Federal Communications Decency Act).

§ 2482d. VIOLATIONS

(a) A person who violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, and enter into assurances of discontinuance as is provided under subchapter 1 of this chapter.

* * * Effective Dates * * *

Sec. H.1. EFFECTIVE DATES

(a) This section and Secs. F.1–F.3 (technical corrections) take effect on passage.

(b) The following sections take effect on July 1, 2016:

(1) Secs. A.1–A.2 (consumer litigation funding).

(2) Sec. B.1 (structured settlements agreements).

(3) Secs. C.1–C.14 (business registration; enforcement).

(4) Sec. D.1 (anti-trust penalties).

(5) Secs. E.1–E.2 (discount membership programs).

(6) Sec. G.1 (findings and purpose; internet dating services).

(c) In Sec. G.2 (internet dating services):

(1) 9 V.S.A. §§ 2482a, 2482c, and 2482d shall take effect on passage.

(2) 9 V.S.A. § 2482b shall take effect on January 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to consumer protection

COMMITTEE ON THE PART OF
THE SENATE

SEN. KEVIN J. MULLIN
SEN. PHILIP E. BARUTH
SEN. BECCA BALINT

COMMITTEE ON THE PART OF
THE HOUSE

REP. MICHAEL J. MARCOTTE
REP. MAUREEN P. DAKIN
REP. HELEN J. HEAD

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

**Rules Suspended; Senate Proposal of Amendment to
House Proposal of Amendment to Senate
Proposal of Amendment Concurred in**

H. 858

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 criminal procedure amendments

Was taken up for immediate consideration.

The Senate concurred in the House proposal of amendment with the following proposal of amendment thereto:

By striking out Secs. 9 –18 in their entirety and inserting in lieu thereof the following:

Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Senate Proposal of Amendment Concurred in

H. 577

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 voter approval of electricity purchases by municipalities and electric cooperatives

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:

* * * Municipal and Cooperative Electric Utilities; Energy Purchases; Voter Approval * * *

Sec. 1. 30 V.S.A. § 2924 is amended to read:

§ 2924. APPROVAL BY VOTERS OF MUNICIPALITY

(a) With respect to matters not subject to section 248 of this title, ~~before~~ a municipal department established under this chapter or local charter ~~may~~ shall obtain the approval of the voters of the municipality before in any way:

(1) ~~purchase~~ purchasing electric capacity or energy from outside the state, ~~for a period exceeding five years, that represents more than one percent of its historic peak demand, or State:~~

(A) for a period exceeding five years, that represents more than three percent of its historic peak demand, unless the purchase is from a plant that produces electricity from renewable energy; or

(B) for a period exceeding ten years, that represents more than ten percent of its historic peak demand, if the purchase is from a plant that produces electricity from renewable energy;

(2) ~~invest~~ investing in an electric generation or transmission facility located outside this ~~state~~ State; or

(3) ~~begin~~ beginning site preparation for or construction of an electric generation facility within the ~~state~~ State, or ~~an~~ an electric transmission facility within the ~~state which~~ State that is designed for immediate or eventual operation at any voltage or ~~exercise~~ exercising the right of eminent domain in connection with site preparation for or construction of any such transmission or generation facility, except for the replacement of existing facilities with equivalent facilities in the usual course of business;.

(b) ~~that~~ A municipal department shall obtain the approval required by subsection (a) of this section by a vote of a majority of the voters of the municipality voting upon the question at a duly warned annual or special meeting to be held for that purpose. Prior to the meeting, ~~a~~ the municipal department may provide to the voters an assessment of any risks and benefits of the proposed action.

(c) In this section, "plant" and "renewable energy" have the same meaning as in section 8002 of this title.

Sec. 2. 30 V.S.A. § 3044 is amended to read:

§ 3044. APPROVAL BY MEMBERS OF COOPERATIVE

(a) With respect to matters not subject to section 248 of this title, before a cooperative established under this chapter may shall obtain the approval of the voters of the cooperative before in any way:

(1) ~~purchase~~ purchasing electric capacity or energy from outside the state, for a period exceeding five years, that represents more than one percent of its historic peak demand, or State:

(A) for a period exceeding five years, that represents more than three percent of its historic peak demand, unless the purchase is from a plant that produces electricity from renewable energy; or

(B) for a period exceeding ten years, that represents more than ten percent of its historic peak demand, if the purchase is from a plant that produces electricity from renewable energy;

(2) ~~invest~~ investing in an electric generation or transmission facility located outside this state State; or

(3) ~~begin~~ beginning site preparation for or construction of an electric generation facility within the state State, or an electric transmission facility within the state which State that is designed for immediate or eventual operation at any voltage or ~~exercise~~ exercising the right of eminent domain in connection with site preparation for or construction of any such transmission or generation facility, except for the replacement of existing facilities with equivalent facilities in the usual course of business,.

(b) that A cooperative shall obtain the approval required by subsection (a) of this section by a vote of a majority of the voters of the cooperative voting upon the question at a duly warned annual or special meeting to be held for that purpose. Prior to the meeting, a the cooperative may provide to the voters an assessment of any risks and benefits of the proposed action.

(c) In this section, "plant" and "renewable energy" have the same meaning as in section 8002 of this title.

* * * Vermont Hydroelectric Power Acquisition; Working Group * * *

Sec. 3. VERMONT HYDROELECTRIC POWER ACQUISITION
WORKING GROUP

(a) Creation. There is created the Vermont Hydroelectric Power Acquisition Working Group to prepare due diligence and feasibility studies

regarding the purchase of hydroelectric dams and related assets currently owned by TransCanada Hydro on the Connecticut and Deerfield Rivers (the “dam facilities”).

(b) Membership. The Working Group shall be composed of the following seven members:

(1) the Secretary of Administration or designee who shall serve as chair;

(2) the State Treasurer or designee;

(3) the Commissioner of Public Service or designee;

(4) two persons chosen by the Governor, at least one of whom shall be an employee of a regional planning commission serving communities that host at least two hydroelectric facilities owned by TransCanada Hydro;

(5) one person chosen by the Speaker of the House; and

(6) one person chosen by the Senate Committee on Committees.

(c) Powers and duties. The Working Group shall:

(1) Review and study the principal policy, economic, environmental, and engineering issues involved in a purchase of the dam facilities, including:

(A) the administrative and structural options for the ownership of the dam facilities and the sale and distribution of their power output, including ownership through the creation of a limited purpose State public power authority, the Vermont Public Power Supply Authority, by one or more Vermont utilities, or by a public-private partnership; and

(B) the alternatives for disposition of the power output of the dam facilities, including wholesale and retail sales within and outside the State and use of the power within a portfolio to support advanced and renewable energy technologies, and the impacts of these alternatives on the credit-worthiness of the State and the ability of Vermont utilities to access investment capital on reasonable commercial terms.

(2) Prepare recommendations on the purchase of the dam facilities.

(d) Assistance. The Working Group may consult with other State, municipal, or private entities, including representatives of the State Treasurer; the Vermont Agency of Natural Resources; the Vermont Municipal Bond Bank; representatives of existing municipal, cooperative, and investor-owned utilities; the Vermont Department of Public Service; and, where appropriate, the Public Service Board. Reasonable administrative support for the Working Group shall be provided upon request by the Department of Public Service and the Office of Legislative Council. The Working Group may retain professional assistance to undertake the duties required herein.

(e) Reimbursement. Legislative members of the Working Group shall receive per diem and expenses pursuant to 2 V.S.A. § 406, and members of the Working Group who are not State employees may be compensated by their appointing authorities.

(f) Public records. Commercial and financial information of a proprietary nature produced or acquired by the Working Group shall be exempt from public inspection and copying under the Public Records Act if public release of the information could jeopardize the position of the State of Vermont and its agents in negotiations or in the purchase of the facilities on advantageous terms.

(g) Meetings. The members of the Working Group shall be appointed not later than 13 days following passage of this act and the Secretary of Administration shall convene the Working Group not later than 15 days after the effective date of this act.

(h) Appropriation. The Secretary of Administration is authorized to expend \$75,000.00 from general funds appropriated to the Executive Branch in the FY 2017 Appropriations Act for the study required in this section. If the Secretary determines that additional expenditures are necessary to preserve options on behalf of the State, the Working Group is authorized to approve the Secretary's use of an additional \$175,000.00 from general funds appropriated to the Executive Branch in the FY 2017 Appropriations Act. The Secretary shall make an offsetting reduction or funds transfer for any amount expended from the funds appropriated to the Executive Branch in the FY 2017 Appropriations Act. Any additional funding shall require approval from the Emergency Board. If any funds are expended pursuant to this section, the Secretary shall submit a report to the Joint Fiscal Committee. The report shall include the amount expended and the underlying source of funds.

(i) Report. On or before August 1, 2016, the Working Group shall submit a report on the study and recommendation described in subsection (c) of this section to the Senate Committees on Finance and on Natural Resources and Energy, and the House Committees on Commerce and Economic Development and on Natural Resources and Energy.

(j) Bid. If the Working Group's report described in subsection (i) of this section includes a recommendation to purchase the dam facilities, then the Working Group is authorized to submit a bid to purchase the dam facilities; provided, however, that the Working Group shall obtain approval of the General Assembly to proceed with the bid within 14 days of receipt of notification that the bid has been accepted. If the bid is accepted when the General Assembly is not in session, then the Working Group shall request that the Governor convene a special session for the purpose of approving the bid.

Sec. 4. 30 V.S.A. chapter 90 is added to read:

CHAPTER 90. VERMONT HYDROELECTRIC POWER AUTHORITY

Subchapter 1. General Provisions

§ 8040. FINDINGS, PURPOSE, AND GOALS

(a) The General Assembly of the State of Vermont finds that potential exists to purchase an interest in hydroelectric power stations along the Connecticut and Deerfield Rivers located in Vermont, New Hampshire, and Massachusetts.

(b) Therefore, it is the purpose of this chapter to create an entity with the authority to finance, purchase, own, operate, or manage any interest in the hydroelectric power facilities along the Connecticut and Deerfield Rivers located in Vermont, New Hampshire and Massachusetts, and to sell the electric energy under the control of the Authority from those facilities at wholesale to authorized wholesale purchasers. The purchase and operation of an interest shall be pursued with the following goals:

(1) to promote the general good of the State;

(2) to stimulate the development of the Vermont economy;

(3) to increase the degree to which Vermont's energy needs are met through environmentally-sound sustainable and renewable in-state energy sources;

(4) to lessen electricity price risk and volatility for Vermont ratepayers and to increase system reliability;

(5) to not compete with Vermont utilities;

(6) to ensure that the credit rating of the State will not be adversely affected and Vermont taxpayers will not be liable should the purchase of the facilities fail because of the failure to produce sufficient revenue to service the debt, the failure of a partner, or for any other reason; and

(7) to cause the facilities to be operated in an environmentally sound manner consistent with federal licenses and purposes.

§ 8041. DEFINITIONS

As used in this chapter:

(1) "Authority" means the Vermont Hydroelectric Power Authority established by this chapter.

(2) "Facilities" means the hydroelectric power stations and related assets along the Connecticut and Deerfield Rivers located in Vermont, New

Hampshire, and Massachusetts in which the Authority has acquired an equity interest.

§ 8042. ESTABLISHMENT

There is created a body corporate and politic to be known as the Vermont Hydroelectric Power Authority. The Authority is an instrumentality of the State exercising public and essential governmental functions, and the exercise by the Authority of the powers conferred upon it by this chapter constitutes the performance of essential governmental functions.

§ 8043. BOARD OF DIRECTORS

(a) Directors. The powers of the Authority shall be exercised by seven directors appointed as follows:

(1) Five directors shall be appointed by the Governor, at least one of whom shall represent retail customers. No director appointed by the Governor, while serving as a director, shall be an employee, board member, or director, or have a substantial ownership interest in an electric company regulated by the Public Service Board or the Department of Public Service under this title;

(2) The State Treasurer, who shall serve ex officio; and

(3) One director shall be a representative of the Department of Public Service, appointed by the Commissioner, who shall serve at the pleasure of the Commissioner.

(b) Terms and vacancies. The directors appointed by the Governor shall be appointed for terms of five years and until their successors are appointed and confirmed, except that the first directors shall be appointed in the following manner: one for a term of two years, two for a term of three years, and two for a term of five years. The Governor for cause may remove a director appointed by a Governor. The Governor may fill any vacancy occurring among the directors appointed by a Governor for the balance of the unexpired term. A director may be reappointed.

(c) Officers. The Authority shall elect a chair, a vice chair, and a treasurer from among its directors.

(d) Quorum. A quorum shall consist of four directors. No action of the Authority shall be considered valid unless the action is supported by a majority vote of the directors present and voting and then only if at least four directors vote in favor of the action.

(e) Compensation. Directors shall be compensated for necessary expenses incurred in the performance of their duties in the manner provided by 32 V.S.A. § 1010(b).

(f) Bylaws. The Authority's board of directors shall adopt bylaws or other rules and regulations for the management of the affairs of the Authority and carrying out the purposes of this chapter.

(g) Conflicts. Despite any law or charter provision to the contrary, a director or officer of the Authority who is also an officer, employee, or member of a legislative body of a municipality or other public body or of the State shall not thereby be precluded from voting or acting on behalf of the Authority on a matter involving the municipality or public body or the State.

§ 8044. MANAGER

(a) Manager. The Authority shall employ and compensate a manager who shall serve under a contract for a specific term or at the pleasure of the Authority. The Authority, with the Governor's approval, shall fix the manager's compensation. The manager shall be the chief executive officer of the Authority and shall administer, manage, and direct the affairs and business of the Authority, subject to the policies, control, and direction of the directors.

(b) Interim manager. The Governor or the Governor's designee shall have the power to appoint an interim manager upon enactment of this chapter, who shall serve at the Governor's pleasure, under the Governor's direction, and for compensation established by the Governor. The interim manager, with the approval of the Governor or the Governor's designee, shall have full authority to take all actions authorized under this chapter to protect and advance the interests of the State of Vermont until such time as a manager employed pursuant to subsection (a) of this section has assumed office.

§ 8045. TERMINATION

(a) The Authority shall continue so long as it shall have any obligations or indebtedness outstanding and until its existence is terminated by law. Upon termination of the Authority, title to all of the property owned by the Authority shall vest in the State. The State reserves the right to change or terminate the Authority and any structure, organization, program, or activity of the Authority, subject to constitutional limitations.

(b) The net earnings of the Authority, beyond those necessary for retirement of its notes, bonds, or other obligations or indebtedness or to implement the public purposes and programs authorized in this chapter, shall not inure to the benefit of any person other than the State.

Subchapter 2. Powers and Prohibitions

§ 8046. GENERAL POWERS

The Authority has the following powers as are necessary to carry out the purposes of this chapter:

(1) To borrow money and to issue negotiable bonds, notes, and commercial paper, and give other evidences of indebtedness or obligations, and to provide for and secure the payment thereof, and to provide for the rights of the holders thereof, to purchase, hold, and dispose of any of its bonds, notes, or commercial paper, and to resell or retire any such evidences of indebtedness or obligations prior to the stated maturity thereof.

(2) To enter into all contracts, leases, agreements, and arrangements, including such agreements with other persons as the Authority deems necessary or appropriate in connection with the issuance, sale, and resale of evidences of indebtedness or obligations, including trust indentures, bond purchase agreements, disclosure agreements, remarketing agreements, agreements providing liquidity or credit facilities, bond insurance, or other credit enhancements in connection with such evidences of indebtedness or obligations.

(3) To acquire by purchase, lease, gift, or otherwise, or to obtain options for the acquisition of property necessary to carry out the purposes of this chapter, real or personal, improved or unimproved, tangible or intangible, including an interest in land of less than fee.

(4) To pledge or assign any money, fees, charges, or other revenues of the Authority and any proceeds derived by the Authority from the sale of property or from insurance or condemnation awards.

(5) To employ personnel who, in the discretion of the Authority, may be in the classified system under 3 V.S.A. chapter 13, and to employ or contract with agents, consultants, legal advisors, and other persons and entities as may be necessary or desirable for its purposes, upon such terms as the Authority may determine.

(6) To apply and contract for and to expend assistance from the United States or other sources, whatever the form.

(7) To administer its own funds and to deposit funds which are not needed currently to meet the obligations of the Authority.

(8) To invest funds which are not needed currently to meet the obligations of the Authority, pursuant to an investment policy approved by the State Treasurer.

(9) To apply to the appropriate agencies of the State, other states, the United States, and to any other proper agency for permits, licenses, certificates, or approvals which may be necessary, and to construct, maintain, and operate the facilities in accordance with these licenses, permits, certificates, or approvals;

(10) To contract with respect to the purchase, sale, delivery, exchange, interchange, wheeling, pooling, transmission, or use of project electric power and energy and to otherwise participate in intrastate, interstate, and international wholesale arrangements with respect to those matters.

(11) To contract for the use of transmission and distribution facilities owned by others solely for the purpose of engaging in wholesale transactions.

(12) Alone or jointly, to plan, finance, acquire, construct, improve, purchase, operate, maintain, use, share costs of, own, lease, sell, dispose of, or otherwise participate in the facilities or portions of the facilities, the product or service from them, securities or obligations issued or incurred in connection with the financing of them, or research and development relating to them, within or outside the state.

(13) To sell electric power at wholesale within or outside the State.

(14) To undertake a joint financing of the facilities.

(15) To accept and expend with respect to a facility, project, or program any gifts or grants received from any source in accordance with the terms of the gifts or grants.

(16) To exercise all powers necessary or incidental to affect any or all of the purposes for which the Authority is created.

§ 8047. PROHIBITIONS

The Authority shall take no action to cause, nor shall any provision of this chapter be construed to impose, any obligation upon the State as a result of the insolvency of a partner.

§ 8048. OBLIGATIONS NOT OBLIGATIONS OF THE STATE

(a) The Authority shall have the benefit of sovereign immunity to the same extent as the State of Vermont.

(b) Notwithstanding subsection (a) of this section:

(1) obligations of the Authority under a contract authorized by this chapter shall not be deemed to constitute an obligation, indebtedness, or a lending of credit of the State; and

(2) no financing or security document, bond, or other instrument issued or entered into in the name and on behalf of the Authority under this chapter shall in any way obligate the State to raise any money by taxation or use other funds for any purpose to pay any debt or meet any financial obligation to any person at any time in relation to a facility, project, or program financed in whole or in part by the issue of the Authority's bonds under this chapter.

§ 8049. RECORDS; ANNUAL REPORT; AUDIT

(a) The Authority shall keep an accurate account of all its activities and of all its receipts and expenditures.

(b) Each year, prior to February 1, the Authority shall submit a report of its activities for the preceding fiscal year to the Governor and to the General Assembly. The report shall set forth a complete operating and financial statement covering its operations during the year. The Authority shall cause an audit of its books and accounts to be made at least once in each year by a certified public accountant. The cost of the audit shall be considered an expense of the Authority, and a copy of the audit shall be filed with the State Treasurer.

Subchapter 3. Form and Nature of Indebtedness; Approval§ 8050. BONDS; INDEBTEDNESS

(a) Issue. The Authority may issue bonds, or any other forms of indebtedness, to pay the costs of purchasing the facilities, or property related to such facilities, to pay the costs of repairs, replacements, or expansions of the facilities, to pay capitalized interest and costs of issuance, which have been approved by the Authority, or to refund bonds previously issued.

(b) Form of bonds. Bonds issued under this section shall bear the manual or facsimile signature of the manager of the Authority and the manual or facsimile signature of the Chair or Vice Chair of the Authority. Bonds shall be sold by the signing officers at public or private sale, and the proceeds thereof shall be paid to the trustee under the security document that secures the bonds. Such bonds shall be in such form and denominations, and with such terms and provisions, including the maturity date or dates, redemption provisions, and other provisions necessary or desirable. Such bonds shall be either taxable or tax-exempt and shall be noninterest bearing, or bear interest at such rate or rates, which may be fixed or variable, as may be sufficient or necessary to effect the issuance and sale or resale thereof. If any swaps or similar derivative instrument is used in the issuance of such bonds, the Authority shall employ a swap adviser to develop an interest rate management plan.

(c) Trustee. A state or national chartered bank, Vermont bank, or Vermont trust company may serve as trustee for the benefit of debtholders under a security document, and the trustee may at any time own all or any part of the indebtedness issued under that security document, unless otherwise provided therein. All monies received or held by the Authority or by a trustee pursuant to a financing or security document shall be deemed to be trust funds and shall be held and applied solely in accordance with the applicable document.

(d) Enforcement. Except as provided in any financing or security document entered into or any indebtedness issued under this chapter, each of the parties to the financing or security document or any debtholder may enforce the obligation of any other person to the party or debtholder under the bond or instrument by appropriate legal proceedings.

(e) Legal investments. Any indebtedness issued under this chapter shall be legal investments for all persons without limit as to the amount held, regardless of whether they are acting for their own account or in a fiduciary capacity. Such bonds shall likewise be legal investments for all public officials authorized to invest public funds.

§ 8051. BONDS; INDEBTEDNESS; APPROVAL

The Authority shall issue indebtedness under this chapter pursuant to guidelines developed by the State Treasurer. The Governor and the State Treasurer shall provide written approval prior to any issuance.

Subchapter 4. Funds and Accounts

§ 8052. FUNDS; ACCOUNTS.

The Authority shall establish funds and accounts, including reserve funds, necessary to meet the Authority's operating and capital needs, and the provisions of any security documents. Any debt service reserves shall be structured to be consistent with applicable guidelines established by the Internal Revenue Service.

Sec. 5. VERMONT HYDROELECTRIC POWER AUTHORITY; TRANSITIONAL PROVISION; APPOINTMENT; TERMINATION

(a) The Governor shall appoint the directors of the Authority within 14 days following the request of the Vermont Hydroelectric Power Acquisition Working Group.

(b) Sec. 4 of this act, creating 30 V.S.A. chapter 90, shall terminate on January 15, 2017 if at that time the State has not purchased or commenced negotiations to purchase, the dam facilities, as determined by the Secretary of Administration.

* * * Telecommunications Siting; Local Input; Collocation * * *

Sec. 5a. 30 V.S.A. § 248a is amended to read:

§ 248a. CERTIFICATE OF PUBLIC GOOD FOR COMMUNICATIONS FACILITIES

(a) Certificate. Notwithstanding any other provision of law, if the applicant seeks approval for the construction or installation of telecommunications facilities that are to be interconnected with other telecommunications facilities

proposed or already in existence, the applicant may obtain a certificate of public good issued by the Public Service Board under this section, which the Board may grant if it finds that the facilities will promote the general good of the State consistent with subsection 202c(b) of this title. A single application may seek approval of one or more telecommunications facilities. An application under this section shall include a copy of each other State and local permit, certificate, or approval that has been issued for the facility under a statute, ordinance, or bylaw pertaining to the environment or land use.

(b) Definitions. As used in this section:

(1) “Ancillary improvements” means telecommunications equipment and site improvements that are primarily intended to serve a telecommunications facility, including wires or cables and associated poles to connect the facility to an electric or communications grid; fencing; equipment cabinets or shelters; emergency backup generators; and access roads.

(2) “De minimis modification” means the addition, modification, or replacement of telecommunications equipment, antennas, or ancillary improvements on a telecommunications facility or existing support structure, whether or not the structure was constructed as a telecommunications facility, or the reconstruction of such a facility or support structure, provided:

(A) the height and width of the facility or support structure, excluding equipment, antennas, or ancillary improvements, are not increased;

(B) the total amount of impervious surface, including access roads, surrounding the facility or support structure is not increased by more than 300 square feet;

(C) the addition, modification, or replacement of an antenna or any other equipment on a facility or support structure does not extend vertically more than 10 feet above the facility or support structure and does not extend horizontally more than 10 feet from the facility or support structure; and

(D) the additional equipment, antennas, or ancillary improvements on the support structure, excluding cabling, does not increase the aggregate surface area of the faces of the equipment, antennas, or ancillary improvements on the support structure by more than 75 square feet.

(3) “Good cause” means a showing of evidence that the substantial deference required under subdivision (c)(2) of this section would create a substantial shortcoming detrimental to the public good or State’s interests in section 202c of this title.

(4)(A) “Limited size and scope” means:

(i) A new telecommunications facility, including any ancillary improvements, that does not exceed 140 feet in height; or

(ii) An addition, modification, replacement, or removal of telecommunications equipment at a lawfully constructed telecommunications facility or on an existing support structure, and ancillary improvements, that would result in a facility of a total height of less than 200 feet and does not increase the width of the existing support structure by more than 20 feet.

(B) For construction described in subdivision (3)(A) of this subsection to be of limited size and scope, it shall not disturb more than 10,000 square feet of earth. ~~For purposes of~~ As used in this subdivision, “disturbed earth” means the exposure of soil to the erosive effects of wind, rain, or runoff.

(5) “Substantial deference” means that the plans and recommendations referenced under subdivision (c)(2) of this section are presumed correct, valid, and reasonable.

~~(4)~~(6) “Telecommunications facility” means a communications facility that transmits and receives signals to and from a local, State, national, or international network used primarily for two-way communications for commercial, industrial, municipal, county, or State purposes and any associated support structure that is proposed for construction or installation which is primarily for communications purposes, and any ancillary improvements that are proposed for construction or installation and are primarily intended to serve the communications facilities or support structure. An applicant may seek approval of construction or installation of a telecommunications facility whether or not the telecommunications facility is attached to an existing structure.

~~(5)~~(7) “Wireless service” means any commercial mobile radio service, wireless service, common carrier wireless exchange service, cellular service, personal communications service (PCS), specialized mobile radio service, paging service, wireless data service, or public or private radio dispatch service.

(c) Findings. Before the Public Service Board issues a certificate of public good under this section, it shall find that:

(1) The proposed facility will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment, and the public health and safety, and the public’s use and enjoyment of the I-89 and I-91 scenic corridors or of any highway that has been designated as a scenic road pursuant to 19 V.S.A. § 2501 or a scenic byway pursuant to 23 U.S.C. § 162, with due consideration having been given to the relevant criteria

specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K). However, with respect to telecommunications facilities of limited size and scope, the Board shall waive all criteria of this subdivision other than 10 V.S.A. § 6086(a)(1)(D)(floodways) and (a)(8)(aesthetics, scenic beauty, historic sites, rare and irreplaceable natural areas; endangered species; necessary wildlife habitat). Such waiver shall be on condition that:

(A) the Board may determine, pursuant to the procedures described in subdivision (j)(2)(A) of this section, that a petition raises a significant issue with respect to any criterion of this subdivision; and

(B) a telecommunications facility of limited size and scope shall comply, at a minimum, with the requirements of the Low Risk Site Handbook for Erosion Prevention and Sediment Control issued by the Department of Environmental Conservation, regardless of any provisions in that handbook that limit its applicability.

(2) Unless there is good cause to find otherwise, substantial deference has been given to ~~the land conservation measures in the plans of the affected municipalities and; to the recommendations of the municipal legislative bodies and the municipal and regional planning commissions regarding the municipal and regional plans, respectively; and to the recommendations of the regional planning commission concerning the regional plan.~~ Nothing in this section or other provision of law shall prevent a municipal body from basing its recommendations to which substantial deference is required under this subdivision (2) on an ordinance adopted under 24 V.S.A. § 2291(19) or bylaw adopted under 24 V.S.A. chapter 117 by the municipality in which the facility is located. A rebuttable presumption respecting compliance with the applicable plan shall be created by a letter from an affected municipal legislative body or municipal planning commission concerning compliance with the municipal plan and by a letter from a regional planning commission concerning compliance with the regional plan.

(3) If the proposed facility relates to the provision of wireless service, the proposed facility reasonably cannot be collocated on or at an existing telecommunications facility, or such collocation would cause an undue adverse effect on aesthetics.

(A) If a proposed new support structure for a new telecommunications facility that provides wireless service will exceed 50 feet in height in a cleared area or will exceed 20 feet in height above the average treeline measured within a 100-foot radius from the structure in a wooded area, the application shall identify all existing telecommunications facilities within the area to be served by the proposed structure and, for each such existing facility, shall include a projection of the coverage and an estimate of additional

capacity that would be provided if the applicant's proposed telecommunications equipment were located on or at the existing facility. The applicant also shall compare each such projection and estimate to the coverage and capacity that would be provided at the site of the proposed structure.

(B) To obtain a finding that a proposed facility cannot reasonably be collocated on or at an existing telecommunications facility, the applicant must demonstrate that:

(i) collocating on or at an existing facility will result in a significant reduction of the area to be served or the capacity to be provided by the proposed facility or substantially impede coverage or capacity objectives for the proposed facility that promote the general good of the State under subsection 202c(b) of this title;

(ii) the proposed antennas and equipment will exceed the structural or spatial capacity of the existing or approved tower or facility, and the existing or approved tower or facility cannot be reinforced, modified, or replaced to accommodate planned or equivalent equipment, at a reasonable cost, to provide coverage and capacity comparable to that of the proposed facility;

(iii) the owner of the existing facility will not provide space for the applicant's proposed telecommunications equipment on or at that facility on commercially reasonable terms; or

(iv) the proposed antennas and equipment will cause radio frequency interference that will materially impact the usefulness of other existing or permitted equipment at the existing or approved tower or facility and such interference cannot be mitigated at a reasonable cost.

* * *

(e) Notice. No less than ~~45~~ 60 days prior to filing an application for a certificate of public good under this section, the applicant shall serve written notice of an application to be filed with the Board pursuant to this section to the legislative bodies and municipal and regional planning commissions in the communities in which the applicant proposes to construct or install facilities; the Secretary of Natural Resources; the Secretary of Transportation; the Division for Historic Preservation; the Commissioner of Public Service and its Director for Public Advocacy; the Natural Resources Board if the application concerns a telecommunications facility for which a permit previously has been issued under 10 V.S.A. chapter 151; and the landowners of record of property adjoining the project sites. In addition, at least one copy of each application shall be filed with each of these municipal and regional planning commissions.

(1) Upon motion or otherwise, the Public Service Board shall direct that further public or personal notice be provided if the Board finds that such further notice will not unduly delay consideration of the merits and that additional notice is necessary for fair consideration of the application.

(2) On the request of the municipal legislative body or the planning commission, the applicant shall attend a public meeting with the municipal legislative body or planning commission, or both, within the ~~45-day~~ 60-day notice period before filing an application for a certificate of public good. The Department of Public Service shall attend the public meeting on the request of the municipality. The Department shall consider the comments made and information obtained at the meeting in making recommendations to the Board on the application and in determining whether to retain additional personnel under subsection (o) of this section.

(3) With the notice required under this subsection, the applicant shall include a written assessment of the collocation requirements of subdivision (c)(3) of this section, as they pertain to the applicant's proposed telecommunications facility. On the request of the municipal legislative body or the planning commission, the Department of Public Service, pursuant to its authority under subsection (o) of this section, shall retain an expert to review the applicant's collocation assessment and to conduct further independent analysis, as necessary. Within 45 days of receiving the applicant's notice and collocation assessment, the Department shall report its own preliminary findings and recommendations regarding collocation to the applicant and to all persons required to receive notice of an application for a certificate of public good under this subsection (e).

* * *

(h) Exemptions from other law.

(1) An applicant using the procedures provided in this section shall not be required to obtain a permit or permit amendment or other approval under the provisions of 24 V.S.A. chapter 117 or 10 V.S.A. chapter 151 for the facilities subject to the application or to a certificate of public good issued pursuant to this section. This exemption from obtaining a permit or permit amendment under 24 V.S.A. chapter 117 shall not affect the substantial deference to be given to a plan or recommendation based on a local land use bylaw under subdivision (c)(2) of this section.

(2) ~~Ordinances~~ An applicant using the procedures provided in this section shall not be required to obtain an approval from the municipality under an ordinance adopted pursuant to 24 V.S.A. § 2291(19) or a municipal charter that would otherwise apply to the construction or installation of facilities subject to this section ~~are preempted.~~ This exemption from obtaining an

approval under such an ordinance shall not affect the substantial deference to be given to a plan or recommendation based on such an ordinance under subdivision (c)(2) of this section.

(3) Disputes over jurisdiction under this section shall be resolved by the Public Service Board, subject to appeal as provided by section 12 of this title. An applicant that has obtained or been denied a permit or permit amendment under the provisions of Title 24 or 10 V.S.A. chapter 151 for the construction of a telecommunications facility may not apply for approval from the Board for the same or substantially the same facility, except that an applicant may seek approval for a modification to such a facility.

* * *

Sec. 5b. 24 V.S.A. § 4412(8)(C) is amended to read:

(C) The regulation of a telecommunications facility, as defined in 30 V.S.A. § 248a, shall be exempt from municipal approval under this chapter when and to the extent jurisdiction is assumed by the Public Service Board according to the provisions of that section. This exemption from obtaining approval under this chapter shall not affect the substantial deference to be given to a plan or recommendation based on a local land use bylaw under 30 V.S.A. § 248a(c)(2).

* * * Department of Public Service; CPG; Complaint Protocol * * *

Sec. 5c. DEPARTMENT OF PUBLIC SERVICE; CERTIFICATE OF PUBLIC GOOD; COMPLAINT PROTOCOL

(a) Not later than September 1, 2016, the Commissioner of Public Service shall establish and implement a protocol for handling complaints concerning the alleged failure of a company to comply with the terms and conditions of a certificate of public good issued by the Public Service Board under 30 V.S.A. §§ 248 or 248a. The Commissioner may revise the protocol at any time to achieve a more effective and satisfactory response to complaints.

(b) The purpose of this section is to create a single location within State government for receipt and tracking of all complaints described in subsection (a) of this section. The protocol shall include a process for filing, investigating, and responding to complaints in a timely manner, as well as a procedure for tracking the number and nature of complaints received and a summary of actions taken by the Department of Public Service in response to each complaint, which information shall be aggregated and reported annually to the General Assembly beginning January 1, 2017, notwithstanding 2 V.S.A. § 20(d). In addition, the Department shall keep a record of complaints filed under the protocol. A summary of the record shall be published on a website maintained by the Department to increase public awareness and transparency.

which may reduce the occurrence of redundant complaint filings. The Commissioner's protocol shall include standards and procedures for consolidating complaints of a similar nature involving the same company and procedures under which a company receiving a complaint informs the Department of the complaint and its nature and such information as the Commissioner determines is necessary to track its progress and response.

(c) A complainant shall not be required to direct a complaint to a company prior to submitting a complaint with the Department of Public Service pursuant to the complaint protocol established under this section.

(d) The Commissioner may retain experts and other personnel as identified in 30 V.S.A. § 20 to investigate complaints, and may allocate the reasonable expenses incurred in retaining such personnel to the company as provided under 30 V.S.A. § 21.

(e) The complaint protocol established under this section shall be in addition to any procedure established under 30 V.S.A. § 208. Unresolved complaints may be considered by the Public Service Board pursuant to its authority under Title 30, including 30 V.S.A. § 8(f), and Public Service Board Rules.

(f) With its report filed under this section on or before January 1, 2018, the Commissioner shall make recommendations regarding the establishment of and payment for an ongoing process for monitoring a company's compliance with a certificate of public good for the purpose of reducing the filing of individual complaints under this section.

* * * VTA Grants; Compliance; Refund * * *

Sec. 5d. VTA GRANT; COMPLIANCE; REFUND

(a) With funds appropriated by the General Assembly in 2011 Acts and Resolves No. 40, Secs. 3 and 49, the Vermont Telecommunications Authority (VTA) awarded VTel Wireless, a subsidiary of the Vermont Telephone Company, a \$2,644,093.00 grant to purchase equipment to deploy mobile voice service over its wireless broadband 4G LTE (WOW) network by December 31, 2014. The equipment purchased by VTel does not currently comply with the FCC's E-911 location accuracy requirements and, therefore, has not been deployed.

(b) Consistent with all applicable State and federal requirements, VTel shall provide mobile voice service over its WOW network to not less than 2,000 Vermont customers on or before November 1, 2017.

(c) On or before November 15, 2017, VTel Wireless shall submit to the Department of Public Service, the successor in interest to the VTA, written

evidence substantiating compliance with subsection (b) of this section. If the Department of Public Service finds that VTel Wireless has not complied with subsection (b) of this section, VTel shall refund the State of Vermont \$2,644.093.00.

(d) Any money refunded to the State under this section shall be deposited into the Connectivity Fund and used solely to support the Connectivity Initiative established under 30 V.S.A. § 7515b.

* * * Communications Union Districts; Budget; Hearing;
Date Changes * * *

Sec. 5e. 30 V.S.A. § 3075 is amended to read:

§ 3075. BUDGET

(a) Annually, ~~not later than September 15~~ on or before October 21, the board shall approve and cause to be distributed to the legislative body of each district member for review and comment an annual report of its activities, together with a financial statement, a proposed district budget for the next fiscal year, and a forecast presenting anticipated year-end results. The proposed budget shall include reasonably detailed estimates of:

- (1) deficits and surpluses from prior fiscal years;
- (2) anticipated expenditures for the administration of the district;
- (3) anticipated expenditures for the operation and maintenance of any district communications plant;
- (4) payments due on obligations, long-term contracts, leases, and financing agreements;
- (5) payments due to any sinking funds for the retirement of district obligations;
- (6) payments due to any capital or financing reserve funds;
- (7) anticipated revenues from all sources; and
- (8) such other estimates as the board deems necessary to accomplish its purpose.

(b) Coincident with a regular meeting thereof, the board shall hold a public hearing ~~not later than November 1~~ on or before November 15 of each year to receive comments from the legislative bodies of district members and hear all other interested persons regarding the proposed budget. Notice of such hearing shall be given to the legislative bodies of district members at least ~~30 days~~ 15 days prior to such hearing. The board shall give consideration to all comments received and make such changes to the proposed budget as it deems advisable.

(c) Annually, ~~not later than December 1~~ on or before December 15, the board shall adopt the budget and appropriate the sums it deems necessary to meet its obligations and operate and carry out the district's functions for the next ensuing fiscal year.

(d) Actions or resolutions of the board for the annual appropriations of any year shall not cease to be operative at the end of the fiscal year for which they were adopted. Appropriations made by the board for the various estimates of the budget shall be expended only for such estimates, but by majority vote of the board the budget may be amended from time to time to transfer funds between or among such estimates. Any balance left or unencumbered in any such budget estimate, or the amount of any deficit at the end of the fiscal year, shall be included in and paid out of the operating budget and appropriations in the next fiscal year. All such budget amendments shall be reported by the district treasurer to the legislative bodies of each district member within 14 days of the end of the fiscal year.

(e) Financial statements and audit results shall be delivered to the legislative bodies of each district member within 10 days of delivery to the board.

* * * Public Advocacy; Department of Public Service; Attorney General;
Annual Report * * *

Sec. 5f. PUBLIC ADVOCACY; DEPARTMENT OF PUBLIC SERVICE;
ATTORNEY GENERAL; ANNUAL REPORT

(a) The Commissioner of Public Service shall submit to the General Assembly a report summarizing significant cases concluded within the past year and describing the positions taken by the Department of Public Service in those cases. The report also shall summarize the Department's role and positions with respect to other significant topics addressed by the Department's Public Advocacy Division pursuant to alternative regulation or to litigation before the Public Service Board or other tribunal. The report specifically shall refer to the Department's duties and responsibilities under Title 30 and explain how the Department's positions and activities align with those statutory provisions. In addition, the report shall include the terms of any settlement or memorandum of understanding (MOU) negotiated by the Department in such cases, the parties that participated in any settlement or MOU negotiations, and documentation of what the Department was able to negotiate on behalf of residential ratepayers and what the Department conceded that was beneficial to the applicable public service company.

(b) The primary purpose of the reporting requirement of this section is to help address concerns regarding any potential compromise of the effectiveness

or independence of the Department's representation of ratepayers in rate proceedings, including base rate filings under an alternative regulation plan.

(c) To assist with meeting the purpose stated in subsection (b) of this section, the Attorney General shall monitor and detail at least one rate proceeding annually and make findings and recommendations related to the effectiveness and independence of the Department's ratepayer advocacy. In performing his or her duties under this section, the Attorney General shall have full access to the work and work product of the Department as it relates to each proceeding he or she monitors. The Attorney General's findings and recommendations shall be included in the Department's annual report.

(d) The report required by this section shall be submitted annually on or before November 1, except that the first report shall be submitted on or before December 1, 2016. This reporting requirement shall sunset three years from the effective date of this section.

(e) The Department shall not be required to disclose privileged information in connection with a report submitted under this section, nor shall it be required to disclose information relating to litigation strategy in any matters then pending before the Public Service Board or other tribunal.

(f) Prior to submitting a report under this section, the Department shall solicit public comments and shall summarize and respond to such comments by topic in the report. Comments shall be solicited by announcement on the Department's website and by such other means as the Commissioner deems appropriate.

(g) The Public Service Board shall allocate the reasonable expenses incurred by the Attorney General under this section to the public service company involved in a proceeding he or she monitors, as provided in 30 V.S.A. §§ 20 and 21.

* * * Effective Dates * * *

Sec. 6. EFFECTIVE DATES

This act shall take effect on passage, except that Secs. 1 and 2 shall take effect on July 1, 2016.

Which proposal of amendment was considered and concurred in.

Rules Suspended; Report of Committee of Conference Adopted

S. 230

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and bill, entitled

An act relating to improving the siting of energy projects

Was taken up for immediate consideration.

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

* * * Designation * * *

Sec. 1. DESIGNATION OF ACT

This act shall be referred to as the Energy Development Improvement Act.

* * * Integration of Energy and Land Use Planning * * *

Sec. 2. 24 V.S.A. § 4302(c)(7) is amended to read:

(7) To ~~encourage the~~ make efficient use of energy ~~and, provide for the~~ development of renewable energy resources, and reduce emissions of greenhouse gases.

(A) General strategies for achieving these goals include increasing the energy efficiency of new and existing buildings; identifying areas suitable for renewable energy generation; encouraging the use and development of renewable or lower emission energy sources for electricity, heat, and transportation; and reducing transportation energy demand and single occupancy vehicle use.

(B) Specific strategies and recommendations for achieving these goals are identified in the State energy plans prepared under 30 V.S.A. §§ 202 and 202b.

Sec. 3. 24 V.S.A. § 4345 is amended to read:

§ 4345. OPTIONAL POWERS AND DUTIES OF REGIONAL PLANNING COMMISSIONS

Any regional planning commission created under this chapter may:

* * *

(6) Undertake studies and make recommendations on land development, urban renewal, transportation, economic, industrial, commercial, and social development, urban beautification and design improvements, historic and scenic preservation, ~~the conservation of energy and the development of~~

~~renewable energy resources~~, State capital investment plans, and wetland protection.

* * *

Sec. 4. 24 V.S.A. § 4345a is amended to read:

§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

A regional planning commission created under this chapter shall:

* * *

(14) With respect to proceedings under 30 V.S.A. § 248:

(A) have the right to appear and participate; and

(B) ~~Appear~~ appear before the Public Service Board to aid ~~the Board~~ in making determinations under 30 V.S.A. § 248 that statute when requested by the Board.

* * *

(19) Undertake studies and make recommendations on the conservation of energy and the development of renewable energy resources.

Sec. 5. 24 V.S.A. § 4348a(a)(3) is amended to read:

(3) An energy element, which may include an analysis of energy resources, needs, scarcities, costs, and problems within the region; across all energy sectors, including electric, thermal, and transportation; a statement of policy on the conservation and efficient use of energy and the development and siting of renewable energy resources; and a statement of policy on patterns and densities of land use ~~and control devices~~ likely to result in conservation of energy; and an identification of potential areas for the development and siting of renewable energy resources and areas that are unsuitable for siting those resources or particular categories or sizes of those resources.

Sec. 6. 24 V.S.A. § 4352 is added to read:

§ 4352. OPTIONAL DETERMINATION OF ENERGY

COMPLIANCE; ENHANCED ENERGY PLANNING

(a) Regional plan. A regional planning commission may submit its adopted regional plan to the Commissioner of Public Service appointed under 30 V.S.A. § 1 for a determination of energy compliance. The Commissioner shall issue an affirmative determination on finding that the regional plan meets the requirements of subsection (c) of this section and allows for the siting in the region of all types of renewable generation technologies.

(b) Municipal plan. If the Commissioner of Public Service has issued an affirmative determination of energy compliance for a regional plan that is in effect, a municipal legislative body within the region may submit its adopted municipal plan to the regional planning commission for issuance of a determination of energy compliance. The regional planning commission shall issue an affirmative determination, signed by the chair of the regional planning commission, on finding that the municipal plan meets the requirements of subsection (c) of this section and is consistent with the regional plan.

(c) Enhanced energy planning; requirements. To obtain an affirmative determination of energy compliance under this section, a plan must:

(1) in the case of a regional plan, include the energy element as described in subdivision 4348a(a)(3) of this title;

(2) in the case of a municipal plan, include an energy element that has the same components as described in subdivision 4348a(a)(3) of this title for a regional plan and be confirmed under section 4350 of this title;

(3) be consistent with the following, with consistency determined in the manner described under subdivision 4302(f)(1) of this title:

(A) Vermont's greenhouse gas reduction goals under 10 V.S.A. § 578(a);

(B) Vermont's 25 by 25 goal for renewable energy under 10 V.S.A. § 580;

(C) Vermont's building efficiency goals under 10 V.S.A. § 581;

(D) State energy policy under 30 V.S.A. § 202a and the recommendations for regional and municipal energy planning pertaining to the efficient use of energy and the siting and development of renewable energy resources contained in the State energy plans adopted pursuant to 30 V.S.A. §§ 202 and 202b (State energy plans); and

(E) the distributed renewable generation and energy transformation categories of resources to meet the requirements of the Renewable Energy Standard under 30 V.S.A. §§ 8004 and 8005; and

(4) meet the standards for issuing a determination of energy compliance included in the State energy plans.

(d) State energy plans; recommendations; standards.

(1) The State energy plans shall include the recommendations for regional and municipal energy planning and the standards for issuing a determination of energy compliance described in subdivision (c)(3) of this section.

(2) The recommendations shall provide strategies and options for regional planning commissions and municipalities to employ in meeting the goals and policies contained in statutes listed in subdivision (c)(3) of this section.

(3) The standards shall consist of a list of criteria for issuing a determination of energy compliance that ensure consistency with the goals and policies contained in the statutes listed in subdivision (c)(3) of this section and the recommendations developed pursuant to this subsection.

(4) In developing standards and recommendations under this subsection, the Commissioner of Public Service shall consult with all persons identified under 30 V.S.A. § 202(d)(1); the Secretaries of Agriculture, Food and Markets, of Commerce and Community Development, of Natural Resources, and of Transportation; and other affected persons.

(5) The Commissioner of Public Service shall provide the Commissioner of Housing and Community Development with a copy of the recommendations and standards developed under this subsection for inclusion in the planning and land use manual prepared pursuant to section 4304 of this title.

(e) Process for issuing determinations of energy compliance. Review of whether to issue a determination of energy compliance under this section shall include a public hearing noticed at least 15 days in advance by direct mail to the requesting regional planning commission or municipal legislative body, posting on the website of the entity from which the determination is requested, and publication in a newspaper of general publication in the region or municipality affected. The Commissioner or regional planning commission shall issue the determination in writing within two months of the receipt of a request for a determination. If the determination is negative, the Commissioner or regional planning commission shall state the reasons for denial in writing and, if appropriate, suggest acceptable modifications. Submissions for a new determination that follow a negative determination shall receive a new determination within 45 days.

(f) Appeal. A regional planning commission aggrieved by an act or decision of the Commissioner of Public Service under this section may appeal to the Natural Resources Board established under 10 V.S.A. chapter 151 within 30 days of the act or decision. The provisions of 10 V.S.A. § 6024 regarding assistance to the Board from other departments and agencies of the State shall apply to this subsection. The Board shall conduct a de novo hearing on the act or decision under appeal and shall proceed in accordance with the contested case requirements of the Vermont Administrative Procedure Act. The Board shall issue a final decision within 90 days of the filing of the appeal.

(g) Municipality; determination from DPS; time-limited option. Until July 1, 2018, a municipality whose plan has been confirmed under section 4350 of this title may seek issuance of a determination of energy compliance from the Commissioner of Public Service if it is a member of a regional planning commission whose regional plan has not received such a determination.

(1) The Commissioner shall issue an affirmative determination of energy compliance for the municipal plan on finding that the plan meets the requirements of subsection (c) of this section. The Commissioner's review of the municipal plan shall be for the purpose only of determining whether a determination of energy compliance should be issued because those requirements are met.

(2) A municipality aggrieved by an act or decision of the Commissioner under this subsection may appeal in accordance with the procedures of subsection (f) of this section.

(h) Determination; time period. An affirmative determination of energy compliance issued pursuant to this section shall remain in effect until the end of the period for expiration or readoption of the plan to which it applies.

(i) Commissioner; consultation. In the discharge of the duties assigned under this section, the Commissioner shall consult with and solicit the recommendations of the Secretaries of Agriculture, Food and Markets, of Commerce and Community Development, of Natural Resources, and of Transportation.

Sec. 7. 30 V.S.A. § 202 is amended to read:

§ 202. ELECTRICAL ENERGY PLANNING

* * *

(b) The Department, through the Director, shall prepare an electrical energy plan for the State. The Plan shall be for a 20-year period and shall serve as a basis for State electrical energy policy. The Electric Energy Plan shall be based on the principles of "least cost integrated planning" set out in and developed under section 218c of this title. The Plan shall include at a minimum:

* * *

(4) a detailed exposition, including capital requirements and the estimated cost to consumers, of how such demand shall be met based on the assumptions made in subdivision (1) of this subsection and the policies set out in subsection (c) of this section; ~~and~~

(5) specific strategies for reducing electric rates to the greatest extent possible in Vermont over the most immediate six-year period, for the next succeeding six-year period, and long-term sustainable strategies for achieving and maintaining the lowest possible electric rates over the full 20-year planning horizon consistent with the goal of maintaining a financially stable electric utility industry in Vermont; and

(6) recommendations for regional and municipal energy planning and standards for issuing a determination of energy compliance pursuant to 24 V.S.A. § 4352.

(c) In developing the Plan, the Department shall take into account the protection of public health and safety; preservation of environmental quality; the relevant goals of 24 V.S.A. § 4302; the potential for reduction of rates paid by all retail electricity customers; the potential for reduction of electrical demand through conservation, including alternative utility rate structures; use of load management technologies; efficiency of electrical usage; utilization of waste heat from generation; and utility assistance to consumers in energy conservation.

(d) In establishing plans, the Director shall:

(1) Consult with:

- (A) the public;
- (B) Vermont municipal utilities and planning commissions;
- (C) Vermont cooperative utilities;
- (D) Vermont investor-owned utilities;
- (E) Vermont electric transmission companies;
- (F) environmental and residential consumer advocacy groups active in electricity issues;
- (G) industrial customer representatives;
- (H) commercial customer representatives;
- (I) the Public Service Board;
- (J) an entity designated to meet the public's need for energy efficiency services under subdivision 218c(a)(2) of this title;
- (K) other interested State agencies; ~~and~~
- (L) other energy providers; and
- (M) the regional planning commissions.

* * *

(e) The Department shall conduct public hearings on the final draft and shall consider the evidence presented at such hearings in preparing the final Plan. The Plan shall be adopted no later than January 1, 2016 and readopted in accordance with this section by every sixth January + 15 thereafter, and shall be submitted to the General Assembly each time the plan is adopted or readopted. The provisions of 2 V.S.A. § 20(d)(expiration of required reports) shall not apply to the submission to be made under this subsection.

* * *

(h) The Plans adopted under this section shall become the electrical energy portion of the State Energy Plan.

* * *

(j) For the purpose of assisting in the development of municipal and regional plans under 24 V.S.A. chapter 117, the Director shall, on request, provide municipal and regional planning commissions with publicly available information detailing the location of electric transmission and distribution infrastructure in the relevant municipality or region and the capacity of that infrastructure to accept additional electric generation facilities without modification. In providing this information, the Director shall be entitled to the assistance of the electric utilities that own electric transmission or distribution systems, or both, located in Vermont, including the ability to obtain from those utilities such publicly available data as the Director considers necessary to discharge his or her duties under this subsection.

Sec. 8. 30 V.S.A. § 202b is amended to read:

§ 202b. STATE COMPREHENSIVE ENERGY PLAN

(a) The Department of Public Service, in conjunction with other State agencies designated by the Governor, shall prepare a State Comprehensive Energy Plan covering at least a 20-year period. The Plan shall seek to implement the State energy policy set forth in section 202a of this title and shall be consistent with the relevant goals of 24 V.S.A. § 4302. The Plan shall include:

(1) a comprehensive analysis and projections regarding the use, cost, supply, and environmental effects of all forms of energy resources used within Vermont; ~~and~~

(2) recommendations for State implementation actions, regulation, legislation, and other public and private action to carry out the comprehensive energy plan; and

(3) recommendations for regional and municipal energy planning and standards for issuing a determination of energy compliance pursuant to 24 V.S.A. § 4352.

* * *

(c) The Department shall adopt a State Energy Plan on or before January 1, 2016 and shall readopt the Plan by every sixth January + 15 thereafter. On adoption or readoption, the Plan shall be submitted to the General Assembly. The provisions of 2 V.S.A. § 20(d)(expiration of required reports) shall not apply to such submission.

* * *

Sec. 9. INITIAL IMPLEMENTATION; RECOMMENDATIONS;

STANDARDS

(a) On or before November 1, 2016, the Department of Public Service shall publish recommendations and standards in accordance with 24 V.S.A. § 4352 as enacted by Sec. 6 of this act. Prior to issuing these recommendations and standards, the Department shall perform each of the following:

(1) Consult with all persons identified under 30 V.S.A. § 202(d)(1); the Secretaries of Agriculture, Food and Markets, of Commerce and Community Development, of Natural Resources, and of Transportation; and other affected persons.

(2) Post on its website a draft set of initial recommendations and standards.

(3) Provide notice and an opportunity to comment and request a public hearing to all persons listed in 30 V.S.A. § 202(d)(1). The Commissioner may elect to hold one or more public hearings on the Commissioner's own initiative.

(b) In addition to the requirements of Sec. 6 of this act, the standards developed under this section shall address the following elements in a manner consistent with the State energy plans adopted pursuant to 30 V.S.A. §§ 202 and 202b:

(1) analysis of total current energy use across transportation, heating, and electric sectors;

(2) identification and mapping of existing electric generation and renewable resources;

(3) establishment of 2025, 2035, and 2050 targets for energy conservation, efficiency, fuel-switching, and use of renewable energy for transportation, heating, and electricity;

(4) analysis of amount of thermal-sector conservation, efficiency, and conversion to alternative heating fuels needed to achieve these targets;

(5) analysis of transportation system changes and land use strategies needed to achieve these targets;

(6) analysis of electric-sector conservation and efficiency needed to achieve these targets;

(7) pathways and recommended actions to achieve these targets, informed by this analysis;

(8) identification of potential areas for the development and siting of renewable energy resources and of the potential electric generation from such resources in the identified areas, taking into account factors including resource availability, environmental constraints, and the location and capacity of electric grid infrastructure; and

(9) identification of areas, if any, that are unsuitable for siting those resources or particular categories or sizes of those resources.

(c) On publication under subsection (a) of this section, the specific recommendations and standards shall be considered an appendix to the currently adopted plans under 30 V.S.A. §§ 202 and 202b. After this publication, the Department may revise these recommendations and standards in accordance with the procedures for adopting and revising plans under those statutes.

Sec. 10. TRAINING

Following publication of the recommendations and standards under Sec. 9(a) of this act, the Department of Public Service shall collaborate with the Vermont League of Cities and Towns and the Vermont Association of Planning and Development Agencies on the development and presentation of training sessions for municipal and regional planning commissions to assist them in the development of municipal and regional plans that are eligible to receive a determination of energy compliance under Sec. 6 of this act, 24 V.S.A. § 4352, with at least one such session to be held in the area of each regional planning commission after notice of the session to the regional planning commission and its member municipalities.

* * * Siting Process; Criteria; Conditions * * *

Sec. 11. 30 V.S.A. § 248 is amended to read:

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

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

* * *

(2) Except for the replacement of existing facilities with equivalent facilities in the usual course of business, and except for electric generation facilities that are operated solely for on-site electricity consumption by the owner of those facilities and for hydroelectric generation facilities subject to licensing jurisdiction under the Federal Power Act, 16 U.S.C. chapter 12, subchapter 1:

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

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

* * *

(4)(A) With respect to a facility located in the State, the Public Service Board shall hold a nontechnical public hearing on each petition for such finding and certificate in at least one county in which any portion of the construction of the facility is proposed to be located.

* * *

(C) At the time of filing its application with the Board, copies shall be given by the petitioner to the Attorney General and the Department of Public Service, and, with respect to facilities within the State, the Department of Health, Agency of Natural Resources, Historic Preservation Division, Agency of Transportation, Agency of Agriculture, Food and Markets, and to the chair or director of the municipal and regional planning commissions and the municipal legislative body for each town and city in which the proposed facility will be located.

* * *

(E) The Agency of Natural Resources shall appear as a party in any proceedings held under this subsection, shall provide evidence and recommendations concerning any findings to be made under subdivision (b)(5) of this section, and may provide evidence and recommendations concerning any other matters to be determined by the Board in such a proceeding.

(F) The following shall apply to the participation of the Agency of Agriculture, Food and Markets in proceedings held under this subsection:

(i) In any proceeding regarding an electric generation facility that will have a capacity greater than 500 kilowatts and will be sited on a tract containing primary agricultural soils as defined in 10 V.S.A. § 6001, the Agency shall appear as a party and provide evidence and recommendations concerning any findings to be made under subdivision (b)(5) of this section on those soils, and may provide evidence and recommendations concerning any other matters to be determined by the Board in such a proceeding.

(ii) In a proceeding other than one described in subdivision (i) of this subsection (4)(F), the Agency shall have the right to appear and participate.

(G) The regional planning commission for the region in which the facility is located shall have the right to appear as a party in any proceedings held under this subsection. The regional planning commission of an adjacent region shall have the same right if the distance of the facility's nearest component to the boundary of that planning commission is 500 feet or 10 times the height of the facility's tallest component, whichever is greater.

(H) The legislative body and the planning commission for the municipality in which a facility is located shall have the right to appear as a party in any proceedings held under this subsection. The legislative body and planning commission of an adjacent municipality shall have the same right if the distance of the facility's nearest component to the boundary of that adjacent municipality is 500 feet or 10 times the height of the facility's tallest component, whichever is greater.

(I) When a person has the right to appear as a party in a proceeding before the Board under this chapter, the person may exercise this right by filing a letter with the Board stating that the person appears through the person's duly authorized representative, signed by that representative.

(J) This subdivision (J) applies to an application for an electric generation facility with a capacity that is greater than 50 kilowatts, unless the facility is located on a new or existing structure the primary purpose of which is not the generation of electricity. In addition to any other information required by the Board, the application for such a facility shall include information that delineates:

(i) the full limits of physical disturbance due to the construction and operation of the facility and related infrastructure, including areas disturbed due to the creation or modification of access roads and utility lines and the clearing or management of vegetation;

(ii) the presence and total acreage of primary agricultural soils as defined in 10 V.S.A. § 6001 on each tract to be physically disturbed in

connection with the construction and operation of the facility, the amount of those soils to be disturbed, and any other proposed impacts to those soils;

(iii) all visible infrastructure associated with the facility; and

(iv) all impacts of the facility's construction and operation under subdivision (b)(5) of this section, including impacts due to the creation or modification of access roads and utility lines and the clearing or management of vegetation.

(5) The Board shall adopt rules regarding standard conditions on postconstruction inspection and maintenance of aesthetic mitigation and on decommissioning to be included in certificates of public good for in-state facilities approved under this section. The purpose of these standard conditions shall be to ensure that all required aesthetic mitigation is performed and maintained and that facilities are removed once they are no longer in service.

(6) In any certificate of public good issued under this section for an in-state plant as defined in section 8002 of this title that generates electricity from wind, the Board shall require the plant to install radar-controlled obstruction lights on all wind turbines for which the Federal Aviation Administration (FAA) requires obstruction lights, if the plant includes four or more wind turbines and the FAA allows the use of radar-controlled lighting technology.

(A) Nothing in this subdivision shall allow the Board to approve obstruction lights that do not meet FAA standards.

(B) The purpose of this subdivision is to reduce the visual impact of wind turbine obstruction lights on the environment and nearby properties. The General Assembly finds that wind turbine obstruction lights that remain illuminated through the night create light pollution. Radar-controlled obstruction lights are only illuminated when aircraft are detected in the area, and therefore the use of these lights will reduce the negative environmental impacts of obstruction lights.

(7) When a certificate of public good under this section or amendment to such a certificate is issued for an in-state electric generation facility, the certificate holder within 45 days shall record a notice of the certificate or amended certificate, on a form prescribed by the Board, in the land records of each municipality in which a facility subject to the certificate is located and shall submit proof of this recording to the Board. The recording under this subsection shall be indexed as though the certificate holder were the grantor of a deed. The prescribed form shall not exceed one page and shall require identification of the land on which the facility is to be located by reference to

the conveyance to the current landowner, the number of the certificate, and the name of each person to which the certificate was issued, and shall include information on how to contact the Board to view the certificate and supporting documents.

(b) Before the Public Service Board issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment, or construction:

(1) With respect to an in-state facility, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. However:

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

(B) ~~with~~ With respect to a ground-mounted solar electric generation facility, the facility shall comply with the screening requirements of a municipal bylaw adopted under 24 V.S.A. § 4414(15) or a municipal ordinance adopted under 24 V.S.A. § 2291(28), and the recommendation of a municipality applying such a bylaw or ordinance, unless the Board finds that requiring such compliance would prohibit or have the effect of prohibiting the installation of such a facility or have the effect of interfering with the facility's intended functional use.

(C) With respect to an in-state electric generation facility, the Board shall give substantial deference to the land conservation measures and specific policies contained in a duly adopted regional and municipal plan that has received an affirmative determination of energy compliance under 24 V.S.A. § 4352. In this subdivision (C), "substantial deference" means that a land conservation measure or specific policy shall be applied in accordance with its terms unless there is a clear and convincing demonstration that other factors affecting the general good of the State outweigh the application of the measure or policy. The term shall not include consideration of whether the determination of energy compliance should or should not have been affirmative under 24 V.S.A. § 4352.

* * *

(5) With respect to an in-state facility, will not have an undue adverse effect on ~~esthetics~~ aesthetics, historic sites, air and water purity, the natural environment, the use of natural resources, and the public health and safety, with due consideration having been given to the criteria specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K), impacts to primary agricultural soils as defined in 10 V.S.A. § 6001, and greenhouse gas impacts.

* * *

(f) However, plans for the construction of such a facility within the State must be submitted by the petitioner to the municipal and regional planning commissions no less than 45 days prior to application for a certificate of public good under this section, unless the municipal and regional planning commissions shall waive such requirement.

(1) Such municipal or regional planning commission may hold a public hearing on the proposed plans. Such commissions shall make recommendations, if any, to the Public Service Board and to the petitioner at least seven days prior to filing of the petition with the Public Service Board.

(2) The petitioner's application shall address the substantive written comments related to the criteria of subsection (b) of this section received by the petitioner within 45 days of the submittal made under this subsection and the substantive oral comments related to those criteria made at a public hearing under subdivision (1) of this subsection.

* * *

(t) Notwithstanding any contrary provision of the law, primary agricultural soils as defined in 10 V.S.A. § 6001 located on the site of a solar electric generation facility approved under this section shall remain classified as such soils, and the review of any change in use of the site subsequent to the construction of the facility shall treat the soils as if the facility had never been constructed. Each certificate of public good issued by the Board for a ground-mounted solar generation facility shall state the contents of this subsection.

Sec. 11a. RULES; PETITION

(a) On or before November 1, 2016, the Department of Public Service shall file a petition for rulemaking with the Public Service Board containing proposed rules to implement 30 V.S.A. § 248(a)(5) (postconstruction inspection of aesthetic mitigation; decommissioning) as enacted by Sec. 11 of this act.

(b) On or before December 15, 2016, the Public Service Board shall file proposed rules to implement 30 V.S.A. § 248(a)(5) with the Secretary of State under 3 V.S.A. § 838. The Board shall finally adopt such rules on or before August 15, 2017, unless such deadline is extended by the Legislative Committee on Administrative Rules pursuant to 3 V.S.A. § 843(c).

* * * Sound Standards; Wind Generation Facilities * * *

Sec. 12. SOUND STANDARDS; WIND GENERATION

(a) On or before July 1, 2017, the Public Service Board (the Board) shall finally adopt rules under 3 V.S.A. chapter 25 regarding sound from wind generation facilities approved under 30 V.S.A. § 248, unless such deadline is extended by the Legislative Committee on Administrative Rules pursuant to 3 V.S.A. § 843(c). In developing these rules, the Board shall consider:

(1) standards that apply to all wind generation facilities;

(2) a methodology for determining sound levels and measurement locations for each such facility on a case-by-case basis; or

(3) standards that apply to one or more categories of wind generation facilities, with a methodology for determining sound levels and measurement locations for other such facilities on a case-by-case basis.

(b) On or before 45 days after the effective date of this section, the Board shall adopt temporary rules on sound levels from wind generation facilities using the process under 3 V.S.A. § 844. The rules shall be effective on adoption and shall apply to applications for such facilities under 30 V.S.A. § 248 filed on or after the effective date of this section. Until the Board adopts temporary rules pursuant to this subsection (b), the Board shall not issue a certificate of public good for a wind generation facility for which an application is filed on or after the effective date of this section.

(1) Rules issued pursuant to this subsection (b) shall be deemed to meet the standard under 3 V.S.A. § 844(a).

(2) With respect to sound levels from wind generation facilities, these rules shall state:

(A) standards that apply to all such facilities;

(B) a methodology for determining sound levels and measurement locations for each such facility on a case-by-case basis; or

(C) standards that apply to one or more categories of such facilities, with a methodology for determining sound levels and measurement locations for other such facilities on a case-by-case basis.

(3) These rules shall not allow sound levels that exceed the lowest maximum decibel levels authorized in any certificate of public good that contains limits on decibel levels issued by the Board for a wind generation facility before the effective date of this section.

(4) Notwithstanding 3 V.S.A. § 844(b), rules adopted pursuant to this subsection (b) shall remain in effect until the earlier of the following:

(A) the effective date of permanent rules finally adopted under subsection (a) of this section; or

(B) the July 1, 2017 deadline stated in subsection (a), as it may be extended pursuant to that subsection.

* * * Preferred Location Pilot; Standard Offer * * *

Sec. 12a. 30 V.S.A. § 8005a is amended to read:

§ 8005a. STANDARD OFFER PROGRAM

* * *

(c) Cumulative capacity. In accordance with this subsection, the Board shall issue standard offers to new standard offer plants until a cumulative plant capacity amount of 127.5 MW is reached.

(1) Pace. Annually commencing April 1, 2013, the Board shall increase the cumulative plant capacity of the standard offer program (the annual increase) until the 127.5-MW cumulative plant capacity of this subsection is reached.

* * *

(D) Pilot project; preferred locations. For one year commencing on January 1, 2017, the Board shall allocate one-sixth of the annual increase to new standard offer plants that will be wholly located in one or more preferred locations other than parking lots or parking lot canopies and, separately, one-sixth of the annual increase of the annual increase to new standard offer plants that will be wholly located over parking lots or on parking lot canopies.

(i) To qualify for these allocations, the plant shall not require the construction of a new substation by the interconnecting retail electricity provider or by increasing the capacity of one or more of the provider's existing facilities. To qualify for the allocation to plants wholly located over parking lots or on parking lot canopies, the location shall remain in use as a parking lot.

(ii) These allocations shall apply proportionally to the independent developer block and provider block.

(iii) If an allocation under this pilot project is not fully subscribed, the Board in 2017 shall allocate the unsubscribed capacity to new standard offer plants outside the pilot project.

(iv) As used in this subdivision (D), “preferred location” means a site within the State on which a renewable energy plant will be located that is one of the following:

(I) A new or existing structure whose primary use is not the generation of electricity or providing support for the placement of equipment that generates electricity.

(II) A parking lot canopy over a paved parking lot, provided that the location remains in use as a parking lot.

(III) A tract previously developed for a use other than siting a plant on which a structure or impervious surface was lawfully in existence and use prior to July 1 of the year preceding the year in which an application for a certificate of public good under section 248 of this title for the plant is filed or in which the plant seeks an award of a contract under the standard offer program under this section, whichever is earlier. To qualify under this subdivision (III), the limits of disturbance of a proposed renewable energy plant must include either the existing structure or impervious surface and shall not include any headwaters, streams, shorelines, floodways, rare and irreplaceable natural areas, necessary wildlife habitat, wetlands, endangered species, productive forestlands, and primary agricultural soils, all of which are as defined in 10 V.S.A. chapter 151.

(IV) Land certified by the Secretary of Natural Resources to be a brownfield site as defined under 10 V.S.A. § 6642.

(V) A sanitary landfill as defined in 10 V.S.A. § 6602, provided that the Secretary of Natural Resources certifies that the land constitutes such a landfill and is suitable for the development of the plant.

(VI) The disturbed portion of a gravel pit, quarry, or similar site for the extraction of a mineral resource, provided that all activities pertaining to site reclamation required by applicable law or permit condition are satisfied prior to the installation of the plant.

(VII) A specific location designated in a duly adopted municipal plan under 24 V.S.A. chapter 117 for the siting of a renewable energy plant or specific type or size of renewable energy plant, provided that the plant meets any siting criteria recommended in the plan for the location.

(VIII) A site listed on the National Priorities List (NPL) established under the Comprehensive Environmental Response, Compensation,

and Liability Act, 42 U.S.C. chapter 103, if the U.S. Environmental Protection Agency or the Agency of Natural Resources confirms each of the following:

(aa) The site is listed on the NPL.

(bb) Development of the plant on the site will not compromise or interfere with remedial action on the site.

(cc) The site is suitable for development of the plant.

(IX) A new hydroelectric generation facility at a dam in existence as of January 1, 2016 or a hydroelectric generation facility that was in existence but not in service for a period of at least 10 years prior to January 1, 2016 and that will be redeveloped for electric generation, if the facility has received approval or a grant of exemption from the U.S. Federal Energy Regulatory Commission.

* * *

(f) Price. The categories of renewable energy for which the Board shall set standard offer prices shall include at least each of the categories established pursuant to subdivision (c)(2) of this section. The Board by order shall determine and set the price paid to a plant owner for each kWh generated under a standard offer required by this section, with a goal of ensuring timely development at the lowest feasible cost. The Board shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25.

* * *

(5) Price; preferred location pilots. For the period during which the Board allocates capacity to new standard offer plants that will be wholly located in one or more preferred locations as set forth in subdivision (c)(1)(D) of this section, the following shall apply to the price paid to such a plant:

(A) If the Board uses a market-based mechanism under subdivision (1) of this subsection (f) to determine this price for one or both of the two allocations of capacity, the Board shall compare only the proposals of plants that qualify for the allocation.

(B) If the Board uses avoided costs under subdivision (2) of this subsection (f) to determine this price for one or both of the two allocations of capacity, the Board shall apply the definition of "avoided costs" as set forth in subdivision (2)(B) of this subsection with the modification that the avoided energy or capacity shall be from distributed renewable generation that is sited on a location that qualifies for the allocation.

(C) With respect to the allocation to the new standard offer plants that will be wholly located over parking lots or on parking lot canopies, if the

Board receives only one application or multiple applications for plants owned or controlled by the same person as defined in 10 V.S.A. § 6001, the Board shall investigate each application and shall have discretion to reduce the price to be consistent with the standard offer price for plants outside the pilot project using the same generation technology.

* * *

Sec. 12b. STANDARD OFFER PILOT; REPORT

On or before January 15, 2018, the Public Service Board shall file a report with the House Committee on Commerce and Economic Development, the Senate Committee on Finance, and the House and Senate Committees on Natural Resources and Energy on the standard offer pilot project on preferred locations authorized in Sec. 12a of this act. This report shall itemize the size, type of preferred location, generation technology, and cost per kilowatt hour of each application received under the pilot project and shall identify each generation facility approved under the pilot and the price awarded to each such facility.

* * * Net Metering * * *

Sec. 13. 30 V.S.A. § 8010 is amended to read:

§ 8010. SELF-GENERATION AND NET METERING

* * *

(c) In accordance with this section, the Board shall adopt and implement rules that govern the installation and operation of net metering systems.

* * *

(3) The rules shall establish standards and procedures governing application for and issuance or revocation of a certificate of public good for net metering systems under the provisions of section 248 of this title. In establishing these standards and procedures, ~~the rules~~:

(A) The rules may waive the requirements of section 248 of this title that are not applicable to net metering systems, including criteria that are generally applicable to public service companies as defined in this title;

(B) The rules may modify notice and hearing requirements of this title as the Board considers appropriate;

(C) The rules shall seek to simplify the application and review process as appropriate; ~~and, including simplifying the application and review process to encourage group net metering systems when the system is at least 50 percent owned by the customers who receive the bill credits for the electricity generated by the system.~~

(D) ~~with~~ With respect to net metering systems that exceed 150 kW in plant capacity, shall apply the so-called “Quechee” test for aesthetic impact as described by the Vermont Supreme Court in the case of *In re Halnon*, 174 Vt. 515 (2002) (mem.). The rules and application form shall state the components of this test.

(E) The rules shall not waive or include provisions that are less stringent than the requirements of subdivision 248(a)(4)(J) (required information) of this title.

(F) This subdivision (F) applies to an application for a net metering system with a capacity that is greater than 15 kilowatts, unless the system is located on a new or existing structure the primary purpose of which is not the generation of electricity. With respect to such a system, the rules shall not waive or include provisions that are less stringent than each of the following:

(i) the requirement of subdivision 248(a)(4)(C) of this title to provide a copy of the application to the Agencies of Agriculture, Food and Markets and of Natural Resources; the Department of Public Service; the Division for Historic Preservation; the municipal legislative body; and the municipal and regional planning commissions; and

(ii) the requirements of subsection 248(f) (preapplication submittal) of this title.

* * *

(e) If a hydroelectric generation plant seeking approval as a net metering system is subject to licensing jurisdiction under the Federal Power Act, 16 U.S.C. chapter 12, subchapter 1, the Board shall require the plant to obtain such approval through means other than by application for a certificate of public good under section 248 of this title.

* * * Municipal Electric Utilities; Hydro Facilities;
Renewable Energy Standard * * *

Sec. 14. 30 V.S.A. § 8005(a)(1) is amended to read:

(1) Total renewable energy.

(A) Purpose; establishment. To encourage the economic and environmental benefits of renewable energy, this subdivision establishes, for the RES, minimum total amounts of renewable energy within the supply portfolio of each retail electricity provider. To satisfy this requirement, a provider may use renewable energy with environmental attributes attached or any class of tradeable renewable energy credits generated by any renewable energy plant whose energy is capable of delivery in New England.

(B) Required amounts. The amounts of total renewable energy required by this subsection shall be 55 percent of each retail electricity provider's annual retail electric sales during the year beginning on January 1, 2017, increasing by an additional four percent each third January 1 thereafter, until reaching 75 percent on and after January 1, 2032.

* * *

(D) Municipal providers; petition. On petition by a provider that is a municipal electric utility serving not more than 6,000 customers, the Board may reduce the provider's required amount under this subdivision (1) for a period of up to three years. The Board may approve one such period only for a municipal provider. The Board may reduce this required amount if it finds that:

(i) the terms or conditions of an environmental permit or certification necessitate a reduction in the electrical energy generated by an in-state hydroelectric facility that the provider owns and that this reduction will require the provider to purchase other renewable energy with environmental attributes attached or tradeable renewable energy credits in order to meet this required amount; and

(ii) this purchase will:

(I) cause the provider to increase significantly its retail rates; or

(II) materially impair the provider's ability to meet the public's need for energy services after safety concerns are addressed, in the manner set forth in subdivision 218c(a)(1)(least cost integrated planning) of this title;

* * * Access to Public Service Board Process * * *

Sec. 15. ACCESS TO PUBLIC SERVICE BOARD WORKING GROUP: REPORT

(a) Creation. There is created an Access to Public Service Board Working Group (the Working Group) to be composed of the following five members:

(1) One member of the Public Service Board (PSB), appointed by the Chair of the PSB.

(2) The Commissioner of Public Service or designee.

(3) A judicial officer of the State, appointed by the Chief Justice of the Supreme Court.

(4) A House member of the Joint Energy Committee established under 2 V.S.A. chapter 17, appointed by the Speaker of the House; and

(5) A Senate member of the Joint Energy Committee established under 2 V.S.A. chapter 17, appointed by the Committee on Committees.

(b) Powers and duties; term.

(1) The Working Group shall review the current processes for citizen participation in PSB proceedings and shall make recommendations to promote increased ease of citizen participation in those proceedings.

(2) On or before December 15, 2016, the Working Group shall submit its written recommendations to the House and Senate Committees on Natural Resources and Energy, the Senate Committee on Finance, and the Joint Energy Committee.

(3) The Working Group shall have the administrative, technical, and legal assistance of the staff of the PSB.

(4) The appointed member of the PSB shall call the first meeting of the Working Group to occur on or before July 1, 2016. At the first meeting, the Working Group shall elect a chair from among its members.

(5) The Working Group shall cease to exist on February 1, 2017.

* * * Regulated Energy Utility Expansion Funds * * *

Sec. 15a . 30 V.S.A. § 218d(d) is amended to read:

(d) Alternative regulation may include such changes or additions to, waivers of, or alternatives to, traditional rate-making procedures, standards, and mechanisms, including substantive changes to rate base-rate of return rate setting, as the ~~board~~ Board finds will promote the public good and will support the required findings in subsection (a) of this section. In addition, the Board shall not allow a company to set aside funds collected from ratepayers for the purpose of supporting a future expansion or upgrade of its transmission or distribution network except after notice and opportunity for hearing and only if all of the following apply:

(1) There is a cost estimate for the expansion or upgrade that the company demonstrates is consistent with the principles of least cost integrated planning as defined in section 218c of this title.

(2) The amount of such funds does not exceed 20 percent of the estimated cost of the expansion or upgrade.

(3) Interest earned on the funds is credited to the ratepayers.

(4) The funds are not disbursed to the company until after expansion or upgrade is in service.

(5) The funds are not used to defray any portion of the costs of expansion or upgrade in excess of the cost estimate described in subdivision (1) of this subsection.

* * * Effective Dates * * *

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2016, except that:

(1) This section and Secs. 9 (initial implementation; recommendations; standards), 11 (30 V.S.A. § 248), 11a (rules; petition), 12 (sound standards; wind generation) and 15 (Access to Public Service Board Working Group) shall take effect on passage. Sec. 6 (optional determination of energy compliance) shall apply on passage to the activities of the Department of Public Service under Sec. 9.

(2) Sec. 13 (net metering) shall take effect on January 2, 2017, and shall amend 30 V.S.A. § 8010 as amended by 2015 Acts and Resolves No. 56, Sec. 12. Notwithstanding any contrary provision of 1 V.S.A. § 214, Sec. 13 shall apply to the Public Service Board process under 2014 Acts and Resolves No. 99, Sec. 5.

COMMITTEE ON THE PART OF
THE SENATE

SEN. CHRISTOPHER BRAY
SEN. TIMOTHY ASHE
SEN. JOHN RODGERS

COMMITTEE ON THE PART OF
THE HOUSE

REP. KESHA RAM
REP. TONY KLEIN
REP. MICHAEL HEBERT

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

Rules Suspended; Report of Committee of Conference Adopted

H. 877

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

An act relating to transportation funding

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and

considered the same and recommended that the House accede to the Senate proposal of amendment when further amended as follows:

First: In Sec. 4, 32 V.S.A. § 8903 (purchase and use tax cap), by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 4. 32 V.S.A. § 8903 is amended to read:

§ 8903. TAX IMPOSED

(a)(1) There is hereby imposed upon the purchase in Vermont of a motor vehicle by a resident a tax at the time of such purchase, payable as hereinafter provided. The amount of the tax shall be six percent of the taxable cost of a:

(A) pleasure car as defined in 23 V.S.A. § 4;

(B) motorcycle as defined in 23 V.S.A. § 4;

(C) motor home as defined in subdivision 8902(11) of this title; or

(D) vehicle weighing up to 10,099 pounds, registered pursuant to 23 V.S.A. § 367, other than a farm truck.

(2) For any other motor vehicle, it shall be six percent of the taxable cost of the motor vehicle or ~~\$1,850.00~~ \$2,075.00 for each motor vehicle, whichever is smaller, except that pleasure cars ~~which~~ that are purchased, leased, or otherwise acquired for use in short-term rentals shall be subject to taxation under subsection (d) of this section.

(b)(1) There is hereby imposed upon the use within this State a tax of six percent of the taxable cost of a:

(A) pleasure car as defined in 23 V.S.A. § 4;

(B) motorcycle as defined in 23 V.S.A. § 4;

(C) motor home as defined in subdivision 8902(11) of this title; or

(D) vehicle weighing up to 10,099 pounds, registered pursuant to 23 V.S.A. § 367, other than a farm truck.

(2) For any other motor vehicle, it shall be six percent of the taxable cost of a the motor vehicle, or ~~\$1,850.00~~ \$2,075.00 for each motor vehicle, whichever is smaller, by a person at the time of first registering or transferring a registration to such motor vehicle payable as hereinafter provided, except no use tax shall be payable hereunder if the tax imposed by subsection (a) of this section has been paid, or the vehicle is a pleasure car ~~which~~ that was purchased, leased, or otherwise acquired for use in short-term rentals, in which case the vehicle shall be subject to taxation under subsection (d) of this section.

* * *

Second: In Sec. 14, 23 V.S.A. § 361 (pleasure car registration fees), by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 14. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

The annual fee for registration of any motor vehicle of the pleasure car type, and all vehicles powered by electricity, shall be ~~\$69.00~~ \$74.00, and the biennial fee shall be ~~\$127.00~~ \$136.00.

Third: In Sec. 14a, 23 V.S.A. § 361a (plug-in hybrid and electric vehicle registration fees), by striking out the section in its entirety.

Fourth: In Sec. 15 (deposit of pleasure car registration fee revenue into Judiciary fund), by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 15. PLUG-IN HYBRID AND ELECTRIC VEHICLE REGISTRATION FEES; REPORT

On or before January 1, 2017, the Secretary of Transportation shall submit a report to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Transportation recommending fees for the registration of plug-in hybrid and electric vehicles.

Fifth: In Sec. 36a (DMV report on organ donation), by striking out the section in its entirety.

Sixth: In Sec. 58 (effective dates), by striking out subsections (d) and (e) in their entirety and inserting in lieu thereof the following:

(d) The remaining sections shall take effect on July 1, 2016.

*RICHARD T. MAZZA
JOHN F. CAMPBELL
DUSTIN ALLARD DEGREE*

Committee on the part of the Senate

*PATRICK M. BRENNAN
JAMES W. MASLAND
TIMOTHY R. CORCORAN*

Committee on the part of the House

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

Rules Suspended; Report of Committee of Conference Adopted**H. 876**

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

An act relating to the transportation capital program and miscellaneous changes to transportation-related law

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the Senate accede to the House proposal of further amendment, and that the bill be further amended as follows:

First: In Sec. 2, by striking out subsection (a) in its entirety and inserting in lieu thereof the following:

(a) Reduction in spending authority. Spending authority in the Program Development Program within the fiscal year 2017 Transportation Program hereby is reduced by:

(1) \$1,108,369.00 in transportation funds;

(2) \$86,204.00 in TIB funds;

(3) \$4,778,292.00 in federal funds.

Second: In Sec. 2, by striking out subdivision (c)(2) in its entirety and inserting in lieu thereof the following:

(2) Subject to the funding of the Transportation Fund Stabilization Reserve in accordance with 32 V.S.A. § 308a and to the limitations of 19 V.S.A. § 11f (Transportation Infrastructure Bond Fund), and notwithstanding 32 V.S.A. § 308c(c) (Transportation Fund balance reserve), if a Transportation Fund balance, TIB Fund balance, or balance in both funds exists at the end of fiscal year 2016, spending authority reduced in subsection (a) of this section in the fiscal year 2017 Program Development Program shall be restored to the extent of the balance or balances, up to a total of \$1,194,573.00 in transportation funds or TIB funds, or both, and by up to \$4,778,292.00 in matching federal funds.

Third: By striking out Secs. 3–6 and the reader assistances thereto in their entirety and inserting in lieu thereof the following:

* * * FY17 Town Highway Class 2 Roadway Program * * *

Sec. 3. TOWN HIGHWAY CLASS 2 ROADWAY PROGRAM

Spending authority for the fiscal year 2017 Town Highway Class 2 Roadway Program is amended as follows:

<u>FY17</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Grants	7,248,750	7,648,750	400,000
Total	7,248,750	7,648,750	400,000
<u>Sources of funds</u>			
State	7,248,750	7,648,750	400,000
Federal	0	0	0
Total	7,248,750	7,648,750	400,000

* * * Appropriation of Transportation Funds * * *

Sec. 4. 19 V.S.A. § 11a is amended to read:

§ 11a. TRANSPORTATION FUNDS APPROPRIATED FOR THE DEPARTMENT OF PUBLIC SAFETY

(a) No transportation funds shall be appropriated for the support of government other than for the Agency, the Board, Transportation Pay Act Funds, construction of transportation capital facilities, transportation debt service, the operation of information centers by the Department of Buildings and General Services, and the Department of Public Safety. The amount of transportation funds appropriated to the Department of Public Safety shall not exceed:

- (1) \$25,250,000.00 in fiscal year 2014;
- (2) \$22,750,000.00 in fiscal years 2015 and 2016; and
- (3) ~~\$20,250,000.00~~ \$21,150,000.00 in fiscal year 2017; and ~~in succeeding fiscal years~~
- (4) \$20,250,000.00 in fiscal year 2018 and in succeeding fiscal years.

(b) In fiscal year 2017 and in succeeding fiscal years, of the funds appropriated to the Department of Public Safety pursuant to subsection (a) of this section, the amount of \$2,100,000.00 is allocated exclusively for the purchase, outfitting, assignment, and disposal of State Police vehicles. Any unexpended and unencumbered funds remaining in this allocation at the close of a fiscal year shall revert to the Transportation Fund. The Department of Public Safety may periodically recommend to the General Assembly that this

allocation be adjusted to reflect market conditions for the vehicles and equipment.

* * * Future Appropriations; Legislative Intent * * *

Sec. 5. FUTURE APPROPRIATIONS TO TOWN HIGHWAY CLASS 2
ROADWAY PROGRAM AND TO DEPARTMENT OF PUBLIC
SAFETY; LEGISLATIVE INTENT

The General Assembly intends that:

(1) At least \$400,000.00 of the \$900,000.00 reduction in the amount of transportation funds appropriated to the Department of Public Safety scheduled to occur under 19 V.S.A. § 11a(a)(4) in fiscal year 2018 be used to fund a permanent increase of at least \$400,000.00 in transportation funds appropriated to the Town Highway Class 2 Roadway Program, above the \$7,248,750.00 in transportation funds appropriated to the Town Highway Class 2 Roadway Program in prior fiscal years.

(2) The Agency shall propose a fiscal year 2018 Transportation Program that assumes \$400,000.00 of transportation funds will be appropriated to the Department of Public Safety for costs related to State Police vehicles, in addition to transportation funds appropriated to the Department of Public Safety in fiscal year 2018 pursuant to 19 V.S.A. § 11a(a)(4).

Sec. 6. 19 V.S.A. § 306 is amended to read:

§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

* * *

(h) Class 2 Town Highway Roadway Program. There shall be an annual appropriation for grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2 town highways. Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of ~~\$7,248,750.00~~ \$7,648,750.00 at a minimum as new grants. The Agency's proposed appropriation for the Program shall take into account the estimated amount of qualifying invoices submitted to the Agency with respect to project grants approved in prior years but not yet completed as well as with respect to new project grants to be approved in the fiscal year. In a given fiscal year, should expenditures in the Town Highway Class 2 Roadway Program exceed the amount appropriated, the Agency shall advise the Governor of the need to request a supplemental appropriation from the General Assembly to fund the additional project cost, provided that the Agency has previously committed to completing those projects. Funds received as grants for State aid under the Class 2 Town Highway Roadway Program may be used by a

municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.

* * *

Fourth: By adding a Sec. 9a and a reader assistance thereto to read:

* * * Bike and Pedestrian Program; Lamoille Valley Rail Trail * * *

Sec. 9a. BIKE AND PEDESTRIAN FACILITIES PROGRAM; LAMOILLE VALLEY RAIL TRAIL

(a)(1) The Bike and Pedestrian Facilities Program within the fiscal year 2017 Transportation Program is amended to add a project for the rehabilitation or replacement of structures, permitting activities, engineering services, and trail construction related to development of the State-owned Lamoille Valley Rail Trail (LVRT). The project shall be funded with:

(A) monies raised by the Vermont Association of Snow Travelers (VAST) before January 1, 2017; plus

(B) up to \$400,000.00 of State transportation funds or eligible federal funds, or both, to match each dollar raised by VAST.

(2) Any matching funds shall be identified by the Secretary from some combination of:

(A) the unanticipated delay of projects approved in the fiscal year 2017 Bike and Pedestrian Facilities Program;

(B) cost savings on projects approved in the fiscal year 2017 Bike and Pedestrian Facilities Program;

(C) Statewide New Awards—Federal Aid Construction Projects grant money authorized in the fiscal year 2017 Bike and Pedestrian Facilities Program.

(b) In its fiscal year 2018 Transportation Program proposal, the Agency shall include a project within the Bike and Pedestrian Facilities Program for the rehabilitation or replacement of structures, permitting activities, engineering services, and trail construction related to the development of the LVRT. The project shall be funded with:

(1) monies raised by the Vermont Association of Snow Travelers (VAST) from January 1, 2017 to January 1, 2018; plus

(2) up to \$1,000,000.00 of State transportation funds or eligible federal funds, or both, to match each dollar raised by VAST.

Fifth: By striking out Secs. 29a, 29b, 30a, 30b, 31a, and 31b in their entirety

Sixth: In Sec. 29, 24 V.S.A. § 3615, in subsection (c), and in Sec. 30, 24 V.S.A. § 3507, in subsection (b), and in Sec. 31, 24 V.S.A. § 3679(c), by striking out “30 percent” and inserting in lieu thereof the following: 35 percent

Seventh: In Sec. 39, 23 V.S.A. § 1033, in subsection (b), by striking out “to at least four feet” and inserting in lieu thereof the following: to a recommended distance of at least four feet

Eighth: By striking out Sec. 42 in its entirety and inserting in lieu thereof the following:

Sec. 42. 23 V.S.A. § 1047 is amended to read:

§ 1047. VEHICLE TURNING LEFT

(a) The driver of a vehicle intending to turn to the left within an intersection or into an alley, private road, or driveway shall yield the right of way to any vehicle approaching from the opposite direction which is either within the intersection or so close as to constitute an immediate hazard.

(b) A person operating a vehicle shall not turn left unless the turn can be made at a safe distance from a vulnerable user. A person who violates this section shall be subject to a civil penalty of not less than \$200.00.

Ninth: In Sec. 44, 23 V.S.A. chapter 13, subchapter 12, in 23 V.S.A. § 1136, by striking out subsection (d) in its entirety

Tenth: In Sec. 44, 23 V.S.A. chapter 13, subchapter 12, after 23 V.S.A. § 1139 and after the * * *, by inserting the following:

§ 1142. PENALTIES

A person who violates any provision of sections 1136 through 1141 and ~~section subsection~~ 1141a(a) of this title shall be fined not more than \$25.00 for each offense, except that a person who violates subsection 1139(b) of this title shall be fined not more than \$100.00.

* * *

Eleventh: In Sec. 82, by striking out subsection (b) in its entirety and removing the subsection (a) designation

Twelfth: By striking out Secs. 83–91 and the reader assistances thereto in their entirety and inserting in lieu thereof the following:

* * * Study of DUI Drug Offense Enforcement Challenges * * *

Sec. 83. STUDY OF DUI DRUG OFFENSE ENFORCEMENT
CHALLENGES

The Executive Director of the Department of State's Attorneys and Sheriffs or designee, in consultation with the Commissioner of Public Safety or designee, the Impaired Driving Project Manager of the Governor's Highway Safety Program, and attorneys representing DUI defendants, shall study challenges in the enforcement of DUI drug offenses, including the lack of a rapid roadside tool such as a preliminary screening test of saliva to detect drugs other than alcohol, and shall identify recommended improvements in the processes used to detect, arrest, and process drug-impaired drivers and to the laws that govern these processes. On or before November 1, 2016, the Executive Director shall report his or her findings and recommendations to the Joint Legislative Justice Oversight Committee, the House and Senate Committees on Judiciary, and the House and Senate Committees on Transportation.

* * * Effective Dates and Transition Provision * * *

Sec. 84. EFFECTIVE DATES; APPLICABILITY TO DUI MATTERS

(a) This section and Secs. 12 (positions); 13 (Rail Program); 14 (sale of State-owned rail property); 26, 27, 28, 29, 30, 31, 32, and 33 (stormwater utilities; rates; incentives); 35 (statewide property parcel data layer; findings); 38 (Quechee Gorge Bridge safety issues); 81 (chemicals of high concern to children); and 82 (prohibited idling of motor vehicles; signs) shall take effect on passage.

(b) The requirement for a second or subsequent DUI offender to operate under an ignition interlock RDL or certificate as a condition of eligibility for reinstatement of the offender's regular operator's license or privilege to operate, created under Sec. 46, amending 23 V.S.A. § 1209a, shall apply only in connection with a second or subsequent DUI offense that occurs on or after July 1, 2016.

*RICHARD T. MAZZA
RICHARD A. WESTMAN
MARGARET K FLORY*

Committee on the part of the Senate

*PATRICK M. BRENNAN
TIMOTHY R. CORCORAN
MOLLIE SULLIVAN BURKE*

Committee on the part of the House

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

Rules Suspended; Report of Committee of Conference Adopted**H. 859**

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 special education

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended a further amendment by striking out Sec. 4 and by inserting in lieu thereof two new sections to be Secs. 4 and 5 with reading assistance as follows:

* * * Consulting Services on the Delivery of Special Education Services * * *

**Sec. 4. CONSULTING SERVICES ON THE DELIVERY OF SPECIAL
EDUCATION SERVICES**

(a) Consulting services contact. The Agency of Education shall contract with a consulting firm meeting the criteria set forth in subsection (c) of this section for the provision of special education consulting services to up to 10 supervisory unions, supervisory districts, or unified union school districts. The Agency, in consultation with the consulting firm and interested districts and supervisory unions, shall select, as member districts and supervisory unions for the study, at least three existing supervisory unions or supervisory districts with an average daily membership of 1,500 students or more and at least three unified union school districts formed pursuant to 2015 Acts and Resolves No. 46. Selected districts and supervisory unions shall provide an equivalent match equal to 50 percent of the cost of the consulting firm's services, with the other 50 percent being funded by the appropriation provided in this section; provided, however, that to the extent the Agency is able to allocate additional funding, it can decrease the funded percentage for districts or supervisory unions that the Secretary deems in need of additional funding. The financial contribution by districts or supervisory unions may be from transition grants or other appropriate grant funding and may, at the discretion of the district's or supervisory union's board of directors, be allocated across the district's or supervisory union's 2017 and 2018 fiscal years.

(b) Nature of consulting services and reporting.

(1) For each of the selected districts and supervisory unions, the consulting firm shall review current practices for the delivery of special education services against research-informed practices, and shall make recommendations to inform improved delivery of special education services in an efficient and cost-effective manner.

(2) The consulting firm shall present a final report with recommendations on the delivery of special education services to the selected school districts, the General Assembly, and the Agency of Education on or before October 1, 2017. The Agency shall share this final report with all districts and supervisory unions. This report shall, on a statewide basis based on the consultant's experience with the selected districts and supervisory unions, identify current practices for the delivery of special education services against research-informed practices, and shall make recommendations to inform improved delivery of special education services in an efficient and cost-effective manner. The report shall identify patterns and differences in special education delivery practices across the State. The consulting firm shall provide to the Agency of Education any and all research and data compiled during the course of its work pursuant to this section.

(c) Selection of consulting firm. The Agency of Education shall contract with a consulting firm which:

(1) has experience working directly with Vermont school districts and with school districts across the country to raise achievement and manage cost in special education;

(2) uses national special education staffing benchmarking from at least 1,000 school districts covering at least 10 million students, and web-based schedule sharing technology that captures how individual staff members use their time, including duration, location, and group size;

(3) has conducted and published primary research on cost-effective strategies for raising achievement of struggling students, both with and without special needs; and

(4) is recognized as a national expert and published author on raising special education achievement in a cost-effective manner.

(d) Appropriation. Notwithstanding any provision to the contrary in 16 V.S.A. § 4025, the sum of \$75,000.00 is appropriated from the Education Fund for fiscal year 2017 to the Agency of Education, which the Agency shall administer in accordance with this section, and any unused funds shall revert to the Education Fund. In addition, to the extent that there is a reversion from fiscal year 2016 to fiscal year 2017 of unused special education funds in the

Agency's budget, the Agency may use up to \$100,000.00 of these funds, if available, to administer in accordance with this section.

* * * Effective Dates * * *

Sec. 5. EFFECTIVE DATES

Secs. 3, 4, and this section shall take effect on July 1, 2016. Secs. 1 and 2 shall take effect on July 1, 2017.

ANN E. CUMMINGS

PHILIP E. BARUTH

ALICE W. NITKA

Committee on the part of the Senate

EMILY J. LONG

BERNARD C. JUSKIEWICZ

TIMOTHY JERMAN

Committee on the part of the House

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

Rules Suspended; Bill Messaged to Senate Forthwith

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

S. 230

House bill, entitled

An act relating to improving the siting of energy projects.

Recess

At six o'clock and fifty-six minutes in the evening, the Speaker declared a recess until eight o'clock and fifteen minutes in the evening.

At eight o'clock and twenty-eight minutes in the evening, the Speaker called the House to order.

Message from the Senate No. 67

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 the report of the Committee of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following title:

S. 230. An act relating to improving the siting of energy projects.

And has accepted and adopted the same on its part.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

H. 875. An act relating to making appropriations for the support of government.

And has accepted and adopted the same on its part.

Rules Suspended; Report of Committee of Conference Adopted

H. 873

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 making miscellaneous tax changes

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the House accede to all the Senate proposals of amendment

And that the bill be further amended as follows:

First: In Sec. 26 (noncollecting vendor notice requirements), by striking subsection (c) in its entirety and redesignating subsection (d) as subsection (c)

Second: By striking out Secs. 32 (home health agency assessment) and 33 (working group report) in their entirety and inserting in lieu thereof the following:

Sec. 32. HOME HEALTH AGENCY ASSESSMENT FOR FISCAL YEARS
2017 AND 2018

Notwithstanding any provision of 33 V.S.A. § 1955a(a) to the contrary, for fiscal years 2017 and 2018 only, the amount of the home health agency assessment under 33 V.S.A. § 1955a for each home health agency shall be 3.63 percent of its annual net patient revenue.

Sec. 33. HOME HEALTH AGENCY ASSESSMENT WORKING GROUP;
REPORT

(a) It is the intent of the General Assembly to ensure that the home health agency assessment imposed pursuant to 33 V.S.A. § 1955a provide a sustainable funding source for home health agencies, to the extent permitted under federal law, while conforming to Vermont's health care system goals.

(b) The Department of Vermont Health Access shall convene a working group comprising nonprofit and for-profit home health agencies and other interested stakeholders to determine whether the home health agency assessment as amended in 3 V.S.A. § 1955a, in Sec. 32 of this act, represents the most appropriate and equitable model for the assessment, or whether additional changes to the methodology are needed.

(c) On or before December 15, 2016, the Department shall provide the results of the working group's meetings and any recommendations for rulemaking and statutory modifications to the Health Reform Oversight Committee, the House Committees on Health Care and on Ways and Means, and the Senate Committees on Health and Welfare and on Finance.

Third: By striking out Secs. 34 (fuel gross receipt tax forecasting), 35 (fuel gross receipts tax) and 36 (fuel gross receipts tax study) in their entirety and inserting in lieu thereof the following:

Sec. 34. [Deleted.]

Sec. 35. 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) natural gas;~~

~~(3) electricity;~~

~~(4) coal~~

(1) There is imposed a tax on the retail sale of heating oil, propane, kerosene, and other dyed diesel fuel delivered to a residence or business, at the rate of \$0.02 per gallon.

(2) There is imposed a gross receipts tax of 0.75 percent on the retail sale of natural gas and coal.

(3) There is imposed a gross receipts tax of 0.5 percent on the retail sale of electricity.

* * *

(c) The tax shall be administered by the Commissioner of Taxes, and all receipts shall be deposited by the Commissioner in the Home Weatherization Assistance Trust Fund. All provisions of law relating to the collection, administration, and enforcement of the sales and use tax imposed by 32 V.S.A. chapter 233 shall apply to the tax imposed by this chapter.

~~(d) Fuel sellers, which are regulated "companies" as defined in subsection 30 V.S.A. § 201(a), which provide conservation programs that meet the goals of the Weatherization Program in a manner approved by the Public Service Board, and which enhance the Weatherization Program's capacity to serve low income households may be eligible for rebates from the fuel gross receipts tax imposed under this section. To establish rebate eligibility, a company shall file with the Public Service Board, on or before August 15 of each year, a request for approval of rebates based on the company's activities during the prior fiscal year. The Public Service Board shall make a determination of the amount of rebate for each applicant on or before January 15 of each year, and such amount shall be rebated by the State Office of Economic Opportunity under the provisions of subsection (f) of this section. The Public Service Board shall authorize rebates equal to the expenditures undertaken by the regulated utilities provided that such expenditures were prudently incurred and cost effective, that they provided weatherization services following a comprehensive energy audit and work plan, except in cases where the fuel seller and weatherization staff jointly conclude that the need for weatherization services can be determined without a comprehensive energy audit, and that they were targeted to households that meet the eligibility criteria for low income weatherization services as determined by the Office of Economic Opportunity.~~

~~(e) Unregulated fuel sellers providing conservation programs that meet the goals of the Weatherization Program in a manner approved by the State Office of Economic Opportunity and that enhance the weatherization program's capacity to serve low income households may be eligible for rebates from the fuel gross receipts tax imposed under this section. To establish rebate eligibility, a company shall file with the State Office of Economic Opportunity, on or before August 15 of each year, a request for approval of rebates based on the company's activities during the prior fiscal year. The State Office of Economic Opportunity shall make a determination of the amount of rebate for each applicant on or before January 15 of each year, and that amount shall be rebated by the State Office of Economic Opportunity under the provisions of~~

~~this subsection. The State Office of Economic Opportunity shall authorize rebates equal to the expenditures undertaken by the unregulated fuel sellers provided that the expenditures were prudently incurred and cost effective, that they provided weatherization services following a comprehensive energy audit and work plan, except in cases where the fuel seller and weatherization staff jointly conclude that the need for weatherization services can be determined without a comprehensive energy audit, and that they were targeted to households at or below 150 percent of the federally established poverty guidelines.~~

~~(f) On or before August 7 of each year, the Director of the State Office of Economic Opportunity shall set aside a sum of money equaling two and one-half percent of the tax receipts of the fuel gross receipts tax for the preceding fiscal year in an escrow account. The monies in the escrow account are to be used for rebate, as approved under subsections (d) and (e) of this section, of the gross receipts tax established in subsection (a) of this section. Upon approval of rebates, the Director shall pay the approved rebates out of the escrow account. In the event that the approved rebates exceed the amount of money set aside in the escrow account, the Director shall prorate each rebate. Any balance of rebate awards remaining unpaid as a result of proration may be carried forward for payment in a succeeding year. If monies set aside exceed approved rebates, then the balance shall be returned to the Fund. The Director of the State Office of Economic Opportunity shall use the remainder of the tax receipts of the fuel gross receipts tax for the preceding fiscal year to assure the provision of weatherization services as described in subsections 2502(a), (b), and (c) of this title.~~

~~(g) No tax under this section shall be imposed for any quarter month ending after June 30, 2016 2019. Monies from the escrow account shall be issued for rebates pursuant to subsection (f) of this section until March 1, 2017.~~

Sec. 36. FUEL TAX; RATE SETTING

A company subject to 30 V.S.A. § 218 shall be entitled to recovery of an increase in the fuel tax in 33 V.S.A. § 2503(a)(2), in Sec. 35 of this act, from the effective date of that increase. The manner of recovery shall be approved by the Vermont Public Service Board pursuant to its authority in 30 V.S.A. § 218.

Fourth: By striking out Sec. 39 (fuel gross receipts filing period) and inserting in lieu thereof Secs. 39 and 39a to read as follows:

Sec. 39. 33 V.S.A. § 2503(b) is amended to read:

(b) The tax shall be levied upon and collected ~~quarterly~~ monthly from the seller. ~~Fuel sellers may include the following message on their bills to customers:~~

~~“The amount of this bill includes a 0.5% gross receipts tax, enacted in 1990, for support of Vermont’s Low Income Home Weatherization Program.”~~ Fuel sellers may itemize the tax on the invoice or bill, and if the seller does itemize the amount, the invoice or bill shall include a statement that the tax is “for support of Vermont’s Low Income Home Weatherization Program.”

Sec. 39a. ITEMIZATION TRANSITION

For the first year that itemization is permitted under Sec. 39 of this act, fuel dealers who elect to itemize shall include a notice with the invoice or bill that states the following:

“In 2016, the fuel gross receipts tax, in place since 1990, was converted from a tax based on the price of fuel to a tax based on the volume of fuel sales in order to provide a more stable funding source for low-income weatherization programs.”

Fifth: By striking out Sec. 40 (tax expenditure evaluations) in its entirety and inserting in lieu thereof the following:

Sec. 40. EVALUATION OF TAX EXPENDITURES

(a) Definitions. As used in this section:

(1) “Expedited review” means an evaluation of a tax expenditure that analyzes the purpose of the tax expenditure, delineates its cost and benefits, and considers whether it still meets its policy goals. The term “expedited review” shall have the same meaning as that term is used in the report titled “Tax Expenditure Review Report 2016,” submitted to the General Assembly on January 15, 2016, as required by 2015 Acts and Resolves No. 33.

(2) “Full evaluation” means a review of a tax expenditure that includes the elements of an expedited review but also includes a quantitative analysis of the economic impact of the tax expenditure, consideration of the direct and indirect economic and social benefits of the tax expenditure, and a comparison of the effectiveness of the tax expenditure with alternate policies.

(b) Expedited review. The Department of Taxes and the Joint Fiscal Office shall conduct an expedited review of certain tax expenditures as outlined in Appendix C of the report required by 2015 Acts and Resolves No. 33. The specific tax expenditures receiving expedited review, and the schedule for conducting that review, shall be as follows:

(1) For the tax expenditure report due in January 2017, the tax expenditures related to encouraging economic growth and investment shall be reviewed.

(2) For the tax expenditure report due in January 2019, the tax expenditures related to incentivizing a specific desirable outcome, including agriculture, and related to excluding charitable and public service organizations from taxation shall be reviewed.

(3) For the tax expenditure report due in January 2021, the tax expenditures related to enhancing community development, including housing and historic revitalization, shall be reviewed.

(4) For the tax expenditure report due in January 2023, the tax expenditures related to promoting income security and encouraging work; exempting the necessities of life, including health care, from taxation; and implementing State tax policy and other priorities shall be reviewed.

(c) Full evaluation. On or before January 15, 2017, the Joint Fiscal Office shall develop recommendations for the standards and processes to conduct a full evaluation of tax expenditures, as outlined in the report required by 2015 Acts and Resolves No. 33. The report shall include recommendations on how to structure and fund a program designed to conduct a full evaluation of tax expenditures. The Joint Fiscal Office shall submit its recommendations and report to the Senate Committees on Finance and on Appropriations and the House Committees on Ways and Means and on Appropriations.

Sixth: By striking out Sec. 41 (effective dates) in its entirety and inserting in lieu thereof the following:

Sec. 41. EFFECTIVE DATES

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 11 (annual update of income tax link to the IRC) shall take effect retroactively on January 1, 2015 and apply to taxable years beginning on and after January 1, 2015.

(2) Secs. 12 (withholding and W2s), 15 (solid waste tax returns), 22–24 (sales tax contractors), 28–30 (ambulance provider tax), and 35 (fuel tax) shall take effect on July 1, 2016.

(3) Sec. 19 (Fire Service Training Council) shall take effect for fiscal year 2017 and after.

(4) Secs. 21a (informational reporting) and 25–26 (definition of vendor and out-of-state vendor notification requirements) shall take effect on the earlier of July 1, 2017, or beginning on the first day of the first quarter after a

the sales and use tax reporting requirements challenged in *Direct Marketing Assoc. v. Brohl*, 814 F.3d 1129 (10th Cir. 2016) are implemented by the State of Colorado.

(5) Sec. 27 (definition of vendor) shall take effect on the later of July 1, 2017 or beginning on the first day of the first quarter after a controlling court decision or federal legislation abrogates the physical presence requirement of *Quill v. North Dakota*, 504 U.S. 298 (1992).

(6) Secs. 37 (filing period for bank franchise tax), 38 (filing period for telephone company tax), and 39 (filing period for fuel tax) shall take effect on January 1, 2017.

TIMOTHY R. ASHE
CLAIRE D. AYER
VIRGINIA V. LYONS

Committee on the part of the Senate

JANET ANCEL
JOHANNAH L. DONOVAN
JAMES W. MASLAND

Committee on the part of the House

Pending the question, Shall the report of the committee be adopted? **Rep. Turner of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the report of the committee be adopted? was decided in the affirmative. Yeas, 86. Nays, 55.

Those who voted in the affirmative are:

Ancel of Calais	Copeland-Hanzas of	Hooper of Montpelier *
Bartholomew of Hartland	Bradford	Huntley of Cavendish
Berry of Manchester	Corcoran of Bennington	Jerman of Essex
Bissonnette of Winooski	Dakin of Chester	Jewett of Ripton
Botzow of Pownal	Dakin of Colchester	Johnson of South Hero
Briglin of Thetford	Davis of Washington	Kitzmiller of Montpelier
Burke of Brattleboro	Deen of Westminster	Klein of East Montpelier
Buxton of Tunbridge	Donovan of Burlington	Komline of Dorset
Carr of Brandon	Evans of Essex	Krebs of South Hero
Chesnut-Tangerman of	Fields of Bennington	Krowinski of Burlington
Middletown Springs	Forguites of Springfield	Lalonde of South Burlington
Christie of Hartford	Frank of Underhill	Lanpher of Vergennes
Clarkson of Woodstock	French of Randolph	Lenes of Shelburne
Cole of Burlington	Gonzalez of Winooski	Lippert of Hinesburg
Condon of Colchester	Grad of Moretown	Long of Newfane
Connor of Fairfield	Haas of Rochester	Lucke of Hartford
Conquest of Newbury	Head of South Burlington	Macaig of Williston

Manwaring of Wilmington	Patt of Worcester	Toleno of Brattleboro
Martin of Wolcott	Pearson of Burlington	Toll of Danville
Masland of Thetford	Potter of Clarendon	Trieber of Rockingham
McCormack of Burlington *	Pugh of South Burlington	Troiano of Stannard
McCullough of Williston	Rachelson of Burlington	Walz of Barre City
Miller of Shaftsbury	Ram of Burlington	Webb of Shelburne
Morris of Bennington	Sharpe of Bristol	Wood of Waterbury
Mrowicki of Putney *	Sheldon of Middlebury	Woodward of Johnson
Murphy of Fairfax	Sibilia of Dover	Yantachka of Charlotte
Nuovo of Middlebury	Stevens of Waterbury	Young of Glover
O'Brien of Richmond	Stuart of Brattleboro	Zagar of Barnard
Olsen of Londonderry	Sweaney of Windsor	
O'Sullivan of Burlington	Till of Jericho	

Those who voted in the negative are:

Bancroft of Westford	Gage of Rutland City	Parent of St. Albans Town
Baser of Bristol	Gamache of Swanton	Pearce of Richford
Batchelor of Derby	Graham of Williamstown	Poirier of Barre City
Beck of St. Johnsbury	Greshin of Warren	Purvis of Colchester
Beyor of Highgate	Hebert of Vernon	Quimby of Concord
Branagan of Georgia	Helm of Fair Haven	Savage of Swanton
Browning of Arlington	Higley of Lowell	Scheuermann of Stowe
Burditt of West Rutland	Hubert of Milton	Shaw of Pittsford
Canfield of Fair Haven	Juskiewicz of Cambridge	Shaw of Derby
Cupoli of Rutland City	LaClair of Barre Town	Smith of New Haven
Dame of Essex	Lawrence of Lyndon	Strong of Albany
Devereux of Mount Holly	Lefebvre of Newark	Tate of Mendon
Dickinson of St. Albans Town	Lewis of Berlin	Terenzini of Rutland Town
Donahue of Northfield	Marcotte of Coventry	Turner of Milton *
Eastman of Orwell	Martel of Waterford	Van Wyck of Ferrisburgh
Fagan of Rutland City	McCoy of Poultney	Viens of Newport City
Feltus of Lyndon	McFaun of Barre Town	Willhoit of St. Johnsbury
Fiske of Enosburgh	Morrissey of Bennington	Wright of Burlington
	Myers of Essex	

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

Brennan of Colchester	Partridge of Windham	Sullivan of Burlington
Emmons of Springfield	Russell of Rutland City	Townsend of South
Keenan of St. Albans City	Ryerson of Randolph	Burlington

Rep. Hooper of Montpelier explained her vote as follows:

“Mr. Speaker:

I vote yes on this bill to support our weatherization program. It keeps Vermonters warm and healthy in their homes while saving money.

It shifts the existing tax structure so that when fuel prices spike Vermonters will pay less than they do today.”

Rep. McCormack of Burlington explained his vote as follows:

“Mr. Speaker:

I wish that we were voting on a carbon tax tonight but instead we are voting on a very small tax increase that amounts to about \$4/year for the average Vermont household, for one of the best programs we have that lowers heat bills for low income Vermonters, reduces the state’s carbon footprint and employs skilled Vermont workers instead of purchasing imported fossil fuels.”

Rep. Mrowicki of Putney explained his vote as follows:

“Mr. Speaker:

My vote affirms the tough decisions and wise investments in Vermonters, such as weatherization. Not only will this help address the reality of a warming planet but will help bring comfort to the less fortunate living in older housing stock. I appreciate how the committee did not shirk their responsibility to raise the funds necessary to do the people’s business.”

Rep. Turner of Milton explained his vote as follows:

“Mr. Speaker:

This is a carbon tax! \$49 million in new taxes and fees this session and a total of over \$98.6 million this biennium. Vermonters cannot afford any more! Thank you.”

Message from the Senate No. 68

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 on its part adopted joint resolution of the following title:

J.R.S. 55. Joint resolution to provide for a Joint Assembly to hear the 2016 adjournment message of the Governor.

And has adopted the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

The Senate has on its part adopted joint resolution of the following title:

J.R.S. 56. Joint resolution relating to final adjournment of the General Assembly in 2016..

In the adoption of which the concurrence of the House is requested.

Rules Suspended; Report of Committee of Conference Adopted**H. 533**

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 victim notification

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the House accede to the Senate's proposal of amendment and that the bill be further amended as follows:

First: By striking out Sec. 4 in its entirety and inserting in lieu thereof the following:

Sec. 4. 24 V.S.A. § 1943 is added to read:

§ 1943. ANIMAL CRUELTY INVESTIGATION ADVISORY BOARD

(a) Board. An Animal Cruelty Investigation Advisory Board is created within the Department of Public Safety to advise the Governor, the General Assembly, and the Commissioner of Public Safety on issues involving the cooperation and coordination of all agencies that exercise animal welfare responsibilities.

(b) Membership.

(1) The Advisory Board shall be composed of the following members:

(A) the Commissioner of Public Safety or designee;

(B) the Executive Director of State's Attorneys and Sheriffs or designee;

(C) the Secretary of Agriculture, Food and Markets or designee;

(D) the Commissioner of Fish and Wildlife or designee;

(E) a member appointed by the Governor to represent the interests of the Vermont League of Cities and Towns;

(F) two members appointed by the Governor to represent the interests of organizations dedicated to promoting the welfare of animals;

(G) a member appointed by the Governor to represent the interests of the Vermont Police Association;

(H) a member appointed by the Governor to represent the interests of dog breeders and associated groups;

(I) a member appointed by the Governor to represent the interests of veterinarians; and

(J) a member to represent the interests of the Criminal Justice Training Council.

(2) The Board shall elect a chair and a vice chair which shall rotate among the various member representatives. Each member shall serve a term of two years. The Board shall meet at the call of the Chair. A quorum shall consist of six members, and decisions of the Board shall require the approval of a majority of those members present and voting.

(c) Duties. The Board shall exercise oversight over Vermont's system for investigating and responding to animal cruelty complaints and develop a systematic, collaborative approach to providing the best services to Vermont's animals statewide, given monies available. In carrying out its responsibilities under this subsection, the Board shall:

(1) identify and monitor the extent and scope of any deficiencies in Vermont's system of investigating and responding to animal cruelty complaints;

(2) work with the Department of Public Safety to study the feasibility of designating one law enforcement agency to receive, dispatch, and document the outcome of animal cruelty complaints and, with the assistance of the Vermont Sheriffs' Association, develop a uniform response protocol for assigning complaints to the appropriate local law enforcement agencies;

(3) ensure that investigations of serious animal cruelty complaints are systematic and documented, and develop written standard operating procedures and checklists to support the objective investigation of cruelty complaints that include objective measures of both environmental and clinical evidence of cruelty;

(4) ensure that requests for voluntary compliance are made in writing, with clear requests and timelines, and include a timeline for the investigator to perform a follow-up visit to confirm actions taken;

(5) develop a guide for animal cruelty prosecution, including a review of current sentencing recommendations for State's Attorneys;

(6) research the feasibility of developing and implementing an animal cruelty prevention and education program for offenders to be used as a part of offenders' sentencing;

(7) explore potential private and public sources of funding for animal cruelty investigations, including animal care expenses;

(8) develop trainings, protocols, procedures, and guidance documents for agencies engaging in animal welfare responsibilities;

(9) develop and identify funding sources for an animal cruelty investigation certification program for humane officers in accordance with 13 V.S.A. § 356, and develop a standard by which a person who has been actively engaged in this State as a humane officer conducting animal cruelty investigations for at least five years preceding July 1, 2017 may become certified without completion of the certification program requirements;

(10) identify funding sources for the training requirement under 20 V.S.A. § 2365b;

(11) develop recommendations for providing liability protection and reducing uncompensated costs to animal shelters and animal welfare groups that assist law enforcement authorities in animal cruelty investigations;

(12) explore changing the annual deadline for dog licensure under 20 V.S.A. § 3582 better to align with the time of year dogs require annual veterinary care; and

(13) determine what should appropriately constitute an enforcement action triggering the obligation of the Agency of Agriculture, Food and Markets to assist law enforcement pursuant to 13 V.S.A. § 354(a).

(d) Reimbursement. Members of the Board who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010, paid from the budget of the Agency of Administration for attendance of meetings of the Board.

(e) Meetings and report. The Board shall meet no fewer than six times a year to undertake its duties as outlined in subsection (c) of this section. The Board shall report on its findings and specific recommendations in brief summary to the House and Senate Committees on Judiciary, House Committee on Agriculture and Forest Products, and Senate Committee on Agriculture annually on or before January 15.

Second: By striking out Sec. 8 in its entirety and inserting in lieu thereof the following:

Sec. 8. DEPARTMENT OF CORRECTIONS; ANIMAL CARE PILOT PROGRAM

The Commissioner of Corrections may implement a pilot program in at least one correctional facility that would permit qualified inmates to provide temporary care, on-site, for animals on a weekly or more frequent basis. The Commissioner shall report on the Department's progress towards implementation of the program, with recommendations as to whether it could include caring for animals that have been seized or relinquished in cruelty or neglect investigations, to the Joint Committee on Justice Oversight on or before September 1, 2016.

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

Sec. 9. [Deleted.]

Fourth: By striking out Sec. 10 in its entirety and inserting in lieu thereof the following:

Sec. 10. EFFECTIVE DATES

(a) Secs. 5 and 6 shall take effect on July 1, 2017.

(b) This section and the remaining sections shall take effect on July 1, 2016.

*TIMOTHY R. ASHE
RICHARD W. SEARS
ALICE W. NITKA*

Committee on the part of the Senate

*MAXINE JO GRAD
WILLEM W. JEWETT
THOMAS B. BURDITT*

Committee on the part of the House

Pending the question, Shall the report of the Committee of Conference be adopted? **Rep. Poirier of Barre City** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the report of the Committee of Conference be adopted? was decided in the affirmative. Yeas, 74. Nays, 67.

Those who voted in the affirmative are:

Ancel of Calais	Briglin of Thetford	Carr of Brandon
Baser of Bristol	Burditt of West Rutland	Chesnut-Tangerman of
Berry of Manchester	Burke of Brattleboro	Middletown Springs
Botzow of Pownal	Buxton of Tunbridge	Christie of Hartford

Clarkson of Woodstock	Huntley of Cavendish	Mrowicki of Putney
Cole of Burlington	Jerman of Essex	O'Brien of Richmond
Conquest of Newbury	Jewett of Ripton	O'Sullivan of Burlington
Copeland-Hanzas of Bradford	Johnson of South Hero	Parent of St. Albans Town
Corcoran of Bennington	Kitzmiller of Montpelier	Patt of Worcester
Dakin of Chester	Klein of East Montpelier	Pearson of Burlington
Dakin of Colchester	Krebs of South Hero	Pugh of South Burlington
Deen of Westminster	Krowinski of Burlington	Rachelson of Burlington
Donovan of Burlington	Lalonde of South Burlington	Ram of Burlington
Evans of Essex	Lanpher of Vergennes	Sharpe of Bristol
Fields of Bennington	Lenes of Shelburne	Stevens of Waterbury
Forguites of Springfield	Lippert of Hinesburg	Toleno of Brattleboro
Frank of Underhill	Long of Newfane	Toll of Danville
French of Randolph	Lucke of Hartford	Trieber of Rockingham
Gonzalez of Winooski	Macaig of Williston	Walz of Barre City
Grad of Moretown	Martin of Wolcott	Webb of Shelburne
Greshin of Warren	Masland of Thetford	Wood of Waterbury
Haas of Rochester	McCormack of Burlington	Wright of Burlington
Head of South Burlington	McCoy of Poultney	Yantachka of Charlotte
Hebert of Vernon	McCullough of Williston	Young of Glover
Hooper of Montpelier	Miller of Shaftsbury	
	Morris of Bennington	

Those who voted in the negative are:

Bancroft of Westford	Gamache of Swanton	Purvis of Colchester
Bartholomew of Hartland	Graham of Williamstown	Quimby of Concord
Batchelor of Derby	Helm of Fair Haven	Savage of Swanton
Beck of St. Johnsbury	Higley of Lowell	Scheuermann of Stowe
Beyor of Highgate	Hubert of Milton	Shaw of Pittsford
Bissonnette of Winooski	Juskiewicz of Cambridge	Shaw of Derby
Branagan of Georgia	Komline of Dorset	Sheldon of Middlebury
Browning of Arlington *	LaClair of Barre Town	Sibilia of Dover
Canfield of Fair Haven	Lawrence of Lyndon	Smith of New Haven
Condon of Colchester	Lefebvre of Newark	Strong of Albany
Connor of Fairfield	Lewis of Berlin	Stuart of Brattleboro
Cupoli of Rutland City	Manwaring of Wilmington	Sweaney of Windsor
Dame of Essex	Marcotte of Coventry	Tate of Mendon
Davis of Washington	Martel of Waterford	Terenzini of Rutland Town
Devereux of Mount Holly	McFaun of Barre Town	Till of Jericho
Dickinson of St. Albans Town	Morrissey of Bennington	Troiano of Stannard
Donahue of Northfield	Murphy of Fairfax	Turner of Milton
Eastman of Orwell	Myers of Essex	Van Wyck of Ferrisburgh
Fagan of Rutland City	Nuovo of Middlebury	Viens of Newport City
Feltus of Lyndon	Olsen of Londonderry	Willhoit of St. Johnsbury
Fiske of Enosburgh	Pearce of Richford	Woodward of Johnson
Gage of Rutland City	Poirier of Barre City *	Zagar of Barnard
	Potter of Clarendon	

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

Brennan of Colchester	Partridge of Windham	Sullivan of Burlington
Emmons of Springfield	Russell of Rutland City	Townsend of South
Keenan of St. Albans City	Ryerson of Randolph	Burlington

Rep. Browning of Arlington explained her vote as follows:

“Mr. Speaker:

The underlying bill about crime victim notification is certainly worthy of passage. But the unrelated material about the animal welfare board added in conference has not been vetted by the up to four House committees that should have been able to evaluate it, and there is no funding to pay for the Board or the Correctional Program. Even well-intentioned proposals must be vetted. To vote yes disrespects the very House procedures we are so often directed to uphold.”

Rep. Poirier of Barre City explained his vote as follows:

“Mr. Speaker:

I voted no because I have heard from my constituents the same issue raised by the member from Hartland. Also, Mr. Speaker, for the Senate to threaten to not pass the Education yield bill is asinine.”

Rep. Webb of Shelburne explained her vote as follows:

“Mr. Speaker:

I vote yes because I don’t want victims of violence to be pawns in end of session chess games.”

Message from the Senate No. 69

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 the report of the Committee of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following title:

H. 853. An act relating to setting the nonresidential property tax rate, the property dollar equivalent yield, and the income dollar equivalent yield for fiscal year 2017, and other education changes.

And has accepted and adopted the same on its part.

Rules Suspended; Report of Committee of Conference Adopted**H. 872**

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 fees

Was taken up for immediate consideration.

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 the bill respectfully reported that it has met and considered the same and recommended that the House accede to the Senate proposal of amendment with further amended as follows:

First: In Sec. 13, 6 V.S.A. § 1112 (pesticide applicator, company, and dealer licensing fees), by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 13. 6 V.S.A. § 1112 is amended to read:

§ 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE COMPANIES; DEALERS

(a) The ~~secretary~~ Secretary may adopt ~~regulations~~ rules requiring persons selling Class A and B pesticides to be licensed under this chapter. In addition, the ~~secretary~~ Secretary may adopt ~~regulations~~ rules requiring companies ~~which that~~ hire applicators or conduct pesticide applications to be licensed, and applicators who use pesticides to be certified under this chapter. The ~~secretary~~ Secretary may establish reasonable requirements for obtaining licenses and certificates. The fees for dealers, licensed companies, and applicator certificates under this chapter shall be as follows:

(1) Class A Dealer License—~~\$30.00~~ \$50.00;

(2) Class B Dealer License—~~\$30.00~~ \$50.00;

(3) Pesticide Company License—~~\$60.00~~ \$75.00;

(4) Commercial and Noncommercial Applicator Certification fee—~~\$25.00~~ —\$30.00 per category or subcategory with a maximum of ~~\$100.00~~ \$120.00;

(5) Second and third time examination fee for dealer licenses and applicator certification—\$25.00;

(6) Private Applicator—\$25.00;

(7) State Government, Municipal, and Public Education Institution Applicators—\$30.00.

(b) All license and certification fees shall be for one year or any part thereof for each dealer, licensed pesticide applicator company or certified commercial and noncommercial applicator. The license and certification period shall be January 1 to December 31. ~~The secretary shall exempt federal and state agencies and municipalities and public education institutions from certification and licensing fees~~

(c) Notwithstanding the fees provided in subsection (a) of this section, the Secretary shall exempt the federal government, its agencies, and instrumentalities from license and certification fees.

Second: In Sec. 14, 6 V.S.A § 2721 (milk handlers' licenses), by striking out the section in its entirety and inserting in lieu thereof the following:

Sec. 14. 6 V.S.A § 2721 is amended to read:

§ 2721. HANDLERS' LICENSES

* * *

(b) A milk handler shall not transact business in the ~~state~~ State unless the milk handler secures and holds a handler's license from the ~~secretary~~ Secretary. The license shall terminate September 1 each year and shall be procured by August 15 of each year. The ~~secretary~~ Secretary shall furnish all forms for applications, licenses, and bonds. At the time the application is delivered to the ~~secretary~~ Secretary, the milk handler shall pay a license application fee of \$50.00 for an initial application and a license fee based on the following table. For a renewal application, only the fee in the table applies. Out-of-state firms ~~are to~~ shall use the company's highest total pounds of milk or dairy products bought, sold, packaged, assembled, transported, or processed per production day.

Pounds of milk or dairy products bought, sold, packaged, assembled, transported, or processed per production day:	License handling fee
500 pounds or less	\$50.00 <u>\$60.00</u>
Over 500 but less than 1,000 pounds	\$100.00

<u>Over 500 but less than 10,000 pounds</u>	<u>\$200.00</u>
<u>1,000 to 10,000 pounds per day</u>	<u>\$175.00</u>
<u>10,000 to 50,000 pounds</u>	<u>\$350.00</u>
<u>Over 10,000 to 25,000 pounds per day</u>	<u>\$275.00</u>
<u>Over 50,000 but less than 100,000 pounds</u>	<u>\$750.00</u>
<u>Over 25,000 pounds</u>	<u>\$350.00</u>
<u>100,000 to 500,000 pounds</u>	<u>\$1,000.00</u>
<u>Over 500,000 pounds</u>	<u>\$1,500.00</u>
Processor fee per pasteurizer	\$50.00 <u>\$75.00</u>

(c) ~~[Deleted.]~~ Notwithstanding subsection (b) of this section, the license handling fees only for the transportation of bulk milk shall be capped at \$750.00 per year.

Third: In Sec. 33a, 9 V.S.A. § 5410 (securities filing fees), in subsection (b) (individual broker-dealer agents), by striking out the subsection in its entirety and inserting in lieu thereof the following:

(b) The fee for an individual is ~~\$60.00~~ \$90.00 when filing an application for registration as an agent, ~~\$60.00~~ \$90.00 when filing a renewal of registration as an agent, and ~~\$60.00~~ \$90.00 when filing for a change of registration as an agent. If the filing results in a denial or withdrawal, the Commissioner shall retain the fee.

Fourth: In Sec. 34, 32 V.S.A. § 602 (definitions), in subdivision (2) (definition of “fee”), by striking out subparagraph (A) in its entirety and inserting in lieu thereof a new subparagraph (A) to read as follows:

(A) Means a monetary charge by an agency or the ~~judiciary~~ Judiciary for a service or product provided to, or the regulation of, specified classes of individuals or entities.

Fifth: In Sec. 34a, 32 V.S.A. chapter 7, (municipal fees), by striking out the section in its entirety and inserting in lieu thereof:

Sec. 34a. ~~[Deleted.]~~

Sixth: In Sec. 34c, 10 V.S.A. § 21 (EB-5 Special Fund), by striking out the section in its entirety and inserting in lieu thereof a new Sec. 34c to read:

Sec. 34c. 10 V.S.A. § 21 is amended to read:

§ 21. EB-5 SPECIAL FUND

(a) An EB-5 Special Fund is created ~~for the operation of the State of to support the operating costs of the~~ Vermont Regional Center for Immigrant Investment under the federal EB-5 Program. The Fund shall consist of revenues derived from administrative charges by the Agency of Commerce and Community Development pursuant to subsection (c) of this section, any interest earned by the Fund, and all sums ~~which that~~ are from time to time appropriated for the support of the Regional Center and its operations. It is the intent of the General Assembly that the collection of charges authorized by this section will reduce or eliminate the need for legislative appropriations to support Regional Center expenses.

(b)(1) The receipt and expenditure of monies from the Special Fund shall be under the supervision of the Secretary of Commerce and Community Development.

(2) The Secretary of Commerce and Community Development shall maintain accurate and complete records of all receipts and expenditures by and from the Fund, and shall make an annual report on the condition of the Fund to the Secretary of Administration, the House Committees on Commerce and Economic Development and on Ways and Means, and the Senate Committees on Finance and on Economic Development, Housing and General Affairs.

(3) Expenditures from the Fund shall be used only to ~~administer the EB-5 Program~~ support the operating expenses of the Regional Center, including the costs of providing specialized services to support participating economic development projects, marketing and related travel expenses, application review and examination expenses, and personnel expenses incurred by the Agency of Commerce and Community Development. At the end of each fiscal year, the Secretary of Administration shall transfer from the EB-5 Special Fund to the General Fund any amount that the Secretary of Administration determines, in his or her discretion, exceeds the funds necessary to administer the Program.

(c) Notwithstanding 32 V.S.A. § 603, the Secretary of Commerce and Community Development is authorized to impose ~~an administrative charge for the costs of administering the Regional Center and providing specialized services in support of participating economic development projects~~ charges on project developers to achieve the Fund's purpose. The charges shall be sufficient to fully fund the personnel and operating expenses of the Regional Center and shall include a one-time application fee as well as an annual assessment apportioned among approved projects in a fair and equitable manner as specified in rules adopted under section 20 of this title. In addition, the rules shall require that an applicant or approved project developer, as

applicable, is liable for any additional expenses incurred with respect to the retention of outside legal, financial, examination or other services or studies deemed necessary by the Secretary or the Commissioner to assist with application or project review. The collection of some or all charges authorized under this section may be suspended for a period of time as deemed appropriate by the Secretary for good cause shown. Any charges imposed under this section shall be included in the consolidated Executive Branch fee report required under 32 V.S.A. § 605.

(d) Any costs incurred by the Department of Financial Regulation in connection with of the EB-5 Program shall be reimbursed in the manner specified in 8 V.S.A. § 18(d).

Seventh: After Sec. 34d (collection of past-due fees from EB-5 project developers), by inserting a new Sec. 34e to read as follows:

Sec. 34e. 8 V.S.A. § 18(d) is added to read:

(d) The Commissioner shall bill costs incurred by the Department in connection with any examination, review, or investigation conducted or caused to be conducted by the Department to the EB-5 projects subject to regulatory oversight under 10 V.S.A. chapter 3. It is the intent of the General Assembly that the costs of regulation of EB-5 projects be borne by project developers and not by the State General Fund or special funds.

Eighth: In Sec. 47a, 9 V.S.A. § 4189 (fantasy sports operator assessment), by striking out the section in its entirety.

MARK A. MACDONALD

KEVIN J. MULLIN

MICHAEL D. SIROTKIN

Committee on the part of the Senate

JANET ANCEL

CAROLYN W. BRANAGAN

ALISON H. CLARKSON

Committee on the part of the House

Pending the question, Shall the report of the committee of conference be adopted? **Rep. Turner of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the report of the committee of conference be adopted? was decided in the affirmative. Yeas, 93. Nays, 47.

Those who voted in the affirmative are:

Ancel of Calais

Bartholomew of Hartland

Baser of Bristol

Berry of Manchester

Bissonnette of Winooski

Botzow of Pownal

Branagan of Georgia	Grad of Moretown	Nuovo of Middlebury
Briglin of Thetford	Greshin of Warren	O'Brien of Richmond
Burke of Brattleboro	Haas of Rochester	Olsen of Londonderry
Buxton of Tunbridge	Head of South Burlington	O'Sullivan of Burlington
Canfield of Fair Haven	Hooper of Montpelier	Patt of Worcester
Carr of Brandon	Huntley of Cavendish	Pearson of Burlington
Chesnut-Tangerman of	Jerman of Essex	Potter of Clarendon
Middletown Springs	Jewett of Ripton	Pugh of South Burlington
Christie of Hartford	Johnson of South Hero	Rachelson of Burlington
Clarkson of Woodstock	Kitzmiller of Montpelier	Ram of Burlington
Cole of Burlington	Klein of East Montpelier	Sharpe of Bristol
Condon of Colchester	Komline of Dorset	Sheldon of Middlebury
Connor of Fairfield	Krebs of South Hero	Sibilia of Dover
Conquest of Newbury	Krowinski of Burlington	Stevens of Waterbury
Copeland-Hanzas of	Lalonde of South Burlington	Stuart of Brattleboro
Bradford	Lanpher of Vergennes	Sweaney of Windsor
Corcoran of Bennington	Lenes of Shelburne	Till of Jericho *
Dakin of Chester	Lippert of Hinesburg	Toleno of Brattleboro
Dakin of Colchester	Long of Newfane	Toll of Danville
Davis of Washington	Lucke of Hartford	Trieber of Rockingham
Deen of Westminster	Macaig of Williston	Troiano of Stannard
Donovan of Burlington	Manwaring of Wilmington	Walz of Barre City
Eastman of Orwell	Martin of Wolcott	Webb of Shelburne
Evans of Essex	Masland of Thetford	Wood of Waterbury
Fagan of Rutland City	McCormack of Burlington	Woodward of Johnson
Fields of Bennington	McCullough of Williston	Wright of Burlington
Forguites of Springfield	Miller of Shaftsbury	Yantachka of Charlotte
Frank of Underhill	Morris of Bennington	Young of Glover
French of Randolph	Mrowicki of Putney	Zagar of Barnard
Gonzalez of Winooski	Murphy of Fairfax	

Those who voted in the negative are:

Bancroft of Westford	Graham of Williamstown	Parent of St. Albans Town
Batchelor of Derby	Hebert of Vernon	Pearce of Richford
Beck of St. Johnsbury	Helm of Fair Haven	Poirier of Barre City
Beyor of Highgate	Higley of Lowell	Purvis of Colchester
Browning of Arlington	Hubert of Milton	Quimby of Concord
Burditt of West Rutland	Juskiewicz of Cambridge	Savage of Swanton
Cupoli of Rutland City	LaClair of Barre Town	Scheuermann of Stowe
Dame of Essex *	Lawrence of Lyndon	Shaw of Pittsford
Devereux of Mount Holly	Lefebvre of Newark	Smith of New Haven
Dickinson of St. Albans	Lewis of Berlin	Strong of Albany
Town	Marcotte of Coventry	Tate of Mendon
Donahue of Northfield	Martel of Waterford	Terenzini of Rutland Town
Feltus of Lyndon	McCoy of Poultney	Turner of Milton *
Fiske of Enosburgh	McFaun of Barre Town	Van Wyck of Ferrisburgh
Gage of Rutland City	Morrissey of Bennington	Viens of Newport City
Gamache of Swanton	Myers of Essex	Willhoit of St. Johnsbury

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

Brennan of Colchester	Russell of Rutland City	Townsend of South
Emmons of Springfield	Ryerson of Randolph	Burlington
Keenan of St. Albans City	Shaw of Derby	
Partridge of Windham	Sullivan of Burlington	

Rep. Dame of Essex explained his vote as follows:

“Mr. Speaker:

It's unfortunate that innocent small brokers trying to help Vermonters plan for their financial future are being caught up in the EB-5 dragnet - especially when their registration prohibits involvement in such private placements. I hope in the future the committee can look at making a distinction between resident and non-resident license fees the way we do for insurance agents. Especially since the vast majority of their regulation is done by FINRA, a federal regulatory body.”

Rep. Till of Jericho explained his vote as follows:

“Mr. Speaker:

I vote yes. This fee bill raises nearly \$27 million with almost \$24 million coming from outside of Vermont. That \$24 million will close Vermonters nothing.”

Re. Turner of Milton explained his vote as follows:

“Mr. Speaker:

Fees are not taxes and taxes are not fees! Well, that is true unless the legislature changes the law to make taxes appear to be fees as is the case in this bill. \$20.80 million in new taxes that are now classified as fees. Maybe we could have used this money to reduce the tax burden on hard working Vermonters! Thank you.”

Rules Suspended; Report of Committee of Conference Adopted

H. 875

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 making appropriations for the support of government

Was taken up for immediate consideration.

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2017 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2017. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2016. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2017 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serve as the primary source and reference for appropriations for fiscal year 2017.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the Commissioner of Finance and Management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2017.

Sec. A.103 DEFINITIONS

(a) As used in this act:

(1) “Encumbrances” means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The Commissioner of Finance and Management shall make final decisions on the appropriateness of encumbrances.

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the State for services or supplies and means cash or other direct assistance, including pension contributions.

(3) "Operating expenses" means property management, repair and maintenance, rental expenses, insurance, postage, travel, energy and utilities, office and other supplies, equipment, including motor vehicles, highway materials, and construction, expenditures for the purchase of land and construction of new buildings and permanent improvements, and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, and contracted third-party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the State appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2017, the Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2017, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2016 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to Legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint

Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2017 except for new positions authorized by the 2016 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d) as amended by 2015 Acts and Resolves No. 4, Sec. 74, and further amended by Sec. E.100.2 of this act.

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>
<u>B.1100–B.1199 and E.1100–E.1199</u>	<u>One-time and other appropriation actions</u>

(b) The C sections contain any amendments to the current fiscal year and the D sections contain fund transfers and reserve allocations for the upcoming budget year.

Sec. B.100 Secretary of administration - secretary's office

Personal services	2,942,679
Operating expenses	<u>211,182</u>
Total	3,153,861
Source of funds	
General fund	1,290,708
Interdepartmental transfers	<u>1,863,153</u>
Total	3,153,861
Sec. B.101 Secretary of administration - finance	
Personal services	1,150,551
Operating expenses	<u>132,430</u>
Total	1,282,981
Source of funds	
Interdepartmental transfers	<u>1,282,981</u>
Total	1,282,981
Sec. B.102 Secretary of administration - workers' compensation insurance	
Personal services	1,109,499
Operating expenses	<u>232,792</u>
Total	1,342,291
Source of funds	
Internal service funds	<u>1,342,291</u>
Total	1,342,291
Sec. B.103 Secretary of administration - general liability insurance	
Personal services	304,537
Operating expenses	<u>62,108</u>
Total	366,645
Source of funds	
Internal service funds	<u>366,645</u>
Total	366,645
Sec. B.104 Secretary of administration - all other insurance	
Personal services	21,565
Operating expenses	<u>16,578</u>
Total	38,143
Source of funds	
Internal service funds	<u>38,143</u>
Total	38,143
Sec. B.105 Information and innovation - communications and information technology	
Personal services	23,273,904
Operating expenses	<u>16,514,093</u>
Total	39,787,997

Source of funds	
Internal service funds	<u>39,787,997</u>
Total	39,787,997
Sec. B.106 Finance and management - budget and management	
Personal services	1,312,845
Operating expenses	<u>252,190</u>
Total	1,565,035
Source of funds	
General fund	1,133,838
Interdepartmental transfers	<u>431,197</u>
Total	1,565,035
Sec. B.107 Finance and management - financial operations	
Personal services	2,365,616
Operating expenses	<u>668,947</u>
Total	3,034,563
Source of funds	
Internal service funds	<u>3,034,563</u>
Total	3,034,563
Sec. B.108 Human resources - operations	
Personal services	7,186,765
Operating expenses	<u>937,445</u>
Total	8,124,210
Source of funds	
General fund	1,823,395
Special funds	244,912
Internal service funds	5,518,595
Interdepartmental transfers	<u>537,308</u>
Total	8,124,210
Sec. B.108.1 Human Resources - VTHR Operations	
Personal services	1,746,553
Operating expenses	<u>655,960</u>
Total	2,402,513
Source of funds	
Internal service funds	<u>2,402,513</u>
Total	2,402,513
Sec. B.109 Human resources - employee benefits & wellness	
Personal services	1,201,356
Operating expenses	<u>578,585</u>
Total	1,779,941
Source of funds	

Internal service funds	<u>1,779,941</u>
Total	1,779,941
Sec. B.110 Libraries	
Personal services	1,785,527
Operating expenses	1,439,081
Grants	<u>175,512</u>
Total	3,400,120
Source of funds	
General fund	2,337,163
Special funds	104,857
Federal funds	861,098
Interdepartmental transfers	<u>97,002</u>
Total	3,400,120
Sec. B.111 Tax - administration/collection	
Personal services	14,086,964
Operating expenses	<u>3,775,766</u>
Total	17,862,730
Source of funds	
General fund	16,349,276
Special funds	1,370,888
Interdepartmental transfers	<u>142,566</u>
Total	17,862,730
Sec. B.112 Buildings and general services - administration	
Personal services	613,649
Operating expenses	<u>103,560</u>
Total	717,209
Source of funds	
Interdepartmental transfers	<u>717,209</u>
Total	717,209
Sec. B.113 Buildings and general services - engineering	
Personal services	2,797,007
Operating expenses	<u>756,054</u>
Total	3,553,061
Source of funds	
Interdepartmental transfers	<u>3,553,061</u>
Total	3,553,061
Sec. B.114 Buildings and general services - information centers	
Personal services	3,460,339
Operating expenses	1,260,232
Grants	<u>33,000</u>

Total	4,753,571
Source of funds	
General fund	677,224
Transportation fund	4,014,502
Special funds	<u>61,845</u>
Total	4,753,571
Sec. B.115 Buildings and general services - purchasing	
Personal services	936,852
Operating expenses	<u>190,281</u>
Total	1,127,133
Source of funds	
General fund	<u>1,127,133</u>
Total	1,127,133
Sec. B.116 Buildings and general services - postal services	
Personal services	715,610
Operating expenses	<u>114,736</u>
Total	830,346
Source of funds	
General fund	83,221
Internal service funds	<u>747,125</u>
Total	830,346
Sec. B.117 Buildings and general services - copy center	
Personal services	660,219
Operating expenses	<u>162,809</u>
Total	823,028
Source of funds	
Internal service funds	<u>823,028</u>
Total	823,028
Sec. B.118 Buildings and general services - fleet management services	
Personal services	663,543
Operating expenses	<u>222,056</u>
Total	885,599
Source of funds	
Internal service funds	<u>885,599</u>
Total	885,599
Sec. B.119 Buildings and general services - federal surplus property	
Personal services	24,386
Operating expenses	<u>5,771</u>
Total	30,157
Source of funds	

Enterprise funds	<u>30,157</u>
Total	30,157
Sec. B.120 Buildings and general services - state surplus property	
Personal services	107,634
Operating expenses	<u>108,954</u>
Total	216,588
Source of funds	
Internal service funds	<u>216,588</u>
Total	216,588
Sec. B.121 Buildings and general services - property management	
Personal services	1,016,964
Operating expenses	<u>1,131,458</u>
Total	2,148,422
Source of funds	
Internal service funds	<u>2,148,422</u>
Total	2,148,422
Sec. B.122 Buildings and general services - fee for space	
Personal services	15,088,221
Operating expenses	<u>13,420,970</u>
Total	28,509,191
Source of funds	
Internal service funds	<u>28,509,191</u>
Total	28,509,191
Sec. B.124 Executive office - governor's office	
Personal services	1,444,960
Operating expenses	<u>436,716</u>
Total	1,881,676
Source of funds	
General fund	1,695,176
Interdepartmental transfers	<u>186,500</u>
Total	1,881,676
Sec. B.125 Legislative council	
Personal services	3,278,142
Operating expenses	<u>910,056</u>
Total	4,188,198
Source of funds	
General fund	<u>4,188,198</u>
Total	4,188,198
Sec. B.126 Legislature	
Personal services	3,671,819

Operating expenses	<u>3,592,956</u>
Total	7,264,775
Source of funds	
General fund	<u>7,264,775</u>
Total	7,264,775
Sec. B.127 Joint fiscal committee	
Personal services	1,535,079
Operating expenses	<u>113,801</u>
Total	1,648,880
Source of funds	
General fund	<u>1,648,880</u>
Total	1,648,880
Sec. B.128 Sergeant at arms	
Personal services	598,470
Operating expenses	<u>72,904</u>
Total	671,374
Source of funds	
General fund	<u>671,374</u>
Total	671,374
Sec. B.129 Lieutenant governor	
Personal services	164,873
Operating expenses	<u>29,614</u>
Total	194,487
Source of funds	
General fund	<u>194,487</u>
Total	194,487
Sec. B.130 Auditor of accounts	
Personal services	3,691,861
Operating expenses	<u>151,915</u>
Total	3,843,776
Source of funds	
General fund	418,307
Special funds	53,145
Internal service funds	<u>3,372,324</u>
Total	3,843,776
Sec. B.131 State treasurer	
Personal services	3,337,295
Operating expenses	<u>265,138</u>
Total	3,602,433
Source of funds	

General fund	1,022,452
Special funds	2,471,709
Interdepartmental transfers	<u>108,272</u>
Total	3,602,433
Sec. B.132 State treasurer - unclaimed property	
Personal services	832,146
Operating expenses	<u>293,555</u>
Total	1,125,701
Source of funds	
Private purpose trust funds	<u>1,125,701</u>
Total	1,125,701
Sec. B.133 Vermont state retirement system	
Personal services	7,920,899
Operating expenses	<u>1,266,225</u>
Total	9,187,124
Source of funds	
Pension trust funds	<u>9,187,124</u>
Total	9,187,124
Sec. B.134 Municipal employees' retirement system	
Personal services	2,649,446
Operating expenses	<u>700,137</u>
Total	3,349,583
Source of funds	
Pension trust funds	<u>3,349,583</u>
Total	3,349,583
Sec. B.135 State labor relations board	
Personal services	203,674
Operating expenses	<u>43,645</u>
Total	247,319
Source of funds	
General fund	237,743
Special funds	6,788
Interdepartmental transfers	<u>2,788</u>
Total	247,319
Sec. B.136 VOSHA review board	
Personal services	54,576
Operating expenses	<u>18,646</u>
Total	73,222
Source of funds	
General fund	36,611

Interdepartmental transfers	<u>36,611</u>
Total	73,222
Sec. B.137 Homeowner rebate	
Grants	<u>16,200,000</u>
Total	16,200,000
Source of funds	
General fund	<u>16,200,000</u>
Total	16,200,000
Sec. B.138 Renter rebate	
Grants	<u>10,400,000</u>
Total	10,400,000
Source of funds	
General fund	3,120,000
Education fund	<u>7,280,000</u>
Total	10,400,000
Sec. B.139 Tax department - reappraisal and listing payments	
Grants	<u>3,425,000</u>
Total	3,425,000
Source of funds	
Education fund	<u>3,425,000</u>
Total	3,425,000
Sec. B.140 Municipal current use	
Grants	<u>15,321,776</u>
Total	15,321,776
Source of funds	
General fund	<u>15,321,776</u>
Total	15,321,776
Sec. B.141 Lottery commission	
Personal services	1,934,113
Operating expenses	1,309,216
Grants	<u>150,000</u>
Total	3,393,329
Source of funds	
Enterprise funds	<u>3,393,329</u>
Total	3,393,329
Sec. B.142 Payments in lieu of taxes	
Grants	<u>7,211,000</u>
Total	7,211,000
Source of funds	
Special funds	<u>7,211,000</u>

Total	7,211,000
Sec. B.143 Payments in lieu of taxes - Montpelier	
Grants	<u>184,000</u>
Total	184,000
Source of funds	
Special funds	<u>184,000</u>
Total	184,000
Sec. B.144 Payments in lieu of taxes - correctional facilities	
Grants	<u>40,000</u>
Total	40,000
Source of funds	
Special funds	<u>40,000</u>
Total	40,000
Sec. B.145 Total general government	
Source of funds	
General fund	76,841,737
Transportation fund	4,014,502
Special funds	11,749,144
Education fund	10,705,000
Federal funds	861,098
Internal service funds	90,972,965
Interdepartmental transfers	8,958,648
Enterprise funds	3,423,486
Pension trust funds	12,536,707
Private purpose trust funds	<u>1,125,701</u>
Total	221,188,988
Sec. B.200 Attorney general	
Personal services	8,900,530
Operating expenses	1,386,540
Grants	<u>26,894</u>
Total	10,313,964
Source of funds	
General fund	4,338,420
Special funds	1,967,408
Tobacco fund	530,790
Federal funds	1,067,909
Interdepartmental transfers	<u>2,409,437</u>
Total	10,313,964
Sec. B.201 Vermont court diversion	
Personal services	63,550

Operating expenses	500
Grants	<u>1,996,483</u>
Total	2,060,533
Source of funds	
General fund	1,396,486
Special funds	<u>664,047</u>
Total	2,060,533
Sec. B.202 Defender general - public defense	
Personal services	10,469,892
Operating expenses	<u>1,026,336</u>
Total	11,496,228
Source of funds	
General fund	10,907,676
Special funds	<u>588,552</u>
Total	11,496,228
Sec. B.203 Defender general - assigned counsel	
Personal services	5,489,474
Operating expenses	<u>49,819</u>
Total	5,539,293
Source of funds	
General fund	<u>5,539,293</u>
Total	5,539,293
Sec. B.204 Judiciary	
Personal services	36,393,453
Operating expenses	8,552,590
Grants	<u>76,030</u>
Total	45,022,073
Source of funds	
General fund	39,433,856
Special funds	2,667,459
Tobacco fund	39,031
Federal funds	556,455
Interdepartmental transfers	<u>2,325,272</u>
Total	45,022,073
Sec. B.205 State's attorneys	
Personal services	11,690,469
Operating expenses	<u>1,945,843</u>
Total	13,636,312
Source of funds	
General fund	10,990,771

Special funds	105,855
Federal funds	31,000
Interdepartmental transfers	<u>2,508,686</u>
Total	13,636,312
Sec. B.206 Special investigative unit	
Personal services	90,000
Operating expenses	1,100
Grants	<u>1,750,000</u>
Total	1,841,100
Source of funds	
General fund	<u>1,841,100</u>
Total	1,841,100
Sec. B.207 Sheriffs	
Personal services	3,889,833
Operating expenses	<u>425,800</u>
Total	4,315,633
Source of funds	
General fund	<u>4,315,633</u>
Total	4,315,633
Sec. B.208 Public safety - administration	
Personal services	2,581,402
Operating expenses	<u>2,517,522</u>
Total	5,098,924
Source of funds	
General fund	2,805,505
Federal funds	270,726
Interdepartmental transfers	<u>2,022,693</u>
Total	5,098,924
Sec. B.209 Public safety - state police	
Personal services	51,937,925
Operating expenses	9,169,462
Grants	<u>759,635</u>
Total	61,867,022
Source of funds	
General fund	33,887,477
Transportation fund	21,150,000
Special funds	2,849,249
Federal funds	2,161,852
Interdepartmental transfers	<u>1,818,444</u>
Total	61,867,022

Sec. B.210 Public safety - criminal justice services	
Personal services	8,605,625
Operating expenses	2,525,328
Grants	<u>191,650</u>
Total	11,322,603
Source of funds	
General fund	7,090,142
Special funds	1,941,138
Federal funds	1,327,086
Interdepartmental transfers	<u>964,237</u>
Total	11,322,603
Sec. B.211 Public safety - emergency management and homeland security	
Personal services	3,137,644
Operating expenses	1,458,342
Grants	<u>17,207,831</u>
Total	21,803,817
Source of funds	
General fund	502,542
Federal funds	21,113,661
Interdepartmental transfers	<u>187,614</u>
Total	21,803,817
Sec. B.212 Public safety - fire safety	
Personal services	6,263,825
Operating expenses	2,591,448
Grants	<u>107,000</u>
Total	8,962,273
Source of funds	
General fund	383,349
Special funds	8,179,056
Federal funds	354,868
Interdepartmental transfers	<u>45,000</u>
Total	8,962,273
Sec. B.215 Military - administration	
Personal services	708,516
Operating expenses	341,919
Grants	<u>100,000</u>
Total	1,150,435
Source of funds	
General fund	<u>1,150,435</u>
Total	1,150,435

Sec. B.216 Military - air service contract	
Personal services	5,453,003
Operating expenses	<u>1,026,294</u>
Total	6,479,297
Source of funds	
General fund	552,185
Federal funds	<u>5,927,112</u>
Total	6,479,297
Sec. B.217 Military - army service contract	
Personal services	10,640,120
Operating expenses	<u>6,883,650</u>
Total	17,523,770
Source of funds	
Federal funds	<u>17,523,770</u>
Total	17,523,770
Sec. B.218 Military - building maintenance	
Personal services	895,500
Operating expenses	<u>626,874</u>
Total	1,522,374
Source of funds	
General fund	1,512,374
Special funds	<u>10,000</u>
Total	1,522,374
Sec. B.219 Military - veterans' affairs	
Personal services	2,169,931
Operating expenses	160,999
Grants	<u>96,784</u>
Total	2,427,714
Source of funds	
General fund	794,156
Special funds	109,718
Federal funds	<u>1,523,840</u>
Total	2,427,714
Sec. B.220 Center for crime victim services	
Personal services	1,670,219
Operating expenses	269,420
Grants	<u>11,155,252</u>
Total	13,094,891
Source of funds	
General fund	1,264,140

Special funds	5,072,158
Federal funds	<u>6,758,593</u>
Total	13,094,891
Sec. B.221 Criminal justice training council	
Personal services	1,068,015
Operating expenses	<u>1,327,800</u>
Total	2,395,815
Source of funds	
General fund	2,317,482
Interdepartmental transfers	<u>78,333</u>
Total	2,395,815
Sec. B.222 Agriculture, food and markets - administration	
Personal services	1,433,951
Operating expenses	312,646
Grants	<u>247,222</u>
Total	1,993,819
Source of funds	
General fund	1,136,524
Special funds	520,239
Federal funds	<u>337,056</u>
Total	1,993,819
Sec. B.223 Agriculture, food and markets - food safety and consumer protection	
Personal services	3,657,316
Operating expenses	713,308
Grants	<u>2,750,000</u>
Total	7,120,624
Source of funds	
General fund	2,593,189
Special funds	3,553,332
Federal funds	933,097
Global Commitment fund	34,006
Interdepartmental transfers	<u>7,000</u>
Total	7,120,624
Sec. B.224 Agriculture, food and markets - agricultural development	
Personal services	1,230,962
Operating expenses	853,358
Grants	<u>1,115,562</u>
Total	3,199,882
Source of funds	

General fund	1,896,634
Special funds	582,764
Federal funds	676,266
Interdepartmental transfers	<u>44,218</u>
Total	3,199,882
Sec. B.225 Agriculture, food and markets - agricultural resource management and environmental stewardship	
Personal services	3,247,517
Operating expenses	737,336
Grants	<u>1,203,080</u>
Total	5,187,933
Source of funds	
General fund	2,052,525
Special funds	1,957,631
Federal funds	1,026,838
Global Commitment fund	56,272
Interdepartmental transfers	<u>94,667</u>
Total	5,187,933
Sec. B.225.1 Agriculture, food and markets - Vermont Agriculture and Environmental Lab	
Personal services	1,282,870
Operating expenses	<u>515,342</u>
Total	1,798,212
Source of funds	
General fund	724,653
Special funds	1,025,396
Interdepartmental transfers	<u>48,163</u>
Total	1,798,212
Sec. B.225.2 Agriculture, Food and Markets - Clean Water	
Personal services	998,344
Operating expenses	292,257
Grants	<u>1,493,000</u>
Total	2,783,601
Source of funds	
General fund	0
Special funds	<u>2,783,601</u>
Total	2,783,601
Sec. B.226 Financial regulation - administration	
Personal services	1,919,911
Operating expenses	<u>194,235</u>

Total	2,114,146
Source of funds	
Special funds	<u>2,114,146</u>
Total	2,114,146
Sec. B.227 Financial regulation - banking	
Personal services	1,644,347
Operating expenses	<u>350,156</u>
Total	1,994,503
Source of funds	
Special funds	<u>1,994,503</u>
Total	1,994,503
Sec. B.228 Financial regulation - insurance	
Personal services	4,538,399
Operating expenses	<u>504,759</u>
Total	5,043,158
Source of funds	
Special funds	4,975,958
Interdepartmental transfers	<u>67,200</u>
Total	5,043,158
Sec. B.229 Financial regulation - captive insurance	
Personal services	4,070,007
Operating expenses	<u>490,641</u>
Total	4,560,648
Source of funds	
Special funds	<u>4,560,648</u>
Total	4,560,648
Sec. B.230 Financial regulation - securities	
Personal services	835,280
Operating expenses	<u>179,328</u>
Total	1,014,608
Source of funds	
Special funds	<u>1,014,608</u>
Total	1,014,608
Sec. B.232 Secretary of state	
Personal services	10,038,201
Operating expenses	<u>2,243,361</u>
Total	12,281,562
Source of funds	
Special funds	10,544,858
Federal funds	1,661,704

Interdepartmental transfers	<u>75,000</u>
Total	12,281,562
Sec. B.233 Public service - regulation and energy	
Personal services	10,567,119
Operating expenses	2,013,321
Grants	<u>3,687,932</u>
Total	16,268,372
Source of funds	
Special funds	14,551,869
Federal funds	1,002,268
ARRA funds	650,000
Interdepartmental transfers	41,667
Enterprise funds	<u>22,568</u>
Total	16,268,372
Sec. B.234 Public service board	
Personal services	3,099,507
Operating expenses	<u>445,493</u>
Total	3,545,000
Source of funds	
Special funds	<u>3,545,000</u>
Total	3,545,000
Sec. B.235 Enhanced 9-1-1 Board	
Personal services	3,289,987
Operating expenses	294,843
Grants	<u>720,000</u>
Total	4,304,830
Source of funds	
Special funds	<u>4,304,830</u>
Total	4,304,830
Sec. B.236 Human rights commission	
Personal services	454,052
Operating expenses	<u>77,347</u>
Total	531,399
Source of funds	
General fund	455,632
Federal funds	<u>75,767</u>
Total	531,399
Sec. B.237 Liquor control - administration	
Personal services	3,732,527
Operating expenses	<u>478,007</u>

Total	4,210,534
Source of funds	
Enterprise funds	<u>4,210,534</u>
Total	4,210,534
Sec. B.238 Liquor control - enforcement and licensing	
Personal services	2,519,794
Operating expenses	<u>491,938</u>
Total	3,011,732
Source of funds	
Special funds	151,119
Tobacco fund	213,843
Federal funds	312,503
Enterprise funds	<u>2,334,267</u>
Total	3,011,732
Sec. B.239 Liquor control - warehousing and distribution	
Personal services	1,006,762
Operating expenses	<u>414,188</u>
Total	1,420,950
Source of funds	
Enterprise funds	<u>1,420,950</u>
Total	1,420,950
Sec. B.240 Total protection to persons and property	
Source of funds	
General fund	139,882,179
Transportation fund	21,150,000
Special funds	82,335,142
Tobacco fund	783,664
Federal funds	64,642,371
ARRA funds	650,000
Global Commitment fund	90,278
Interdepartmental transfers	12,737,631
Enterprise funds	<u>7,988,319</u>
Total	330,259,584
Sec. B.300 Human services - agency of human services - secretary's office	
Personal services	16,945,382
Operating expenses	5,927,510
Grants	<u>4,574,386</u>
Total	27,447,278
Source of funds	
General fund	6,969,314

Special funds	91,017
Tobacco fund	67,500
Federal funds	12,084,592
Global Commitment fund	6,436,024
Interdepartmental transfers	<u>1,798,831</u>
Total	27,447,278
Sec. B.301 Secretary's office - global commitment	
Operating expenses	5,529,495
Grants	<u>1,668,035,577</u>
Total	1,673,565,072
Source of funds	
General fund	324,036,681
Special funds	28,263,866
Tobacco fund	27,530,657
State health care resources fund	286,005,627
Federal funds	1,007,688,241
Interdepartmental transfers	<u>40,000</u>
Total	1,673,565,072
Sec. B.302 Rate setting	
Personal services	831,219
Operating expenses	<u>98,596</u>
Total	929,815
Source of funds	
Global Commitment fund	<u>929,815</u>
Total	929,815
Sec. B.303 Developmental disabilities council	
Personal services	261,555
Operating expenses	67,012
Grants	<u>248,388</u>
Total	576,955
Source of funds	
Federal funds	<u>576,955</u>
Total	576,955
Sec. B.304 Human services board	
Personal services	659,457
Operating expenses	<u>89,986</u>
Total	749,443
Source of funds	
General fund	208,383
Federal funds	112,844

Global Commitment fund	355,736
Interdepartmental transfers	<u>72,480</u>
Total	749,443
Sec. B.305 AHS - administrative fund	
Personal services	350,000
Operating expenses	<u>4,650,000</u>
Total	5,000,000
Source of funds	
Interdepartmental transfers	<u>5,000,000</u>
Total	5,000,000
Sec. B.306 Department of Vermont health access - administration	
Personal services	166,815,638
Operating expenses	5,252,813
Grants	<u>17,445,598</u>
Total	189,514,049
Source of funds	
General fund	6,551,086
Special funds	799,894
Federal funds	99,758,443
Global Commitment fund	71,800,549
Interdepartmental transfers	<u>10,604,077</u>
Total	189,514,049
Sec. B.307 Department of Vermont health access - Medicaid program - global commitment	
Grants	<u>755,959,456</u>
Total	755,959,456
Source of funds	
General fund	0
Global Commitment fund	<u>755,959,456</u>
Total	755,959,456
Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver	
Grants	<u>187,699,781</u>
Total	187,699,781
Source of funds	
General fund	753,720
Federal funds	896,280
Global Commitment fund	<u>186,049,781</u>
Total	187,699,781

Sec. B.309 Department of Vermont health access - Medicaid program - state only

Grants	<u>45,177,465</u>
Total	45,177,465
Source of funds	
General fund	37,254,939
Global Commitment fund	<u>7,922,526</u>
Total	45,177,465

Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched

Grants	<u>46,362,233</u>
Total	46,362,233
Source of funds	
General fund	17,804,538
Federal funds	<u>28,557,695</u>
Total	46,362,233

Sec. B.311 Health - administration and support

Personal services	7,605,625
Operating expenses	2,974,444
Grants	<u>3,185,000</u>
Total	13,765,069
Source of funds	
General fund	2,156,700
Special funds	1,286,732
Federal funds	5,584,598
Global Commitment fund	<u>4,737,039</u>
Total	13,765,069

Sec. B.312 Health - public health

Personal services	40,636,991
Operating expenses	9,221,544
Grants	<u>38,431,111</u>
Total	88,289,646
Source of funds	
General fund	5,496,552
Special funds	17,054,895
Tobacco fund	2,409,514
Federal funds	38,055,582
Global Commitment fund	24,126,242
Interdepartmental transfers	1,121,861
Permanent trust funds	<u>25,000</u>
Total	88,289,646

Sec. B.313 Health - alcohol and drug abuse programs	
Personal services	3,681,311
Operating expenses	295,122
Grants	<u>47,340,427</u>
Total	51,316,860
Source of funds	
General fund	2,755,862
Special funds	459,453
Tobacco fund	1,357,025
Federal funds	12,012,707
Global Commitment fund	<u>34,731,813</u>
Total	51,316,860
Sec. B.314 Mental health - mental health	
Personal services	28,694,403
Operating expenses	3,885,385
Grants	<u>191,675,667</u>
Total	224,255,455
Source of funds	
General fund	1,593,826
Special funds	434,904
Federal funds	3,620,435
Global Commitment fund	218,586,290
Interdepartmental transfers	<u>20,000</u>
Total	224,255,455
Sec. B.316 Department for children and families - administration & support services	
Personal services	37,891,973
Operating expenses	9,938,078
Grants	<u>3,828,592</u>
Total	51,658,643
Source of funds	
General fund	23,929,434
Special funds	718,986
Federal funds	23,390,910
Global Commitment fund	3,402,828
Interdepartmental transfers	<u>216,485</u>
Total	51,658,643
Sec. B.317 Department for children and families - family services	
Personal services	32,371,167
Operating expenses	4,701,495
Grants	<u>74,996,824</u>

Total	112,069,486
Source of funds	
General fund	33,801,991
Special funds	1,691,637
Federal funds	25,015,922
Global Commitment fund	51,423,882
Interdepartmental transfers	<u>136,054</u>
Total	112,069,486
Sec. B.318 Department for children and families - child development	
Personal services	6,196,295
Operating expenses	833,601
Grants	<u>76,393,172</u>
Total	83,423,068
Source of funds	
General fund	31,554,569
Special funds	1,820,000
Federal funds	38,233,170
Global Commitment fund	<u>11,815,329</u>
Total	83,423,068
Sec. B.319 Department for children and families - office of child support	
Personal services	10,226,408
Operating expenses	<u>3,644,264</u>
Total	13,870,672
Source of funds	
General fund	3,445,615
Special funds	455,718
Federal funds	9,581,739
Interdepartmental transfers	<u>387,600</u>
Total	13,870,672
Sec. B.320 Department for children and families - aid to aged, blind and disabled	
Personal services	2,221,542
Grants	<u>11,367,424</u>
Total	13,588,966
Source of funds	
General fund	9,688,636
Global Commitment fund	<u>3,900,330</u>
Total	13,588,966
Sec. B.321 Department for children and families - general assistance	
Grants	<u>7,087,010</u>

Total	7,087,010
Source of funds	
General fund	5,680,025
Federal funds	1,111,320
Global Commitment fund	<u>295,665</u>
Total	7,087,010
Sec. B.322 Department for children and families - 3SquaresVT	
Grants	<u>29,827,906</u>
Total	29,827,906
Source of funds	
Federal funds	<u>29,827,906</u>
Total	29,827,906
Sec. B.323 Department for children and families - reach up	
Operating expenses	95,202
Grants	<u>37,253,135</u>
Total	37,348,337
Source of funds	
General fund	7,780,772
Special funds	23,401,676
Federal funds	3,819,096
Global Commitment fund	<u>2,346,793</u>
Total	37,348,337
Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP	
Grants	<u>17,351,664</u>
Total	17,351,664
Source of funds	
Federal funds	<u>17,351,664</u>
Total	17,351,664
Sec. B.325 Department for children and families - office of economic opportunity	
Personal services	372,844
Operating expenses	28,119
Grants	<u>9,315,255</u>
Total	9,716,218
Source of funds	
General fund	4,667,495
Special funds	57,990
Federal funds	4,350,417
Global Commitment fund	<u>640,316</u>

Total	9,716,218
Sec. B.326 Department for children and families - OEO - weatherization assistance	
Personal services	289,008
Operating expenses	53,816
Grants	<u>11,257,176</u>
Total	11,600,000
Source of funds	
Special funds	10,600,000
Federal funds	1,000,000
Interdepartmental transfers	<u>0</u>
Total	11,600,000
Sec. B.327 Department for children and families - Woodside rehabilitation center	
Personal services	4,795,936
Operating expenses	<u>694,946</u>
Total	5,490,882
Source of funds	
General fund	1,035,771
Global Commitment fund	4,358,111
Interdepartmental transfers	<u>97,000</u>
Total	5,490,882
Sec. B.328 Department for children and families - disability determination services	
Personal services	5,701,206
Operating expenses	<u>527,556</u>
Total	6,228,762
Source of funds	
Federal funds	5,963,048
Global Commitment fund	<u>265,714</u>
Total	6,228,762
Sec. B.329 Disabilities, aging, and independent living - administration & support	
Personal services	29,605,791
Operating expenses	<u>5,211,053</u>
Total	34,816,844
Source of funds	
General fund	11,637,389
Special funds	1,390,457
Federal funds	13,491,875

Global Commitment fund	7,230,839
Interdepartmental transfers	<u>1,066,284</u>
Total	34,816,844
Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants	
Grants	<u>20,787,826</u>
Total	20,787,826
Source of funds	
General fund	7,952,440
Federal funds	6,992,730
Global Commitment fund	<u>5,842,656</u>
Total	20,787,826
Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired	
Grants	<u>1,411,457</u>
Total	1,411,457
Source of funds	
General fund	349,154
Special funds	223,450
Federal funds	593,853
Global Commitment fund	<u>245,000</u>
Total	1,411,457
Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation	
Grants	<u>8,972,255</u>
Total	8,972,255
Source of funds	
General fund	1,371,845
Special funds	70,000
Federal funds	4,552,523
Global Commitment fund	7,500
Interdepartmental transfers	<u>2,970,387</u>
Total	8,972,255
Sec. B.333 Disabilities, aging, and independent living - developmental services	
Grants	<u>198,329,289</u>
Total	198,329,289
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857

Global Commitment fund	<u>197,798,844</u>
Total	198,329,289
Sec. B.334 Disabilities, aging, and independent living - TBI home and community based waiver	
Grants	<u>5,647,336</u>
Total	5,647,336
Source of funds	
Global Commitment fund	<u>5,647,336</u>
Total	5,647,336
Sec. B.335 Corrections - administration	
Personal services	2,606,169
Operating expenses	<u>215,943</u>
Total	2,822,112
Source of funds	
General fund	<u>2,822,112</u>
Total	2,822,112
Sec. B.336 Corrections - parole board	
Personal services	245,629
Operating expenses	<u>81,081</u>
Total	326,710
Source of funds	
General fund	<u>326,710</u>
Total	326,710
Sec. B.337 Corrections - correctional education	
Personal services	2,827,819
Operating expenses	<u>510,128</u>
Total	3,337,947
Source of funds	
Education fund	3,109,463
Interdepartmental transfers	<u>228,484</u>
Total	3,337,947
Sec. B.338 Corrections - correctional services	
Personal services	110,418,338
Operating expenses	20,357,559
Grants	<u>9,872,638</u>
Total	140,648,535
Source of funds	
General fund	133,763,426
Special funds	629,963
Federal funds	470,962

Global Commitment fund	5,387,869
Interdepartmental transfers	<u>396,315</u>
Total	140,648,535
Sec. B.339 Corrections - Correctional services-out of state beds	
Personal services	<u>5,839,110</u>
Total	5,839,110
Source of funds	
General fund	<u>5,839,110</u>
Total	5,839,110
Sec. B.340 Corrections - correctional facilities - recreation	
Personal services	556,422
Operating expenses	<u>345,501</u>
Total	901,923
Source of funds	
Special funds	<u>901,923</u>
Total	901,923
Sec. B.341 Corrections - Vermont offender work program	
Personal services	1,359,804
Operating expenses	<u>548,231</u>
Total	1,908,035
Source of funds	
Internal service funds	<u>1,908,035</u>
Total	1,908,035
Sec. B.342 Vermont veterans' home - care and support services	
Personal services	17,571,664
Operating expenses	<u>4,794,203</u>
Total	22,365,867
Source of funds	
General fund	5,923,637
Special funds	8,655,269
Federal funds	7,375,975
Global Commitment fund	<u>410,986</u>
Total	22,365,867
Sec. B.343 Commission on women	
Personal services	280,633
Operating expenses	<u>76,378</u>
Total	357,011
Source of funds	
General fund	352,011
Special funds	<u>5,000</u>

Total	357,011
Sec. B.344 Retired senior volunteer program	
Grants	<u>151,096</u>
Total	151,096
Source of funds	
General fund	<u>151,096</u>
Total	151,096
Sec. B.345 Green Mountain Care Board	
Personal services	8,736,409
Operating expenses	<u>835,995</u>
Total	9,572,404
Source of funds	
General fund	1,243,276
Special funds	2,105,927
Federal funds	448,808
Global Commitment fund	4,281,832
Interdepartmental transfers	<u>1,492,561</u>
Total	9,572,404
Sec. B.346 Total human services	
Source of funds	
General fund	699,053,240
Special funds	101,134,220
Tobacco fund	31,364,696
State health care resources fund	286,005,627
Education fund	3,109,463
Federal funds	1,402,880,147
Global Commitment fund	1,616,937,101
Internal service funds	1,908,035
Interdepartmental transfers	25,648,419
Permanent trust funds	<u>25,000</u>
Total	4,168,065,948
Sec. B.400 Labor - programs	
Personal services	31,244,618
Operating expenses	9,723,007
Grants	<u>225,000</u>
Total	41,192,625
Source of funds	
General fund	3,314,311
Special funds	3,363,869
Federal funds	32,805,942

Interdepartmental transfers	<u>1,708,503</u>
Total	41,192,625
Sec. B.401 Total labor	
Source of funds	
General fund	3,314,311
Special funds	3,363,869
Federal funds	32,805,942
Interdepartmental transfers	<u>1,708,503</u>
Total	41,192,625
Sec. B.500 Education - finance and administration	
Personal services	9,135,219
Operating expenses	2,507,191
Grants	<u>15,810,700</u>
Total	27,453,110
Source of funds	
General fund	3,621,946
Special funds	16,821,588
Education fund	1,014,007
Federal funds	5,036,834
Global Commitment fund	<u>958,735</u>
Total	27,453,110
Sec. B.501 Education - education services	
Personal services	16,964,227
Operating expenses	1,406,432
Grants	<u>122,039,206</u>
Total	140,409,865
Source of funds	
General fund	4,916,711
Special funds	2,996,817
Tobacco fund	750,389
Federal funds	130,421,580
Interdepartmental transfers	<u>1,324,368</u>
Total	140,409,865
Sec. B.502 Education - special education: formula grants	
Grants	<u>180,749,796</u>
Total	180,749,796
Source of funds	
Education fund	<u>180,749,796</u>
Total	180,749,796
Sec. B.503 Education - state-placed students	

Grants	<u>16,700,000</u>
Total	16,700,000
Source of funds	
Education fund	<u>16,700,000</u>
Total	16,700,000
Sec. B.504 Education - adult education and literacy	
Grants	<u>3,351,468</u>
Total	3,351,468
Source of funds	
General fund	787,995
Education fund	1,800,000
Federal funds	<u>763,473</u>
Total	3,351,468
Sec. B.504.1 Education - Flexible Pathways	
Grants	<u>4,750,000</u>
Total	4,750,000
Source of funds	
Special funds	0
Education fund	<u>4,750,000</u>
Total	4,750,000
Sec. B.505 Education - adjusted education payment	
Grants	<u>1,311,000,000</u>
Total	1,311,000,000
Source of funds	
Education fund	<u>1,311,000,000</u>
Total	1,311,000,000
Sec. B.506 Education - transportation	
Grants	<u>18,240,000</u>
Total	18,240,000
Source of funds	
Education fund	<u>18,240,000</u>
Total	18,240,000
Sec. B.507 Education - small school grants	
Grants	<u>7,700,000</u>
Total	7,700,000
Source of funds	
Education fund	<u>7,700,000</u>
Total	7,700,000
Sec. B.508 Education - capital debt service aid	
Grants	<u>30,000</u>

Total	30,000
Source of funds	
Education fund	<u>30,000</u>
Total	30,000
Sec. B.510 Education - essential early education grant	
Grants	<u>6,400,000</u>
Total	6,400,000
Source of funds	
Education fund	<u>6,400,000</u>
Total	6,400,000
Sec. B.511 Education - technical education	
Grants	<u>13,530,912</u>
Total	13,530,912
Source of funds	
Education fund	<u>13,530,912</u>
Total	13,530,912
Sec. B.513 Appropriation and transfer to education fund	
Grants	<u>305,902,634</u>
Total	305,902,634
Source of funds	
General fund	<u>305,902,634</u>
Total	305,902,634
Sec. B.514 State teachers' retirement system	
Grants	<u>78,959,576</u>
Total	78,959,576
Source of funds	
General fund	<u>78,959,576</u>
Total	78,959,576
Sec. B.514.1 State teachers' retirement system	
Personal services	8,174,982
Operating expenses	<u>1,465,911</u>
Total	9,640,893
Source of funds	
Pension trust funds	<u>9,640,893</u>
Total	9,640,893
Sec. B.515 Retired teachers' health care and medical benefits	
Grants	<u>22,022,584</u>
Total	22,022,584
Source of funds	
General fund	<u>22,022,584</u>

Total	22,022,584
Sec. B.516 Total general education	
Source of funds	
General fund	416,211,446
Special funds	19,818,405
Tobacco fund	750,389
Education fund	1,561,914,715
Federal funds	136,221,887
Global Commitment fund	958,735
Interdepartmental transfers	1,324,368
Pension trust funds	<u>9,640,893</u>
Total	2,146,840,838
Sec. B.600 University of Vermont	
Grants	<u>42,509,093</u>
Total	42,509,093
Source of funds	
General fund	38,462,876
Global Commitment fund	<u>4,046,217</u>
Total	42,509,093
Sec. B.601 Vermont Public Television	
Grants	<u>271,103</u>
Total	271,103
Source of funds	
General fund	<u>271,103</u>
Total	271,103
Sec. B.602 Vermont state colleges	
Grants	<u>24,300,464</u>
Total	24,300,464
Source of funds	
General fund	<u>24,300,464</u>
Total	24,300,464
Sec. B.602.1 Vermont State Colleges - Supplemental Aid	
Grants	<u>700,000</u>
Total	700,000
Source of funds	
General fund	<u>700,000</u>
Total	700,000
Sec. B.603 Vermont state colleges - allied health	
Grants	<u>1,157,775</u>
Total	1,157,775

Source of funds	
General fund	748,314
Global Commitment fund	<u>409,461</u>
Total	1,157,775
Sec. B.605 Vermont student assistance corporation	
Grants	<u>19,414,588</u>
Total	19,414,588
Source of funds	
General fund	<u>19,414,588</u>
Total	19,414,588
Sec. B.606 New England higher education compact	
Grants	<u>84,000</u>
Total	84,000
Source of funds	
General fund	<u>84,000</u>
Total	84,000
Sec. B.607 University of Vermont - Morgan Horse Farm	
Grants	<u>1</u>
Total	1
Source of funds	
General fund	<u>1</u>
Total	1
Sec. B.608 Total higher education	
Source of funds	
General fund	83,981,346
Global Commitment fund	<u>4,455,678</u>
Total	88,437,024
Sec. B.700 Natural resources - agency of natural resources - administration	
Personal services	3,517,448
Operating expenses	2,128,893
Grants	<u>114,960</u>
Total	5,761,301
Source of funds	
General fund	4,850,163
Special funds	472,400
Federal funds	275,000
Interdepartmental transfers	<u>163,738</u>
Total	5,761,301
Sec. B.701 Natural resources - state land local property tax assessment	
Operating expenses	<u>2,375,405</u>

Total	2,375,405
Source of funds	
General fund	1,953,905
Interdepartmental transfers	<u>421,500</u>
Total	2,375,405
Sec. B.702 Fish and wildlife - support and field services	
Personal services	16,280,543
Operating expenses	5,286,467
Grants	<u>739,000</u>
Total	22,306,010
Source of funds	
General fund	4,987,323
Special funds	77,955
Fish and wildlife fund	9,592,312
Federal funds	7,531,572
Interdepartmental transfers	115,848
Permanent trust funds	<u>1,000</u>
Total	22,306,010
Sec. B.703 Forests, parks and recreation - administration	
Personal services	1,149,604
Operating expenses	667,688
Grants	<u>1,963,413</u>
Total	3,780,705
Source of funds	
General fund	1,154,294
Special funds	1,456,877
Federal funds	<u>1,169,534</u>
Total	3,780,705
Sec. B.704 Forests, parks and recreation - forestry	
Personal services	5,278,211
Operating expenses	729,049
Grants	<u>450,000</u>
Total	6,457,260
Source of funds	
General fund	4,231,560
Special funds	717,701
Federal funds	1,250,000
Interdepartmental transfers	<u>257,999</u>
Total	6,457,260
Sec. B.705 Forests, parks and recreation - state parks	

Personal services	7,326,858
Operating expenses	<u>2,636,530</u>
Total	9,963,388
Source of funds	
General fund	571,102
Special funds	<u>9,392,286</u>
Total	9,963,388
Sec. B.706 Forests, parks and recreation - lands administration	
Personal services	536,452
Operating expenses	<u>1,198,797</u>
Total	1,735,249
Source of funds	
General fund	472,300
Special funds	171,199
Federal funds	1,073,000
Interdepartmental transfers	<u>18,750</u>
Total	1,735,249
Sec. B.707 Forests, parks and recreation - youth conservation corps	
Grants	<u>430,689</u>
Total	430,689
Source of funds	
General fund	48,307
Special funds	188,382
Federal funds	94,000
Interdepartmental transfers	<u>100,000</u>
Total	430,689
Sec. B.708 Forests, parks and recreation - forest highway maintenance	
Personal services	94,000
Operating expenses	<u>85,925</u>
Total	179,925
Source of funds	
General fund	<u>179,925</u>
Total	179,925
Sec. B.709 Environmental conservation - management and support services	
Personal services	5,854,115
Operating expenses	677,351
Grants	<u>160,000</u>
Total	6,691,466
Source of funds	
General fund	374,367

Special funds	385,773
Federal funds	724,194
Interdepartmental transfers	<u>5,207,132</u>
Total	6,691,466
Sec. B.710 Environmental conservation - air and waste management	
Personal services	10,490,655
Operating expenses	8,220,578
Grants	<u>1,949,993</u>
Total	20,661,226
Source of funds	
General fund	90,472
Special funds	16,726,784
Federal funds	3,629,701
Interdepartmental transfers	<u>214,269</u>
Total	20,661,226
Sec. B.711 Environmental conservation - office of water programs	
Personal services	17,147,245
Operating expenses	5,662,996
Grants	<u>25,837,625</u>
Total	48,647,866
Source of funds	
General fund	7,582,013
Special funds	11,979,402
Federal funds	27,890,186
Interdepartmental transfers	<u>1,196,265</u>
Total	48,647,866
Sec. B.712 Environmental conservation - tax-loss Connecticut river flood control	
Operating expenses	<u>34,700</u>
Total	34,700
Source of funds	
General fund	3,470
Special funds	<u>31,230</u>
Total	34,700
Sec. B.713 Natural resources board	
Personal services	2,504,516
Operating expenses	<u>402,928</u>
Total	2,907,444
Source of funds	
General fund	606,932

Special funds	<u>2,300,512</u>
Total	2,907,444
Sec. B.714 Total natural resources	
Source of funds	
General fund	27,106,133
Special funds	43,900,501
Fish and wildlife fund	9,592,312
Federal funds	43,637,187
Interdepartmental transfers	7,695,501
Permanent trust funds	<u>1,000</u>
Total	131,932,634
Sec. B.800 Commerce and community development - agency of commerce and community development - administration	
Personal services	2,960,194
Operating expenses	717,804
Grants	<u>4,821,627</u>
Total	8,499,625
Source of funds	
General fund	3,564,636
Special funds	3,599,800
Federal funds	1,200,000
Interdepartmental transfers	<u>135,189</u>
Total	8,499,625
Sec. B.801 Economic development	
Personal services	3,639,189
Operating expenses	667,420
Grants	<u>1,994,836</u>
Total	6,301,445
Source of funds	
General fund	4,600,379
Special funds	767,950
Federal funds	<u>933,116</u>
Total	6,301,445
Sec. B.802 Housing & community development	
Personal services	6,939,855
Operating expenses	882,101
Grants	<u>1,357,213</u>
Total	9,179,169
Source of funds	
General fund	2,623,306

Special funds	4,423,559
Federal funds	2,024,863
Interdepartmental transfers	<u>107,441</u>
Total	9,179,169
Sec. B.804 Community development block grants	
Grants	<u>6,249,045</u>
Total	6,249,045
Source of funds	
Federal funds	<u>6,249,045</u>
Total	6,249,045
Sec. B.805 Downtown transportation and capital improvement fund	
Personal services	94,328
Grants	<u>335,151</u>
Total	429,479
Source of funds	
Special funds	<u>429,479</u>
Total	429,479
Sec. B.806 Tourism and marketing	
Personal services	1,167,103
Operating expenses	1,856,903
Grants	<u>150,380</u>
Total	3,174,386
Source of funds	
General fund	3,074,386
Interdepartmental transfers	<u>100,000</u>
Total	3,174,386
Sec. B.807 Vermont life	
Personal services	670,903
Operating expenses	<u>61,465</u>
Total	732,368
Source of funds	
Enterprise funds	<u>732,368</u>
Total	732,368
Sec. B.808 Vermont council on the arts	
Grants	<u>675,307</u>
Total	675,307
Source of funds	
General fund	<u>675,307</u>
Total	675,307
Sec. B.809 Vermont symphony orchestra	

Grants	<u>141,214</u>
Total	141,214
Source of funds	
General fund	<u>141,214</u>
Total	141,214
Sec. B.810 Vermont historical society	
Grants	<u>954,354</u>
Total	954,354
Source of funds	
General fund	<u>954,354</u>
Total	954,354
Sec. B.811 Vermont housing and conservation board	
Grants	<u>27,086,977</u>
Total	27,086,977
Source of funds	
Special funds	12,297,808
Federal funds	<u>14,789,169</u>
Total	27,086,977
Sec. B.812 Vermont humanities council	
Grants	<u>217,959</u>
Total	217,959
Source of funds	
General fund	<u>217,959</u>
Total	217,959
Sec. B.813 Total commerce and community development	
Source of funds	
General fund	15,851,541
Special funds	21,518,596
Federal funds	25,196,193
Interdepartmental transfers	342,630
Enterprise funds	<u>732,368</u>
Total	63,641,328
Sec. B.900 Transportation - finance and administration	
Personal services	11,650,431
Operating expenses	2,501,368
Grants	<u>55,000</u>
Total	14,206,799
Source of funds	
Transportation fund	13,262,499
Federal funds	<u>944,300</u>

Total	14,206,799
Sec. B.901 Transportation - aviation	
Personal services	2,650,087
Operating expenses	17,110,961
Grants	<u>274,000</u>
Total	20,035,048
Source of funds	
Transportation fund	5,776,348
Federal funds	14,123,500
Local match	<u>135,200</u>
Total	20,035,048
Sec. B.902 Transportation - buildings	
Operating expenses	<u>2,000,000</u>
Total	2,000,000
Source of funds	
Transportation fund	<u>2,000,000</u>
Total	2,000,000
Sec. B.903 Transportation - program development	
Personal services	45,052,065
Operating expenses	193,866,492
Grants	<u>44,608,524</u>
Total	283,527,081
Source of funds	
Transportation fund	40,313,136
TIB fund	8,365,345
Federal funds	233,872,934
Local match	<u>975,666</u>
Total	283,527,081
Sec. B.904 Transportation - rest areas construction	
Operating expenses	<u>550,000</u>
Total	550,000
Source of funds	
Transportation fund	60,000
Federal funds	<u>490,000</u>
Total	550,000
Sec. B.905 Transportation - maintenance state system	
Personal services	44,434,460
Operating expenses	45,739,029
Grants	<u>1,383,280</u>
Total	91,556,769

Source of funds	
Transportation fund	86,728,962
Federal funds	4,727,807
Interdepartmental transfers	<u>100,000</u>
Total	91,556,769
Sec. B.906 Transportation - policy and planning	
Personal services	3,446,689
Operating expenses	675,519
Grants	<u>5,864,950</u>
Total	9,987,158
Source of funds	
Transportation fund	2,576,853
Federal funds	7,396,305
Interdepartmental transfers	<u>14,000</u>
Total	9,987,158
Sec. B.907 Transportation - rail	
Personal services	5,757,863
Operating expenses	<u>28,123,741</u>
Total	33,881,604
Source of funds	
Transportation fund	18,665,089
TIB fund	2,482,700
Federal funds	12,588,350
ARRA funds	90,899
Interdepartmental transfers	<u>54,566</u>
Total	33,881,604
Sec. B.908 Transportation - public transit	
Personal services	1,147,270
Operating expenses	268,987
Grants	<u>29,757,441</u>
Total	31,173,698
Source of funds	
Transportation fund	7,928,915
Federal funds	<u>23,244,783</u>
Total	31,173,698
Sec. B.909 Transportation - central garage	
Personal services	4,596,869
Operating expenses	<u>15,134,918</u>
Total	19,731,787
Source of funds	

Internal service funds	<u>19,731,787</u>
Total	19,731,787
Sec. B.910 Department of motor vehicles	
Personal services	18,539,423
Operating expenses	10,370,632
Grants	<u>0</u>
Total	28,910,055
Source of funds	
Transportation fund	27,416,335
Special funds	0
Federal funds	1,388,720
Interdepartmental transfers	<u>105,000</u>
Total	28,910,055
Sec. B.911 Transportation - town highway structures	
Grants	<u>6,333,500</u>
Total	6,333,500
Source of funds	
Transportation fund	<u>6,333,500</u>
Total	6,333,500
Sec. B.912 Transportation - town highway local technical assistance program	
Grants	<u>394,700</u>
Total	394,700
Source of funds	
Transportation fund	239,700
Federal funds	<u>155,000</u>
Total	394,700
Sec. B.913 Transportation - town highway class 2 roadway	
Grants	<u>7,648,750</u>
Total	7,648,750
Source of funds	
Transportation fund	<u>7,648,750</u>
Total	7,648,750
Sec. B.914 Transportation - town highway bridges	
Personal services	5,206,279
Operating expenses	14,774,385
Grants	<u>41,066</u>
Total	20,021,730
Source of funds	
Transportation fund	1,232,953
TIB fund	1,421,331

Federal funds	16,162,896
Local match	<u>1,204,550</u>
Total	20,021,730
Sec. B.915 Transportation - town highway aid program	
Grants	<u>25,982,744</u>
Total	25,982,744
Source of funds	
Transportation fund	<u>25,982,744</u>
Total	25,982,744
Sec. B.916 Transportation - town highway class 1 supplemental grants	
Grants	<u>128,750</u>
Total	128,750
Source of funds	
Transportation fund	<u>128,750</u>
Total	128,750
Sec. B.917 Transportation - town highway: state aid for nonfederal disasters	
Grants	<u>1,150,000</u>
Total	1,150,000
Source of funds	
Transportation fund	<u>1,150,000</u>
Total	1,150,000
Sec. B.918 Transportation - town highway: state aid for federal disasters	
Grants	<u>1,280,000</u>
Total	1,280,000
Source of funds	
Federal funds	<u>1,280,000</u>
Total	1,280,000
Sec. B.919 Transportation - municipal mitigation grant program	
Grants	<u>2,905,000</u>
Total	2,905,000
Source of funds	
Transportation fund	1,240,000
Special funds	1,465,000
Federal funds	<u>200,000</u>
Total	2,905,000
Sec. B.920 Transportation - public assistance grant program	
Operating expenses	640,000
Grants	<u>10,300,000</u>
Total	10,940,000
Source of funds	

Transportation fund	160,000
Special funds	300,000
Federal funds	10,000,000
Interdepartmental transfers	<u>480,000</u>
Total	10,940,000
Sec. B.921 Transportation board	
Personal services	198,657
Operating expenses	<u>30,588</u>
Total	229,245
Source of funds	
Transportation fund	<u>229,245</u>
Total	229,245
Sec. B.922 Total transportation	
Source of funds	
Transportation fund	249,073,779
TIB fund	12,269,376
Special funds	1,765,000
Federal funds	326,574,595
ARRA funds	90,899
Internal service funds	19,731,787
Interdepartmental transfers	753,566
Local match	<u>2,315,416</u>
Total	612,574,418
Sec. B.1000 Debt service	
Operating expenses	<u>76,991,491</u>
Total	76,991,491
Source of funds	
General fund	71,119,465
Transportation fund	1,884,089
Special funds	336,000
ARRA funds	1,150,524
TIB debt service fund	<u>2,501,413</u>
Total	76,991,491
Sec. B.1001 Total debt service	
Source of funds	
General fund	71,119,465
Transportation fund	1,884,089
Special funds	336,000
ARRA funds	1,150,524
TIB debt service fund	<u>2,501,413</u>

Total

76,991,491

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND
TRANSFERS

(a) In fiscal year 2017, \$2,909,900 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of \$1,577,500 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$1,017,500 is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for competitive grants for internships through the Vermont Strong Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Career Technical Education Programs. The amount of \$360,000 is appropriated to the Department of Labor in consultation with the State Workforce Investment Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to provide adult career technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of \$200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of \$57,900 as follows:

(A) Large animal veterinarians' loan repayment. The amount of \$30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan repayment program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(B) Science Technology Engineering and Math (STEM) incentive. The amount of \$27,900 is appropriated to the Agency of Commerce and Community Development for an incentive payment pursuant to 2011 Acts and Resolves No. 52, Sec. 6, as amended by Sec. B.1100.2 of this act.

(3) Scholarships and grants. The amount of \$1,274,500 as follows:

(A) Nondegree VSAC grants. The amount of \$494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of \$150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs and need-based stipend. The amount of \$600,000 is appropriated to the Agency of Education for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and \$30,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need-based stipends pursuant to Sec. E.605.1 of this act.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR
FISCAL YEAR 2018 NEXT GENERATION FUND
DISTRIBUTION

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the State Workforce Investment Board, shall recommend to the Governor on or before December 1, 2016 how \$2,909,900 from the Next Generation Fund should be allocated or appropriated in fiscal year 2018 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

Sec. B.1100.2 2011 Acts and Resolves No. 52, Sec 6 is amended to read:

Sec. 6. SCIENCE, TECHNOLOGY, ENGINEERING, AND
MATHEMATICS (STEM) INCENTIVE PROGRAM

* * *

~~(b)(4) The secretary shall award up to a maximum of \$75,000.00 per year for incentives in accordance with this section, which shall be made in the order in which they are claimed, as determined by the secretary in his or her discretion, and not to exceed a total program cap of \$375,000.00. [Repealed.]~~

* * *

Sec. B.1101 FISCAL YEAR 2017 ONE-TIME GENERAL FUND
APPROPRIATIONS

(a) The sum of \$425,000 is appropriated to the Secretary of State for 2016 primary and general elections.

(b) The sum of \$65,000 is appropriated to the Department of Finance and Management for the Governor's transition. These funds are for costs incurred by the transition of the Executive Office. No funds shall be used for inaugural celebrations. Any unexpended portion of these funds shall revert to the General Fund at the end of fiscal year 2017.

(c) The sum of \$500,000 is appropriated to the Secretary of Administration for allocation across State government for security improvements as determined by the Secretary. The Secretary shall develop site-specific workplace security and risk reduction plans for State office buildings. These plans shall enhance security through improved workplace management practices, employee training, and building security improvements, including parking lots. The Secretary shall report to the Joint Fiscal Committee in September 2016 on the status of these plans and the uses of this appropriation and potential need for adjustment to this appropriation in the fiscal year 2017 budget adjustment process.

(d) The sum of \$135,000 is appropriated to the Secretary of Administration in the first quarter of fiscal year 2017 for a grant to the Vermont Law School Legal Clinic to support its legal services programs and strengthen its services in domestic violence and veterans-related issues.

(e) The sum of \$100,000 is appropriated to the Secretary of Administration for transfer as needed to the Secretary of Human Services to support the Dr. Dynasaur expansion study and report pursuant to Sec. C.112 of this act. Up to \$50,000 in donations or grant funds may be used to support this study. Any donations or grant funds shall be deposited into the general fund. These amounts shall be matched through Global Commitment managed care investments up to a total of \$329,000.

Sec. B.1102 FISCAL YEAR 2017; ONE-TIME GENERAL FUND
APPROPRIATION; HOMELESSNESS STUDY; REPORT

(a) The sum of \$40,000 is appropriated to the Agency of Human Services, Secretary's Office for a homelessness study with the following goals in mind: a comprehensive and actionable roadmap to reduce homelessness, technical assistance to State agencies and community housing and homeless service providers, and training on best practices for housing and human services

collaboration. This appropriation represents funding for partial cost of this work and the remaining funding shall be provided by partner organizations.

(1) In partnership with the partner organizations, the Secretary shall contract with a nationally recognized organization with expertise in analyzing homelessness expenditures to conduct a comprehensive analysis of current State expenditures on homelessness. The analysis also shall examine savings in other program expenditures resulting from the provision of homelessness services, including savings in health care expenditures. The analysis shall also include a comprehensive plan for substantially reducing homelessness in Vermont, including necessary strategic investments and concrete recommendations for implementation with benchmarks to measure progress. The contractor shall further provide technical assistance to State agencies and community housing and homeless service providers in implementing the roadmap to reduce homelessness. The technical assistance shall include training on best practices for housing and human services collaboration.

(2) On or before January 15, 2017, the Secretary shall submit this report and recommendations to the House Committees on Appropriations, on Health Care, on Housing, General and Military Affairs, and on Human Services and to the Senate Committees on Appropriations, on Health and Welfare, and on Economic Development, Housing and General Affairs.

Sec. B.1103 FISCAL YEAR 2017 RISK MANAGEMENT SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund for a total of \$500,000 due to savings generated from improved risk management processes which are under way in the administration of the State's risk management programs.

Sec. B.1104 FISCAL YEAR 2017 ONE-TIME 53RD WEEK OF MEDICAID COST FUNDING

(a) In fiscal year 2017, \$5,287,591 of general funds is appropriated to the Agency of Administration for transfer to the Agency of Human Services Global Commitment upon determination of the Commissioner of Finance and Management of the amount necessary to fund the 53rd week of Medicaid expenditures. Any remaining general funds from this appropriation shall be placed in the 27/53 Reserve established as 32 V.S.A. § 308e by Sec. B.1105 of this act. As provided by 32 V.S.A. § 511, the Commissioner of Finance and Management may approve expenditures of Global Commitment and federal Funds for the 53rd week of Medicaid.

(b) The Commissioner of Finance and Management shall report to the Joint Fiscal Committee in July 2016 on the status of funds appropriated in this section.

Sec. B.1105 32 V.S.A. § 308e is added to read:

§ 308e. 27/53 RESERVE

(a)(1) There is hereby created within the General Fund the 27/53 Reserve. The purpose of this reserve is to meet the liabilities of the recurring 27th State payroll and the 53rd week of Medicaid payments. These liabilities will be funded by reserving a prorated amount of general funds each year, before the liability comes due.

(2) Beginning in September 2016 and annually thereafter at the September Joint Fiscal Committee meeting, the Commissioner of Finance and Management shall report on the anticipated liability for the next 27th payroll and 53rd week of Medicaid payments, providing the current reserve balance and a schedule of annual amounts needed to meet the obligation of these payments.

(b) As part of the Governor's budget submission under section 306 of this title, the amount prorated for the upcoming fiscal year identified in subdivision (a)(2) of this section shall be included as a budgeted transfer to the 27/53 Reserve.

(c) In a fiscal year where a 27th State payroll or 53rd week of Medicaid payment is due, the General Assembly shall appropriate the funds from the 27/53 Reserve to meet the expenditures within the year in which these payments are due.

Sec. B.1106 SECRETARY OF ADMINISTRATION; FISCAL YEAR 2017
EXEMPT PERSONNEL COST SAVINGS AND EXEMPT
POSITIONS

(a) The Secretary of Administration shall identify exempt positions within the Executive Branch to be eliminated. The Secretary may consider the legal services evaluation report required by Sec. E.100.6 of this act, the agencies and departments that have experienced the greatest growth in exempt positions since 2011, the level of State funding associated with the position, the length of time a position has been in existence, and the ongoing need for the position within the agency. The Secretary shall report the exempt positions identified for elimination to the Joint Fiscal Committee in November 2016. The Administration shall indicate which exempt positions require statutory change for elimination. As of January 7, 2017, all exempt positions identified for elimination that do not require statutory change are abolished.

(b) The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund for a total of \$550,000 for savings associated with positions abolished in subsection (a) of this section

and shall include the appropriation reductions and transfers in the report to the Joint Fiscal Committee in November 2016.

Sec. B.1107 FISCAL YEAR 2017 APPROPRIATED RESERVE

(a) It is the intent of the General Assembly that the funds appropriated in this section shall be available to address contingent expenditure needs or potential revenue risks in fiscal year 2017.

(b) \$1,200,000 in general funds is appropriated to the Secretary of Administration to be reserved for expenditures or other actions subject to approval by the Joint Fiscal Committee, including the following:

(1) offsetting revenue shortfalls due to a revenue downgrade;

(2) funding Emergency Board-authorized expenditures, including:

(A) for Green Mountain Care Board implementation costs for the all payer waiver; or

(B) funding needs of the LIHEAP program.

(c) Any remaining funds not approved for expenditure by December 15, 2016 shall be available for the fiscal year 2017 budget adjustment process.

Sec. C.100 2015 Acts and Resolves No. 58, Sec. B.1117 is amended to read:

Sec. B.1117 PSAP; TRANSITION FUNDING

(a) In addition to the PSAP funding in Sec. B.235 of this act, in fiscal year 2016, \$425,000 of ~~E-911 funds~~ Vermont Universal Service Funds held by the fiscal agent under 30 V.S.A. chapter 88 is transferred to the E-911 Special Fund and is appropriated to the Department of Public Safety for the purposes of Sec. E.208.1 of this act.

Sec. C.101 VERMONT INTERACTIVE TECHNOLOGIES; SURPLUS
PROPERTY

(a) Pursuant to 29 V.S.A. chapter 59, all property owned by Vermont Interactive Technologies (VIT) that was funded in whole or in part by the State shall be transferred as surplus property to the Department of Buildings and General Services.

(b) Notwithstanding 29 V.S.A. § 1556, on or before June 30, 2016, the Commissioner of Buildings and General Services is authorized to sell any property described in subsection (a) of this section to an elementary school; secondary school; or public, educational, and government (PEG) channel that was a VIT hosting site, for \$1.00 per item, provided that the Judiciary shall be offered the right to purchase before any other sale.

 Sec. C.102 VERMONT LAW SCHOOL; LEGAL CLINIC SUPPORT

(a) The sum of \$135,000 in general funds is appropriated to the Secretary of Administration for a grant in the last quarter of fiscal year 2016 to the Vermont Law School Legal Clinic to support its legal services programs and strengthen its services in domestic violence and veterans-related issues.

Sec. C.103 2015 Acts and Resolves No. 58, Sec. B.301, as amended by 2016 Acts and Resolves No. 68, Sec. 13, is further amended to read:

Sec. B.301 Secretary's office - global commitment

Operating expenses	7,884,268	7,884,268
Grants	<u>1,434,250,041</u>	<u>1,434,250,041</u>
Total	1,442,134,309	1,442,134,309
Source of funds		
General fund	<u>217,281,414</u>	213,542,009
Special funds	27,899,279	27,899,279
Tobacco fund	<u>28,079,458</u>	29,579,458
State health care resources fund	<u>282,705,968</u>	284,945,373
Federal funds	886,128,190	886,128,190
Interdepartmental transfers	<u>40,000</u>	<u>40,000</u>
Total	1,442,134,309	1,442,134,309

Sec. C.104 2015 Acts and Resolves No. 58, Sec. B.346, as amended by 2016 Acts and Resolves No. 68, Sec. 36, is further amended to read:

Sec. B.346 Total human services

Source of funds		
General fund	<u>677,913,668</u>	674,309,263
Special funds	97,129,681	97,129,681
Tobacco fund	<u>31,952,069</u>	33,452,069
State health care resources fund	<u>282,705,968</u>	284,945,373
Education fund	3,886,204	3,886,204
Federal funds	1,388,932,032	1,388,032,032
Global commitment fund	1,379,045,585	1,379,045,585
Internal service funds	1,816,195	1,816,195
Interdepartmental transfers	34,112,598	34,112,598
Permanent trust funds	<u>25,000</u>	<u>25,000</u>
Total	<u>3,897,519,000</u>	3,897,519,000

Sec. C.105 2015 Acts and Resolves No. 58, Sec. B.505 is amended to read:

Sec. B.505 Education – adjusted education payment

Grants	<u>1,289,600,000</u>	<u>1,290,470,000</u>
Total	<u>1,289,600,000</u>	1,290,470,000

Source of funds

Education fund	<u>1,289,600,000</u>	1,290,470,000
Total	<u>1,289,600,000</u>	1,290,470,000

Sec. C.106 2015 Acts and Resolves No. 58, Sec. B.516 is amended to read:

Sec. B.516 Total general education

Source of funds

General fund	401,590,419	401,590,419
Special funds	20,407,726	20,407,726
Tobacco fund	766,541	766,541
Education fund	<u>1,537,744,842</u>	1,538,614,842
Federal funds	128,546,812	128,546,812
Global commitment fund	938,187	938,187
Interdepartmental transfers	1,265,933	1,265,933
Pension trust funds	<u>9,304,818</u>	<u>9,304,818</u>
Total	<u>2,100,565,278</u>	2,101,435,278

Sec.C.107 2016 Acts and Resolves No. 68, Sec. 53 is amended to read:

Sec. 53. FUND TRANSFERS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2016:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

21638	AG - Fees & Reimbursements - Court Order	3,383,514.00
22005	AHS Central Office earned federal receipts	16,216,920.00
50300	Liquor Control Fund	1,080,623.00
62100	Unclaimed Property Fund	<u>2,799,843.00</u> <u>3,074,843.00</u>
21405	Bond Investment Earnings Fund	33,273.00
21928	Secretary of State Services Fund	1,636,419.00
21698	Public Service Department - Regulation/Energy Efficiency	134,946.00
21709	Public Service Board - Special Funds	75,426.00
21944	Vermont Enterprise Fund	1,424,697.00
	Caledonia Fair	5,000.00
	North Country Hospital Loan	24,250.00
<u>21678</u>	<u>Mosquito Control Fund</u>	<u>142,000.00</u>

* * *

Sec. C.108 2016 Acts and Resolves No. 68, Sec. 54 is amended to read:

Sec. 54. REVERSIONS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2016:

(1) The following amounts shall revert to the General Fund from the accounts indicated:

1100891301	Secretary of Administration - Independent Review of the Vermont Veterans' Home	20,000.00
1140070000	Use Tax Reimbursement Program	302.39
1140330000	Renter Rebates	150,000.00
1240001000	Lieutenant Governor's Office	10,333.64
1250010000	State Auditor's Office	43,585.00
6120890802	FW-Non-motorized Boat Access	2,769.34
<u>3330010000</u>	<u>Green Mountain Care Board</u>	<u>146,004.00</u>
<u>1260010000</u>	<u>State Treasurer</u>	<u>115,000.00</u>
<u>3400891102</u>	<u>Agency of Human Services - replace legacy technology</u>	<u>1,900,000.00</u>

* * *

Sec. C.109 2016 Acts and Resolves No. 68, Sec. 55a is amended to read:

Sec. 55a. FISCAL YEAR 2016 CONTINGENT GENERAL FUND
APPROPRIATIONS

(a) In fiscal year 2016, to the extent that the Commissioner of Finance and Management determines that General Fund revenues exceed the 2016 official revenue forecast and other fund receipts assumed for all previously authorized fiscal year 2016 appropriations and transfers necessary to ensure the stabilization reserve is at its maximum authorized level under 32 V.S.A. § 308, ~~\$10,300,000~~ the first \$12,000,000 is appropriated to the Agency of Administration in the following order:

(1) First, up to \$10,300,000 for transfer to the Agency of Human Services for Global Commitment upon determination of the Commissioner of Finance and Management of the amount necessary to fund the 53rd week of Medicaid expenditures; based on fiscal year 2016 end of the year Medicaid program closeout;

(2) Second, \$1,700,000 for transfer to the Department for Children and Families to provide low-income home energy assistance during the 2016-2017 heating season at a level not to exceed the estimated purchasing power of the average low-income home energy benefit provided during the 2015-2016 heating season;

(3) Any funds remaining from this \$10,300,000 appropriation after this 53rd week payment not used from the appropriation in this subsection shall revert to the General Fund and be distributed in accordance with the provisions of the same manner as prescribed in 32 V.S.A. § 308c(a).

* * *

Sec. C.110 TRANSPORTATION PROGRAM DEVELOPMENT; FISCAL
YEAR 2017 CONTINGENT APPROPRIATION

(a) As used in this section:

(1) “Transportation Fund balance” means a positive balance of unreserved monies remaining in the Transportation Fund at the end of fiscal year 2016.

(2) “TIB Fund balance” means a positive balance of unreserved monies remaining in the Transportation Infrastructure Bond Fund at the end of fiscal year 2016.

(b) Subject to the funding of the Transportation Fund Stabilization Reserve in accordance with 32 V.S.A. § 308a and to the limitations of 19 V.S.A. § 11f (Transportation Infrastructure Bond Fund), and notwithstanding 32 V.S.A. § 308c(c) (Transportation Fund Balance Reserve), if a Transportation Fund balance, TIB Fund balance, or balance in both funds exists at the end of fiscal year 2016, the appropriations in Sec. B.903 of this act shall be increased to the extent of the balance or balances, up to a total of \$1,194,573 in Transportation Funds or TIB funds, and by up to \$4,778,292 in matching federal funds.

Sec. C.111 AUTHORIZATION FOR VERMONT STUDENT ASSISTANCE
CORPORATION; REALLOCATION OF FUNDS

(a) Notwithstanding anything to the contrary in 2015 Acts and Resolves No. 58, Sec. E.605.1, and Secs. B.1100(a)(3)(C) and E.505(a)(1) of this act, the Vermont Student Assistance Corporation may, in fiscal year 2016, reallocate up to \$10,000 of funds allocated for dual enrollment for the needs-based stipend to fund a stipend for eligible dual enrollment for spring and summer classes.

Sec. C.112 DR. DYNASAUR EXPANSION STUDY; REPORT

(a) The Secretary of Administration shall analyze the financial implications of expanding Dr. Dynasaur, the State’s children’s Medicaid and Children’s

Health Insurance Program, to all Vermont residents up to 26 years of age. The Secretary may contract with other individuals and entities as needed to provide actuarial services, economic modeling, and any other assistance the Secretary requires in carrying out the analysis described in this act.

(b)(1) Estimated program costs shall include the cost of coverage, one-time and ongoing operating costs, administrative costs, and reserves or reinsurance to the extent they are deemed advisable.

(2) The cost estimates shall be for a period of five years beginning on January 1, 2019, and shall assume a reasonable rate of health care spending growth.

(3) Estimated costs shall be offset by any cost reductions to State government spending and by any avoided State or federal tax liability that the State of Vermont would otherwise incur as an employer.

(4) The cost estimates shall include an analysis of any cost increases or reductions anticipated for municipalities and school districts, including impacts on projected education spending.

(5) The cost estimates shall project increasing provider reimbursement rates at regular intervals from 100 percent of Medicare rates up to commercial rates. Medicare and commercial rates shall be determined based on claims data from the Vermont's all-payer claims database.

(6) The cost estimates shall include the short-term and long-term impacts on both State revenues and State services. The revenue analysis shall include the direct and indirect impact on State revenues. The analysis on State services shall include examining the impact on State resources available for other public programs and services.

(c)(1) On or before January 15, 2017, the Secretary shall submit a report to the House Committees on Health Care, on Appropriations, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance comprising its analysis of the costs of expanding Dr. Dynasaur to all Vermont residents up to 26 years of age and potential plans for financing the expansion. The financing plans shall be consistent with the principles of equity expressed in 18 V.S.A. § 9371(11), which states that financing of health care in Vermont must be sufficient, fair, predictable, transparent, sustainable, and shared equitably. In developing the financing plans, the Secretary shall consider the following:

(A) all current sources of funding for State government, including taxes, fees, and assessments;

(B) existing health care revenue sources, including the claims tax levied pursuant to 32 V.S.A. chapter 243, the provider assessments imposed pursuant to 33 V.S.A. chapter 19, subchapter 2, and the employer assessment required pursuant to 21 V.S.A. chapter 25 to determine whether they are suitable for preservation or expansion to fund the program expansion;

(C) new revenue sources such as a payroll tax, gross receipts tax, or business enterprise tax, or a combination of them;

(D) expansion or reform of existing taxes;

(E) opportunities and challenges presented by federal law, including the Internal Revenue Code; Section 1332 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and Titles XIX (Medicaid) and XXI (SCHIP) of the Social Security Act, and by State tax law; and

(F) anticipated federal funds that may be used for health care services, including consideration of methods to maximize receipt of federal funds available for this purpose.

(2) The Secretary's report also shall include information on the impacts of the coverage and proposed tax changes on individuals, households, businesses, public sector entities, and the nonprofit community, including migration of coverage, insurance market impacts, financial impacts, federal tax implications, and other economic effects. The impact assessment shall cover the same five-year period as the cost estimates.

(d)(1) Agencies, departments, boards, and similar units of State government, including the Agency of Human Services, Department of Financial Regulation, Department of Labor, Director of Health Care Reform, and Green Mountain Care Board shall provide information and assistance requested by the Secretary and its contractors to enable them to conduct the analysis required by this act.

(2) To the extent necessary to conduct the analysis required by this section, a health insurer licensed to do business in Vermont shall provide any information requested by the Secretary or its contractors within 30 days of the request. The Secretary may enter into a confidentiality agreement with an insurer if the data requested include personal health information or other confidential material.

(3) In the event that funds are not available to support a \$140,000 State share of the cost of the study, the Secretary of Administration is not required to meet all of the study requirements; however, the Secretary shall be required to accomplish as much of the study as is financially feasible.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of \$518,000 is appropriated from the Current Use Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$518,000 from the property transfer tax that are deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of \$11,304,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above \$11,304,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(3) The sum of \$3,760,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,760,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The \$3,760,599 shall be allocated as follows:

(A) \$2,924,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$457,482 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information.

Sec. D.100.1 2011 Acts and Resolves No. 45, Sec. 37(10) is amended to read:

(10) Sec. 35 (repeal of the allocation of property transfer tax revenue) shall take effect on July 1, ~~2016~~ 2017.

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$2,909,900.

(2) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. § 4803: \$1,943,000.

(3) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: \$423,966.

(4) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. § 951a for the purpose of funding fiscal year 2018 transportation infrastructure bonds debt service: \$2,503,738.

(5) From the Evidence-Based Education and Advertising Fund established by 33 V.S.A. § 2004a to the General Fund. Notwithstanding any law to the contrary, the first \$500,000 of any cigarette tax receipts above the amount adopted in the forecast within the State Health Care Resources Fund in January 2016 by the Emergency Board for fiscal year 2016 shall be deposited in the Evidence Based Education and Advertising Fund: \$1,800,000.

(6) From the Pesticide Monitoring Fund (#21669) to the General Fund: \$275,000.

(7) From the Feed Seeds and Fertilizer Fund (#21668) to the General Fund: \$75,000.

(8) From the Agriculture Laboratory Testing Fund (#21667) to the General Fund: \$42,594.

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2016 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a shall remain for appropriation in fiscal year 2017.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2017 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2017 is not negative shall be transferred in fiscal year 2017 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions, intended to support the implementation of the All Payer Model, is authorized

in fiscal year 2017 only if the Centers for Medicaid and Medicare Services (CMS) approves Vermont's request for a waiver.

(1) In the Green Mountain Care Board – one (1) Health Care Statistical Information Administrator, one (1) Health Facility Senior Auditor & Rate Specialist, and two (2) Reimbursement Analyst.

(b) The establishment of the following new permanent exempt positions is authorized in fiscal year 2017 as follows:

(1) In the Office of the Defender General – two (2) Staff Attorney.

(2) In the Department of State's Attorneys – four (4) Deputy State's Attorney.

(c) The conversion of classified limited service positions to classified permanent status is authorized in fiscal year 2016 as follows:

(1) In the Office of Secretary of State – one (1) Elections Administrator I.

(d) The positions established in this section shall be transferred and converted from existing vacant positions in the Executive Branch of State government, and shall not increase the total number of authorized State positions, as defined in Sec. A.107 of this act.

Sec. E.100.1 SHIFT DCF PILOT POSITIONS TO DVHA

(a) Notwithstanding 2014 Acts and Resolves No. 179, Sec. E.100(d)(3), positions at the Department for Children and Families Health Access Eligibility Unit established through the position pilot by 2014 Acts and Resolves No. 179, Sec. E.100(d)(1) shall be transferred to the Department of Vermont Health Access.

Sec. E.100.2 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, is further amended to read:

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the ~~Department of Environmental Conservation~~ Agency of Natural Resources, ~~and the Department of Buildings and General Services, the Department of Labor, and the Department of Corrections~~ shall not be subject to the cap on positions for

the duration of the Pilot. The Department of Corrections is authorized to add only Correctional Officer I and II positions.

* * *

Sec. E.100.3 FUNDING FOR THE OFFICE OF THE HEALTH CARE
ADVOCATE

(a) Of the funds appropriated in Sec. B.100 of this act, \$1,457,406 shall be used for the contract with the Office of the Health Care Advocate.

Sec. E.100.4 ADMINISTRATION; PURCHASING AND CONTRACTING
REPORT

(a) Pursuant to 3 V.S.A. § 2222(a), the Secretary of Administration has issued Bulletin 3.5 establishing the general policy and minimum standards for soliciting, awarding, processing, executing, and overseeing contracts for service, as well as managing contract compliance. This Bulletin shall apply to the procurements of goods, products, and services of all State agencies in the Executive Branch. It is the intent of the General Assembly that the Executive Branch complies with the requirements of Bulletin 3.5. It is also the intent that the State shall streamline its purchasing and contracting services.

(b) The Secretary of Administration, the Commissioner of Buildings and General Services, and interested stakeholders shall evaluate the State purchasing and contracting process. The evaluation shall include recommendations from the Chief Performance Officer, the Director of the Office of Purchasing and Contracting, the Commissioner of Finance and Management, and the Attorney General. As used in this subsection, "interested stakeholders" includes at least three vendors that regularly contract with the State, at least one Commissioner, and at least one Secretary.

(c) On or before November 15, 2016, the Secretary of Administration and the Commissioner of Buildings and General Services shall submit a plan for the State's purchasing and contracting services that will result in improved State services and increased financial savings. The plan shall include recommendations for:

(1) creating a mechanism to enforce uniform compliance with State contracting law and procedures;

(2) achieving cost efficiencies; and

(3) implementing e-procurement and contract management systems.

(d) The plan described in subsection (c) of this section shall be submitted to the House and Senate Committees on Government Operations and on

Appropriations, to the House Committee on Corrections and Institutions, and the Senate Committee on Institutions.

Sec. E.100.5 FEDERAL SINGLE AUDIT REVIEW

(a) At its July 2016 meeting, the Joint Fiscal Committee shall review the fiscal year 2015 Federal Single Audit. In doing so, the Committee shall consider the following:

(1) the audit findings of significant deficiencies, particularly those programs where material weaknesses are identified that result in an adverse opinion for the State;

(2) the Administration's response to such findings;

(3) any repeat findings which were made;

(4) specific plans for remediation of any audit deficiencies; and

(5) any implications for the fiscal year 2016 audit and implications for governmental operations generally.

Sec. E.100.6 LEGAL SERVICES; EVALUATION; REPORT

(a) The Secretary of Administration shall evaluate the use of State government legal service positions, including general counsels, Assistant Attorneys General, Special Assistant Attorneys General, staff attorneys, and special counsels in the Executive Branch. The evaluation shall include the current number of positions, the change in the number of positions from 2006 to 2016, whether any positions duplicate services, and whether there are efficiencies to be gained by a different structure.

(b) On or before December 1, 2016, the Secretary of Administration shall submit a report based on the evaluation described in subsection (a) of this section to the House and Senate Committees on Appropriations.

Sec. E.100.7 32 V.S.A. § 306 is amended to read:

§ 306. BUDGET REPORT

(a) The Governor shall submit to the General Assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the State Treasury. In the first year of the biennium, the budget shall relate to the two succeeding fiscal years. In the second year of the biennium, it shall relate to the succeeding fiscal year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(1) The Governor shall develop and publish annually for public review as part of the budget report a current services budget, providing the public with an estimate of what the current level of services is projected to cost in the next fiscal year.

* * *

(d) The Governor shall develop a process for public participation in the development of budget goals, as well as general prioritization and evaluation of spending and revenue initiatives.

Sec. E.100.8 REPEAL

(a) 2012 Acts and Resolves No. 162, Sec. E.100.2 (purpose of State budget) is repealed.

Sec. E.100.9 REPORTING UNFUNDED BUDGET PRESSURES

(a) In an effort to better understand the current services obligations, as part of the budget report required under 32 V.S.A. § 306(a)(1), the Governor shall include an itemization of current services liabilities, including the total obligations and the amount estimated for full funding in the current year in which an amortization schedule exists. These shall include the following liabilities projected for the start of the budget fiscal year:

(1) pension liabilities for the Vermont State Employees' Retirement System (VSERS) and the Vermont State Teachers' Retirement System (VSTRS);

(2) other postemployment benefit liabilities under current law and relevant Government Accounting Standards Board standards for the systems in subdivision (1) of this subsection;

(3) child care fee scale funding requirements pursuant to 33 V.S.A. § 3512 to bring total year funding to current market rates and current federal poverty levels;

(4) Reach Up funding full benefit obligations prior to any rateable reductions made pursuant to 33 V.S.A. § 1103(a) which ensure that the expenditures for the programs shall not exceed appropriations;

(5) statutory funding levels from the Property Transfer Tax to the Current Use Administration Special Fund (32 V.S.A. § 9610(c)), the Vermont Housing and Conservation Fund (10 V.S.A. § 312), and the Municipal and Regional Planning Fund (24 V.S.A. § 4306(a));

(6) maintenance of transportation road and bridge infrastructure at current levels;

(7) projected fund liabilities of the funds identified in Note III.B. of the “Notes” section of the most recent Comprehensive Annual Financial Report (CAFR), including the Workers’ Compensation Fund, the State Liability Insurance Fund, the Medical Insurance Fund, and the Dental Insurance Fund;

(8) a summary of other nonmajor enterprise funds and internal service funds where deficits exist in excess of \$1,500,000, including: Vermont Life Magazine; the Copy Center Fund; the Postage Fund, the Facilities Operations Fund, and the Property Management Fund.

(b) Notwithstanding Sec. A.102(c) of this act, this section shall continue through fiscal year 2020.

Sec. E.100.10 UNIVERSAL PRIMARY CARE; REPORT

(a) Regardless of any future developments in payment and delivery system reform, Vermont is likely to continue to have uninsured or underinsured residents. In order to provide the General Assembly with information about an option for mitigating this situation, the Secretary of Administration or designee shall:

(1) conduct a literature review of any savings realized by universal health care programs over time that are attributable to the availability of universal access to primary care;

(2) analyze the primary care payment models created through the development of the all-payer model in order to enable legislators to estimate appropriate reimbursement amounts for health care providers delivering primary care services; and

(3) provide a potential implementation timeline for universal primary care, including the recommended timing for conducting cost analyses; developing financing options; projecting impacts on insurance markets, individuals, households, businesses, and others; and estimating one-time and ongoing administrative costs.

(b) On or before December 15, 2016, the Secretary or designee shall report the results of the universal primary care study required by subsection (a) of this section to the Health Reform Oversight Committee, the Joint Fiscal Committee, the House Committees on Health Care, on Appropriations, and on Ways and Means, and the Senate Committees on Health and Welfare, on Appropriations, and on Finance.

Sec. E.100.11 ORGANIZATION OF HEALTH CARE ADMINISTRATION; REPORT

(a) On or before January 15, 2017, the Chief of Health Care Reform and the Secretary of Administration, with support from the Director of Health Care

Reform, shall provide a report to the House and Senate Committees on Appropriations and on Government Operations on how to realign the health care functions currently located in multiple agencies across State government.

(b) The Chief and Secretary shall recommend a structure which will transform systems and operations within State agencies administering health services and other benefit programs; align policy development across health care and other benefit programs; provide appropriate resource allocation; promote increased accountability for decision-making; ensure streamlined and efficient operations; and achieve integration of eligibility and enrollment functions for health care and other benefit programs.

Sec. E.102 29 V.S.A. § 1408 is amended to read:

§ WORKERS' COMPENSATION INSURANCE

(a) The State Employees' Workers' Compensation Fund is created to provide a program for self-insurance coverage for all officers and State employees, as defined in 3 V.S.A. § 1101, of all State agencies, departments, boards, and commissions, as well as any other person defined as an employee pursuant to 21 V.S.A. chapter 9. All State agencies, departments, boards, and commissions shall participate in the program and contribute to the Fund. The Fund shall be administered by the Secretary of Administration who:

* * *

Sec. E.106 3 V.S.A. § 2281 is amended to read:

§ 2281. DEPARTMENT OF FINANCE AND MANAGEMENT

The Department of Finance and Management is created in the Agency of Administration and is charged with all powers and duties assigned to it by law, including the following:

* * *

~~(5) To maintain a central payroll office which shall be the successor to and continuation of the payroll functions of the Department of Human Resources. [Repealed.]~~

Sec. E.108 3 V.S.A. § 2283 is amended to read:

§ 2283. DEPARTMENT OF HUMAN RESOURCES

(a) The Department of Human Resources is created in the Agency of Administration. In addition to other responsibilities assigned to it by law, the Department is responsible for fulfilling the payroll functions and for the provision of centralized human resources management services for State government, including the administration of a classification and compensation system for State employees under chapter 13 of this title and the performance

of duties assigned to the Commissioner of Human Resources under chapter 27 of this title. All agencies and departments of the State which receive services from the Department of Human Resources shall be charged for those services through an assessment payable to the Human Resources Internal Service Fund on a basis established by the Commissioner of Human Resources and with the approval of the Secretary of Administration.

(b) The Department of Human Resources shall maintain a central payroll office, which shall be the successor to and continuation of the payroll functions of the Department of Finance and Management.

(c)(1) There is established in the Department of Human Resources a Human Resource Services Internal Service Fund to consist of revenues from charges to agencies, departments, and similar units of Vermont State government and to be available to fund the costs of the consolidated human resource services in the Department of Human Resources.

* * *

Sec. E.108.1 TRANSFER OF POSITIONS AND APPROPRIATIONS

(a) The rules of the Department of Finance and Management relating to payroll in effect on the effective date of this act shall be the rules of the Department of Human Resources, until amended or repealed by that Department. All references in those rules to the "Commissioner" and the "Department of Finance and Management," shall be deemed to refer to the "Commissioner of Human Resources" and the "Department of Human Resources."

(b) All employees, professional and support staff, consultants, positions, and equipment, and the remaining balances of all appropriation amounts for personal services and operating expenses for the payroll function are transferred to the Department of Human Resources.

Sec. E.108.2 GENERAL AMENDMENTS

(a) The words "Commissioner of Finance and Management" are amended to read "Commissioner of Human Resources" in the following statutes:

(1) 3 V.S.A. § 631(a)(6)–(7), and 32 V.S.A. § 1261(a).

Sec. E.108.3 3 V.S.A. § 309 is amended to read:

§ 309. DUTIES OF COMMISSIONER OF HUMAN RESOURCES

(a) The Commissioner, as administrative head of the Department, shall direct and supervise all its administrative and technical activities. In addition to the duties imposed elsewhere in this chapter, it shall be the Commissioner's duty:

* * *

(20) To maintain a central payroll office, personnel earnings records, and records on authorized deductions.

(21) To certify, by voucher, to the Commissioner of Finance and Management all necessary and appropriate disbursements associated with the payroll function.

* * *

Sec. E.108.4 CLASSIFICATION REPORT; UPDATE

(a) The Commissioner of Human Resources shall provide a status report to the Joint Fiscal Committee by November 1, 2016, regarding the State Employee Position Classification System consultant report required by 2015 Acts and Resolves No. 58, Sec. E.100.1. The status report shall include preliminary information including:

(1) based on the consultant report, recommended next steps and anticipated timeline;

(2) anticipated costs and resources to implement recommendations; and

(3) the total cost of the current classification system and number of positions impacted by the recommendations.

(b) The Commissioner of Human Resources shall provide a report to the General Assembly on or before January 15, 2017, as outlined in subsection (a) of this section, to include anticipated required changes to statute, policy, system, and structural changes necessary to implement the recommendations, unless otherwise required by the Joint Fiscal Committee.

Sec. E.108.5 REVIEW OF POLICIES TO ADDRESS NONPUBLIC SAFETY EMPLOYEE'S DEATH IN THE LINE OF DUTY

(a) The Commissioner of Human Resources shall review the policies in place to address specific incidents when a nonpublic safety employee dies in the line of duty. The results of this review and any recommendations shall be provided to the House and Senate Committees on Appropriations and on Government Operations on or before December 15, 2016.

(b) To the extent that funding is needed for any recommendations in fiscal year 2017, the funding shall come from the Security Appropriation in Sec. B.1101(c) of this act.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

Sec. E.113 Buildings and general services – engineering

(a) The \$3,553,061 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2015 legislative session, as amended by the 2016 legislative session.

Sec. E.126 Legislature

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Legislature and carried forward into fiscal year 2017, the amount of \$113,500 shall revert to the General Fund.

(b) It is the intent of the General Assembly that funding for the Legislature in fiscal year 2017 be included at a level sufficient to support an 18-week legislative session.

Sec. E.126.1 3 V.S.A. § 637 is added to read:

§ 637. DENTAL COVERAGE; MEMBERS OF THE GENERAL ASSEMBLY; BUY-IN

(a) A member of the General Assembly and a session employee of the General Assembly or the Legislative Council shall be eligible to participate in any group dental insurance program negotiated in a collective bargaining agreement with State employees. Premiums shall be paid by the legislator or employee at the full actuarial rate with no contributions from the State and shall be deducted from compensation due for services rendered during the legislative session or assessed and paid directly by the legislator or employee.

(b) A person who elects to participate in the group dental insurance program pursuant to this section shall notify the program's administrator, in writing, of such election. The enrollment period for persons electing pursuant to this section shall correspond with the enrollment period for State employees.

Sec. E.126.2 32 V.S.A. § 1051 is amended to read:

§ 1051. SPEAKER OF THE HOUSE; AND PRESIDENT PRO TEMPORE OF THE SENATE; COMPENSATION AND EXPENSE REIMBURSEMENT

(a) The Speaker of the House and the President Pro Tempore of the Senate shall be entitled to receive annual compensation of \$10,080.00 for the 2005 Biennial Session and thereafter to be paid in biweekly payments; provided that, beginning on January 1, 2007, the annual compensation shall be adjusted

annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement. In addition to the annual compensation, the Speaker and President Pro Tempore shall be entitled to receive:

(1) \$652.00 a week for the 2005 Biennial Session and thereafter, to be paid in biweekly payments during the regular and adjourned sessions of the General Assembly; provided that, beginning on January 1, 2007, the weekly compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement;

(2) ~~\$130.00 a~~ an amount equal to one-fifth of the annually adjusted weekly compensation set forth in subdivision (1) of this subsection, rounded up to the nearest dollar, per day during a special session of the General Assembly ~~which is called at any time following the 2005 Biennial Session; provided that, beginning on January 1, 2007, the daily compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement; and~~

(3) mileage, meals, and rooms lodging expenses as provided to members of the General Assembly under subsection 1052(b) of this title during the biennial, adjourned, and special sessions of the General Assembly and in addition such other actual and necessary expenses incurred while engaged in duties imposed by law.

* * *

Sec. E.126.3 32 V.S.A. § 1052 is amended to read:

§ 1052. MEMBERS OF THE GENERAL ASSEMBLY; COMPENSATION AND EXPENSE REIMBURSEMENT

(a)(1) Each member of the General Assembly, other than the Speaker of the House and the President Pro Tempore of the Senate, is entitled to a weekly salary of \$589.00 for the 2005 Biennial Session and thereafter; provided that, beginning on January 1, 2007, the weekly compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement. The salary of members shall be paid in biweekly installments.

(2) During a special session, a member is entitled to ~~\$118.00 a day~~ an amount equal to one-fifth of the annually adjusted weekly compensation set forth in subdivision (1) of this subsection, rounded up to the nearest dollar, for each day of a special session ~~which is called at any time following the 2005 biennial session for each day~~ on which the House of which he or she is a member shall sit.

* * *

Sec. E.127 Joint fiscal committee

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Joint Fiscal Committee and carried forward into fiscal year 2017, the amount of \$50,000 shall revert to the General Fund.

Sec. E.127.1 RECOMMENDATIONS FOR THE FUTURE OF THE
VERMONT HEALTH BENEFIT EXCHANGE

(a)(1) The Joint Fiscal Office (JFO), in collaboration with one or more independent third parties pursuant to contracts negotiated for that purpose, shall conduct an analysis for the General Assembly on or before December 15, 2016 regarding the current functionality and long-term sustainability of the technology for Vermont Health Connect.

(2) The analysis shall include a review of the outstanding deficiencies in Vermont Health Connect functionality and customer support, an analysis of the Agency of Human Services' plans and actions to address these deficiencies, and a determination as to whether those plans and actions are likely to be effective.

(3) The analysis shall include an evaluation of the feasibility and cost-effectiveness of maintaining Vermont Health Connect either as a stand-alone system or as part of the technology for a larger, integrated eligibility system, including a comparison of these costs to those of other state-based exchanges. This analysis shall include a review of licensing costs and issues as they apply to both the commercial components and the software that make up Vermont Health Connect.

(4) The analysis shall provide a comparison of the costs of alternative approaches required to ensure a sustainable, effective State-based exchange and, to the extent possible, shall provide specific recommendations and action steps for legislative consideration. Alternative approaches shall include any opportunity to build on other states' exchange technology, as well as a fully or partially federally facilitated exchange. Factors to be analyzed include required technological change, ease of transition, short-term and long-term costs for both the transition and the operation of the alternative, and implications for future developments of the Vermont health care system.

(5) Any options presented in this analysis shall be scored based upon the factors in subdivision (4) of this subsection.

(b) In conducting the analysis pursuant to this section, and in preparing any requests for proposals from independent third parties, the JFO shall consult

with health insurers offering qualified health plans on Vermont Health Connect.

(c) The Secretary of Administration, the Secretary of Human Services, and the Chief Information Officer shall provide the JFO access to reviews conducted to evaluate Vermont Health Connect and any other information required to complete this analysis. The Executive Branch shall provide other assistance as needed. If necessary, the JFO shall enter into a memorandum of understanding with the Executive Branch relating to any reviews or other information that shall protect security and confidentiality.

(d) The Joint Fiscal Committee shall use up to \$250,000 of funds appropriated to it for procuring fiscal and policy expertise related to Vermont's health care system for the purpose of implementing this section.

Sec. E.128 Sergeant at arms

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Sergeant at Arms and carried forward into fiscal year 2017, the amount of \$10,000 shall revert to the General Fund.

Sec. E.128.1 2 V.S.A. § 63 is amended to read:

§ 63. SALARY

(a) The base salary for ~~the~~ a newly elected Sergeant at Arms shall be \$47,917.00 as of January 1, 2015 provided that, beginning on July 1, 2015 set by the Joint Rules Committee and annually thereafter, this compensation shall be adjusted by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement in accordance with any annual increase provided for legislative employees, unless otherwise determined by the Joint Rules Committee.

(b) The Joint Rules Committee may establish the starting salary for the Sergeant at Arms, ranging from the base salary to a salary that is 30 percent above the base salary. The maximum salary for the Sergeant at Arms shall be 50 percent above the base salary. [Repealed.]

Sec. E.131 STATE TREASURER; TEACHERS' RETIREMENT
PRESENTATION

(a) The State Treasurer shall work with the actuaries for the State Teachers' Retirement System and the State Employees' Retirement System and report to the General Assembly on the following:

(1) the percentage increase in the teachers and State employee salaries paid and the impact on the State Retirement Systems' funding assumptions; and

(2) the impact assessment for the current year contribution and the change to the long-term system obligation.

(b) Based on information provided by the Secretary of Education, the State Treasurer shall estimate the value of the teachers' contracts negotiated above 110 percent of the statewide average and calculate the impact of these contracts on the current year and future year payments of the Teachers' Retirement Fund.

(c) This report shall be submitted to the House and Senate Committees on Appropriations, on Education and on Government Operations as part of the State Treasurer's fiscal year 2018 budget submission.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2017, investment fees shall be paid from the corpus of the Fund.

Sec. E.133.1 3 V.S.A. § 473(c) is amended to read:

(c) Employer contributions, earnings, and payments.

* * *

(4) ~~Until Beginning on July 1, 2008, until~~ the unfunded accrued liability is liquidated, the basic accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ~~from July 1, 2008, ending on June 30, 2038,~~ provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution ~~after June 30, 2009,~~ shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent ~~greater than the preceding annual basic accrued liability contribution~~ per year.

(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal, basic, unfunded accrued liability or additional unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

(5)-(7) [Repealed.]

Sec. E.141 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 locations, which may include ~~state~~ State liquor stores and liquor agencies; private business establishments; fraternal, religious, and volunteer organizations; town clerks' offices; and ~~state~~ State fairs, race tracks and other sporting arenas;

* * *

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.143 Payments in lieu of taxes – Montpelier

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.144 Payments in lieu of taxes – correctional facilities

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$1,115,500 is appropriated in Sec. B.200 of this act.

Sec. E.204 PRIVATE CAUSE OF ACTION; EXTENSION OF DATE

(a) Notwithstanding 9 V.S.A. § 3048(b), a consumer may not, prior to July 1, 2017, bring a private cause of action under 9 V.S.A. chapter 63, subchapter 1, for a violation of the requirements of 9 V.S.A. chapter 82A.

Sec. E.208 Public safety – administration

(a) The Commissioner of Public Safety is authorized to enter into a performance-based contract with the Essex County Sheriff's Department to provide law enforcement service activities agreed upon by both the Commissioner of Public Safety and the Sheriff.

(b) The Department of Public Safety shall continue to provide 911 call-taking services unless otherwise directed by legislative enactment.

(c) Notwithstanding 19 V.S.A. § 11a(b), of the funds appropriated to the Department under 19 V.S.A. § 11a(a) in fiscal year 2017 the amount of \$1,680,000 is allocated exclusively for the purchase, outfitting, assignment, and disposal of State Police vehicles.

Sec. E.208.1 20 V.S.A. § 2063(c) is amended to read:

(c)(1) The Criminal History Record Check Fund is established and shall be managed by the Commissioner of Public Safety in accordance with the provisions of 32 V.S.A. chapter 7, subchapter 5. ~~The first \$200,000.00 of fees paid each year under this section shall be placed in the fund Fund and used for personnel and equipment~~ personal services and operating costs related to the processing, maintenance, and dissemination of criminal history records. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.

~~(2) After the first \$200,000.00 of fees paid each year under this section are placed in the Criminal History Record Check Fund, all additional fees paid during that year under this section~~ At the end of each fiscal year, any undesignated surplus in the Fund shall go be transferred to the General Fund.

Sec. E.208.2 CRIMINAL HISTORY RECORDS; REVIEW

(a) The Joint Legislative Justice Oversight Committee shall review the State and federal requirements for criminal history background checks, the costs incurred by local social service entities in obtaining the checks, and the cost incurred by the State in providing them. The Vermont Crime Information Center shall provide the Committee financial, performance, and statistical information as needed to conduct this review. The Committee shall determine if there are changes or processes that could be implemented that maintain public safety while increasing cost effectiveness, giving particular consideration to changes that could reduce the financial burden on local social service agencies conducting multiple background checks on the same person

within a short time span. The Oversight Committee shall provide any recommendations for legislation to the House and Senate Committees on Judiciary on or before January 15, 2017.

Sec. E.209 Public safety – state police

(a) Of this appropriation, \$35,000 in special funds shall be available for snowmobile law enforcement activities and \$35,000 in general funds shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of this appropriation, \$405,000 is allocated for grants in support of the Drug Task Force and the Gang Task Force. Of this amount, \$190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force and to support the efforts of the Mobile Enforcement Team (Gang Task Force), or carried forward.

Sec. E.212 Public safety – fire safety

(a) Of this General Fund appropriation, \$55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

Sec. E.215 Military – administration

(a) The amount of \$250,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856. Of this amount, \$100,000 shall be general funds from this appropriation, and \$150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, \$1,000 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; \$7,500 shall be used for the Veterans' Day parade; \$5,000 shall be granted to the Vermont State Council of the Vietnam Veterans of America to fund the Service Officer Program; \$5,000 shall be used for the Military, Family, and Community Network; and \$10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

(b) Of this General Fund appropriation, \$39,484 shall be deposited into the Armed Services Scholarship Fund established in 16 V.S.A. § 2541.

Sec. E.220 Center for crime victims services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer \$55,021 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

Sec.E.222 ONE-TIME FUNDING; 2 PLUS 2 FARM SCHOLARSHIP PROGRAM

(a) Included in the appropriation for the 2 Plus 2 Farm Scholarship Program in Sec. B.222 of this act is \$35,000 in one-time funds to provide funding in a timeframe that allows newly accepted students to consider all of the student aid offers available to them.

Sec. E.223 Agriculture, food and markets – food safety and consumer protection

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section for the Food Safety and Consumer Protection Division to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of \$800,000 in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for administrative expenses and investments in food and forest system businesses and service providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

Sec. E.225 Agriculture, food and markets – laboratories, agricultural resource management and environmental stewardship

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

Sec. E.228 INSURANCE REGULATORY AND SUPERVISION FUND;
PROJECTIONS; BALANCE TRANSFER; DISTRIBUTION
PILOT

(a) Notwithstanding 8 V.S.A. § 80(d):

(1) In September 2018, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Regulatory and Supervision Fund (Insurance Fund) for fiscal years 2019 and 2020. One-half of the projected balance shall be transferred from the Insurance Fund to the General Fund in fiscal year 2019, and one-half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2020.

(2) In September 2020, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Fund for fiscal years 2021 and 2022. One-half of the projected balance shall be transferred from the Insurance Fund to the General Fund in fiscal year 2021, and one-half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2022.

(b) This section shall expire on June 30, 2022.

Sec. E.232 RECORDS RETENTION AND ARCHIVING

(a) The State Archivist shall, in consultation with representatives of statewide criminal justice agencies, develop recommendations and action plans for these agencies to meet their records retention and evidence requirements. These recommendations and action plans shall consider industry best practice and cost efficiency and security, including available options for digital records.

(b) The State Archivist, in consultation with the Department of Information and Innovation, shall develop best practices for how and when to destroy electronic records that are no longer required to be maintained by State agencies and departments, including the Department of State's Attorneys and Sheriffs.

Sec. E.233 30 V.S.A. § 20 is amended to read:

§ 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

(a)(1) The Board or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services:

~~(i)~~(A) To assist the Board or Department in any proceeding listed in subsection (b) of this section.

~~(ii)~~(B) To monitor compliance with any formal opinion or order of the Board.

~~(iii)~~(C) In proceedings under section 248 of this title, to assist other State agencies that are named parties to the proceeding where the Board or Department determines that they are essential to a full consideration of the petition, or for the purpose of monitoring compliance with an order resulting from such a petition.

~~(iv)~~(D) In addition to the ~~above~~ services in subdivisions (1)(A)–(C) of this subsection (a), in proceedings under subsection 248(h) of this title, by contract with the regional planning commission of the region or regions affected by a proposed facility, to assist in determining conformance with local and regional plans and to obtain the ~~commissions~~ commission's data, analysis, and recommendations on the economic, environmental, historic, or other impact of the proposed facility in the region.

~~(v)~~(E) To assist in monitoring the ongoing and future reliability and the postclosure activities of any nuclear generating plant within the State. ~~For the purpose of In this subdivision section,~~ “postclosure activities” includes planning for and implementation of any action within the State’s jurisdiction that shall or will occur when the plant permanently ceases generating electricity.

(2) The Agency of Natural Resources may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to:

(A) Assist the Agency of Natural Resources in any proceeding under section 248 of this title.

(B) Monitor compliance with an order issued under section 248 of this title.

(C) Assist the Board or the Department of Public Service in any proceedings described in subdivisions (b)(9) (Federal Energy Regulatory Commission) and (11) (Nuclear Regulatory Commission) of this section. Allocation of Agency of Natural Resources costs under this subdivision (C) shall be in the same manner as provided under subdivisions (b)(9) and (11) of this section. The Agency of Natural Resources shall report annually to the Joint Fiscal Committee all costs incurred and expenditures charged under the authority of this subsection with respect to proceedings under subdivision (b)(9) of this section and the purpose for which such costs were incurred and expenditures made.

(D) Assist in monitoring the postclosure activities of any nuclear generating plant within the State.

(3) The Department of Health may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and

other research, scientific, or engineering services to assist in monitoring the postclosure activities of any nuclear generating plant within the State.

(4) The Department of Public Safety, Division of Emergency Management and Homeland Security may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, employees, and other research, scientific, or engineering services, or other planning expenses to assist in monitoring the postclosure activities of any nuclear generating plant within the State.

(5) The Agency of Agriculture, Food and Markets may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to:

(A) assist the Agency of Agriculture, Food and Markets in any proceeding under section 248 of this title; or

(B) monitor compliance with an order issued under section 248 of this title.

(6) The personnel authorized by this section shall be in addition to the regular personnel of the Board or the Department of Public Service or other State agencies; and in the case of the Department of Public Service or other State agencies may be retained only with the approval of the Governor and after notice to the applicant or the public-service company or companies involved. The Board or the Department of Public Service shall fix the amount of compensation and expenses to be paid such additional personnel, except that the Agency of Natural Resources, the Department of Health, Department of Public Safety, Division of Emergency Management and Homeland Security or the Agency of Agriculture, Food and Markets, respectively, shall fix the amount of compensation and expenses to be paid to additional personnel that it retains under subdivision (2), (3), (4), or (5) of this subsection.

* * *

Sec. E.233.1 30 V.S.A. § 21 is amended to read:

§ 21. PARTICULAR PROCEEDINGS AND ACTIVITIES; ASSESSMENT OF COSTS

(a) ~~The Board, the Department, or the Agency of Natural Resources~~ An agency may allocate the portion of the expense incurred or authorized by it in retaining additional personnel ~~for the particular proceedings authorized in pursuant to~~ section 20 of this title to the applicant or the public-service company or companies involved ~~in those proceedings~~. In this section, “agency” means an agency, board, or department of the State enabled to authorize or retain personnel under section 20 of this title.

(1) The Board shall upon petition of an applicant or ~~public-service~~ company to which costs are proposed to be allocated, review and determine, after opportunity for hearing, having due regard for the size and complexity of the project, the necessity and reasonableness of such costs, and may amend or revise such allocations. Nothing in this section shall confer authority on the Board to select or decide the personnel, the expenses of whom are being allocated, unless such personnel are retained by the Board. Prior to allocating costs, the Board shall make a determination of the purpose and use of the funds to be raised hereunder, identify the recipient of the funds, provide for allocation of costs among companies to be assessed, indicate an estimated duration of the ~~proceedings~~ retention of personnel whose costs are being allocated, and estimate the total costs to be imposed. With the approval of the Board, such estimates may be revised as necessary. From time to time during the progress of the work of such additional personnel, the ~~Board, the Department, or the Agency of Natural Resources~~ agency retaining the personnel shall render to the company detailed statements showing the amount of money expended or contracted for in the work of such personnel, which statements shall be paid by the applicant or the ~~public-service~~ company into the State Treasury at such time and in such manner as the ~~Board, the Department, or the Agency of Natural Resources~~ agency may reasonably direct.

(2) In any proceeding under section 248 of this title, the Agency of Natural Resources may allocate the portion of the expense incurred in retaining additional staff authorized in subsection 21(a) of this title only if the following apply:

(A) the Agency of Natural Resources does not have the expertise and the retention of such expertise is required to fulfill ~~the Agency's~~ its statutory obligations in the proceeding; and

(B) the Agency of Natural Resources allocates only that portion of the cost for such expertise that exceeds the fee paid by the applicant under section 248b of this title.

(b) When regular employees of ~~the Board, the Department, or the Agency of Natural Resources~~ an agency are employed in the particular proceedings and activities described in section 20 of this title, the ~~Board, the Department, or the Agency of Natural Resources~~ agency may also allocate the portion of ~~their~~ its costs and expenses to the applicant or the ~~public-service~~ company or companies involved ~~in the proceedings~~. The costs of regular employees shall be computed on the basis of working days within the salary period, except that the Department of Public Safety, Division of Emergency Management and Homeland Security may allocate the full cost of the regular employee. The manner of assessment and of making payments shall otherwise be as provided

for additional personnel in subsection (a) of this section. However, with respect to proceedings under section 248 of this title, the Agency of Natural Resources shall not allocate the costs of regular employees.

* * *

(e) ~~On or before January 15, 2011, and annually thereafter, the Agency of Natural Resources~~ Annually, on or before January 15, each agency shall report to the Senate and House Committees on Natural Resources and Energy the total amount of expenses allocated under this section during the previous fiscal year. The report shall include the name of each applicant or ~~public service~~ company to whom expenses were allocated and the amount allocated to each applicant or company. The Agency of Agriculture, Food and Markets also shall submit a copy of its report to the Senate Committee on Agriculture and the House Committee on Agriculture and Forests Products.

* * *

(g) ~~The Board, or the Department with the approval of the Governor, An agency~~ may allocate such portion of expense incurred or authorized by it in compensating persons retained in the monitoring of postclosure activities of a nuclear generating plant pursuant to subdivision 20(a)(1)(v) subsection 20(a) of this title to the ~~nuclear generating~~ plant whose activities are being monitored. Except for the Board, the agency shall obtain the approval of the Governor before making such an allocation.

* * * HUMAN SERVICES * * *

Sec. E.300 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2017 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

Sec. E.300.1 3 V.S.A. § 3022a is added to read:

§ 3022a. IMPROVING GRANTS MANAGEMENT FOR RESULTS-BASED PROGRAMS

(a) The Secretary of Human Services shall compile a grants inventory using the Department of Finance and Management's master list of all grants awarded during the prior fiscal year by the Agency or any of its departments to any public and private entities. The inventory should reflect:

- (1) the date and title of the grant;
- (2) the amount of federal and State funds committed during the prior fiscal year;
- (3) a summary description of each grant;

- (4) the recipient of the grant;
- (5) the department responsible for making the award;
- (6) the major Agency program served by the grant;
- (7) the existence or nonexistence in the grant of performance measures;
- (8) the scheduled expiration date of the grant;
- (9) the number of people served by each grant;
- (10) the length of time the entity has had the grant; and
- (11) the indirect rate of the entity.

(b) Annually, on or before January 15, the Agency shall submit the inventory to the General Assembly in an electronic format.

(c) The Secretary of Human Services and the Chief Performance Officer shall report to the Government Accountability Committee in September of each year and to the House and Senate Committees on Appropriations annually, on or before January 15, regarding the progress of the Agency in improving grant management in regard to:

(1) compilation of the inventory required in subsection (a) of this section;

(2) establishing a drafting template to achieve common language and requirements for all grant agreements, to the extent that it does not conflict with Agency of Administration Bulletin 5 – Policy for Grant Issuance and Monitoring or federal requirements contained in 2 C.F.R. Chapter I, Chapter II, Part 200, including:

(A) a specific format covering expected goals and clear concise performance measures that demonstrate results and which are attached to each goal; and

(B) providing both community organizations and the Agency the same point of reference in assessing how the grantees are meeting expectations in terms of performance;

(3) executing Designated Agency Master Grant agreements using the new drafting template;

(4) executing grant agreements with other grantees using the new drafting template; and

(5) progress in improving the overall timeliness of executing agreements.

Sec. E.300.2 REDUCING DUPLICATION OF AHS SERVICES;
PROGRESS REPORT

(a) On or before November 15, 2016, the Agency of Human Services shall report to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare regarding its progress in implementing the recommendations in the areas of case management, medication management, and diagnostic assessment and evaluation contained in the report on reducing duplication of services that the Agency submitted to the General Assembly on January 15, 2016 pursuant to 2015 Acts and Resolves No. 54, Sec. 25.

Sec. E.300.3 CRIMINAL DEFENDANTS WITH TRAUMATIC BRAIN
INJURY; IMPLEMENTATION; REPORT

(a) On or before November 30, 2016, the Department of Mental Health, the Department of Disabilities, Aging, and Independent Living, and the Department of Corrections shall report to the Health Reform Oversight Committee and the Joint Legislative Justice Oversight Committee on the Departments' examination of the implications of 2014 Acts and Resolves No. 158 and the Departments' proposals for strengthening the act to help ensure its successful implementation. The report shall include recommendations for defining traumatic brain injury for purposes of determining when it is permissible to challenge a defendant's sanity at the time of the alleged offense or a defendant's mental competency to stand trial for the alleged offense. The report shall also identify appropriate treatment options and venues for criminal defendants with traumatic brain injury and shall assess the funding that would be required to implement 2014 Acts and Resolves No. 158 or, in the alternative, to develop and support the Departments' recommendations.

Sec. E.300.3.1 2014 Acts and Resolves No. 158, Sec. 16 is amended to read:

Sec. 16. EFFECTIVE DATES

(a) Secs. 1-12 shall take effect on July 1, ~~2017~~ 2018.

* * *

Sec. E.300.4 SUSTAINABILITY OF TOBACCO PROGRAMS AND
PLAN TO REPLACE LOSS OF STRATEGIC
CONTRIBUTION FUNDS

(a) The Secretary of Administration or designee, the Secretary of Human Services or designee, the Tobacco Evaluation and Review Board, and participating stakeholders in the implementation of the tobacco control programs shall develop an action plan for tobacco program funding at a level necessary to maintain the gains made in preventing and reducing tobacco use

that have been accomplished since their inception. In addition, the plan shall consider utilizing a percentage of tobacco revenues and the inclusion of monies that have been withheld by tobacco manufacturers but which may be received by the State of Vermont in future years.

(b) The Secretary of Human Services shall present this plan to the Joint Fiscal Committee at its November 2016 meeting.

Sec. E.300.5 DESIGNATED AND SPECIALIZED AGENCIES; RATE INCREASE

(a) The funds allocated in this act shall be to increase the amounts paid to designated agencies and specialized service agencies. Of this amount, priority shall be given to total compensation of direct care workers and non-executive staff. Each designated and specialized service agency shall report to the Agency of Human Services and to the House and Senate Committees on Appropriations regarding how they have complied with this provision.

Sec. E.300.6 RATE INCREASE FOR HOME-AND COMMUNITY-BASED PROVIDERS

(a) Of the funds appropriated to the Agency of Human Services Central Office, \$707,156 in general funds and \$648,110 of additional match shall be used to provide an across-the-board reimbursement rate increase not to exceed two percent for:

(1) home-and community-based service providers that provide the following services under the Choices for Care program: case management; adult day; respite; homemaker and personal care attendant (PCA); and

(2) group home providers in the Department for Children and Families.

(b) This appropriation shall be transferred to the respective departments upon determination of the appropriate amounts for transfer.

(c) The Agency may use any funds unallocated in subsection (a) of this section to establish a method of short-term financial assistance for home health agencies at risk of insolvency and closure where such relief would allow an agency to transition to long-term financial viability.

(d) The funds allocated in this act shall be to increase the amounts paid to the agencies referenced in subsection (a) of this section. Of this amount, priority shall be given to total compensation of direct care workers and non-executive staff. Each provider shall report to the Agency of Human Services regarding how they have complied with this provision. The Agency shall report to the House and Senate Committees on Appropriations in January 2017 on the implementation of this section.

Sec. E.301 Secretary's office – Global Commitment:

(a) The Agency of Human Services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the Agency of Human Services and the managed care entity, the Department of Vermont Health Access, as provided for in the Global Commitment for Health Waiver (Global Commitment) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the State funds appropriated in this section, a total estimated sum of \$29,633,326 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$18,500,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$21,999,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) \$4,091,214 certified State match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$1,883,273 certified State match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-age children.

(4) \$2,731,052 certified State match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) \$2,427,387 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.304 3 V.S.A. § 3091(h) is amended to read:

(h)(1) Notwithstanding subsections (d) and (f) of this section, the Secretary shall review all Board decisions and orders concerning TANF, TANF-EA, Office of Child Support Cases, ~~and~~ Medicaid, and the Vermont Health Benefit Exchange. The Secretary shall:

(A) adopt a Board decision or order, except that the Secretary may reverse or modify a Board decision or order if:

- (i) the Board's findings of fact lack any support in the record; or
- (ii) the decision or order implicates the validity or applicability of any Agency policy or rule.

(B) issue a written decision setting forth the legal, factual, or policy basis for reversing or modifying a Board decision or order.

(2) Notwithstanding subsections (d) and (f) of this section, a Board decision and order concerning TANF, TANF-EA, Office of Child Support, ~~or Medicaid,~~ and the Vermont Health Benefit Exchange shall become the final and binding decision of the Agency upon its approval by the Secretary. The Secretary shall either approve, modify, or reverse the Board's decision and order within 15 days of the date of the Board decision and order. If the Secretary fails to issue a written decision within 15 days as required by this subdivision, the Board's decision and order shall be deemed to have been approved by the Secretary.

* * *

Sec. E.306 18 V.S.A. § 9351 is amended to read:

§ 9351. HEALTH INFORMATION TECHNOLOGY PLAN

(a) The Secretary of Administration or designee shall be responsible for the overall coordination of Vermont's statewide Health Information Technology Plan. The Plan shall be revised annually, and updated comprehensively every five years to provide a strategic vision for clinical health information technology. The Secretary or designee shall administer ~~and update~~ the Plan ~~as needed~~, which shall include the implementation of an integrated electronic health information infrastructure for the sharing of electronic health information among health care facilities, health care professionals, public and private payers, and patients. The Plan shall include standards and protocols designed to promote patient education, patient privacy, physician best practices, electronic connectivity to health care data, and, overall, a more efficient and less costly means of delivering quality health care in Vermont.

* * *

(c) The Secretary of Administration or designee ~~shall~~ may update the ~~plan~~ annually Plan as needed to reflect emerging technologies, the State's changing needs, and such other areas as the Secretary or designee deems appropriate. The Secretary or designee shall solicit recommendations from Vermont Information Technology Leaders, Inc. (VITL) and other entities in order to update the Health Information Technology Plan pursuant to this section,

including applicable standards, protocols, and pilot programs, and may enter into a contract or grant agreement with VITL or other entities to update some or all of the Plan. Upon approval by the Secretary, the updated Plan shall be distributed to the Commissioner of Information and Innovation; the Commissioner of Financial Regulation; the Commissioner of Vermont Health Access; the Secretary of Human Services; the Commissioner of Health; the Commissioner of Mental Health; the Commissioner of Disabilities, Aging, and Independent Living; the Senate Committee on Health and Welfare; the House Committee on Health Care; affected parties; and interested stakeholders. Unless major modifications are required, the Secretary may present updated information about the Plan to the Green Mountain Care Board and legislative committees of jurisdiction in lieu of creating a written report.

* * *

~~(f) Qualified applicants may seek grants to invest in the infrastructure necessary to allow for and promote the electronic exchange and use of health information from federal agencies, including the Office of the National Coordinator for Health Information Technology, the Health Resources and Services Administration, the Agency for Healthcare Research and Quality, the Centers for Medicare and Medicaid Services, the Centers for Disease Control and Prevention, the U.S. Department of Agriculture, and the Federal Communications Commission. The Secretary of Administration or designee shall require applicants for grants authorized pursuant to Section 13301 of Title XXX of Division A of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, to submit the application for State review pursuant to the process established in federal Executive Order 12372, Intergovernmental Review of Federal Programs. Grant applications shall be consistent with the goals outlined in the strategic plan developed by the Office of the National Coordinator for Health Information Technology and the statewide Health Information Technology Plan. [Repealed.]~~

Sec. E.306.1 18 V.S.A. § 9352(h) is amended to read:

~~(h) Loan and grant programs. VITL shall solicit recommendations from the Secretary of Administration or designee, health insurers, the Vermont Association of Hospitals & Health Systems, Inc., the Vermont Medical Society, Bi State Primary Care Association, the Council of Developmental and Mental Health Services, the Behavioral Health Network, the Vermont Health Care Association, the Vermont Assembly of Home Health Agencies, other health professional associations, and appropriate departments and agencies of State government, in establishing a financing program, including loans and grants, to provide electronic health records systems to providers, with priority given to Blueprint communities and primary care practices serving low income~~

~~Vermonters. Health information technology systems acquired under a grant or loan authorized by this section shall comply with data standards for interoperability adopted by VITL and the State Health Information Technology Plan. An implementation plan for this loan and grant program shall be incorporated into the State Health Information Technology Plan. [Repealed.]~~

Sec. E.306.2 18 V.S.A. § 706(c) and (d) are amended to read:

(c)(1) The Blueprint payment reform methodologies shall include per-person per-month payments to medical home practices by each health insurer and Medicaid for their attributed patients and for contributions to the shared costs of operating the community health teams. Per-person per-month payments to practices shall be based on the official National Committee for Quality Assurance's Physician Practice Connections–Patient Centered Medical Home (NCQA PPC-PCMH) score to the extent practicable and shall be in addition to their normal fee-for-service or other payments.

(2) Consistent with the recommendation of the Blueprint expansion design and evaluation committee, the director of the Blueprint may ~~implement~~ recommend to the Commissioner of Vermont Health Access changes to the payment amounts or to the payment reform methodologies described in subdivision (1) of this subsection, including by providing for enhanced payment to health care professional practices which operate as a medical home, including primary care naturopathic physicians' practices; payment toward the shared costs for community health teams; or other payment methodologies required by the Centers for Medicare and Medicaid Services (CMS) for participation by Medicaid or Medicare.

* * *

(d) An insurer may appeal a decision ~~of the director~~ to require a particular payment methodology or payment amount to the ~~commissioner of Vermont health access~~ Commissioner of Vermont Health Access, who shall provide a hearing in accordance with 3 V.S.A. chapter 25. An insurer aggrieved by the decision of the ~~commissioner~~ Commissioner may appeal to the ~~superior court~~ Superior Court for the Washington district within 30 days after the ~~commissioner~~ Commissioner issues his or her decision.

Sec. E.306.3 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The Agency may use the

emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2017, but only in the event that new federal guidance or regulations require Vermont to amend or adopt its rules in a timeframe that cannot be accomplished under the traditional rulemaking process. An emergency rule adopted under these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

Sec. E.306.4 [DELETED]

Sec. E.306.5 33 V.S.A. § 1901e(c) is amended to read:

(c) ~~At the close of the fiscal year~~ Annually, on or before October 1, the Agency shall provide a detailed report to the Joint Fiscal Committee which describes the managed care organization's investments under the terms and conditions of the Global Commitment for Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.

Sec. E.306.6 33 V.S.A. § 1901h is amended to read:

§ 1901h. PROSPECTIVE PAYMENT; HOME HEALTH SERVICES

(a) On or before ~~July 1, 2016~~ July 1, 2017 and upon approval from the Centers for Medicare and Medicaid Services, the Department of Vermont Health Access shall modify reimbursement methodologies to home health agencies, as defined in section 1951 of this title, in order to implement prospective payments for the medical services paid for by the Department under the Global Commitment to Health waiver, and to replace fee-for-service payment methodologies. The Department shall determine an appropriate schedule for determining a revised base calculation for the payment.

* * *

Sec. E.306.7 33 V.S.A. § 1908 is amended to read:

§ 1908. MEDICAID; PAYER OF LAST RESORT; RELEASE OF INFORMATION

(a) Any clause in an insurance contract, plan, or agreement which limits or excludes payments to a recipient is void.

(b) Medicaid shall be the payer of last resort to any insurer which contracts to pay health care costs for a recipient.

(c) Every applicant for or recipient of Medicaid under this subchapter is deemed to have authorized all third parties to release to the Agency all information needed by the Agency to secure or enforce its rights under this subchapter. The Agency shall inform an applicant or recipient of the provisions of this subsection at the time of application for Medicaid benefits.

(d) At the Agency's request, an insurer shall provide the Agency with the information necessary to determine whether an applicant or recipient of Medicaid under this subchapter is or was covered by the insurer and the nature of the coverage, including the member, subscriber, or policyholder information necessary to determine third party liability and other information required under 18 V.S.A. § 9410(h). The Agency may require the insurer to provide the information electronically. On and after July 1, 2016, an insurer shall accept the Agency's right of recovery and the assignment of rights and shall not charge the Agency or any of its authorized agents fees for the processing of claims or eligibility requests. Data files requested by or provided to the Agency shall provide the Agency with eligibility and coverage information that will enable the Agency to determine the existence of third-party coverage for Medicaid recipients, the period during which Medicaid recipients may have been covered by the insurer, and the nature of the coverage provided, including information such as the name, address, and identifying number of the plan.

(e)(1) Upon request, to the extent permitted under the federal Health Insurance Portability and Accountability Act and other federal privacy laws and notwithstanding any State privacy law to the contrary, an insurer shall transmit to the Agency, in a manner prescribed by the Centers for Medicare and Medicaid Services or as agreed between the insurer and the Agency, an electronic file of all of the insurer's identified subscribers or policyholders and their dependents.

(2) An insurer shall comply with a request under the provisions of this subsection no later than 60 days following the date of the Agency's request and shall be required to provide the Agency with only the information required by this section.

(3) The Agency shall request the data from an insurer once each month. The Agency shall not request subscriber or policyholder enrollment data that precede the date of the request by more than three years.

(4) The Agency shall use the data collected pursuant this section solely for the purposes of determining whether a Medicaid recipient also has or has had coverage with the insurer providing the data.

(5) The Agency shall ensure that all data collected and maintained pursuant to this section are collected and stored securely and that such data are stored no longer than necessary to determine whether Medicaid benefits may be coordinated with the insurer, or as otherwise required by law.

Insurers shall not be liable for any security incidents caused by the Agency in the collection or maintenance of the data.

(f)(1) Each insurer shall submit a file containing information required to coordinate benefits, such as the name, address, group policy number, coverage type, Social Security number, and date of birth of each subscriber or policyholder and each dependent covered by the insurer, including the policy effective and termination dates, claims submission address, and employer's mailing address.

(2) The Agency shall adopt rules governing the exchange of information pursuant to this section. The rules shall be consistent with laws relating to the confidentiality or privacy of personal information and medical records, including the Health Insurance Portability and Accountability Act.

(g) From funds recovered pursuant to this subchapter, the federal government shall be paid a portion equal to the proportionate share originally provided by the federal government to pay for medical assistance to a recipient or minor.

Sec. E.306.8 33 V.S.A. § 111(a) is amended to read:

(a)(1) The names of or information pertaining to applicants for or recipients of assistance or benefits, including information obtained under section 112 of this title, shall not be disclosed to anyone, except for the purposes directly connected with the administration of the Department or when required by law.

(2) Names of or information pertaining to applicants for or recipients of Medicaid shall be subject to the confidentiality provisions set forth in section 1902a of this title.

Sec. E.306.9 33 V.S.A. § 1902a is added to read:

§ 1902a. CONFIDENTIALITY OF MEDICAID APPLICATIONS AND
RECORDS; DISCLOSURE TO AUTHORIZED
REPRESENTATIVE

(a) All applications submitted and records created under the authority of this chapter concerning any applicant for or recipient of Medicaid are confidential and shall be made available only to persons authorized by the Agency, the State, or the United States for purposes directly related to plan administration. In addition, the Agency shall maintain a process to allow a Medicaid applicant or recipient or his or her authorized representative to have access to confidential information when necessary for an eligibility determination and the appeals process.

(b) Applications and records considered confidential are those that disclose:

(1) the name and address of the applicant or recipient;

- (2) medical services provided;
- (3) the applicant's or recipient's social and economic circumstances;
- (4) the Agency's evaluation of personal information;
- (5) medical data, including diagnosis and past history of disease or disability; and
- (6) any information received for the purpose of verifying income eligibility and determining the amount of medical assistance payments.

(c) A person found to have violated this section may be assessed an administrative penalty of not more than \$1,000.00 for a first violation and not more than \$2,000.00 for any subsequent violation.

(d) As used in this section:

(1) "Authorized representative" means any person designated by a Medicaid applicant or recipient to review confidential information about the Medicaid applicant or recipient pertaining to the eligibility determination and the appeals process.

(2) "Purposes directly related to plan administration" means establishing eligibility, determining the amount of medical assistance, providing services to recipients, conducting or assisting with an investigation or prosecution, and civil or criminal proceedings, or audits, related to the administration of the State Medicaid program.

Sec. E.306.10 33 V.S.A. § 2001 is amended to read:

§ 2001. LEGISLATIVE OVERSIGHT

(a) In connection with the Pharmacy Best Practices and Cost Control Program, the Commissioner of Vermont Health Access shall report for review by the ~~Health Care Oversight Committee, prior to initial implementation, and House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare~~ prior to any ~~subsequent~~ modifications:

(1) the compilation that constitutes the preferred drug list or list of drugs subject to prior authorization or any other utilization review procedures;

(2) any utilization review procedures, including any prior authorization procedures; and

(3) the procedures by which drugs will be identified as preferred on the preferred drug list, and the procedures by which drugs will be selected for prior authorization or any other utilization review procedure.

(b) ~~The Health Care Oversight Committee~~ Committees shall closely monitor implementation of the preferred drug list and utilization review procedures to ensure that the consumer protection standards enacted pursuant to section 1999 of this title are not diminished as a result of implementing the preferred drug list and the utilization review procedures, including any unnecessary delay in access to appropriate medications. ~~The Committee~~ Committees shall ensure that all affected interests, including consumers, health care providers, pharmacists, and others with pharmaceutical expertise have an opportunity to comment on the preferred drug list and procedures reviewed under this subsection.

(c) The Commissioner of Vermont Health Access shall report annually on or before ~~August 31~~ October 30 to the ~~Health Reform Oversight Committee~~ House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare concerning the Pharmacy Best Practices and Cost Control Program. Topics covered in the report shall include issues related to drug cost and utilization; the effect of national trends on the pharmacy program; comparisons to other states; and decisions made by the Department's Drug Utilization Review Board in relation to both drug utilization review efforts and the placement of drugs on the Department's preferred drug list.

* * *

Sec. E.306.11 PRESCRIBING PRACTICES; DRUG UTILIZATION
REVIEW BOARD; REPORT

(a) The Drug Utilization Review Board in the Department of Vermont Health Access shall analyze data from prescriptions dispensed to Medicaid beneficiaries, including prescriptions written to treat mental health conditions, to determine whether health care providers routinely follow the U.S. Food and Drug Administration's recommended dosage amounts. On or before January 15, 2017, the Drug Utilization Review Board shall report its findings and any recommendations to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare.

Sec. E.306.12 APPROPRIATION; AMBULANCE PROVIDER
REIMBURSEMENT RATES

(a) Of the funds appropriated to the Department of Vermont Health Access, \$2,300,000 in fiscal year 2017 shall be allocated for the purpose of increasing emergency and non-emergency reimbursement rates to ambulance agencies beginning on July 1, 2016 for services provided to Medicaid beneficiaries.

(b) As part of the fiscal year 2017 budget adjustment the, Department shall report on the impact of this reimbursement change and status of

implementation and collection of the ambulance provider tax enacted in fiscal year 2017.

Sec. E.306.13 PRIMARY CARE REALLOCATION

(a) Beginning in hospital budget year 2017, the Department of Vermont Health Access shall use up to \$4,000,000 to increase reimbursement rates to Medicaid participating providers for Medicaid primary care services delivered on or after October 1, 2016. The purpose of the increase shall be to restore in part the primary care rate increase that was provided with federal funds through the Affordable Care Act and that expired on December 31, 2014.

(b) To offset the increases required by subsection (a) of this section within the resources appropriated to the Department of Vermont Health Access by this act, the Department is authorized to adjust as needed the rates of payments for inpatient care, outpatient care, professional services, and other Medicaid-covered services at academic medical centers providing tertiary care beginning on October 1, 2016.

(c) On or before November 1, 2016, the Department of Vermont Health Access shall provide a report on its implementation of this section to the Health Reform Oversight Committee and the Joint Fiscal Committee.

Sec. E.306.14 APPLIED BEHAVIOR ANALYSIS

(a) The Department of Vermont Health Access shall, in consultation with interested parties, examine its current network of providers of Applied Behavior Analysis (ABA) services to Vermonters with autism spectrum disorders and determine if the reimbursement rates currently in place are sufficient to sustain a provider network large enough to allow access to all Medicaid enrollees eligible to receive ABA services.

Sec. E.306.15 MEDICAID NON-EMERGENCY TRANSPORTATION

(a) In fiscal year 2017, when the General Assembly is not in session, prior to executing a contract to provide Medicaid Non-Emergency Transportation services, the Department of Vermont Health Access shall provide to the Joint Fiscal Committee for review and approval a detailed analysis that executing such a contract shall not compromise any State policy, including the coordinated delivery of transportation services of the Elderly and Disabled program and the Medicaid Non-Emergency Transportation program, that there will be no degradation of service to eligible individuals, and that the financial stability of the State's public transportation systems will be maintained. The analysis shall also include the impact of the Agency of Transportation investments in vehicles, technology, and other capital investments in the coordinated care delivery model.

Sec. E.307 GROUP THERAPY ANALYSIS

(a) The Department of Vermont Health Access shall, in consultation with interested parties, analyze utilization trends of individual and group psychotherapy to determine if the reimbursement rates currently in place for group therapy are sufficient to sustain access to cost-effective and appropriate psychotherapy services to all Medicaid enrollees eligible to receive services.

Sec. E.307.1 MEDICARE SUPPLEMENTAL PLANS FOR DUAL
ELIGIBLE MEDICAID BENEFICIARIES; REPORT

(a) The Department of Vermont Health Access, in collaboration with the Department of Financial Regulation, shall explore the use of State or Global Commitment funds to purchase Medicare supplemental insurance plans for individuals eligible for both Medicare and Medicaid, including:

(1) the feasibility of federal financial participation;

(2) the estimated savings to the State with and without federal financial participation;

(3) a comparison of the benefits of providing Medicare supplemental plans to the entire population of dual eligible individuals and of providing the plans to only a subset of the highest utilizers of all or a specific set of services; and

(4) the projected impact of purchasing Medicare supplemental plans for dual eligible individuals on the premium rates for other purchasers of the plans.

(b) The Department of Vermont Health Access shall provide its findings and recommendations as part of its fiscal year 2018 budget presentation to the House and Senate Committees on Appropriations.

Sec. E.307.2 MENTAL HEALTH PARITY; MEDICAID

(a) The Department of Vermont Health Access shall ensure its clinical utilization review practices with respect to mental health services are consistent with State and federal mental health parity laws.

Sec. E.307.3 2013 Acts and Resolves No. 79, Sec. 53(d), as amended by 2014 Acts and Resolves No. 179, Sec. E.307, as amended by 2015 Acts and Resolves No. 58, Sec. E.307, is further amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the ~~Department of Vermont Health Access~~ Agency of Human Services may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and

VPharm programs is not operational by that date, but no later than December 31, ~~2016~~ 2017.

Sec. E.308 CHOICES FOR CARE; SAVINGS, REINVESTMENTS, AND SYSTEM ASSESSMENT

(a) In the Choices for Care program, “savings” means the difference remaining at the conclusion of fiscal year 2016 between the amount of funds appropriated for Choices for Care, excluding allocations for the provision of acute care services, and the sum of expended and obligated funds, less an amount equal to one percent of the fiscal year 2016 total Choices for Care expenditure. The one percent shall function as a reserve to be used in the event of a fiscal need to freeze Moderate Needs Group enrollment. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

(1) It is the intent of the General Assembly that the Department of Disabilities, Aging, and Independent Living only obligate funds for expenditures approved under current law.

(b)(1) Any funds appropriated for long-term care under the Choices for Care program shall be used for long-term services and supports to recipients. In using these funds, the Department of Disabilities, Aging, and Independent Living shall give priority for services to individuals assessed as having high and highest needs and meeting the terms and conditions of the Choices for Care program within the Global Commitment waiver.

(2)(A) First priority for the use of any savings from the long-term care appropriation after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and community-based services.

(B) Savings either shall be one-time investments or shall be used in ways that are sustainable into the future. Any unexpended and unobligated State General Fund or special fund appropriation remaining at the close of a fiscal year shall be carried forward to the next fiscal year.

(C) As part of its fiscal year 2017 budget adjustment presentation, the Department shall make recommendations regarding the allocation of any savings between home- and community-based provider rates, base funding to expand capacity to accommodate additional enrollees in home- and community-based services, and equitable funding of adult day providers, including whether some amount, up to 20 percent of the total savings, should be used to increase provider rates.

(D) Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

(E) The Department of Disabilities, Aging, and Independent Living shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1, 2016, the Department of Disabilities, Aging, and Independent Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare in order to inform the reinvestment of savings during the budget adjustment process.

(d) On or before January 15, 2017, the Department of Disabilities, Aging, and Independent Living shall propose reinvestment of the savings calculated pursuant to this section to the General Assembly as part of the Department's proposed budget adjustment presentation.

(e) Concurrent with the procedures set forth in 32 V.S.A. § 305a, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board their respective estimates of caseloads and expenditures for programs under the Choices for Care program.

Sec. E.308.1 CHOICES FOR CARE; HOME DELIVERED MEALS PLAN

(a) The Secretary of Human Services shall determine the amount of existing non-federal dollars currently expended by Area Agencies on Aging to provide home-delivered meals to Choices for Care recipients that could be matched with federal Medicaid dollars without adversely affecting other Choices for Care recipients or individuals receiving home-delivered meals who are not in Choices for Care.

(b) On or before February 1, 2017, the Secretary of Human Services shall submit to the Chairs of the House Committees on Appropriations, Human Services, and Health Care and the Senate Committees on Appropriations and Health and Welfare a plan for seeking an amendment to the Choices for Care Waiver and the anticipated fiscal impact after offsetting the non-federal funds referenced in subsection (a) of this section.

Sec. E.311 RULEMAKING

(a) The Commissioner of Health shall amend the Department's rules pertaining to food service establishments pursuant to 3 V.S.A. chapter 25 to define "occasional" as it pertains to registered charitable nonprofit organizations to mean not more than:

- (1) four days in a month;
- (2) two consecutive days at a time; and
- (3) 12 days total in any calendar year.

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2017 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

(3)(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in VMAP to assist all eligible individuals. The Secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to VMAP medications until such time as the General Assembly can take action.

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2017, the Department of Health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including syringe exchange programs, improving the availability of confidential and anonymous HIV

testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2017, the Department of Health shall provide grants in the amount of \$150,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2017. Grant reporting shall include outcomes and results.

(b) The funding for tobacco cessation and prevention activities in fiscal year 2017 shall include funding for tobacco cessation programs that serve pregnant women.

Sec. E.318 CHILD CARE SERVICES PROGRAM; WAITLIST

(a) The Department for Children and Families shall report at the November 2016 meeting of the Joint Fiscal Committee on the status of the Child Care Financial Assistance Program (CCFAP) caseload, the caseload projection, and available funding. The Department shall report on the number and size of programs accepting child care subsidies in each AHS region and on the number of children residing in each AHS region participating in child care subsidies.

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) For State fiscal year 2017, the Agency of Human Services may continue a housing assistance program within the General Assistance program to create flexibility to provide these General Assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. The program shall operate in a consistent manner within existing statutes and rules and policies effective on July 1, 2013, and any succeeding amendments thereto, and may create programs and provide services consistent with these policies. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to

become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The program may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish goals and procedures for evaluating the program overall, including performance measures that demonstrate program results, and for each district in which the Agency operates the program, it shall establish procedures for evaluating the district program and its effects.

(c) The Agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the General Assistance flexibility program.

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2017 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The cold weather exception policy issued by the Department for Children and Families' Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

Sec. E.321.2 2013 Acts and Resolves No. 50, Sec. E.321.2(c), as amended by 2015 Acts and Resolves No. 58, Sec. E.321.2, is further amended to read:

(c) On or before ~~January 31~~ and July 31 of each year beginning in ~~2015~~ 2016, the Agency of Human Services shall report statewide statistics related to the use of emergency housing vouchers during the preceding ~~calendar half-year~~ State fiscal year, including demographic information, deidentified client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing, and such other relevant data as the Secretary deems appropriate. When the General Assembly is in session, the Agency shall provide its report to the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the House and Senate Committees on Appropriations. When the General Assembly is not in session, the Agency shall provide its report to the Joint Fiscal Committee.

Sec. E.323 33 V.S.A. § 1108(d) is amended to read:

(d) Notwithstanding subsection (a) of this section, a participating family that does not have a qualifying deferment under section 1114 of this title and that has exceeded the cumulative 60-month lifetime eligibility period set forth

in subsection (a) of this section shall qualify for a hardship exemption that allows the adult member of the participating family to receive:

(1) a wage equivalent to that of the participating family's cash benefit under the Reach Up program for participation in ~~community service employment~~ any of the work activities listed in subdivision 1101(28) of this title, with the exception of subdivision (28)(L); or

* * *

Sec. E.323.1 33 V.S.A. § 1134 is amended to read:

§ 1134. PROGRAM EVALUATION

On or before January 31 of each year, the Commissioner shall design and implement procedures to evaluate, measure, and report to the Governor and the General Assembly the Department's progress in achieving the goals of the programs provided for in sections 1002, 1102, and 1202 of this title. The report shall include:

* * *

(7) a description of the current basic needs budget and housing allowance, the current maximum grant amounts, and the basic needs budget and housing allowance adjusted to reflect an annual cost-of-living increase; ~~and~~

(8) a description of the families, during the last fiscal year, that included an adult family member receiving financial assistance for 60 or more months in his or her lifetime, including:

(A) the number of families and the types of barriers facing these families; and

(B) the number of families that became ineligible for the Reach Up program pursuant to subsection 1108(a) of this title, and the types of income and financial assistance received by those families that did not return to the Reach Up program within 90 days of becoming ineligible; and

(9) a description of the families in the postsecondary education program pursuant to section 1122 of this title, including the number of participating families and any barriers to their further participation.

Sec. E.323.2 33 V.S.A. § 1103(c) is amended to read:

(c) The Commissioner shall adopt rules for the determination of eligibility for the Reach Up program and benefit levels for all participating families that include the following provisions:

* * *

(9) The amount of ~~\$125.00~~ \$115.00 of the Supplemental Security Income payment received by a parent excluding payments received on behalf of a child shall count toward the determination of the amount of the family's financial assistance grant.

Sec. E.323.3 33 V.S.A. § 1106 is amended to read:

§ 1106. REQUIRED SERVICES TO PARTICIPATING FAMILIES

(a) The Commissioner shall provide participating families case management services, periodic reassessment of service needs and the family development plan, and referral to any agencies or programs that provide the services needed by participating families to improve the family's prospects for job placement and job retention, including the following:

* * *

(3) Career counseling, education, and training, ~~and~~ job search assistance, and postsecondary education consistent with the purposes of this chapter.

* * *

Sec. E.324 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2016, and for program administration, the Commissioner of Finance and Management shall transfer \$2,550,000 from the Home Weatherization Assistance Fund to the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the Home Weatherization Fund from the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the Home Weatherization Assistance Fund be necessary for the 2016–2017 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2016 and if LIHEAP funds awarded as of December 31, 2016 for fiscal year 2017 do not exceed \$2,550,000, subsequent payments under the Home Heating Fuel Assistance Program shall not be made prior to January 30, 2017. Notwithstanding any other provision of law, payments authorized by the Department for Children and Families' Economic Services Division shall not exceed funds available, except that for fuel assistance payments made through December 31, 2016, the Commissioner of Finance and Management may anticipate receipts into the Home Weatherization Assistance Fund.

Sec. E.324.1 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it, if the benefit

cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

Sec. E.324.2 LIHEAP AND WEATHERIZATION

(a) Notwithstanding 33 V.S.A. §§ 2603 and 2501, in fiscal year 2017, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer up to 15 percent of the federal fiscal year 2017 federal Low Income Home Energy Assistance Program (LIHEAP) block grant from the federal funds appropriation in Sec. B.324 of this act to the Home Weatherization Assistance appropriation in Sec. B.326 of this act to be used for weatherization in State fiscal year 2017. An equivalent appropriation transfer shall be made to Sec. B.324 of this act, Low Income Home Energy Assistance Program, from the Home Weatherization Assistance Fund in Sec. B.326 of this act to provide home heating fuel benefits in State fiscal year 2017. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next meeting.

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the General Fund appropriation in Sec. B.325 of this act, \$1,092,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal Emergency Solutions Grants funds. Grant decisions shall be made with assistance from the Vermont Coalition to End Homelessness.

Sec. E.326 Department for children and families – OEO – weatherization assistance

(a) Of the Special Fund appropriation in Sec. B.326 of this act, \$750,000 is for the replacement and repair of home heating equipment.

Sec. E.335 ELECTRONIC MONITORING

(a) The Commissioner of Corrections may expend funds to contract for electronic monitoring in fiscal year 2017 in any region of the State where an electronic monitoring program is operational and would result in concurrent savings to the Department that at a minimum are sufficient to offset the costs of the contracts to the Department.

Sec. E.337 28 V.S.A. § 120 is amended to read:

§ 120. DEPARTMENT OF CORRECTIONS EDUCATION PROGRAM;
INDEPENDENT SCHOOL

(a) Authority. An education program is established within the Department of Corrections for the education of persons who have not completed secondary education or are assessed to have a moderate-to-high criminogenic need by one or more corrections risk assessments and who are committed to the custody of the Commissioner.

(b) Applicability of education provisions. The education program shall be approved by the State Board of Education as an independent school under 16 V.S.A. § 166, ~~shall comply with the education quality standards provided by 16 V.S.A. § 165,~~ and shall be coordinated with adult education, special education, and career technical education.

(c) Program supervision. The Commissioner of Corrections shall appoint a ~~Director of Corrections Education, who shall be~~ licensed as an administrator under 16 V.S.A. chapter 51; to serve as the ~~Superintendent of the Community High School of Vermont~~ Headmaster of Correction Education and coordinate use of other education programs by persons under the supervision of the Commissioner.

(d) Curriculum. The education program shall offer a minimum course of study, as defined in 16 V.S.A. § 906, and special education programs ~~as required in 16 V.S.A. chapter 101 at each correctional facility and Department service center, but is not required to offer a driver training course or a physical educational course in accordance with the program description used for independent school approval.~~

(e) [Repealed.]

(f) Reimbursement payments. The provision of 16 V.S.A. § 4012, relating to payment for State-placed students, shall not apply to the Corrections education program.

(g) [Repealed.]

(h) Required participation. All persons under the custody of the Commissioner who are under the age of 23 and have not received a high school diploma, or are assessed to have a moderate-to-high criminogenic need and are within 24 months of reentry shall participate in an education program ~~unless exempted by the Commissioner.~~ The Commissioner may approve the participation of other students, including individuals who are enrolled in an alternative justice or diversion program.

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of \$146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.338.1 CALEDONIA COUNTY WORK CAMP; ELIGIBILITY

(a) The Department will seek to reach an agreement with the community in which:

(1) the Department of Corrections continues to utilize the North Unit of the Caledonia County Work Camp (CCWC) for offenders who are work camp eligible under 28 V.S.A. § 817; and

(2) the Department of Corrections achieves full utilization of the facility by assigning no more than 50 beds in the South Unit for offenders who:

(A) are classified as minimum custody as scored by the Department's custody level instrument;

(B) have completed their minimum sentence and are eligible for furlough or parole, but lack appropriate housing; and

(C) an offender who is serving time for a sex offense conviction shall not be deemed to satisfy the criteria set forth in this section unless the offender is a resident of St. Johnsbury.

(3) there are mutually acceptable resolutions to community concerns regarding:

(A) security cameras and fencing;

(B) the annual community facility hosting payment from the State; and

(C) the educational and training programs for inmates at the facility who will be reentering the community. Such programs may include high school completion studies, ServSafe kitchen certification, lead abatement training, OSHA certification, and a partnership with the Agency of Transportation for a transportation academy.

Sec. E.342 Vermont veterans' home – care and support services

(a) The Vermont Veterans' Home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(b) The Chief Executive Officer shall provide a written report to the Joint Fiscal Committee in November 2016 that provides information on the overall census, the call out rate, use of overtime for State employees, and the use of

temporary employees and contractors for State fiscal year 2016 compared to fiscal year 2015, and a status update on these issues for fiscal year 2017 to date.

Sec. E.345 Green mountain care board

(a) The Green Mountain Care Board shall use the Global Commitment funds appropriated in this section to encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

Sec. E.345.1 GREEN MOUNTAIN CARE BOARD; ALL PAYER MODEL AGREEMENT

(a) In the event that an agreement is reached with the federal government for an All Payer Model (APM) for the State of Vermont prior to the 2017 legislative session, the Emergency Board is authorized to transfer General Funds of up to \$293,192 to the Green Mountain Care Board or Agency of Human Services. If sufficient matching funds are transferred, excess receipts of up to \$533,670 in Global Commitment funds and \$124,775 in special funds may be authorized by the Commissioner of Finance and Management for additional analysis and contracting necessary to create the additional regulatory infrastructure required to ensure consumer protection and to comply with the terms of the agreement. The amount of general funds transferred shall be restored as needed in the budget adjustment process.

* * * LABOR * * *

Sec. E.400 WORKFORCE EDUCATION AND TRAINING REPORT

(a) 2013 Acts and Resolves No. 81, Sec. 1 created a Workforce Development Work Group charged with the duty to research, inventory, and collect certain data concerning workforce education and training programs and activities in Vermont. Representing the Administration on that work group were: the Secretary of Commerce and Community Development, the Secretary of Education, and the Commissioner of Labor. The purpose of this section is to require a report which will inform the General Assembly on the status of this and other similar efforts being carried out by the Administration.

(1) The Secretary of Commerce and Community Development, the Secretary of Education, the Secretary of Human Services, and the Commissioner of Labor shall jointly report, on or before December 15, 2016, to the House Committees on Commerce and Economic Development and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations the following:

(A) A summary of the work product of the 2013 Workforce Development Work Group referenced in this subsection (a);

(B) A detailed report on the follow-up to that effort, including the resulting work product; and

(C) Summaries of all other related initiatives and activities taking place in the State in which these four agencies are involved, including: the joint agency employer workforce needs assessment; the 10 V.S.A. § 540(1)(B) requirement that the Commissioner of Labor, in consultation with the State Workforce Development Board, create and maintain an inventory of all existing workforce education and training programs in the State; and the Workforce Innovation and Opportunity Act (WIOA) requirements which include the Unified State Plan and the development of common intake and common performance evaluations.

Sec. E.400.1 21 V.S.A. § 487 is added to read:

§ 487. RULES

The Commissioner may adopt rules to implement the provisions of this subchapter.

* * * K-12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,566,029 shall be used by the Agency of Education in fiscal year 2017 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$192,805 may be used by the Agency of Education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

(a) The Independence Place Program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504.1 Education – flexible pathways

(a) Of this appropriation, \$4,000,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$600,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of \$30,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act; and

(2) \$100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

Sec. E.505 Education - adjusted education payment

(a) Of this appropriation, up to \$15,000 shall be used to provide grants to K-12 public schools in the Caledonia Central Supervisory Union which are initiating programs through the International Baccalaureate program in an effort to maintain the viability of its educational programs and to enhance enrollment. Grants under this subsection may be made only for professional training and necessary materials.

Sec. E.513 16 V.S.A. § 4025(a)(2) is amended to read:

(2) For each fiscal year, the amount of the general funds appropriated ~~or~~ and transferred to the Education Fund shall be \$277,400,000.00 ~~\$305,900,000.00~~, to be increased annually beginning for fiscal year 2018 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 2012~~ consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent.

Sec. E.513.1 Appropriation and transfer to education fund

(a) Pursuant to Sec. B.513 of this act and 16 V.S.A. § 4025(a)(2) as amended by Sec. E.513 of this act, there is appropriated in fiscal year 2017 from the General Fund for transfer to the Education Fund the amount of \$305,902,634.

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$82,659,576, of which

\$78,959,576 shall be the State's contribution and \$3,700,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$8,327,249 is the "normal contribution," and \$74,332,327 is the "accrued liability contribution."

Sec. E.514.1 16 V.S.A. § 1944(c) is amended to read:

(c) State contributions, earnings, and payments.

* * *

(4) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability to the System. ~~Until Beginning on July 1, 2008,~~ until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ~~from July 1, 2008, ending on June 30, 2038,~~ provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution after June 30, 2009, shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent greater than the preceding annual basic accrued liability contribution per year.

(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal or unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

* * *

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$22,022,584 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(c) If Global Commitment Fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the General Fund or other State funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high quality health care services to Medicaid beneficiaries and to uninsured or underinsured persons, or both, in Vermont and across the nation.

Sec. E.600.1 REPEAL; UNIVERSITY OF VERMONT 40 PERCENT RULE

(a) 16 V.S.A. § 2282 (limit on tuition for Vermont students) is repealed on July 1, 2016.

Sec. E.600.2 UNIVERSITY OF VERMONT REPORTING

(a) The University of Vermont will include in its Annual Report to the General Assembly specific information on the impact of repealing 16 V.S.A. § 2282, the 40 percent tuition requirement. The University shall report changes to its in-state and out-of-state tuition rates, the rationale for those changes, and the impact on student admissions and revenues, and shall include a comparison to relevant national and regional tuition metrics and relevant information from the U.S. Department of Education College Affordability and Transparency Calculator.

(b) The University shall submit a comprehensive multi-year tuition review as part of its Annual Report to the General Assembly on or before January 1, 2022. This report shall include the information required by subsection (a) of this section, as compiled over the relevant period.

Sec. E.602 Vermont state colleges

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$427,898 shall be transferred to the Vermont Manufacturing Extension Center for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

Sec. E.602.1 Vermont state colleges – supplemental aid

(a) Of this appropriation, \$700,000 shall be used to increase need-based aid for Vermont students. The Community College of Vermont shall use funds allocated to them from this appropriation for a college Step Up program. The Chancellor shall provide a written report to the Joint Fiscal Committee in November 2016 on how these funds are to be used for this purpose for the 2016–2017 school year and the plan to continue use of these funds for this purpose in future years.

Sec. E.603 Vermont state colleges – allied health

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont State Colleges shall be maintained through the General Fund or other State funding sources.

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 315 health care providers annually. These graduates deliver direct, high quality health care services to Medicaid beneficiaries or uninsured or underinsured persons, or both.

Sec. E.605 Vermont student assistance corporation

(a) Of this appropriation, \$25,000 is appropriated from the General Fund to the Vermont Student Assistance Corporation to be deposited into the Trust Fund established in 16 V.S.A. § 2845.

(b) Of the appropriated amount remaining after accounting for subsections (a) and (d) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(c) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

(d) Of this appropriation, not more than \$200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve three or more high schools.

(e) The Vermont Student Assistance Corporation shall conduct a review of the Non-Degree Grant program utilizing the Results Based Accountability

approach. This review shall be submitted to the House and Senate Committees on Appropriations as part of the Vermont Student Assistance Corporation fiscal year 2018 budget submission.

(f) Notwithstanding the provisions of 2015 Acts and Resolves No. 45, Secs. 2-4, in part codified at 16 V.S.A. chapter 87, subchapter 8, the Vermont Student Assistance Corporation shall not be required to establish the Vermont Universal Children's Higher Education Savings Account Program until sustainable sources of annual funding have been identified and secured in amounts sufficient to provide meaningful initial and matching deposits for eligible families to open and make ongoing contributions to a children's savings account.

**Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND
EARLY COLLEGE STUDENTS**

(a) The sum of \$60,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) \$30,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need-based stipend purposes).

(2) \$30,000 pursuant to Sec. E.504.1(a)(1) (flexible pathways funds appropriated for dual enrollment and need-based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House and Senate Committees on Education and on Appropriations on or before January 15, 2017.

Sec. E.605.2 EARLY COLLEGE ENROLLMENT

(a) Notwithstanding any provision to the contrary in 2015 Acts and Resolves No. 45, Sec. 1 in fiscal year 2017, should the Vermont Academy of Science and Technology enroll fewer than 60 Vermont students, that number of available student enrollment fewer than 60 may, as determined by the Chancellor of the Vermont State Colleges, in consultation with the President of the Vermont Technical College, be enrolled in early college programs at Castleton University, Johnson State College, and Lyndon State College, which may result in the total early college enrollment among these three institutions exceeding 54 students.

* * * NATURAL RESOURCES * * *

Sec. E.701 32 V.S.A. § 3708 is amended to read:

§ 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE
AGENCY OF NATURAL RESOURCES

~~(a) All ANR land, excluding buildings or other improvements thereon, shall be appraised at fair market value by the Director of Property Valuation and Review and listed separately in the grand list of the town in which it is located. Annually, the State shall pay to each municipality an amount which is the lesser of:~~

~~(1) one percent of the Director's appraisal value for the current year for ANR land; or~~

~~(2) one percent of the current year use value of ANR land enrolled by the Agency of Natural Resources in the Use Value Appraisal Program under chapter 124 of this title before January 1999; except that no municipality shall receive in any taxable year a State payment in lieu of property taxes for ANR land in an amount less than it received in the fiscal year 1980.~~

~~(b) "ANR land" in this section means lands held by the Agency of Natural Resources.~~

~~(c) "Municipality" in this section means an incorporated city, town, village, or unorganized town, grant or gore in which a tax is assessed for noneducational purposes.~~

~~(d) "Fair market value" in this section shall be based upon the value of the land at its highest and best use determined without regard to federal conservation restrictions on the parcel or any conservation restrictions under a state agreement made with respect to the parcel.~~

~~(e) The Selectboard of a town aggrieved by the appraisal of property by the Division of Property Valuation and Review under this section may, within 21 days after the receipt by the town listers of notice of the appraisal of its property by the Division of Property Valuation and Review, appeal from that appraisal to the Superior Court of the district in which the property is situated. As used in this subchapter:~~

(1) "ANR land" means lands held by the Agency of Natural Resources.

(2) "Fair market value" shall be based upon the value of the land at its highest and best use determined without regard to federal conservation restrictions on the parcel or any conservation restrictions under a State agreement made with respect to the parcel.

(3) "Municipality" means an incorporated city, town, village, or unorganized town, grant, or gore in which a tax is assessed for noneducational purposes.

(b) The State shall annually pay to each municipality a payment in lieu of taxes (PILOT) that shall be the base payment as set forth herein, for all ANR land, excluding buildings or other improvements thereon, as of April 1 of the current year.

(c) The State shall establish the base payment for all ANR land, excluding buildings or other improvements thereon, as follows:

(1) On parcels acquired before April 1, 2016, 0.60 percent of the fair market value as appraised by the Director of Property Valuation and Review as of April 1 of fiscal year 2015;

(2) On parcels acquired on or after April 1, 2016, the municipal tax rate of the fair market value as assessed on April 1 in the year of acquisition by the municipality in which it is located.

(d) Beginning in fiscal year 2022, and thereafter in periods of no less than three years and no greater than five years, the Secretary of Natural Resources shall recommend an adjustment to update the base payments established under subsection (c) of this section consistent with the statewide municipal tax rate or other appropriate indicators. For years that the Secretary of Natural Resources recommends an adjustment under this subsection, a request for funding the adjustment shall be included as part of the budget report required under section 306 of this title.

(e) Any adjustment to the acreage of any existing ANR parcel will result in the change of the base payment for the year in which the change occurs. A per acre payment will be determined for the parcel. This per acre payment will be either added or subtracted from the base payment as necessary for the number of acres that need to be adjusted.

(f) The selectboard of a town aggrieved by the appraisal of property by the Division of Property Valuation and Review under subdivision (c)(1) of this section may, within 21 days after the receipt by the town listers of notice of the appraisal of its property by the Division of Property Valuation and Review in fiscal year 2017 only, appeal that appraisal to the Superior Court of the district in which the property is situated.

Sec. E.701.1 2015 Acts and Resolves No. 58, Sec. E.701.2 is amended to read:

Sec. E.701.2. PAYMENT IN LIEU OF TAXES FOR AGENCY OF
NATURAL RESOURCES LANDS IN FISCAL YEARS
2017, ~~AND~~ 2018, 2019, 2020, and 2021

(a) Notwithstanding the requirements of 32 V.S.A. § 3708(c)(1) to the contrary, for purposes of payment in lieu of taxes (PILOT) for lands ~~held~~ acquired by the Agency of Natural Resources before April 1, 2016, the State shall pay to each municipality:

(1) in fiscal year 2017, the PILOT amount received by the municipality in fiscal year 2016 plus or minus ~~one-third~~ one-fourth of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708, ~~as amended by Sec. E.701.1 of this act~~ § 3708(c)(1); and;

(2) in fiscal year 2018, the PILOT amount received by the municipality in fiscal year 2016 plus or minus ~~two-thirds~~ one-half of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708, ~~as amended by Sec. E.701.1 of this act~~ § 3708(c)(1); and

(3) in fiscal year 2019, the PILOT amount received by the municipality in fiscal year 2016 plus or minus three-fourths of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708(c)(1).

(b) If the Agency of Natural Resources acquires land in a municipality on or after April 1, 2015 ~~2016~~, the State shall make a PILOT payment on the newly acquired land to the municipality under ~~Sec. E.701.1 of this act~~ 32 V.S.A. § 3708(c)(2), and the newly acquired land shall not be subject to this section.

(c) If the PILOT amount to be received by a municipality under 32 V.S.A. § 3708(c)(1), as of April 1, 2016, is:

(1) more than \$25,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$3,000 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(2) between \$25,000 and \$20,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$2,500 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(3) between \$19,999 and \$15,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$2,000 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(4) between \$14,999 and \$10,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$1,500 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(5) between \$9,999 and \$7,500 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$1,000 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(6) between \$7,499 and \$5,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$500 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(7) more than \$25,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$3,000 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(8) between \$25,000 and \$20,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$2,500 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(9) between \$19,999 and \$15,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$2,000 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(10) between \$14,999 and \$10,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$1,500 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(11) between \$9,999 and \$7,500 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$1,000 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(12) between \$7,499 and \$5,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$500 less in fiscal years 2017, 2018, 2019, 2020, and 2021.

Sec. E.701.2 REPEAL

(a) 2015 Acts and Resolves No. 58, Sec. E.701.1 is repealed.

Sec. E.704 Forests, parks and recreation - forestry

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

Sec. E.706 Forests, parks and recreation – lands administration

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

Sec. E.709 AUTHORIZATION FOR EXPENDITURES AT ELIZABETH MINE SUPERFUND SITE

(a) Notwithstanding the \$100,000 limitation on the expenditure of funds from the Environmental Contingency Fund established pursuant to 10 V.S.A.

§ 1283, the Secretary of Natural Resources may expend funds to accomplish activities authorized under 10 V.S.A. § 1283(b)(9) at the Elizabeth Mine Superfund Site.

Sec. E.709.1 AUTHORIZATION FOR EXPENDITURE RELATED TO
PFOA DRINKING WATER CONTAMINATION

(a) Notwithstanding the \$100,000 limitation on the expenditure of funds from the Environmental Contingency Fund established pursuant to 10 V.S.A. § 1283, the Secretary of Natural Resources may expend funds to accomplish activities authorized under 10 V.S.A. § 1283(b) to address PFOA drinking water contamination.

Sec. E.709.2 24 V.S.A. § 4753(a) is amended to read:

(a) There is hereby established a series of special funds to be known as:

(5) The Vermont Drinking Water Planning Loan Fund which shall be used to provide loans to municipalities and privately owned, nonprofit community water systems, ~~with populations of less than 10,000~~, for conducting feasibility studies and for the preparation of preliminary engineering planning studies and final engineering plans and specifications for improvements to public water systems in order to comply with State and federal standards and to protect public health. The Secretary may forgive up to \$50,000.00 of the unpaid balance of a loan made from the Vermont Drinking Water Planning Loan Fund to municipalities after project construction is substantially completed. The Secretary shall establish amounts, eligibility, policies, and procedures for loan forgiveness in the annual State Intended Use Plan (IUP) with public review and comment prior to finalization and submission to the U.S. Environmental Protection Agency.

Sec. E.712 AUTHORIZATION FOR EXPENDITURES; CONNECTICUT
RIVER VALLEY FLOOD CONTROL COMMISSION

(a) Notwithstanding 10 V.S.A. § 1158, the Department of Environmental Conservation may make payment up to \$2,500 in any one year to the Connecticut River Valley Flood Control Commission for the purposes set forth in 10 V.S.A. § 1158.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 BENNINGTON COUNTY ECONOMIC DEVELOPMENT
PLANNING; APPROPRIATION

(a) In fiscal year 2017, the amount of \$50,000 is appropriated from the General Fund to the Bennington County Regional Commission, which the Commission shall use to:

(1) identify Bennington County region businesses, institutions, individuals, and resources that are critical for building a partnership with the Windham County region;

(2) establish a steering committee of interested parties, consistent with guidelines established by the U.S. Economic Development Administration for Comprehensive Economic Development Strategy steering committees, to serve as the foundation for economic development work in the Bennington County region;

(3) focus the steering committee, the private sector, and municipalities on the process required for developing a Comprehensive Economic Development Strategy, and solicit commitments, as appropriate, from these parties for performing the work;

(4) publicize the initiative to build support for performing regional economic development work; and

(5) partner with the Windham County region to host a Southern Vermont Economic Development Summit to share economic success stories from southern Vermont and present the steps needed to develop the Southern Vermont Comprehensive Economic Development Strategy.

Sec. E.800.1 REFUGEE RESETTLEMENT

(a) Included in this appropriation is \$3,000 which shall be granted to the City of Rutland for refugee resettlement support. The funds shall be made available for educational materials and training of those involved in facilitating the resettlement effort.

Sec. E.801 2014 Acts and Resolves No. 179, Sec. G.100(b), as amended by 2015 Acts and Resolves No. 51, Sec. G.9, is further amended to read:

(b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax years 2014, ~~and~~ 2015, and 2016.

Sec. E.804 Community development block grants

(a) Community Development Block Grants shall carry forward until expended.

Sec. E.807 VERMONT LIFE MAGAZINE DEFICIT AND OPERATIONAL REVIEW

(a) The Vermont Life Magazine Fund deficit was reported at \$2,840,146 in the June 30, 2015 Comprehensive Annual Financial Report. The deficit is projected to grow during the 2016 and 2017 fiscal years. The Secretary of Administration and the Secretary of Commerce and Community Development shall submit a joint review of Vermont Life, which will include other operational models and a plan relative to the magazine's future which will address the growing shortfall of the enterprise.

(b) If the proposal envisions a continued operating deficit, the Agency of Commerce and Community Development shall propose a plan to eliminate the operating deficit within two fiscal years.

(c) The operating deficit plan and any proposals shall be submitted to the House and Senate Committees on Appropriations as part of the fiscal year 2018 budget.

Sec. E.808 Vermont council on the arts

(a) Notwithstanding 2015 Acts and Resolves No. 26, Sec. 23, the Department of Buildings and General Services may continue to charge the Vermont Council on the Arts a below-market rent provided that the Council continues to receive a federal match for value between the rent charged and the market rate.

(b) This provision shall take effect on passage and continue through June 30, 2019.

Sec. E.811 10 V.S.A. § 325b is added to read:

§ 325b. STATE OF VERMONT EXECUTORY INTEREST IN
EASEMENTS

(a) As used in this section:

(1) "Qualified organization" shall have the same meaning as in section 6301a of this title; and

(2) "State agency" shall have the same meaning as in section 6301a of this title.

(b) The Agency of Agriculture, Food and Markets may hold an executory interest in agricultural conservation easements acquired by the Board under chapter 155 of this title when the acquisition of an interest in the agricultural conservation easement was financed by monies expended, in whole or in part, from the Housing and Conservation Trust Fund.

(c) An agricultural conservation easement acquired by the Board under chapter 155 of this title with monies expended, in whole or in part, from the Fund shall be subject to a memorandum of understanding between the Board,

the Agency of Agriculture, Food and Markets, and any other co-holder of the agricultural conservation easement regarding oversight, performance, and enforcement of the agricultural conservation easement.

(d) The Agency of Agriculture, Food and Markets may exercise its executory interest in an agricultural conservation easement interest acquired under chapter 155 of this title if:

(1) the Board ceases to exist and its interest in the agricultural conservation easement is not otherwise released and conveyed in accordance with law;

(2) the Board releases and conveys its agricultural conservation easement interests, in whole or in part, to a State agency, municipality, qualified holder, or qualified organization in accordance with the laws of the State of Vermont; or

(3) a significant violation of the terms and conditions of an agricultural conservation easement is not resolved in accordance with the memorandum of understanding required under subsection (c) of this section for the agricultural conservation easement.

(e) The Board annually shall monitor or cause to be monitored a conserved property subject to an agricultural conservation easement for compliance with the terms and conditions of the agricultural conservation easement. The Board shall report a significant violation of the terms and conditions of an agricultural conservation easement to the Secretary of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets may recommend to the Board or the Attorney General a course of action to be taken to address a violation of the terms and conditions of an agricultural conservation easement in accordance with the memorandum of understanding required under subsection (c) of this section.

* * * TRANSPORTATION * * *

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,390,351 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

PAY ACT

* * * Exempt Employees in the Executive Branch * * *

Sec. F1. COST-OF-LIVING ADJUSTMENTS

(a) Exempt employees in the Executive Branch may receive cost-of-living increases not to exceed 3.7 percent in fiscal year 2017 and not to exceed 3.95 percent in fiscal year 2018.

Sec. F2. RATE OF ADJUSTMENT

(a) For purposes of determining annual salary adjustments, special salary increases, and bonuses under 32 V.S.A. §§ 1003(b) and 1020(b), “the total rate of adjustment available to classified employees under the collective bargaining agreement” shall be 3.7 percent in fiscal year 2017 and 3.95 percent in fiscal year 2018.

Sec. F3. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

(a) Each elective officer of the Executive Department is entitled to an annual salary as follows:

	<u>Annual Salary as of July 13, 2014</u>	<u>Annual Salary as of July 12, 2015</u>	<u>Annual Salary as of July 10, 2016</u>	<u>Annual Salary as of July 09, 2017</u>
Governor	\$155,019	\$160,135	<u>\$166,060</u>	<u>\$172,619</u>
Lieutenant Governor	65,803	67,975	<u>70,490</u>	<u>73,274</u>
Secretary of State	98,296	101,540	<u>105,297</u>	<u>109,456</u>
State Treasurer	98,296	101,540	<u>105,297</u>	<u>109,456</u>
Auditor of Accounts	98,296	101,540	<u>105,297</u>	<u>109,456</u>
Attorney General	117,674	121,557	<u>126,055</u>	<u>131,034</u>

(b) The Governor may appoint each officer of the Executive Branch listed in this subsection at a starting salary ranging from the base salary stated for that position to a salary which does not exceed the maximum salary unless otherwise authorized by this subsection. The maximum salary for each appointive officer shall be 50 percent above the base salary. Annually, the Governor may grant to each of those officers an annual salary adjustment

subject to the maximum salary. The annual salary adjustment granted to officers under this subsection shall not exceed the average of the total rate of adjustment available to classified employees under the collective bargaining agreement then in effect. In addition to the annual salary adjustment specified in this subsection, the Governor may grant a special salary increase subject to the maximum salary, or a bonus, to any officer listed in this subsection whose job duties have significantly increased, or whose contributions to the State in the preceding year are deemed especially significant. Special salary increases or bonuses granted to any individual shall not exceed the average of the total rate of adjustment available to classified employees under the collective bargaining agreement then in effect.

(1) Heads of the following Departments and Agencies:

	<u>Base Salary as of July 13, 2014</u>	<u>Base Salary as of July 12, 2015</u>	<u>Base Salary as of July 10, 2016</u>	<u>Base Salary as of July 09, 2017</u>
(A) Administration	\$93,740	\$96,833	\$100,416	\$104,382
(B) Agriculture, Food and Markets	93,740	96,833	100,416	104,382
(C) Financial Regulation	87,634	90,525	93,874	97,582
(D) Buildings and General Services	87,634	90,525	93,874	97,582
(E) Children and Families	87,634	90,525	93,874	97,582
(F) Commerce and Community Development	93,740	96,833	100,416	104,382
(G) Corrections	87,634	90,525	93,874	97,582
(H) Defender General	87,634	90,525	93,874	97,582
(I) Disabilities, Aging, and Independent Living	87,634	90,525	93,874	97,582
(J) Economic Development	79,492	82,116	85,154	88,518
(K) Education	93,740	96,833	100,416	104,382
(L) Environmental				

Conservation	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(M) Finance and Management	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(N) Fish and Wildlife	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(O) Forests, Parks and Recreation	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(P) Health	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(Q) Housing and Community Development	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(R) Human Resources	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(S) Human Services	93,740	96,833	<u>100,416</u>	<u>104,382</u>
(T) Information and Innovation	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(U) Labor	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(V) Libraries	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(W) Liquor Control	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(X) Lottery	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(Y) Mental Health	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(Z) Military	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(AA) Motor Vehicles	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(BB) Natural Resources	93,740	96,833	<u>100,416</u>	<u>104,382</u>
(CC) Natural Resources Board Chairperson	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(DD) Public Safety	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(EE) Public Service	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(FF) Taxes	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(GG) Tourism and Marketing	79,492	82,116	<u>85,154</u>	<u>88,518</u>
(HH) Transportation	93,740	96,833	<u>100,416</u>	<u>104,382</u>
(II) Vermont Health Access	87,634	90,525	<u>93,874</u>	<u>97,582</u>
(JJ) Veterans' Home	87,634	90,525	<u>93,874</u>	<u>97,582</u>

(2) The Secretary of Administration may include the Director of the Office of Professional Regulation in any pay plans ~~which~~ that may be established under the authority of subsection 1020(c) of this title, provided the minimum hiring rate does not fall below a base salary, as of ~~July 13, 2014, of \$67,392.00~~ July 10, 2016, of \$72,192.00 and as of ~~July 12, 2015, of \$69,616.00~~ July 09, 2017, of \$75,044.00.

* * *

* * * Judicial Branch * * *

Sec. F4. 32 V.S.A. § 1003(c) is amended to read:

(c) The officers of the Judicial Branch named below shall be entitled to annual salaries as follows:

Annual Salary as of	Annual Salary as of	<u>Annual</u> Salary as of	<u>Annual</u> Salary as of	
				July 13, 2014 July 12, 2015 <u>July 10, 2016</u> <u>July 09, 2017</u>
(1) Chief Justice of Supreme Court		\$149,200	\$154,124	<u>\$159,827</u> <u>\$166,140</u>
(2) Each Associate Justice		142,396	147,095	<u>152,538</u> <u>158,563</u>
(3) Administrative judge		142,396	147,095	<u>152,538</u> <u>158,563</u>
(4) Each Superior judge		135,369	139,837	<u>145,011</u> <u>150,739</u>
(5) [Repealed.]				
(6) Each magistrate		102,068	105,436	<u>109,337</u> <u>113,656</u>
(7) Each Judicial Bureau hearing officer		102,068	105,436	<u>109,337</u> <u>113,656</u>

Sec. F5. 32 V.S.A. § 1141 is amended to read:

§ 1141. ASSISTANT JUDGES

(a)(1) Each assistant judge of the Superior Court shall be entitled to receive compensation in the amount of ~~\$156.49 a day as of July 13, 2014 and \$161.65 a day as of July 12, 2015~~ \$167.63 a day as of July 10, 2016 and \$174.25 a day as of July 09, 2017 for time spent in the performance of official duties and necessary expenses as allowed to classified State employees. Compensation under this section shall be based on a two-hour minimum and hourly thereafter.

* * *

Sec. F6. 32 V.S.A. § 1142 is amended to read:

§ 1142. PROBATE JUDGES

(a) The Probate judges in the several Probate Districts shall be entitled to receive the following annual salaries, which shall be paid by the State in lieu of all fees or other compensation:

	<u>Annual Salary as of July 13, 2014</u>	<u>Annual Salary as of July 12, 2015</u>	<u>Annual Salary as of July 10, 2016</u>	<u>Annual Salary as of July 09, 2017</u>
(1) Addison	\$53,368	\$55,129	<u>\$57,169</u>	<u>\$59,427</u>
(2) Bennington	67,465	69,692	<u>72,271</u>	<u>75,126</u>
(3) Caledonia	47,327	48,889	<u>50,698</u>	<u>52,701</u>
(4) Chittenden	112,590	116,305	<u>120,608</u>	<u>125,372</u>
(5) Essex	13,221	13,658	<u>14,163</u>	<u>14,722</u>
(6) Franklin	53,368	55,129	<u>57,169</u>	<u>59,427</u>
(7) Grand Isle	13,221	13,658	<u>14,163</u>	<u>14,722</u>
(8) Lamoille	37,257	38,487	<u>39,911</u>	<u>41,487</u>
(9) Orange	44,305	45,767	<u>47,460</u>	<u>49,335</u>
(10) Orleans	43,299	44,728	<u>46,383</u>	<u>48,215</u>
(11) Rutland	95,660	98,817	<u>102,473</u>	<u>106,521</u>
(12) Washington	73,506	75,932	<u>78,741</u>	<u>81,851</u>
(13) Windham	59,410	61,370	<u>63,641</u>	<u>66,155</u>
(14) Windsor	80,555	83,214	<u>86,293</u>	<u>89,702</u>

* * *

* * * Sheriffs * * *

Sec. F7. 32 V.S.A. § 1182 is amended to read:
§ 1182. SHERIFFS

(a) The sheriffs of all counties except Chittenden shall be entitled to receive salaries in the amount of ~~\$72,508.00 as of July 13, 2014 and \$74,901.00 as of July 12, 2015~~ \$77,672.00 as of July 10, 2016 and \$80,740.00 as of July 09, 2017. The Sheriff of Chittenden County shall be entitled to an annual salary in the amount of ~~\$76,732.00 as of July 13, 2014 and \$79,264.00 as of~~

~~July 12, 2015~~ \$82,197.00 as of July 10, 2016 and \$85,444.00 as of July 09, 2017.

* * *

* * * State's Attorneys * * *

Sec. F8. 32 V.S.A. § 1183 is amended to read:

§ 1183. STATE'S ATTORNEYS

(a) The State's Attorneys shall be entitled to receive annual salaries as follows:

	Annual Salary as of July 13, 2014	Annual Salary as of July 12, 2015	<u>Annual</u> <u>Salary</u> <u>as of</u> <u>July 10,</u> <u>2016</u>	<u>Annual</u> <u>Salary</u> <u>as of</u> <u>July 09,</u> <u>2017</u>
(1) Addison County	\$98,078	\$101,315	<u>\$105,064</u>	<u>\$109,214</u>
(2) Bennington County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(3) Caledonia County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(4) Chittenden County	102,539	105,922	<u>109,841</u>	<u>114,180</u>
(5) Essex County	73,560	75,987	<u>78,799</u>	<u>81,912</u>
(6) Franklin County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(7) Grand Isle County	73,560	75,987	<u>78,799</u>	<u>81,912</u>
(8) Lamoille County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(9) Orange County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(10) Orleans County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(11) Rutland County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(12) Washington County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(13) Windham County	98,078	101,315	<u>105,064</u>	<u>109,214</u>
(14) Windsor County	98,078	101,315	<u>105,064</u>	<u>109,214</u>

* * *

Sec. F9. SERGEANT AT ARMS; COMPENSATION

(a) In recognition of the enhanced security responsibilities of the Sergeant at Arms, the compensation for the Sergeant at Arms shall be increased by \$7,500 in addition to the salary set for fiscal year 2017. The increased

compensation shall be funded from the fiscal year 2017 Pay Act funds for the General Assembly.

* * * Appropriations * * *

Sec. F10. PAY ACT APPROPRIATIONS

(a) Executive Branch. The two-year agreements between the State of Vermont and the Vermont State Employees' Association for the Defender General, nonmanagement, supervisory, and corrections bargaining units for the period July 1, 2016 through June 30, 2018; the collective bargaining agreement with the Vermont Troopers' Association for the period of July 1, 2016 through June 30, 2018; and salary increases for employees in the Executive Branch not covered by the bargaining agreements shall be funded as follows:

(1) Fiscal Year 2017.

(A) General Fund. The amount of \$8,520,586 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2017 collective bargaining agreements and the requirements of this act.

(i) The Secretary of Administration shall reduce fiscal year appropriations and make transfers to the General Fund for a total of \$300,000 within the Executive Branch as a result of savings by reducing overtime payments to offset the cost of the State employees' contract.

(B) Transportation Fund. The amount of \$1,850,000 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation and the Department of Public Safety to fund the fiscal year 2017 collective bargaining agreements and the requirements of this act.

(C) Other funds. The Administration shall provide additional spending authority to departments through the existing process of excess receipts to fund the fiscal year 2017 collective bargaining agreements and the requirements of this act. The estimated amounts are \$13,309,670 from special fund, federal, and other sources.

(D) With due regard to the possible availability of other funds, for fiscal year 2017, the Secretary of Administration may transfer from the various appropriations and various funds and from the receipts of the Liquor Control Board such sums as the Secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by State funds.

(2) Fiscal Year 2018.

(A) General Fund. The amount of \$10,119,579 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2018 collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of \$1,850,000 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation and the Department of Public Safety to fund the fiscal year 2018 collective bargaining agreements and the requirements of this act.

(C) Other funds. The Administration shall provide additional spending authority to departments through the existing process of excess receipts to fund the fiscal year 2018 collective bargaining agreements and the requirements of this act. The estimated amounts are \$16,122,510 from special fund, federal, and other sources.

(D) With due regard to the possible availability of other funds, for fiscal year 2018, the Secretary of Administration may transfer from the various appropriations and various funds and from the receipts of the Liquor Control Board such sums as the Secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by State funds.

(3) This section shall include sufficient funding to ensure administration of exempt pay plans authorized by 32 V.S.A. § 1020(c).

(b) Judicial Branch.

(1) The Chief Justice of the Vermont Supreme Court may extend the provisions of the Judiciary's collective bargaining agreement to Judiciary employees who are not covered by the bargaining agreement.

(2) The two-year agreements between the State of Vermont and the Vermont State Employees' Association for the judicial bargaining unit for the period July 1, 2016 through June 30, 2018 and salary increases for employees in the Judicial Branch not covered by the bargaining agreements shall be funded as follows:

(A) Fiscal Year 2017. The amount of \$938,216 is appropriated from the General Fund to the Judiciary to fund the fiscal year 2017 collective bargaining agreement and the requirements of this act.

(B) Fiscal Year 2018. The amount of \$1,125,224 is appropriated from the General Fund to the Judiciary to fund the fiscal year 2018 collective bargaining agreement and the requirements of this act.

(c) Legislative Branch. For the period July 1, 2016 through June 30, 2018, the General Assembly shall be funded as follows:

(1) Fiscal Year 2017. The amount of \$239,000 is appropriated from the General Fund to the Legislative Branch.

(2) Fiscal Year 2018. The amount of \$266,000 is appropriated from the General Fund to the Legislative Branch.

* * * Administration; Optimization of Workforce * * *

Sec. F11. ADMINISTRATION; REPORT; STREAMLINING OF GOVERNMENT FUNCTIONS

(a) Annually, on or before January 15, 2017 until January 15, 2019, the Secretary of Administration shall report to the House and Senate Committees on Government Operations and on Appropriations regarding the identification of programs or functions within the Executive Branch through which the use of results-based accountability analysis and process analysis techniques such as LEAN may lead to streamlining, reduction in scope, or discontinuance of those programs or functions.

Sec. F12. ADMINISTRATION; REPORT; ELIMINATING SENIOR LEVEL POSITIONS; USE OF PERMANENT EMPLOYEES

(a) Annually, on or before January 15, 2017 until January 15, 2019, the Secretary of Administration shall report to the House and Senate Committees on Government Operations and on Appropriations regarding:

(1) senior level positions in the Executive Branch, including managerial and supervisory positions, that do not have direct service responsibility and which may be eliminated as a result of the process described in Sec. F11 of this act; and

(2) any recommendations regarding State functions that should be performed using permanent State employees, rather than with temporary employees or through contracting.

* * * EFFECTIVE DATES * * *

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (technical correction, PSAP, transition funding), C.101 (VIT surplus property), C.102 (fiscal year 2016 grant to Vermont Law School, legal clinic support), C.103 (fiscal year 2016 budget adjustment, AHS-Secretary's office-Global Commitment), C.104 (fiscal year 2016 budget adjustment, Human Services function total), C.105 (fiscal year 2016 budget adjustment, Education-adjusted education payment), C.106 (fiscal year 2016 budget adjustment, General Education function total), C.107 (fiscal

year 2016 budget adjustment, General Fund transfers), C.108 (fiscal year 2016 General Fund reversions), C.109 (fiscal year 2016 contingent General Fund appropriations), C.110 (contingent Transportation Fund appropriations), C.111 (VSAC, reallocation of funds authorization), C.112 (Dr. Dynasaur expansion study, report), D.102 (Tobacco Litigation Settlement Fund balance), E.100(c) (Secretary of State, conversion of limited service position), E.106, E.108, E.108.1, E.108.2, and E.108.3 (transfer for payroll duties from the Department of Finance and Management to the Department of Human Resources), E.126.1 (legislative dental coverage, buy in), E.208(b) (continuation of 911 call-taking), E.308 (Choices for Care), E.311 (Health Department rulemaking clarification), E.338.1 (Caledonia County Work Camp, eligibility), E.605(f) (Higher Education Savings Account postponement), E.701 and E.701.1 (PILOT payments), E.701.2 (Repeal of 2015 Acts and Resolves No. 58, Sec. E.701.1), E.709 (Elizabeth Mine superfund site expenditure), E.709.1 (authorization for expenditure related to PFOA drinking water contamination), E.709.2 (removal of population cap on Vermont Drinking Water Planning Loan Fund), and E.808 (Vermont council on the arts) shall take effect on passage.

(b) Secs. E.126.2 (Speaker and President Pro Tempore compensation and expense reimbursement), E.126.3 (General Assembly compensation and expense reimbursement), and E.400.1 (Department of Labor, rulemaking) shall take effect on January 1, 2017.

(c) All remaining sections shall take effect on July 1, 2016.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

M. JANE KITCHEL

RICHARD W. SEARS

RICHARD A. WESTMAN

Committee on the part of the Senate

MITZI JOHNSON

PETER J. FAGAN

CATHERINE B. TOLL

Committee on the part of the House

Pending the question, Shall the report of the committee of conference be adopted? **Rep. Turner of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to

call the roll and the question, Shall the report of the committee of conference be adopted? was decided in the affirmative. Yeas, 91. Nays, 48.

Those who voted in the affirmative are:

Ancel of Calais	French of Randolph	Mrowicki of Putney
Bartholomew of Hartland	Gonzalez of Winooski	Murphy of Fairfax
Berry of Manchester	Grad of Moretown	Nuovo of Middlebury
Bissonnette of Winooski	Haas of Rochester	O'Brien of Richmond
Botzow of Pownal	Head of South Burlington	Olsen of Londonderry
Briglin of Thetford	Helm of Fair Haven	O'Sullivan of Burlington
Burke of Brattleboro	Hooper of Montpelier	Patt of Worcester
Buxton of Tunbridge	Huntley of Cavendish	Pearce of Richford
Carr of Brandon	Jerman of Essex	Pearson of Burlington
Chesnut-Tangerman of	Jewett of Ripton	Potter of Clarendon
Middletown Springs	Johnson of South Hero *	Pugh of South Burlington
Christie of Hartford	Juskiewicz of Cambridge	Rachelson of Burlington
Clarkson of Woodstock	Kitzmiller of Montpelier	Ram of Burlington
Cole of Burlington	Klein of East Montpelier *	Sharpe of Bristol
Condon of Colchester	Komline of Dorset	Sheldon of Middlebury
Connor of Fairfield	Krebs of South Hero	Sibilia of Dover
Conquest of Newbury	Krowinski of Burlington	Stevens of Waterbury
Copeland-Hanzas of	Lalonde of South Burlington	Stuart of Brattleboro
Bradford	Lanpher of Vergennes	Sweaney of Windsor
Corcoran of Bennington	Lenes of Shelburne	Till of Jericho
Dakin of Chester	Lippert of Hinesburg	Toleno of Brattleboro
Dakin of Colchester	Long of Newfane	Toll of Danville *
Davis of Washington	Lucke of Hartford	Trieber of Rockingham
Deen of Westminster	Macaig of Williston	Troiano of Stannard
Donahue of Northfield	Manwaring of Wilmington	Walz of Barre City
Donovan of Burlington	Martin of Wolcott	Webb of Shelburne
Evans of Essex	Masland of Thetford	Wood of Waterbury
Fagan of Rutland City	McCormack of Burlington	Woodward of Johnson
Fields of Bennington	McCullough of Williston	Yantachka of Charlotte
Forguites of Springfield	Miller of Shaftsbury	Young of Glover
Frank of Underhill	Morris of Bennington	Zagar of Barnard

Those who voted in the negative are:

Bancroft of Westford	Dickinson of St. Albans	LaClair of Barre Town
Baser of Bristol	Town	Lawrence of Lyndon
Batchelor of Derby	Eastman of Orwell	Lefebvre of Newark
Beck of St. Johnsbury	Feltus of Lyndon	Lewis of Berlin
Beyor of Highgate	Fiske of Enosburgh	Marcotte of Coventry
Browning of Arlington	Gage of Rutland City	Martel of Waterford
Burditt of West Rutland	Gamache of Swanton	McCoy of Poultney
Canfield of Fair Haven	Graham of Williamstown	McFaun of Barre Town
Cupoli of Rutland City	Greshin of Warren	Morrissey of Bennington
Dame of Essex	Hebert of Vernon	Myers of Essex
Devereux of Mount Holly	Higley of Lowell	Parent of St. Albans Town
	Hubert of Milton	Poirier of Barre City

Purvis of Colchester	Smith of New Haven	Van Wyck of Ferrisburgh
Quimby of Concord	Strong of Albany	Viens of Newport City
Savage of Swanton *	Tate of Mendon	Willhoit of St. Johnsbury
Scheuermann of Stowe	Terenzini of Rutland Town	Wright of Burlington
Shaw of Pittsford	Turner of Milton	

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

Branagan of Georgia	Partridge of Windham	Sullivan of Burlington
Brennan of Colchester	Russell of Rutland City	Townsend of South
Emmons of Springfield	Ryerson of Randolph	Burlington
Keenan of St. Albans City	Shaw of Derby	

Rep. Johnson of South Hero explained her vote as follows:

“Mr. Speaker:

This budget supports our communities with increases to our child care providers, designated agencies, Home Health agencies, Parent Child Centers, ambulance services, state colleges and courts. We reduce property tax pressure with increased PILOT payments and fully funding the Education Fund transfer. We fully fund the Pay Act, increase payments to primary care and set \$1.2 million aside for anticipated needs. All within 2.4% growth rate. I’m proud to vote yes.”

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

“Mr. Speaker:

I proudly vote yes to support this appropriations bill. I salute you, Mr. Speaker, for your leadership and guidance these past 8 years. And to you my legislative family, I bid you good night, good health and good luck.”

Rep. Savage of Swanton explained his vote as follows:

“Mr. Speaker:

Increasing general fund spending by 4.8% or \$71.0 million even though the revenue is projected to grow a mere 2.2%, this bill will perpetuate the state’s structured budget problems. The projected budget gap is currently in excess of \$30 million for next year. Therefore I cannot endorse an appropriations bill that will dig even deeper in the pockets of Vermonters to sustain the overspending crisis of state government.”

Rep. Toll of Danville explained her vote as follows:

“Mr. Speaker:

I voted yes to support funding that will benefit my community and all Vermont communities. Without this budget critical funding would not be

available to support all Vermonters, including our children, senior citizens and veterans.”

Message from the Senate No. 70

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 on its part completed the business of the session and is ready to adjourn *sine die*, pursuant to the provisions of **J.R.S. 56**.

Rules Suspended; Report of Committee of Conference Adopted

H. 853

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 setting the nonresidential property tax rate, the property dollar equivalent yield, and the income dollar equivalent yield for fiscal year 2017, and other education changes

Was taken up for immediate consideration.

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 House the bill respectfully reported that it has met and considered the same and recommended that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Yields and Nonresidential Tax Rate * * *

**Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME
DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2017**

Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2017 only:

(1) the property dollar equivalent yield is \$9,701.00; and

(2) the income dollar equivalent yield is \$10,870.00.

Sec. 2. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL
YEAR 2017

For fiscal year 2017 only, the nonresidential education property tax imposed under 32 V.S.A. § 5402(a)(2) shall be reduced from the rate of \$1.59 and instead be \$1.535 per \$100.00.

* * * Excess Spending Penalty; Fiscal Year 2018 * * *

Sec. 3. 16 V.S.A. § 4001(6)(x) is added to read:

(x) School district costs associated with dual enrollment and early college programs.

Sec. 3a. 32 V.S.A. § 5401(12)(B) is amended to read:

(B) In excess of 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~~ 2015 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~~ 2015 through the fiscal year for which the amount is being determined.

* * * Education Fund Outlook * * *

Sec. 4. 32 V.S.A. § 5402b(c) is added to read:

(c) Annually, on or before December 1, the Joint Fiscal Office shall prepare and publish an official, annotated copy of the Education Fund Outlook. The Emergency Board shall review the Outlook at its meetings. As used in this section, “Education Fund Outlook” means the projected revenues and expenses associated with the Education Fund for the following fiscal year, including projections of different categories of educational expenses and costs.

* * * Duties of Secretary * * *

Sec. 5. 16 V.S.A. § 212 is amended to read:

§ 212. SECRETARY’S DUTIES GENERALLY

The Secretary shall execute those policies adopted by the State Board in the legal exercise of its powers and shall:

* * *

(9) Establish requirements for information to be submitted by school districts, including necessary statistical data and other information and ensure, to the extent possible, that data are reported in a uniform way. Data collected

under this subdivision shall include budget surplus amounts, reserve fund amounts, and information concerning the purpose and use of any reserve funds.

* * *

* * * Study on Aggregate Common Level of Appraisal * * *

Sec. 6. COMMON LEVEL OF APPRAISAL; MERGED SCHOOL DISTRICT; STUDY COMMITTEE; REPORT

(a) Creation. There is created a Common Level of Appraisal (CLA) Study Committee to study the use of an aggregate common level of appraisal in a merged school district to determine the statewide education tax for each municipality in that district.

(b) Membership. The Committee shall be composed of the following five members:

(1) the Director of Property Valuation and Review or designee, who shall chair the Committee;

(2) two town listers appointed by the Vermont Association of Listers and Assessors;

(3) one school board member from a merged district, appointed by the Vermont School Board Association;

(4) one member from the Vermont League of Cities and Towns, appointed by the Board of Directors of that organization.

(c) Powers and duties. The Committee shall study the impact of aggregating the common level of appraisal in a merged school district, including the following issues:

(1) how to determine and calculate the aggregate CLA; and

(2) the potential impacts of aggregating the CLA, including any advantages or disadvantages.

(d) Report. On or before December 15, 2016, the Committee shall submit a written report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education with its findings and any recommendations for legislative action.

(e) Assistance. For purposes of scheduling meetings and preparing recommended legislation, the Committee shall have the assistance of the Department of Taxes.

(f) Meetings.

(1) The Director of Property Valuation and Review or designee shall call the first meeting of the Committee to occur on or before August 1, 2016.

(2) A majority of the membership shall constitute a quorum.

(3) The Committee shall cease to exist on January 31, 2017.

(g) Compensation. Nonlegislative members of the Committee shall be entitled to compensation as provided under 32 V.S.A. § 1010.

Sec. 7. REPORT ON THE IMPACT OF H.846 OF 2016

(a) On or before November 15, 2016, the Joint Fiscal Office, with the assistance of the Office of Legislative Council and the Department of Taxes, shall issue a report analyzing the impact of H.846 of 2016, an act related to making changes to the calculation of the statewide education property tax. The analysis shall be based on the statutory language presented to the House Committee on Education on March 11, 2016. The report shall be delivered to the Senate Committees on Finance and on Education and the House Committees on Ways and Means and on Education.

(b) The report shall address:

(1) the impact of the proposed changes on education spending growth, both at the district level and the State level;

(2) the impact of the proposed changes on school districts by spending levels, size, location, and operating structure;

(3) the impact on homestead tax rates, income sensitivity percentages, and nonresidential tax rates across the State;

(4) the impact of the proposed changes on the Education Fund balance;

(5) the funding stability of the proposed changes based on variable economic conditions;

(6) any transition issues created by the proposed changes; and

(7) any related issues identified by the Joint Fiscal Office.

Sec. 8. IMPLEMENTATION OF S.175 OF 2016

(a) On or before December 15, 2016, the Joint Fiscal Office, with the assistance of the Office of Legislative Council and the Department of Taxes, shall issue a report identifying any issues related to the implementation of S.175 of 2016, an act relating to creating an education tax that is adjusted by income for all taxpayers. The report shall be delivered to the Senate Committees on Finance and on Education and the House Committees on Ways and Means and on Education.

(b) The report shall address:

(1) the impact of the proposed changes on different groups of taxpayers, including taxpayers who pay an education property tax based on property value and those who pay based on income, given a transition point in Sec. 4 of this act of \$47,000.00, \$90,000.00, and \$250,000.00;

(2) the impact of imposing a cap, of various amounts, on the total amount of taxes paid by a taxpayer under the proposal, but at least including an analysis of a cap of \$25,000.00;

(3) the impact of the proposed changes on towns and the State, including administrative issues resulting from the proposed changes;

(4) any transition issues created by the proposed changes;

(5) the impact of the proposed changes on taxpayer confidentiality, if any; and

(6) any related issues identified by the Joint Fiscal Office.

* * * Calculation of Certain Tax Rates * * *

Sec. 9. CALCULATION OF TAX RATES FOR MEMBER TOWNS IN VOLUNTARY SCHOOL GOVERNANCE MERGERS; REPORT

(a) Definitions. As used in this section:

(1) The “five percent provision” means collectively the provisions in 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, and 2015 Acts and Resolves No. 46, limiting a town’s equalized homestead property tax rate increase or decrease, and related household income percentage adjustments, to five percent in a single year during the years in which the corresponding tax rate reductions apply to a new union school district’s equalized unified homestead property rate.

(2) The “tax rate reductions” means collectively the equalized homestead property tax rate reductions, and related household income percentage reductions, provided for voluntary school governance mergers in 2010 Act and Resolves No. 153, 2012 Acts and Resolves No. 156, and 2015 Acts and Resolves No. 46.

(b) Intent.

(1) In 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, and 2015 Acts and Resolves No. 46, the General Assembly has provided incentives for voluntary school governance merger in the form of equalized homestead property tax rate reductions. Depending upon the provisions of the particular act, the tax rate reductions apply to a new union

school district's equalized unified homestead property tax rate during either the first four or five years in which the district operates.

(2) The General Assembly recognizes that even with tax rate reductions, a member town in a new union school district might have an equalized unified homestead property tax rate that is either higher or lower than its pre-merger rate. As a result, in each of the three cited acts and until a member town reaches the new unified rate, the General Assembly shall ease a member town's transition to the new unified rate by limiting a town's equalized homestead property tax rate by the five percent provision. For an accelerated merger under 2012 Acts and Resolves No. 156, Sec. 6, however, if a member town's pre-merger tax rate is greater than the unified rate, then the town's rate decreases to the unified rate in the first year of operation and is not limited by the five percent provision.

(3) The five percent provision is not, and has never been, intended to be an incentive that would limit fluctuations in a member town's equalized homestead property tax rate regardless of the spending decisions a new union school district makes. It is the intent of the General Assembly that any large or unusual spending increases by a new union school district continue to be reflected in the tax rates of the member towns.

(c) Clarification of a unified rate. In any fiscal year in which tax rate reductions are applied to the equalized homestead property tax rate of a union school district, if the tax rate of a member town is determined to be the same as the new district's equalized homestead property tax rate, then the member town's tax rate shall be the same as the new district's equalized homestead property tax rate and shall not be adjusted pursuant to the five percent provision in Act No. 153, 156, or 46 in that or any subsequent year.

(d) Report. On or before December 15, 2016, the Agency of Education, in consultation with representatives of the Vermont School Boards Association, the VT-National Education Association, and the Vermont Superintendents' Association, shall report to the General Assembly with recommendations on how best to calculate tax rates for member towns whose tax rates are different from the unified rate for the new union school district. As part of the report, the Agency shall request preliminary budget data from all districts to whom the tax rate reductions will apply in fiscal year 2018, and shall report on any large or unusual spending proposals. The Agency shall submit its report to the Senate Committees on Education and on Finance, and the House Committees on Education and on Ways and Means.

* * * Lottery Products * * *

Sec. 9a. 2015 Acts and Resolves No. 57, Sec. 99(15) is amended to read:

(15) Sec. 97 (lottery products) shall take effect July 1, 2016.

* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

This act shall take effect on July 1, 2016, except for:

(1) This section and Sec. 9a (lottery effective date) which shall take effect on passage.

(2) Secs. 3 (excess spending exclusion) and 3a (excess spending) which shall take effect on July 1, 2017 and apply to excess spending calculations for fiscal year 2018 and after.

(3) Sec. 5 (data collection) which shall take effect on July 1, 2019.

(4) Sec. 9(c) (calculation at unified rate) which shall take effect on passage and notwithstanding 1 V.S.A. § 214, apply retroactively to any union school district created on or after July 1, 2010.

ANN E. CUMMINGS

MARK A. MACDONALD

VIRGINIA V. LYONS

Committee on the part of the Senate

DAVID D. SHARPE

ADAM M. GRESHIN

JAMES O. CONDON

Committee on the part of the House

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

Message from the Senate No. 71

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 on its part adopted Senate concurrent resolutions of the following titles:

S.C.R. 44. Senate concurrent resolution congratulating the 2016 Vermont Planners Association's honorees from central Vermont.

S.C.R. 45. Senate concurrent resolution honoring Joel D. Cook for his four decades of exemplary legal advocacy and administrative leadership in the nonprofit and public sectors.

S.C.R. 46. Senate concurrent resolution congratulating Good Beginnings of Central Vermont on its 25th anniversary.

S.C.R. 47. Senate concurrent resolution honoring April D. Hensel for her exemplary service as the District 2 Environmental Commission Coordinator.

The Senate has on its part adopted concurrent resolutions originating in the House of the following titles:

H.C.R. 379. House concurrent resolution designating May 8–14, 2016 as Women’s Lung Health Week in Vermont.

H.C.R. 380. House concurrent resolution recognizing the environmental awareness of the participants in the 1st Annual Youth Rally for the Planet Day at the State House.

H.C.R. 381. House concurrent resolution congratulating Mehuron’s Supermarket in Waitsfield on its 75th anniversary.

H.C.R. 382. House concurrent resolution recognizing the role of the National Conference of Commissioners on Uniform State Laws in the enactment of Vermont State law and welcoming the organization to Vermont for its 125th annual meeting.

H.C.R. 383. House concurrent resolution honoring Ken and Nancy Johnson for their civic and religious community service roles in the town of Jamaica.

H.C.R. 384. House concurrent resolution congratulating the 2015 Burr and Burton Academy Bulldogs Division II championship football team.

H.C.R. 385. House concurrent resolution congratulating Stowe Performing Arts on its 40th anniversary.

H.C.R. 386. House concurrent resolution in memory of University of Vermont professor and debate coach extraordinaire, Alfred Charles Snider III.

H.C.R. 387. House concurrent resolution thanking Diane Martin and Rita Buglass for their combined creative efforts in composing and arranging our State Song, “These Green Mountains”.

H.C.R. 388. House concurrent resolution honoring Elaine Dufresne on her career accomplishments at Vermont Arts Council.

H.C.R. 389. House concurrent resolution honoring House Journal Clerk Cathleen M. Cameron for her extraordinary dedication to the people’s house.

H.C.R. 390. House concurrent resolution honoring the Vermont youth baseball team on its historic journey to Havana, Cuba.

H.C.R. 391. House concurrent resolution honoring the ideal committee staffer, Shirley Adams.

H.C.R. 392. House concurrent resolution congratulating Katie Thompson of Franklin on being named the 2016 Vermont Mother of the Year.

H.C.R. 393. House concurrent resolution honoring public educator and Marlboro Town Moderator Dr. Steven John.

H.C.R. 394. House concurrent resolution honoring Allen Gilbert in recognition of his notable career roles in journalism, education, public service, and civil liberties advocacy.

H.C.R. 395. House concurrent resolution thanking State House cafeteria assistant manager Bernadette Babin Canas for a decade of friendly service.

H.C.R. 396. House concurrent resolution congratulating Joshua Kocis on winning the 2016 New England regional Elks Hoop Shoot in the boys' 10–11 years of age group.

H.C.R. 397. House concurrent resolution expressing appreciation for Evolve Rutland's honoring of accomplished Rutland area women.

H.C.R. 398. House concurrent resolution congratulating Milton Rescue on its 50th anniversary.

H.C.R. 399. House concurrent resolution honoring the dedicated volunteers who are central to the success of Camp Daybreak.

H.C.R. 400. House concurrent resolution congratulating Lucinda Storz on winning her second consecutive Vermont Scripps Spelling Bee championship.

H.C.R. 401. House concurrent resolution honoring Anthony Otis on his outstanding legal career and for his community leadership.

H.C.R. 402. House concurrent resolution honoring Robert Lee Hull for his career of public service in the town of Royalton.

H.C.R. 403. House concurrent resolution congratulating Prevent Child Abuse Vermont on its 40th anniversary and recognizing its essential contribution to the improvement of family life in Vermont.

H.C.R. 404. House concurrent resolution congratulating and extending best wishes to Elle Purrier of Montgomery on her quest for a place on the 2016 U.S. Summer Olympics team.

H.C.R. 405. House concurrent resolution congratulating the Walking Stick Theatre on winning the 2016 Vermont State Drama Festival.

H.C.R. 406. House concurrent resolution congratulating the Northfield Observances on their 40th anniversary.

H.C.R. 407. House concurrent resolution honoring Rob Reiber for his creative and innovative video production leadership at the Center for Media and Democracy in Burlington.

H.C.R. 408. House concurrent resolution honoring Green Mountain Valley School Headmaster and former U.S. Olympic Ski Coach Dave Gavett.

H.C.R. 409. House concurrent resolution congratulating the Castleton Village School team on winning the 2016 3D Vermont Architecture and History Olympiad's middle school division's first-place award.

H.C.R. 410. House concurrent resolution congratulating Proctor Gas, Inc. on its 50th anniversary.

H.C.R. 411. House concurrent resolution honoring Peter Deslauriers for his civic, educational, and athletic leadership.

H.C.R. 412. House concurrent resolution honoring the Center for the Advancement of the Steady State Economy for its important work.

H.C.R. 413. House concurrent resolution congratulating the 2015 Mt. Anthony Union High School Patriots Division I championship softball team.

H.C.R. 414. House concurrent resolution commemorating the centennial anniversary of Pierce Hall in Rochester.

H.C.R. 415. House concurrent resolution congratulating the Collective-the art of craft gallery in Woodstock on its 10th anniversary.

H.C.R. 416. House concurrent resolution honoring Polly Nichol for her exemplary leadership in regional, State, and municipal housing and community development.

**Rules Suspended; Senate Proposal of Amendment to
House Proposal of Amendment Concurred in**

S. 55

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Savage of Swanton**, the rules were suspended and Senate bill, entitled

An act relating to creating a flat rate for Vermont's estate tax and creating an estate tax exclusion amount that matches the federal amount

Was taken up for immediate consideration.

The Senate concurred in the House proposal of amendment with the following proposal of amendment thereto:

By striking out Secs. 5 through 18 in their entirety and by inserting new Secs. 5 and 6 to read as follows:

Sec. 5. FEDERAL EXCLUSION AMOUNT; REPORT

On or before January 15, 2016, the Joint Fiscal Office shall report to the General Assembly on the impact of moving Vermont's exclusion amount under its estate tax to an amount that matches the federal basic exclusion amount under 26 U.S.C. § 2010(c)(3). The report shall identify the advantages and disadvantages for such a change, including an analysis of the revenue impact to the State, and the impact to individual taxpayers with various amounts of estate property.

Sec. 6. EFFECTIVE DATES

(a) Notwithstanding 1 V.S.A. § 214, Secs. 1–4 shall take effect retroactively on January 1, 2016 and apply to decedents dying after December 31, 2015.

(b) This section and Sec. 5 (federal exclusion study) shall take effect on passage.

And that after passage the title of the bill be amended to read:

An act relating to Vermont's estate tax

Which proposal of amendment was considered and concurred in.

**Rules Suspended; Action Ordered Messaged to Senate Forthwith
and Bills Delivered to the Governor Forthwith**

On motion of **Rep. Turner of Milton**, the rules were suspended and action on the bills were severally ordered messaged to the Senate forthwith and the bills delivered to the Governor forthwith.

H. 84

House bill, entitled

An act relating to Internet dating services

H. 95

House bill, entitled

An act relating to jurisdiction over delinquency proceedings by the Family Division of the Superior Court

H. 533

House bill, entitled

An act relating to victim notification

H. 562

House bill, entitled

An act relating to professions and occupations regulated by the Office of Professional Regulation and to the review of professional regulation

H. 571

House bill, entitled

An act relating to driver's license suspensions, driving with a suspended license, and DUI penalties

H. 577

House bill, entitled

An act relating to voter approval of electricity purchases by municipalities and electric cooperatives

H. 853

House bill, entitled

An act relating to setting the nonresidential property tax rate, the property dollar equivalent yield, and the income dollar equivalent yield for fiscal year 2017, and other education changes

H. 858

House bill, entitled

An act relating to miscellaneous criminal procedure amendments

H. 859

House bill, entitled

An act relating to special education

H. 868

House bill, entitled

An act relating to miscellaneous economic development provisions

H. 869

House bill, entitled

An act relating to judicial organization and operations

H. 872

House bill, entitled

An act relating to Executive Branch fees

H. 873

House bill, entitled

An act relating to making miscellaneous tax changes

H. 875

House bill, entitled

An act relating to making appropriations for the support of government

H. 876

House bill, entitled

An act relating to the transportation capital program and miscellaneous changes to transportation-related law

H. 877

House bill, entitled

An act relating to transportation funding

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. 55

Senate bill, entitled

An act relating to creating a flat rate for Vermont's estate tax and creating an estate tax exclusion amount that matches the federal amount

S. 116

Senate bill, entitled

An act relating to rights of offenders in the custody of the Department of Corrections

S. 183

Senate bill, entitled

An act relating to permanency for children in the child welfare system

S. 212

Senate bill, entitled

An act relating to court-approved absences from home detention and home confinement furlough

Joint Resolution Adopted in Concurrence**J.R.S. 56**

By Senator Campbell,

J.R.S. 56. Joint resolution relating to final adjournment of the General Assembly in 2016.

Resolved by the Senate and House of Representatives

That when the President of the Senate and the Speaker of the House of Representatives adjourn their respective houses on the sixth day of May, 2016, they shall do so to reconvene on the ninth day of June, 2016, at ten o'clock in the forenoon if the Governor should fail to approve and sign any bill and should he return it to the house of origin with his objections in writing after such adjournment, but if the Governor should *not* so return any bill to either house, to be adjourned *sine die*.

Was taken up read and adopted in concurrence.

Joint Resolution Adopted in Concurrence

By Senator Campbell,

J.R.S. 55. Joint resolution to provide for a Joint Assembly to hear the 2016 adjournment message of the Governor.

Resolved by the Senate and House of Representatives:

That the two Houses meet in Joint Assembly on Friday, May 6, 2016, at ten o'clock in the evening to receive the adjournment message of the Governor.

Was taken up read and adopted in concurrence.

Senate Notified of Completion of House Business

Rep. Copeland-Hanzas of Bradford moved that the House direct the Clerk to inform the Senate that the House has completed the business of the second half of the biennial session pursuant to J.R.S. 56.

Governor Notified of Completion of House Business

Rep. Copeland-Hanzas of Bradford moved that the Speaker appoint a committee of six to inform the Governor that the House has completed the business of the second half of the biennial session and is ready to adjourn pursuant to J.R.S. 56.

Thereupon, the Speaker appointed as members of the committee:

Rep. Pearson of Burlington

Rep. Davis of Washington

Rep. Turner of Milton

Rep. Komline of Dorset

Rep. Copeland-Hanzas of Bradford

Rep. Klein of East Montpelier

Governor Presented at the Bar of the House

The committee appointed to wait upon the Governor retired to the Executive Chamber and returned with His Excellency, Governor, Peter Shumlin, and presented him at the bar of the House. The Governor addressed the House and, having completed his remarks, was escorted from the Hall by the committee.

Adjournment

At twelve o'clock and seventeen minutes in the forenoon, **Rep. Copeland-Hanzas of Bradford** adjourned pursuant to J.R.S. 56.

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 the Joint Rules of the Senate and House of Representatives, are hereby adopted in concurrence.

H.C.R. 379

House concurrent resolution designating May 8–14, 2016 as Women's Lung Health Week in Vermont;

H.C.R. 380

House concurrent resolution recognizing the environmental awareness of the participants in the 1st Annual Youth Rally for the Planet Day at the State House;

H.C.R. 381

House concurrent resolution congratulating Mehuron's Supermarket in Waitsfield on its 75th anniversary;

H.C.R. 382

House concurrent resolution recognizing the role of the National Conference of Commissioners on Uniform State Laws in the enactment of Vermont State law and welcoming the organization to Vermont for its 125th annual meeting;

H.C.R. 383

House concurrent resolution honoring Ken and Nancy Johnson for their civic and religious community service roles in the town of Jamaica;

H.C.R. 384

House concurrent resolution congratulating the 2015 Burr and Burton Academy Bulldogs Division II championship football team;

H.C.R. 385

House concurrent resolution congratulating Stowe Performing Arts on its 40th anniversary;

H.C.R. 386

House concurrent resolution in memory of University of Vermont professor and debate coach extraordinaire, Alfred Charles Snider III;

H.C.R. 387

House concurrent resolution thanking Diane Martin and Rita Buglass for their combined creative efforts in composing and arranging our State Song, "These Green Mountains";

H.C.R. 388

House concurrent resolution honoring Elaine Dufresne on her career accomplishments at Vermont Arts Council;

H.C.R. 389

House concurrent resolution honoring House Journal Clerk Cathleen M. Cameron for her extraordinary dedication to the people's house;

H.C.R. 390

House concurrent resolution honoring the Vermont youth baseball team on its historic journey to Havana, Cuba;

H.C.R. 391

House concurrent resolution honoring the ideal committee staffer, Shirley Adams;

H.C.R. 392

House concurrent resolution congratulating Katie Thompson of Franklin on being named the 2016 Vermont Mother of the Year;

H.C.R. 393

House concurrent resolution honoring public educator and Marlboro Town Moderator Dr. Steven John;

H.C.R. 394

House concurrent resolution honoring Allen Gilbert in recognition of his

notable career roles in journalism, education, public service, and civil liberties advocacy;

H.C.R. 395

House concurrent resolution thanking State House cafeteria assistant manager Bernadette Babin Canas for a decade of friendly service;

H.C.R. 396

House concurrent resolution congratulating Joshua Kocis on winning the 2016 New England regional Elks Hoop Shoot in the boys' 10–11 years of age group;

H.C.R. 397

House concurrent resolution expressing appreciation for Evolve Rutland's honoring of accomplished Rutland area women;

H.C.R. 398

House concurrent resolution congratulating Milton Rescue on its 50th anniversary;

H.C.R. 399

House concurrent resolution honoring the dedicated volunteers who are central to the success of Camp Daybreak;

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House concurrent resolution congratulating Lucinda Storz on winning her second consecutive Vermont Scripps Spelling Bee championship;

H.C.R. 401

House concurrent resolution honoring Anthony Otis on his outstanding legal career and for his community leadership;

H.C.R. 402

House concurrent resolution honoring Robert Lee Hull for his career of public service in the town of Royalton;

H.C.R. 403

House concurrent resolution congratulating Prevent Child Abuse Vermont on its 40th anniversary and recognizing its essential contribution to the improvement of family life in Vermont;

H.C.R. 404

House concurrent resolution congratulating and extending best wishes to

Elle Purrier of Montgomery on her quest for a place on the 2016 U.S. Summer Olympics team;

H.C.R. 405

House concurrent resolution congratulating the Walking Stick Theatre on winning the 2016 Vermont State Drama Festival;

H.C.R. 406

House concurrent resolution congratulating the Northfield Observances on their 40th anniversary;

H.C.R. 407

House concurrent resolution honoring Rob Reiber for his creative and innovative video production leadership at the Center for Media and Democracy in Burlington;

H.C.R. 408

House concurrent resolution honoring Green Mountain Valley School Headmaster and former U.S. Olympic Ski Coach Dave Gavett;

H.C.R. 409

House concurrent resolution congratulating the Castleton Village School team on winning the 2016 3D Vermont Architecture and History Olympiad's middle school division's first-place award;

H.C.R. 410

House concurrent resolution congratulating Proctor Gas, Inc. on its 50th anniversary;

H.C.R. 411

House concurrent resolution honoring Peter Deslauriers for his civic, educational, and athletic leadership;

H.C.R. 412

House concurrent resolution honoring the Center for the Advancement of the Steady State Economy for its important work;

H.C.R. 413

House concurrent resolution congratulating the 2015 Mt. Anthony Union High School Patriots Division I championship softball team;

H.C.R. 414

House concurrent resolution commemorating the centennial anniversary of Pierce Hall in Rochester;

H.C.R. 415

House concurrent resolution congratulating the Collective-the art of craft gallery in Woodstock on its 10th anniversary;

H.C.R. 416

House concurrent resolution honoring Polly Nichol for her exemplary leadership in regional, State, and municipal housing and community development;

S.C.R. 44

Senate concurrent resolution congratulating the 2016 Vermont Planners Association's honorees from central Vermont;

S.C.R. 45

Senate concurrent resolution honoring Joel D. Cook for his four decades of exemplary legal advocacy and administrative leadership in the nonprofit and public sectors;

S.C.R. 46

Senate concurrent resolution congratulating Good Beginnings of Central Vermont on its 25th anniversary;

S.C.R. 47

Senate concurrent resolution honoring April D. Hensel for her exemplary service as the District 2 Environmental Commission Coordinator;

[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 2016, seventy-third Biennial session.]

FINAL MESSAGES AND COMMUNICATIONS**Communication from the Speaker**

"May 11, 2016

Rep. Amy Sheldon
P.O. Box 311
East Middlebury, Vt 05740

Dear Amy,

As Speaker of the House, it is my pleasure to appoint you to the Legislative Committee on Administrative Rules. I am confident that you will bring an important perspective to the Committee's work.

Please contact me if you have any questions at (802) 828-2245.

Sincerely,

/s/ Shap Smith

Speaker of the House

Vermont House of Representatives”

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the sixth day of May, 2016, he approved and signed bills originating in the House of the following titles:

H. 183 An act relating to security in the Capitol Complex

H. 367 An act relating to miscellaneous revisions to the municipal plan adoption, amendment and update process

H. 249 An act relating to intermunicipal services

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the tenth day of May, 2016, he approved and signed bills originating in the House of the following titles:

H. 112 An act relating to access to financial information in adult protective services investigations

H. 399 An act relating to the Department and Families’ Registry Review Unit

H. 529 An act relating to State aid for school construction repayment obligations

H. 559 An act relating to an exemption from licensure for visiting team physicians

H. 608 An act relating to solid waste management

H. 677 An act relating to the Restitution Unit

H. 765 An act relating to technical corrections

H. 860 An act relating to on-farm livestock slaughter

H. 861 An act relating to regulation of treated article pesticides

H. 864 An act relating to agricultural exemption from Vermont's sales and use tax

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twelfth day of May, 2016, he approved and signed bills originating in the House of the following titles:

H. 111 An act relating to the removal of grievance decisions from the Vermont Labor Relations Board's website

H. 308 An act relating to limiting the liability of VAST arising from snowmobile operation outside the Statewide Snowmobile Trail System

H. 610 An act relating to clarifying the Clean Water State Revolving Fund and Water Pollution Control Grant Programs

H. 778 An act relating to State enforcement of the federal Food Safety Modernization Act

H. 829 An act relating to water quality on small farms

H. 854 An act relating to timber trespass

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the sixteenth day of May, 2016, he approved and signed a bill originating in the House of the following title:

H. 171 An act relating to restrictions on the use of electronic cigarettes

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the seventeenth day of May, 2016, he approved and signed bills originating in the House of the following titles:

- H. 74 An act relating to safety policies for employees delivering direct social or mental health services**
- H. 519 An act relating to approval of the adoption and codification of the charter of the Town of Brandon**
- H. 629 An act relating to a study committee to examine laws related to the administration and issuance of vital records**
- H. 690 An act relating to the practice of acupuncture by health care professionals acting within their scope of practice**
- H. 761 An act relating to cataloging and aligning health care performance measures**
- H. 812 An act relating to implementing an all-payer model and oversight of accountable care organizations**
- H. 863 An act relating to making miscellaneous amendments to Vermont's retirement laws**
- H. 871 An act relating to approval of amendments to the charter of the city of Montpelier**
- H. 880 An act relating to approval of the adoption and codification of the charter of the town of Bridport**
- H. 881 An act relating to approval of the adoption and codification of the charter of the town of Charlotte**
- H. 882 An act relating to approval of amendments to the charter of the city of Burlington**
- H. 883 An act relating to approval of amendments to the charter of the city of Winooski**
- H. 884 An act relating to approval of amendments to the city of Barre**
- H. 885 An act relating to approval of amendments to the charter of the town of Shelburne**
- H. 886 An act relating to approval of amendments to the charter of the town of Brattleboro**

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House of Representatives that on the twentieth day of May, 2016, he returned without signature and vetoed a bill originating in the House of Representatives of the following title:

H. 518 An act relating to the membership of the Clean Water Fund Board

The Governor provided the following explanation:

"I have reviewed H.518 and consulted with my Secretaries of Administration and Natural Resources. Both have raised concerns about this measure and its potential negative effects on our efforts to ensure clean water statewide. In enacting the most comprehensive clean water legislation in Vermont's history last year, we took an important step towards cleaning up Vermont's lakes and waterways, which have been neglected for too long.

An important part of that is the Clean Water Board, which is responsible for taking public comment and steering funding to targeted projects that achieve the goals of the law. The makeup of that Board was a known and negotiated part of the overall bill that I signed. The Board was constituted to be an entity with the ability to act thoughtfully and expeditiously to move us towards cleaner water in Vermont. The Board has been in existence for less than a year, and I believe we should give it time to work before we contemplate making any changes. Therefore, I have decided to veto this bill."

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-third day of May, 2016, he approved and signed bills originating in the House of the following titles:

H. 130 An act relating to law enforcement, 911 call taking, dispatch and training safety

H. 280 An act relating to amending the State Board of Education rules on school lighting requirements

H. 620 An act relating to health insurance and Medicaid coverage for contraceptives

H. 805 An act relating to employment rights for members of the National Guard and Reserve Components of the U.S. Armed Forces

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-eighth day of May, 2016, he approved and signed a bill originating in the House of the following title:

H. 570 An act relating to hunting, fishing and trapping

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the thirty-first day of May, 2016, he approved and signed bills originating in the House of the following titles:

H. 571 An act relating to driver's license suspensions and judicial, criminal justice and insurance topics

H. 859 An act relating to special education

H. 872 An act relating to Executive Branch fees

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the first day of June, 2016, he approved and signed bills originating in the House of the following titles:

H. 95 An act relating to jurisdiction over delinquency proceedings by the Family Division of the Superior Court

H. 595 An act relating to potable water supplies from surface waters

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the second day of June, 2016, he approved and signed bills originating in the House of the following titles:

- H. 533 An act relating to victims' rights and animal welfare**
- H. 562 An act relating to professions and occupations regulated by the Office of Professional Regulation and to the review of professional regulation**
- H. 868 An act relating to miscellaneous economic development provisions**
- H. 876 An act relating to the transportation capital program and miscellaneous changes to transportation-related law**
- H. 877 An act relating to transportation funding**

- H. 878 An act relating to capital construction and State bonding budget adjustment**

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the sixth day of June, 2016, he approved and signed bills originating in the House of the following titles:

- H. 355 An act relating to licensing and regulating foresters**
- H. 869 An act relating to judicial organization and operations**

Message from Governor

A message was received from His Excellency, the Governor, by Ms. Susan Allen, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the eighth day of June, 2016, he approved and signed a bill originating in the House of the following title:

H. 875 An act relating to making appropriations for the support of government

Message from the Senate No. 72

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

Mr. Speaker:

I am directed to inform the House that:

The Governor has informed the Senate that on the fifteenth day of May, 2016, he approved and signed a bill originating in the Senate of the following title:

S. 66. An act relating to persons who are deaf, DeafBlind, or hard of hearing.

The Governor has informed the Senate that on the seventeenth day of May, 2016, he approved and signed bills originating in the Senate of the following titles:

S. 176. An act relating to disclosure of compliance with accessibility standards in the sale of residential construction.

S. 189. An act relating to foster parents' rights and protections.

S. 256. An act relating to extending the moratorium on home health agency certificates of need.

The Governor has informed the Senate that on the twenty-third day of May, 2016, he approved and signed bills originating in the Senate of the following titles:

S. 10. An act relating to the State DNA database.

S. 91. An act relating to procedures of the Judicial Nominating Board and qualifications of candidates for the positions of Justice, judge, magistrate, and Chair and member of the Public Service Board.

S. 198. An act relating to the Government Accountability Committee and the annual report on the State's population-level outcomes.

S. 212. An act relating to court-approved absences from home detention and home confinement furlough.

S. 257. An act relating to residential rental agreements.

The Governor has informed the Senate that on the twenty-fourth day of May, 2016, he approved and signed a bill originating in the Senate of the following title:

S. 114. An act relating to the Open Meeting Law.

The Governor has informed the Senate that on the twenty-fifth day of May, 2016, he approved and signed bills originating in the Senate of the following titles:

S. 40. An act relating to the creation of a Vulnerable Adult Fatality Review Team.

S. 62. An act relating to surrogate decision making for do-not-resuscitate orders and clinician orders for life-sustaining treatment.

S. 116. An act relating to rights of offenders in the custody of the Department of Corrections.

S. 132. An act relating to the prohibition of conversion therapy on minors.

S. 157. An act relating to breast density notification and education.

S. 171. An act relating to eligibility for pretrial risk assessment and needs screening.

S. 190. An act relating to maintaining prescription drugs outside the original prescription container.

S. 224. An act relating to warranty obligations of equipment dealers and suppliers.

S. 245. An act relating to notice to patients of new health care provider affiliations.

S. 250. An act relating to alcoholic beverages.

The Governor has informed the Senate that on the twenty-sixth day of May, 2016, he approved and signed a bill originating in the Senate of the following title:

S. 55. An act relating to Vermont's estate tax.

The Governor has informed the Senate that on the thirty-first day of May, 2016, he approved and signed bills originating in the Senate of the following titles:

S. 123. An act relating to standardized procedures for permits and approvals issued by the Department of Environmental Conservation.

S. 214. An act relating to large group insurance.

S. 255. An act relating to regulation of hospitals, health insurers, and managed care organizations.

The Governor has informed the Senate that on the second day of June, 2016, he approved and signed bills originating in the Senate of the following titles:

S. 20. An act relating to establishing and regulating dental therapists.

S. 154. An act relating to stalking, criminal threatening, and enhanced penalties for assault.

S. 174. An act relating to a model State policy for use of body cameras by law enforcement officers.

S. 215. An act relating to the regulation of vision insurance plans.

S. 216. An act relating to prescription drugs.

The Governor has informed the Senate that on the sixth day of June, 2016, he returned a bill originating in the Senate of the following title without his signature and veto:

S. 230. An act relating to improving the siting of energy projects.

The Governor provided the following explanation:

“I have carefully reviewed S. 230, which is a bill designed to give communities more say as we plan for our renewable energy future together. The core of this bill is something I strongly support and desire to see move forward. S. 230 was finalized very late in the legislative session, and unintended changes were made at the last minute. After consulting with legal experts at the Public Service Department and the Public Service Board, I have determined that in a few critical instances the language in the bill does not match what I understand to be the intent of the Legislature.

“There are four issues with the bill that need to be fixed. First, in seeking temporary rules for new wind sound standards the bill unintentionally invokes a provision in 3 V.S.A. § 844(a) that would make Vermont the first state in the country to declare a public health emergency around wind energy, without peer-reviewed science backing that assertion up. Second, in setting a ceiling for new temporary wind sound standards, the bill unintentionally relies on a standard used in a small 150 kilowatt project as the standard for all wind, large and small, going forward. That standard, a complex and variable formula that would require no sound higher than 10 decibels above ambient background, could have the clearly unintended effect of pushing wind projects closer to homes where the background noise is higher. In addition to these two problems, a third concern is a provision in the bill requiring notice

of certificates of public good to be filed with land records, which could create problems for residential solar customers when they go to sell their home. Finally, \$300,000 in planning funds for communities was unintentionally left out of the bill.

“I believe that taken together, the emergency declaration and the restrictive sound standards will make it impossible to continue to sensibly site renewable wind power in Vermont.

“Through the policies passed by this Legislature, we have made great progress on building renewable energy. We have created 17,700 clean energy jobs which represents 6 percent of the Vermont workforce and makes us the highest per capita on clean energy jobs in the nation.

“Signing S. 230 as drafted would take us backwards and take an important renewable energy technology off the table. I cannot support that action, and therefore I am vetoing S. 230. I believe, however, the limited number of issues identified in the bill can and should be remedied by the Legislature during a veto session scheduled for June 9. My Administration will do whatever we can to assist the Legislature to make the fixes necessary to produce a bill that I can sign.”

The Governor has informed the Senate that on the sixth day of June, 2016, he approved and signed bills originating in the Senate of the following titles:

S. 14. An act relating to amendments to the marijuana for medical symptom use statutes.

S. 155. An act relating to privacy protection and a code of administrative rules.

S. 183. An act relating to permanency for children in the child welfare system.

The Governor has informed the Senate that on the eighth day of June, 2016, he approved and signed a bill originating in the Senate of the following title:

S. 243. An act relating to combating opioid abuse in Vermont.

Message from the Senate No. 77

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

Mr. Speaker:

I am directed to inform the House that:

The Governor has informed the Senate that on the thirteenth day of June, 2016, he approved and signed a bill originating in the Senate of the following title:

S. 260. An act relating to improving the siting of energy projects.