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

Devotional Exercises

Devotional exercises were conducted by Speaker.

Action on Bill Postponed

S. 122

House bill, entitled

An act relating to increased flexibility for school district mergers

Was taken up and pending the reading of the report of the committee on Education, on motion of Rep. Sharpe of Bristol, action on the bill was postponed until May 4, 2017.

Recess

At ten o'clock and six minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

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

Bill Amended, Read Third Time; Bill Passed

H. 196

House bill, entitled

An act relating to paid family leave

Was taken up and pending third reading of the bill, Rep. Stevens of Waterbury moved to amend the bill as follows:

In Sec. 3, 21 V.S.A. chapter 5, subchapter 13, in section 571, by deleting the designation “(a)” and after subdivision (7), by inserting a new subdivision to be subdivision (8) to read:

(8) “Wages” has the same meaning as in subdivision 1301(12) of this title.

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

Pending the question, Shall the bill pass? Rep. Hubert of Milton
demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill pass? was decided in the affirmative. Yeas, 88. Nays, 58.

Those who voted in the affirmative are:

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<th>Ancel of Calais</th>
<th>Gardner of Richmond</th>
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<td>Miller of Shaftsbury</td>
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<td>Forguites of Springfield</td>
<td>Ode of Burlington</td>
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<td>Gannon of Wilmington</td>
<td>O'Sullivan of Burlington</td>
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Those who voted in the negative are:

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<th>Ainsworth of Royalton</th>
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<td>Helm of Fair Haven</td>
<td>Parent of St. Albans Town</td>
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<td>Pearce of Richford</td>
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<td>Quimby of Concord</td>
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<td>Jickling of Brookfield</td>
<td>Rosenquist of Georgia</td>
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<td>Juskiewicz of Cambridge</td>
<td>Savage of Swanton</td>
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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  Taylor of Colchester
Donahue of Northfield  Martel of Waterford  Terenzini of Rutland Town
Fagan of Rutland City  McCoy of Poultney  Turner of Milton
Feltus of Lyndon  McFaun of Barre Town  Van Wyck of Ferrisburgh
Frenier of Chelsea  Morrissey of Bennington  Viens of Newport City
Gage of Rutland City  Murphy of Fairfax  Wright of Burlington
Gamache of Swanton  Myers of Essex

Those members absent with leave of the House and not voting are:
Browning of Arlington  Lanpher of Vergennes  Macaig of Williston

Rep. Stevens of Waterbury explained his vote as follows:

“Madam Speaker:

H.196 is a great example of what we talk about when we talk about making Vermont an affordable and attractive place to live. Voting yes on this bill is a clear sign to Vermonters young and old – we care if you live here, we care if you build a business here, and certainly care if you want to have a baby or need to take care of a sick parent. I vote yes.”

Second Reading; Bill Amended; Third Reading Ordered

H. 233

Rep. Ode of Burlington, for the committee on Natural Resources, Fish & Wildlife, to which had been referred House bill, entitled

An act relating to protecting working forests and habitat

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

* * *

(3)(A) “Development” means each of the following:

* * *

(D) The word “development” does not include:

(i) The construction of improvements for farming, logging, or forestry purposes below the elevation of 2,500 feet.

* * *
(12) “Necessary wildlife habitat” means concentrated habitat which is identifiable and is demonstrated as being decisive to the survival of a species of wildlife at any period in its life including breeding and migratory periods.

* * *

(38) “Forest block” means a contiguous area of forest in any stage of succession and not currently developed for nonforest use that is mapped as an interior forest block within the 2016 interior forest block dataset created as part of resource mapping under section 127 of this title, as that dataset may be updated pursuant to procedures developed in accordance with that section. A forest block may include recreational trails, wetlands, or other natural features that do not themselves possess tree cover, and improvements constructed for farming, logging, or forestry purposes.

(39) “Fragmentation” means the division or conversion of a forest block or habitat connector by the separation of a parcel into two or more parcels; the construction, conversion, relocation, or enlargement of any building or other structure, or of any mining, excavation, or landfill; and any change in the use of any building or other structure, or land, or extension of use of land. However, fragmentation does not include the division or conversion of a forest block or habitat connector by a recreational trail or by improvements constructed for farming, logging, or forestry purposes below the elevation of 2,500 feet.

(40) “Habitat” means the physical and biological environment in which a particular species of plant or animal lives.

(41) “Habitat connector” refers to land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of animals and plants and the functioning of ecological processes. A habitat connector may include recreational trails and improvements constructed for farming, logging, or forestry purposes.

(42) As used in subdivisions (38), (39), and (41) of this section, “recreational trail” means a corridor that is not paved, that has a minor impact on the values of a forest block or habitat connector, and that is used for recreational purposes including hiking, walking, bicycling, cross-country skiing, snowmobiling, all-terrain vehicle riding, and horseback riding.

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

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

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

* * *
(8) Will not have an undue adverse effect on the scenic or natural beauty of the area, aesthetics, historic sites or rare and irreplaceable natural areas.

(A) Necessary wildlife habitat and endangered species. A permit will not be granted if it is demonstrated by any party opposing the applicant that a development or subdivision will destroy or significantly imperil necessary wildlife habitat or any endangered species; and

(i) the economic, social, cultural, recreational, or other benefit to the public from the development or subdivision will not outweigh the economic, environmental, or recreational loss to the public from the destruction or imperilment of the habitat or species; or

(ii) all feasible and reasonable means of preventing or lessening the destruction, diminution, or imperilment of the habitat or species have not been or will not continue to be applied; or

(iii) a reasonably acceptable alternative site is owned or controlled by the applicant which would allow the development or subdivision to fulfill its intended purpose.

(B) Forest blocks.

(i) A permit will not be granted for a development or subdivision unless the applicant demonstrates that:

(I) the development or subdivision will avoid fragmentation of a forest block through the design of the project or the location of project improvements, or both;

(II) it is not feasible to avoid fragmentation of the forest block and the design of the development or subdivision minimizes fragmentation of the forest block; or

(III) it is not feasible to avoid or minimize fragmentation of the forest block and the applicant will mitigate the fragmentation in accordance with section 6094 of this title.

(ii) Methods for avoiding or minimizing the fragmentation of a forest block may include:

(I) Locating buildings and other improvements and operating the project in a manner that avoids or minimizes incursion into and disturbance of the forest block, including clustering of buildings and associated improvements.

(II) Designing roads, driveways, and utilities that serve the development or subdivision to avoid or minimize fragmentation of the forest block. Such design may be accomplished by following or sharing existing
features on the land such as roads, tree lines, stonewalls, and fence lines.

(C) Habitat connectors.

   (i) A permit will not be granted for a development or subdivision unless the applicant demonstrates that:

      (I) the development or subdivision will avoid fragmentation of a habitat connector through the design of the project or the location of project improvements, or both;

      (II) it is not feasible to avoid fragmentation of the habitat connector and the design of the development or subdivision minimizes fragmentation of the connector; or

      (III) it is not feasible to avoid or minimize fragmentation of the habitat connector and the applicant will mitigate the fragmentation in accordance with section 6094 of this title.

   (ii) Methods for avoiding or minimizing the fragmentation of a habitat connector may include:

      (I) locating buildings and other improvements at the farthest feasible location from the center of the connector;

      (II) designing the location of buildings and other improvements to leave the greatest contiguous portion of the area undisturbed in order to facilitate wildlife travel through the connector; or

      (III) when there is no feasible site for construction of buildings and other improvements outside the connector, designing the buildings and improvements to facilitate the continued viability of the connector for use by wildlife.

* * *

Sec. 3. 10 V.S.A. § 6088 is amended to read:

§ 6088. BURDEN OF PROOF

(a) The burden shall be on the applicant with respect to subdivisions 6086(a)(1), (2), (3), (4), (8)(B) and (C), (9), and (10) of this title.

(b) The Except for subdivisions 6086(a)(8)(B) and (C) of this title, the burden shall be on any party opposing the applicant with respect to subdivisions 6086(a)(5) through (8) of this title to show an unreasonable or adverse effect.

Sec. 4. 10 V.S.A. § 6094 is added to read:

§ 6094. MITIGATION OF FOREST BLOCKS AND HABITAT
CONNECTORS
(a) A District Commission may consider a proposal to mitigate, through compensation, the fragmentation of a forest block or habitat connector if the applicant demonstrates that it is not feasible to avoid or minimize fragmentation of the block or connector in accordance with the respective requirements of subdivision 6086(a)(8)(B) or (C) of this title. A District Commission may approve the proposal only if it finds that the proposal will meet the requirements of the rules adopted under this section and will preserve a forest block or habitat connector of similar quality and character to the block or connector affected by the development or subdivision.

(b) The Natural Resources Board, in consultation with the Secretary of Natural Resources, shall adopt rules governing mitigation under this section.

(1) The rules shall state the acreage ratio of forest block or habitat connector to be preserved in relation to the block or connector affected by the development or subdivision.

(2) Compensation measures to be allowed under the rules shall be based on the ratio of land developed pursuant to subdivision (1) of this subsection and shall include:

(A) Preservation of a forest block or habitat connector of similar quality and character to the block or connector that the development or subdivision will affect.

(B) Deposit of an offsite mitigation fee into the Vermont Housing and Conservation Trust Fund under section 312 of this title.

(i) This mitigation fee shall be derived as follows:

(I) Determine the number of acres of forest block or habitat connector, or both, affected by the proposed development or subdivision.

(II) Multiply this number of affected acres by the ratio set forth in the rules.

(III) Multiply the resulting product by a “price-per-acre” value, which shall be based on the amount that Commissioner of Forests, Parks and Recreation to be the recent, per-acre cost to acquire conservation easements for forest blocks and habitat connectors of similar quality and character in the same geographic region as the proposed development or subdivision.

(ii) The Vermont Housing Conservation Board shall use such a fee to preserve a forest block or habitat connector of similar quality and character to the block or connector affected by the development or subdivision.

(C) Such other compensation measures as the rules may authorize.
(c) The mitigation of impact on a forest block or a habitat connector, or both, shall be structured also to mitigate the impacts, under the criteria of subsection 6086(a) of this title other than subdivisions (8)(B) and (C), to land or resources within the block or connector.

(d) All forest blocks and habitat connectors preserved pursuant to this section shall be protected by permanent conservation easements that grant development rights and include conservation restrictions and are conveyed to a qualified holder, as defined in section 821 of this title, with the ability to monitor and enforce easements in perpetuity.

Sec. 5. RULE ADOPTION: SCHEDULE; GUIDANCE

(a) Rulemaking.

(1) On or before September 1, 2017, the Natural Resources Board (NRB) shall file proposed rules with the Secretary of State to implement Sec. 4 of this act, 10 V.S.A. § 6094.

(2) On or before March 1, 2018, the NRB shall finally adopt rules to implement Sec. 4 of this act, 10 V.S.A. § 6094, unless such deadline is extended by the Legislative Committee on Administrative Rules pursuant to 3 V.S.A. § 843(c).

(b) Guidance.

(1) On or before May 1, 2018, the NRB shall develop guidance for the District Commissions, applicants, and other affected persons with respect to:

(A) the forest block and habitat connector criteria adopted under Sec. 2 of this act, 10 V.S.A. § 6086(a)(8)(B) and (C); and

(B) designing recreational trails, subdivisions, and developments to minimize impacts in a manner that complies with those criteria.

(2) The NRB shall develop this guidance in collaboration with the Agency of Natural Resources (ANR). As part of developing this guidance, the NRB shall solicit input from affected parties and the public, including planners, developers, municipalities, environmental advocacy organizations, regional planning commissions, regional development corporations, and business advocacy organizations such as State and regional chambers of commerce.

Sec. 6. 10 V.S.A. § 127 is amended to read:

§ 127. RESOURCE MAPPING

(a) On or before January 15, 2013, the Secretary of Natural Resources (the Secretary) shall complete and maintain resource mapping based on the
Geographic Information System (GIS) or other technology. The mapping shall identify natural resources throughout the State, including forest blocks, that may be relevant to the consideration of energy projects and projects subject to chapter 151 of this title. The Center for Geographic Information shall be available to provide assistance to the Secretary in carrying out the GIS-based resource mapping.

(b) The Secretary of Natural Resources shall consider the GIS-based resource maps developed under subsection (a) of this section when providing evidence and recommendations to the Public Service Board under 30 V.S.A. § 248(b)(5) and when commenting on or providing recommendations under chapter 151 of this title to District Commissions on other projects.

(c) The Secretary shall establish and maintain written procedures that include a process and science-based criteria for updating resource maps developed under subsection (a) of this section. Before establishing or revising these procedures, the Secretary shall provide an opportunity for affected parties and the public to submit relevant information and recommendations.

Sec. 7. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

* * *

(34) As used in subdivisions 4348a(a)(2) and 4382(a)(2) of this title:

(A) “Forest block” means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include recreational trails, wetlands, or other natural features that do not themselves possess tree cover, and uses exempt from regulation under subsection 4413(d) of this title.

(35)(B) “Forest fragmentation” means the division or conversion of a forest block by land development other than by a recreational trail or use exempt from regulation under subsection 4413(d) of this title.

(36)(C) “Habitat connector” means land or water, or both, that links patches of wildlife habitat within a landscape, allowing the movement, migration, and dispersal of animals and plants and the functioning of ecological processes. A habitat connector may include recreational trails and uses exempt from regulation under subsection 4413(d) of this title. In a plan or other document issued pursuant to this chapter, a municipality or regional plan commission may use the phrase “wildlife corridor” in lieu of “habitat connector.”
“Recreational” As used in subdivision (34) of this section, “recreational trail” means a corridor that is not paved and that is used for hiking, walking, bicycling, cross-country skiing, snowmobiling, all-terrain vehicle riding, horseback riding, and other similar recreational activity.

Sec. 8. EFFECTIVE DATES

(a) This section and Sec. 5 shall take effect on passage.

(b) Sec. 6 shall take effect on July 1, 2017.

(c) Sec. 7 shall take effect on January 1, 2018 and shall supersede 2016 Acts and Resolves No. 171, Sec. 15. Sec. 7 shall apply to municipal and regional plans adopted or amended on or after January 1, 2018.

(d) Secs. 1 through 4 shall take effect on May 1, 2018, except that on passage, Secs. 1 through 4 shall apply to the rulemaking and guidance under Sec. 5.

Pending the question, Shall the bill be amended as recommended by the committee on Natural Resources, Fish and Wildlife? Rep. Higley of Lowell moved that the bill be committed to the committee on Agriculture & Forestry.

Pending the question, Shall the bill be committed to the Committee on Agriculture and Forestry? Rep. Copeland-Hanzas of Bradford demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be committed to the Committee on Agriculture and Forestry? was decided in the negative. Yeas, 61. Nays, 85.

Those who voted in the affirmative are:

Ainsworth of Royalton        Gage of Rutland City        Myers of Essex
Bancroft of Westford         Gamache of Swanton          Nolan of Morrisstown
Baser of Bristol             Graham of Williamstown         Norris of Shoreham
Batchelor of Derby           Harrison of Chittenden       Parent of St. Albans Town
Beck of St. Johnsbury        Hebert of Vernon            Pearce of Richford
Beyor of Highgate            Helm of Fair Haven          Poirier of Barre City
Bock of Chester              Higley of Lowell            Quimby of Concord
Brennan of Colchester        Hooper of Brookfield         Rosenquist of Georgia
Brumsted of Shelburne        Hubert of Milton             Savage of Swanton
Burditt of West Rutland      Juskiewicz of Cambridge       Scheuermann of Stowe
Canfield of Fair Haven       Keefe of Manchester          Shaw of Pittsford
Condon of Colchester         LaClair of Barre Town        Smith of Derby
Connor of Fairfield          Lawrence of Lyndon            Smith of New Haven
Cupoli of Rutland City       Lefebvre of Newark           Strong of Albany
Devereux of Mount Holly      Lewis of Berlin              Terenzini of Rutland Town
Dickinson of St. Albans      Marcotte of Coventry        Turner of Milton
Town                          Martel of Waterford          Van Wyck of Ferrisburgh
Donahue of Northfield        McCoy of Poultney             Viens of Newport City
Those who voted in the negative are:

Ancel of Calais
Bartholomew of Hartland
Belaski of Windsor
Bissonnette of Winooski
Botzow of Pownal
Briglin of Thetford
Buckholz of Hartford
Burke of Brattleboro
Carr of Brandon
Chesnut-Tangerman of Middletown Springs
Christensen of Weathersfield
Christie of Hartford
Cina of Burlington
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Conlon of Cornwall
Conquest of Newbury
Copeland-Hanzas of Bradford
Corcoran of Bennington
Dakin of Colchester
Deen of Westminster
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Emmons of Springfield
Fields of Bennington
Forguites of Springfield
Gannon of Wilmington
Gardner of Richmond
Giambatista of Essex
Gonzalez of Winooski
Grad of Moretown
Greshin of Warren
Haas of Rochester
Head of South Burlington
Jessup of Middlesex
Jickling of Brookfield
Joseph of North Hero
Keenan of St. Albans City
Kimbell of Woodstock
Kitzmiller of Montpelier
Krowinski of Burlington
Lalonde of South Burlington
Lippert of Hinesburg
Lucke of Hartford
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McCormack of Burlington
McCullough of Williston
Miller of Shaftsbury
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Mrowicki of Putney
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O'Sullivan of Burlington
Partridge of Windham
Potter of Clarendon
Pugh of South Burlington
Rachelson of Burlington
Scheu of Middlebury
Sharpe of Bristol
Sheldon of Middlebury
Sibilia of Dover
Squires of Underhill
Stevens of Waterbury
Sullivan of Dorset
Taylor of Colchester
Till of Jericho
Toleno of Brattleboro
Toll of Danville
Townsend of South
Trieber of Rockingham
Troiano of Stannard
Walz of Barre City
Webb of Shelburne
Weed of Enosburgh
Wood of Waterbury
Yacovone of Mooristown
Young of Glover

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

Browning of Arlington
Lanpher of Vergennes
Macaig of Williston

Pending the question, Shall the bill be amended as recommended by the committee on Natural Resources, Fish and Wildlife? Rep. Nolan of Morristown moved to commit the bill to the committee on Transportation which was disagreed to.

Pending the question Shall the bill be amended as recommended by the committee on Natural Resources, Fish and Wildlife? Rep. Dickinson of St. Albans Town moved to commit the bill to the committee on Commerce and Economic Development which was disagreed to.
Pending the question, Shall the bill be amended as recommended by the Committee on Natural Resources, Fish & Wildlife? Rep. Sheldon of Middlebury demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as recommended by the Committee on Natural Resources, Fish & Wildlife? was decided in the affirmative. Yeas, 85. Nays, 61.

Those who voted in the affirmative are:

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<td>Howard of Rutland City</td>
<td>Stevens of Waterbury</td>
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<td>Christie of Weathersfield</td>
<td>Joseph of North Hero</td>
<td>Sullivan of Burlington</td>
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<td>Cina of Hartford</td>
<td>Keenan of St. Albans City</td>
<td>Taylor of Colchester</td>
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<td>Colburn of Burlington</td>
<td>Kimbell of Woodstock</td>
<td>Till of Jericho</td>
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<td>Colnion of Cornwall</td>
<td>Kitzmiller of Montpelier</td>
<td>Toleno of Brattleboro</td>
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<td>Conquest of Newbury</td>
<td>Krowinski of Burlington</td>
<td>Toll of Danville</td>
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<td>Copeland-Hanzas of</td>
<td>Lalone of South Burlington</td>
<td>Townsend of South</td>
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<td>Copeland-Hanzas of</td>
<td>Lippert of Hinesburg</td>
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<td>Bradford *</td>
<td>Long of Newfane</td>
<td>Trieber of Rockingham</td>
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<td>Corcoran of Bennington</td>
<td>Lucke of Hartford</td>
<td>Troiano of Stannard</td>
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<td>Dakin of Colchester</td>
<td>Macaig of Williston</td>
<td>Walz of Barre City</td>
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<td>Deen of Westminster</td>
<td>Masland of Thetford</td>
<td>Webb of Shelburne</td>
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<td>Donahue of Northfield</td>
<td>McCormack of Burlington</td>
<td>Weed of Enosburgh</td>
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<td>Donovan of Burlington</td>
<td>McCullough of Williston</td>
<td>Wood of Waterbury</td>
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<td>Dunn of Essex</td>
<td>Miller of Shafisbury</td>
<td>Yacovone of Morristown</td>
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<td>Emmons of Springfield</td>
<td>Morris of Bennington</td>
<td>Yantachka of Charlotte</td>
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<td>Fields of Bennington</td>
<td>Mrowicki of Putney</td>
<td>Young of Glover</td>
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<td>Forguites of Springfield</td>
<td>Murphy of Fairfax</td>
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<tr>
<td>Gardner of Richmond</td>
<td>Noyes of Wolcott</td>
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Those who voted in the negative are:

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<thead>
<tr>
<th>Ainsworth of Royalton</th>
<th>Graham of Williamstown</th>
<th>Olsen of Londonderry</th>
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<tbody>
<tr>
<td>Bancroft of Westford</td>
<td>Harrison of Chittenden</td>
<td>Parent of St. Albans Town</td>
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<tr>
<td>Baser of Bristol</td>
<td>Hebert of Vernon</td>
<td>Pearce of Richford</td>
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<td>Batchelor of Derby</td>
<td>Helm of Fair Haven</td>
<td>Poirier of Barre City</td>
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<tr>
<td>Beck of St. Johnsbury</td>
<td>Higley of Lowell</td>
<td>Quimby of Concord</td>
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<tr>
<td>Beyor of Highgate</td>
<td>Hubert of Milton</td>
<td>Rosenquist of Georgia</td>
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<tr>
<td>Brennan of Colchester</td>
<td>Jickling of Brookfield</td>
<td>Savage of Swanton</td>
</tr>
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Those members absent with leave of the House and not voting are:

Browning of Arlington        Brumsted of Shelburne        Lanpher of Vergennes

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

“Madam Speaker:

Fragmentation is a real and well-researched threat. ‘These green mountains and silver waters are my home’, as the song says. They belong to us. If we let the simplistic and myopic view win out we will lose something that we cannot regain. Not in our lifetimes and possibly not ever. As we can see from the landscapes of southern New England, once you lose your intact forests you lose a whole lot more. The working lands we thrive on and recreate on and hunt and fish on depend on our careful stewardship. This is a narrow strategy to make sure that large developments either avoid, mitigate, or minimize the impacts of that development on our precious landscape.

‘These green hills and silver waters are my home. They belong to me. Let us live to protect her beauty.’ H.233 is a step in the right direction.”

**Rep. Mrowicki of Putney** explained his vote as follows:

“Madam Speaker:

Thanks to your Natural Resources, Fish and Wildlife Committee for recognizing the need for systems thinking and foresight in addressing the balance of working forests and healthy habitat.

Vermont’s tradition of a healthy environment for us and our children will be maintained with this kind of wise stewardship of our cherished forest land.”

Thereupon, third reading was ordered.
Recess

At one o'clock and thirty-two minutes in the afternoon the Speaker recessed until fall of the gavel.

At two o'clock and forty minutes in the afternoon the House was called to order.

Message from the Senate No. 61

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

Madam Speaker:

I am directed to inform the House that:

The Governor has informed the Senate that on the May 1, 2017, he approved and signed bills originating in the Senate of the following titles:

S. 5. An act relating to plea agreements.

S. 7. An act relating to deferred sentences and the sex offender registry.

S. 39. An act relating to the repeal of the crime of obtaining maps and plans while at war.

S. 60. An act relating to the repeal of 21 V.S.A. § 6.

S. 69. An act relating to an employer’s compliance with an income withholding order from another state.

Message from the Senate No. 62

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

Madam Speaker:

I am directed to inform the House that:

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


H. 111. An act relating to vital records.

H. 411. An act relating to Vermont’s energy efficiency standards for appliances and equipment.

H. 510. An act relating to the cost share for State agricultural water quality financial assistance grants.

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

Second Reading; Bill Amended; Third Reading Ordered

S. 34

Rep. Stuart of Brattleboro, for the committee on Commerce and Economic Development, to which had been referred House bill, entitled

An act relating to cross-promoting development incentives and State policy goals

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

*** Rural Economic Development Initiative ***

Sec. 1. 10 V.S.A. chapter 15, subchapter 4 is added to read:

§ 325m. RURAL ECONOMIC DEVELOPMENT INITIATIVE

Subchapter 4. Rural Economic Development Initiative

(a) Definitions. As used in this subchapter:

(1) “Rural area” means a county of the State designated as “rural” or “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

(2) “Small town” means a town in the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

(b) Establishment. There is created within the Vermont Housing and Conservation Board a Rural Economic Development Initiative to promote and facilitate community economic development in the small towns and rural areas of the State. The Rural Economic Development Initiative shall collaborate with municipalities, businesses, regional development corporations, and other appropriate entities to access funding and other assistance available to small towns and businesses in rural areas of the State when existing State resources or staffing assistance is not available.

(c) Services; access to funding.

(1) The Rural Economic Development Initiative shall provide the following services to small towns and businesses in rural areas:

(A) identification of grant or other funding opportunities available to small towns and businesses in rural areas that facilitate business development, siting of businesses, infrastructure, or other economic development opportunities;

(B) technical assistance to small towns and businesses in rural areas in writing grants, accessing and completing the application process for
identified grants or other funding opportunities, including writing applications for grants or other funding, coordination with providers of grants or other funding, strategic planning for the implementation or timing of activities funded by grants or other funding, and compliance with the requirements of grant awards or awards of other funding; and

(C) recommending available grants, tax credits, or other incentives that a small town or rural area can use to attract businesses.

(2) In providing services under this subsection, the Rural Economic Development Initiative shall give first priority to projects that have received necessary State or municipal approval and that are ready for construction or implementation. Priority shall also be given to projects identified through community visits hosted by the Vermont Council on Rural Development or other public engagement planning processes.

(3) In identifying businesses, or business types, the Rural Economic Development Initiative shall seek to identify businesses or business types in the following priority areas:

(A) milk plants, milk handlers, or dairy products, as those terms are defined in 6 V.S.A. § 2672;

(B) the outdoor equipment or recreation industry;

(C) the value-added forest products industry;

(D) the value-added food industry;

(E) phosphorus removal technology; and

(F) composting facilities.

(d) Report. Beginning on January 31, 2018, and annually thereafter, the Rural Economic Development Initiative shall submit to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs and the House Committees on Agriculture and Forestry and on Commerce and Economic Development a report regarding the activities and progress of the Initiative. The report shall include:

(1) a summary of activities in the preceding calendar year;

(2) an evaluation of the effectiveness of the services provided to small towns and businesses in rural areas;

(3) an accounting of the grants or other funding facilitated or provided assistance with;

(4) an accounting of the funds acquired by the Rural Economic Development Initiative for administration of grants or other funding.
mechanisms and whether these funds are sufficient to offset the cost of the Rural Economic Development Initiative; and

(5) recommended changes to the program, including proposed legislative amendments to further economic development in small towns and rural areas in the State.

Sec. 2. RURAL ECONOMIC DEVELOPMENT INITIATIVE

In fiscal year 2018, it is the intent of the General Assembly to make funding available to the Vermont Housing and Conservation Board for the purposes of implementing and administering the Rural Economic Development Initiative under 10 V.S.A. § 325m.

* * * Cross-promotion of Development Programs * * *

Sec. 3. EXECUTIVE BRANCH CROSS-PROMOTION OF LOAN, GRANT, AND INCENTIVE PROGRAMS

The General Assembly finds that it is within the authority of the Executive Branch to manage a process of continuous improvement for agency and statewide programs and operations. While undertaking these efforts, the Executive Branch shall ensure that State loan, grant, and other incentive programs cross-promote:

(1) the availability of financial and technical assistance from the State in education and outreach materials; and

(2) the State policies funded by State incentive programs, including the adoption of renewable energy, rural economic development, public access to conserved lands, and water quality improvements.

* * * Energy Efficiency * * *

Sec. 4. REPORT; ENERGY EFFICIENCY CHARGE; COMMERCIAL AND INDUSTRIAL CUSTOMERS

(a) On or before January 15, 2018, the Commissioner of Public Service (the Commissioner) shall submit a report with recommendations as described in subsection (b) of this section.

(1) In preparing the report, the Commissioner shall consult with the Secretary of Commerce and Community Development, the energy efficiency utilities (EEU) appointed under 30 V.S.A. § 209(d)(2), the regional development corporations, the Public Service Board, and other affected persons.

(2) The Commissioner shall submit the report to the Senate Committees on Finance, on Natural Resources and Energy, and on Agriculture and the
House Committees on Ways and Means, on Energy and Technology, on Commerce and Economic Development, and on Agriculture and Forestry.

(b) The report shall provide the Commissioner’s recommendations on:

1. Whether and how to increase the use by commercial and industrial customers of self-administered efficiency programs under 30 V.S.A. § 209(d) and (j), including:
   (A) Potential methods and incentives to increase participation in self-administration of energy efficiency, including:
      (i) Potential changes to the eligibility criteria for existing programs.
      (ii) Use of performance-based structures.
      (iii) Self-administration of energy efficiency by a commercial and industrial customer, with payment of an energy efficiency charge (EEC) amount only for technical assistance by an EEU, if the customer demonstrates that it possesses in-house expertise that supports such self-administration and implements energy efficiency measures that the customer demonstrates are cost-effective and save energy at a benefit-cost ratio similar to the EEU.
   (B) The potential inclusion of such methods and incentives in EEU demand resource plans.
   (C) Periodic reporting by the EEU of participation rates in self-administration of energy efficiency by commercial and industrial customers located in the small towns in the State’s rural areas. As used in this subdivision (C):
      (i) “Rural area” means a county of the State designated as “rural” or “mostly rural” by the U.S. Census Bureau in its most recent decennial census.
      (ii) “Small town” means a town in a rural area of the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

2. The potential establishment of a multi-year pilot program that allows a category of commercial and industrial customers to apply the total amount of their Energy Efficiency Charge (EEC), for the period of the pilot, to investments that reduce the customer’s total energy consumption.

   (A) The goal of such a program would be to reduce significantly all energy costs for the customer, and to transform the energy profile of the customer such that significant savings would be generated and endure over the long term. Customers in the program would receive the full amount of their
EEC contributions, for the period of the pilot, in the form of direct services and incentives provided by an EEU, which would consider how to lower customers’ bills cost-effectively across electric, heating, transportation, and process fuels using energy efficiency, demand management, energy storage, fuel switching, and on-site renewable energy.

(B) In the report, the Commissioner shall consider:

(i) the definition of eligible commercial and industrial customers;

(ii) the potential establishment and implementation of such a program in a manner similar to an economic development rate for the EEU;

(iii) the interaction of such a program with the existing programs for self-managed energy efficiency under 30 V.S.A. § 209(d), including the Energy Savings Account, Self-Managed Energy Efficiency, and Customer Credit Programs;

(iv) the benefits and costs of such a program, including:

(I) a reduction in the operating costs of participating customers;

(II) the effect on job retention and creation and on economic development;

(III) the effect on greenhouse gas emissions;

(IV) the effect on systemwide efficiency benefits that would otherwise be obtained with the EEC funds, such as avoided supply costs, avoided transmission and distribution costs, avoided regional network service charges, and lost revenues from the regional forward-capacity market;

(V) the potential impact on commercial and industrial customers that may not be eligible to participate in such a program;

(VI) the extent to which such a program may result in cost shifts or subsidization among rate classes, and methods for avoiding or mitigating these effects;

(VII) the effect on the budgets developed through the demand resource planning process;

(VIII) the costs of administration;

(IX) any other benefits and costs of the potential program; and

(v) The consistency of such a program with least-cost planning as defined in 30 V.S.A. § 218c; with State energy goals and policy set forth in 10 V.S.A. §§ 578, 580, and 581 and 30 V.S.A. §§ 202a and 218e; and with the State energy plans adopted pursuant to 30 V.S.A. §§ 202 and 202b.
(c) The report submitted under this section shall include a proposed timeline to phase in the recommendations contained in the report. In developing this timeline, the Commissioner shall consider the impact to the established budgets of the EEUs, the regulatory requirements applicable to the EEUs, and the value of rapid implementation of the recommendations.

Sec. 5. 30 V.S.A. § 209(d)(3) is amended to read:

(3) Energy efficiency charge; regulated fuels. In addition to its existing authority, the Board may establish by order or rule a volumetric charge to customers for the support of energy efficiency programs that meet the requirements of section 218c of this title, with due consideration to the State’s energy policy under section 202a of this title and to its energy and economic policy interests under section 218e of this title to maintain and enhance the State’s economic vitality. The charge shall be known as the energy efficiency charge, shall be shown separately on each customer’s bill, and shall be paid to a fund administrator appointed by the Board and deposited into the Electric Efficiency Fund. When such a charge is shown, notice as to how to obtain information about energy efficiency programs approved under this section shall be provided in a manner directed by the Board. This notice shall include, at a minimum, a toll-free telephone number, and to the extent feasible shall be on the customer’s bill and near the energy efficiency charge.

* * *

* * * Environmental Permitting * * *

Sec. 6. ENVIRONMENTAL PERMITTING; AIR CONTAMINANT FEES; ANAEROBIC DIGESTION

On or before January 15, 2018, the Secretary of Natural Resources shall report to House Committees on Agriculture and Forestry and on Natural Resources, Fish and Wildlife and the Senate Committees on Agriculture and on Natural Resources and Energy with a recommendation for reducing or eliminating the air contaminant fee paid by farmers for the emissions from the anaerobic digestion of agricultural products, agricultural by-products, agricultural waste, or food waste. The report shall include a summary of what services the Agency of Natural Resources provides or provided to owners of anaerobic digestors in relation to fees paid.

* * * Phosphorus Removal Technology; Grants * * *

Sec. 7. 6 V.S.A. § 4828 is amended to read:

§ 4828. CAPITAL EQUIPMENT ASSISTANCE PROGRAM

(a) It is the purpose of this section to provide assistance to contract
applicators, nonprofit organizations, and farms to purchase or use innovative equipment that will aid in the reduction of surface runoff of agricultural wastes to State waters, improve water quality of State waters, reduce odors from manure application, separate phosphorus from manure, decrease greenhouse gas emissions, and reduce costs to farmers.

(b) The capital equipment assistance program is created in the Agency of Agriculture, Food and Markets to provide farms, nonprofit organizations, and custom applicators in Vermont with State financial assistance for the purchase of new or innovative equipment to improve manure application, separation of phosphorus from manure, or nutrient management plan implementation.

(c) Assistance under this section shall in each fiscal year be allocated according to the following priorities and as further defined by the Secretary:

(1) First priority shall be given to capital equipment to be used on farm sites that are serviced by custom applicators, phosphorus separation equipment providers, and nonprofit organizations and that are located in descending order within the boundaries of:
   (A) the Lake Champlain Basin;
   (B) the Lake Memphremagog Basin;
   (C) the Connecticut River Basin; and
   (D) the Hudson River Basin.

(2) Next priority shall be given to capital equipment to be used at a farm site which that is located in descending order within the boundaries of:
   (A) the Lake Champlain Basin;
   (B) the Lake Memphremagog Basin;
   (C) the Connecticut River Basin; and
   (D) the Hudson River Basin.

(d) An applicant for a State grant under this section to purchase or implement phosphorus removal technology or equipment shall pay 10 percent of the total eligible project cost. The dollar amount of a State grant to purchase or implement phosphorus removal technology or equipment shall be equal to the total eligible project cost, less 10 percent of the total as paid by the applicant, and shall not exceed $300,000.00.

* * * Forestry Equipment; Sales Tax Exemption * * *

Sec. 8. FORESTRY EQUIPMENT; SALES TAX EXEMPTION

On or before January 15, 2018, the Commissioner of Taxes shall submit to
the House Committees on Agriculture and Forestry and on Ways and Means and the Senate Committees on Agriculture and on Finance recommended draft legislation for exempting from forestry harvesting and processing equipment from the sales and use tax imposed under 32 V.S.A. §§ 9741 and 9773.

* * * Workers’ Compensation; High-Risk Occupations and Industries * * *

Sec. 9. WORKERS’ COMPENSATION; INDUSTRIES AND OCCUPATIONS WITH HIGH RISK, HIGH PREMIUMS, AND FEW POLICYHOLDERS; STUDY; REPORT

(a) The Commissioner of Financial Regulation, in consultation with the Commissioner of Labor, the National Council on Compensation Insurance, and other interested stakeholders, shall identify and study industries and occupations in Vermont that experience a high risk of workplace and on-the-job injuries and whose workers’ compensation insurance is characterized by high premiums and few policyholders in the insurance pool. The industries and occupations addressed in the study shall include, among others, logging and log hauling, as well as arborists, roofers, and occupations in saw mills and wood manufacturing operations. In particular, the Commissioner shall:

(1) examine differences in the potential for loss, premium rates, and experience and participation in the workers’ compensation marketplace between the industries and occupations identified, and the average for all industries and occupations in Vermont;

(2) study potential methods for reducing workers’ compensation premium rates and costs for high-risk industries and occupations, including risk pooling between multiple high-risk industries or occupations, creating self-insured trusts; creating voluntary safety certification programs, and programs or best practices employed by other states; and

(3) model the potential impact on workers’ compensation premiums and costs from each of the methods identified pursuant to subdivision (2) of this subsection.

(b) On or before January 15, 2018, the Commissioner of Financial Regulation shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance regarding his or her findings and any recommendations for legislative action to reduce the workers’ compensation premium rates and costs for the industries identified in the study.

* * * Repeals * * *

Sec. 10. REPEALS
The following are repealed on July 1, 2023:

(1) 10 V.S.A. chapter 15, subchapter 4 (Rural Economic Development Initiative); and

(2) 6 V.S.A. § 4828(d) (phosphorus removal grant criteria).

* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

Rep. Lucke of Hartford, for the committee on Ways and Means reported in favor of its passage when amended by the committee on Commerce and Economic Development

Rep. Keenan of St. Albans City for the committee on Appropriations reported in favor of its passage when amended by the committee on Commerce and Economic Development and when amended as follows:

First: By striking out Sec. 2 (intent to fund Rural Economic Development Initiative) in its entirety and inserting in lieu thereof the following:

Sec. 2. [Deleted.]

Second: By striking out Sec. 8 (forestry equipment; sales tax exemption) in its entirety and inserting in lieu thereof the following:

Sec. 8. [Deleted.]

Third: By striking out Sec. 10 in its entirety and inserting in lieu thereof a new Sec. 10 to read:

* * * Repeals * * *

Sec. 10. REPEALS

(a) 10 V.S.A. chapter 15, subchapter 4 (Rural Economic Development Initiative) shall be repealed on July 1, 2019; and

(b) 6 V.S.A. § 4828(d) (phosphorus removal grant criteria) shall be repealed on July 1, 2023.

Thereupon, the report of the committee on Appropriations was agreed to.

Pending the question, Shall the bill be amended as recommended by the committee on Commerce and Economic Development, as amended? Rep. Stuart of Brattleboro moved to amend the recommendation of the committee on Commerce and Economic Development, as amended, as follows by striking Sec. 3 in its entirety and inserting in lieu thereof a new Sec. 3 to read:
Sec. 3. EXECUTIVE BRANCH CROSS-PROMOTION OF LOAN, GRANT, AND INCENTIVE PROGRAMS

(a) The General Assembly finds that it is within the authority of the Executive Branch to manage a process of continuous improvement for agency and statewide programs and operations. While undertaking these efforts, the Executive Branch shall ensure that State loan, grant, and other incentive programs cross-promote:

(1) the availability of financial and technical assistance from the State through education and outreach materials; and

(2) the State policies funded by State incentive programs, including the adoption of renewable energy, rural economic development, public access to conserved lands, and water quality improvements.

(b) The Secretary of Administration shall provide material or information regarding the cross-promotion of State policies on State websites and within application materials available to the public regarding State loan, grant, and other incentive programs.

Which was agreed to. Thereupon the report of the committee on Economic Development, as amended, was agreed to and third reading ordered.

Message from the Senate No. 63

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

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposal of amendment to Senate bill entitled:

S. 16. An act relating to expanding patient access to the Medical Marijuana Registry.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

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

Senator Sears
Senator Benning
Senator White
Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill entitled:

**S. 134.** An act relating to court diversion and pretrial services.

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

Senator White  
Senator Benning  
Senator Nitka

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

**S. 61.** An act relating to offenders with mental illness.

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

The Senate has on its part passed Senate bill of the following title:

**S. 100.** An act relating to promoting affordable and sustainable housing.

In the passage of which the concurrence of the House is requested.

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

**H. 218.** An act relating to the adequate shelter of dogs and cats.

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

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

**H. 515.** An act relating to Executive Branch and Judiciary fees.

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

Senator Lyons  
Senator Cummings  
Senator Campion

**Bill Amended, Read Third Time; Bill Passed**

**H. 170**

House bill, entitled

An act relating to possession and cultivation of marijuana by a person
21 years of age or older

Was taken up and pending third reading of the bill, Rep. Donahue of Northfield moved to amend the bill as follows:

In Sec. 8, 18 V.S.A. § 4230f, in subdivision (b)(1)(A) before the word “consent” by inserting the word “written”

Which was agreed to.

Pending third reading of the bill? Rep. Donahue of Northfield moved to amend the bill as follows:

First: In Sec. 9. 18 V.S.A. § 4230g(b) after “consume marijuana” by adding “and shall include consumption by second-hand smoke”

Second: Sec. 9a. be added to amend 33 V.S.A. 5102 to read:

§ 5102. DEFINITIONS AND PROVISIONS OF GENERAL APPLICATION

As used in the juvenile judicial proceedings chapters, unless the context otherwise requires:

* * *

(3) "Child in need of care or supervision (CHINS)" means a child who:

(A) has been abandoned or abused by the child's parent, guardian, or custodian. A person is considered to have abandoned a child if the person is: unwilling to have physical custody of the child; unable, unwilling, or has failed to make appropriate arrangements for the child's care; unable to have physical custody of the child and has not arranged or cannot arrange for the safe and appropriate care of the child; or has left the child with a care provider and the care provider is unwilling or unable to provide care or support for the child, the whereabouts of the person are unknown, and reasonable efforts to locate the person have been unsuccessful.

(B) is without proper parental care or subsistence, education, medical, or other care necessary for his or her well-being;

(C) is without or beyond the control of his or her parent, guardian, or custodian; or

(D) is habitually and without justification truant from compulsory school attendance; or

(E) is under the age of 16 and who has been furnished marijuana or enabled to consume marijuana by a parent or guardian.

* * *

Thereupon, Rep. Donahue of Northfield asked that the question be
divided and that the First instance be taken first and the second instance be taken second.

Thereupon the first instance was disagreed to.

Thereupon, **Rep. Donahue of Northfield** asked and was granted leave to withdraw the second instance of amendment.

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

**First:** In Sec. 7 by adding a subsection (c) to read as follows:

(c) Marijuana may not be possessed in a motor vehicle unless it is secured in a locked container. A person who violates this subsection shall be assessed a civil penalty as follows:

(1) not more than $200.00 for a first offense;
(2) not more than $300.00 for a second offense; and
(3) not more than $500.00 for a third or subsequent offense.

**Second:** In Sec. 11b, 23 V.S.A. § 1134, in subsection (a), by inserting a new sentence after the first sentence and before the present second sentence to read as follows:

As used in this subsection, the prohibition on consumption of marijuana by the operator shall extend to the operator’s consumption of secondhand marijuana smoke in the vehicle as a result of another person’s consumption of marijuana.

**Third:** By inserting a Sec. 12a to read as follows:

Sec. 12a. 23 V.S.A. § 1201 is amended to read:

§ 1201. OPERATING VEHICLE UNDER THE INFLUENCE OF INTOXICATING LIQUOR OR OTHER SUBSTANCE; CRIMINAL REFUSAL; ENHANCED PENALTY FOR BAC OF 0.16 OR MORE

* * *

(i) Evidence that the operator or a passenger of a motor vehicle consumed marijuana while the vehicle was in motion shall be admissible to prove that the operator violated subdivision (a)(3) of this section.

Thereupon, **Rep. Donahue of Northfield** asked that the question be divided and the second instance of amendment be taken first, the first instance of amendment be taken second and the third instance be taken third.

Thereupon, the second instance was agreed to, the first instance of amendment
was disagreed to, the third instance of amendment was disagreed to and the bill was read a third time.

Pending the question, Shall the bill pass? Rep. Gardner of Richmond demanded the Yeas and Nays which was sustained by the constitutional number.

Pending the call of the roll? Rep. Fagan of Rutland City moved that the bill be committed to the committee on Health Care.

Pending the question, Shall the bill be committed to the Committee on Health Care? Rep. Buckholz of Hartford demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be committed to the Committee on Health Care? was decided in the negative. Yeas, 58. Nays, 88.

Those who voted in the affirmative are:

<table>
<thead>
<tr>
<th>Ainsworth of Royalton</th>
<th>Harrison of Chittenden</th>
<th>Norris of Shoreham</th>
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<tr>
<td>Bancroft of Westford</td>
<td>Hebert of Vernon</td>
<td>Parent of St. Albans Town</td>
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<td>Batchelor of Derby</td>
<td>Helm of Fair Haven</td>
<td>Pearce of Richford</td>
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<td>Beyor of Highgate</td>
<td>Higley of Lowell</td>
<td>Poirier of Barre City</td>
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<td>Bock of Chester</td>
<td>Howard of Rutland City</td>
<td>Potter of Clarendon</td>
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<tr>
<td>Browning of Arlington</td>
<td>Hubert of Milton</td>
<td>Quimby of Concord</td>
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<td>Canfield of Fair Haven</td>
<td>Joseph of North Hero</td>
<td>Rosenquist of Georgia</td>
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<td>Cupoli of Rutland City</td>
<td>Juskiewicz of Cambridge</td>
<td>Savage of Swanton</td>
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<td>Dakin of Colchester</td>
<td>Keefe of Manchester</td>
<td>Shaw of Pittsford</td>
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<td>Devereux of Mount Holly</td>
<td>Keenan of St. Albans City</td>
<td>Smith of Derby</td>
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<td>Dickinson of St. Albans</td>
<td>LaClair of Barre Town</td>
<td>Smith of New Haven</td>
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<td>Town</td>
<td>Lawrence of Lyndon</td>
<td>Strong of Albany</td>
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<td>Donahue of Northfield</td>
<td>Lewis of Berlin</td>
<td>Terenzini of Rutland Town</td>
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<td>Fagan of Rutland City</td>
<td>Marcotte of Coventry</td>
<td>Till of Jericho</td>
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<td>Feltus of Lyndon</td>
<td>Martel of Waterford</td>
<td>Turner of Milton</td>
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<td>Frenier of Chelsea</td>
<td>McCoy of Poultney</td>
<td>Van Wyck of Ferrisburgh</td>
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<td>Gage of Rutland City</td>
<td>McFaun of Barre Town</td>
<td>Vien of Newport City</td>
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<td>Gamache of Swanton</td>
<td>Morrissey of Bennington</td>
<td>Willhoit of St. Johnsbury</td>
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<td>Gardner of Richmond</td>
<td>Myers of Essex</td>
<td>Wright of Burlington</td>
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<td>Graham of Williamstown</td>
<td>Nolan of Morristown</td>
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Those who voted in the negative are:

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<tr>
<th>Ancel of Calais</th>
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<th>Ode of Burlington</th>
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<td>Bartholomew of Hartland</td>
<td>Gannon of Wilmington</td>
<td>Olsen of Londonderry</td>
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<td>Baser of Bristol</td>
<td>Giambatista of Essex</td>
<td>O'Sullivan of Burlington</td>
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<td>Beck of St. Johnsbury</td>
<td>Gonzalez of Winooski</td>
<td>Partridge of Windham</td>
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<td>Belaski of Windsor</td>
<td>Grad of Moretown</td>
<td>Rachelson of Burlington</td>
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<td>Bissonnette of Winooski</td>
<td>Greshin of Warren</td>
<td>Scheu of Middlebury</td>
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<td>Botzow of Pownal</td>
<td>Haas of Rochester</td>
<td>Scheuermann of Stowe</td>
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<td>Brennan of Colchester</td>
<td>Head of South Burlington</td>
<td>Sharpe of Bristol</td>
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<td>Brigin of Thetford</td>
<td>Hill of Wolcott</td>
<td>Sheldon of Middlebury</td>
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<td>Brumsted of Shelburne</td>
<td>Hooper of Montpelier</td>
<td>Sibilia of Dover</td>
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<td>Buckholz of Hartford</td>
<td>Hooper of Brookfield</td>
<td>Squirrel of Underhill</td>
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<td>Burditt of West Rutland</td>
<td>Houghton of Essex</td>
<td>Stevens of Waterbury</td>
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<td>Burke of Brattleboro</td>
<td>Jessup of Middlesex</td>
<td>Stuart of Brattleboro</td>
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<td>Carr of Brandon</td>
<td>Jickling of Brookfield</td>
<td>Sullivan of Dorset</td>
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<tr>
<td>Chesnut-Tangerman of Middletown Springs</td>
<td>Kitzmiller of Montpelier</td>
<td>Sullivan of Burlington</td>
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<td>Christensen of Weathersfield</td>
<td>Krowinski of Burlington</td>
<td>Teleno of Brattleboro</td>
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<td>Cina of Burlington</td>
<td>Lalonde of South Burlington</td>
<td>Townsend of South</td>
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<td>Colburn of Burlington</td>
<td>Lefebvre of Newark</td>
<td>Township of South</td>
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<td>Condon of Colchester</td>
<td>Lippert of Hinesburg</td>
<td>Burlington</td>
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<td>Conlon of Cornwall</td>
<td>Long of Newfane</td>
<td>Trier of Rockingham</td>
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<td>Connor of Fairfield</td>
<td>Lucke of Hartford</td>
<td>Troiano of Stannard</td>
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<td>Conquest of Newbury</td>
<td>Macaig of Williston</td>
<td>Walz of Barre City</td>
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<td>Copeland-Hanzas of Bradford</td>
<td>Masland of Thetford</td>
<td>Webb of Shelburne</td>
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<td>Corcoran of Bennington</td>
<td>McCormack of Burlington</td>
<td>Weed of Enosburgh</td>
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<td>Deen of Westminster</td>
<td>McCullough of Williston</td>
<td>Wood of Waterbury</td>
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<td>Donovan of Burlington</td>
<td>Miller of Shaftsbury</td>
<td>Yacovone of Morristown</td>
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<td>Dunn of Essex</td>
<td>Morris of Bennington</td>
<td>Yantchka of Charlotte</td>
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<td>Emmons of Springfield</td>
<td>Murphy of Fairfax</td>
<td>Young of Glover</td>
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<tr>
<td>Fields of Bennington</td>
<td>Noyes of Wolcott</td>
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Those members absent with leave of the House and not voting are:

Christie of Hartford                      Lanpher of Vergennes                      Pugh of South Burlington

Thereupon the Clerk proceeded to call the roll and the question, Shall the bill pass? was decided in the affirmative. Yeas, 75. Nays, 71.

Those who voted in the affirmative are:

Ancel of Calais                           Gannon of Wilmington                      Mrowicki of Putney
Bartholomew of Hartland                  Giambatista of Essex                     Noyes of Wolcott
Baser of Bristol                         Gonzalez of Winooski                      Olsen of Londonderry
Belaski of Windsor                       Grad of Moretown *                        O'Sullivan of Burlington
Bock of Chester                          Greshin of Warren                        Partridge of Windham
Botzow of Pownal                         Haas of Rochester                        Rachelson of Burlington *
Buckholz of Hartford                     Head of South Burlington                  Scheu of Middlebury
Burditt of West Rutland                  Hill of Wolcott                           Sharpe of Bristol
Burke of Brattleboro                     Hooper of Montpelier                      Sheldon of Middlebury
Carr of Brandon                          Hooper of Brookfield                      Squirrel of Underhill
Chesnut-Tangerman of Middletown Springs  Houghton of Essex                          Stevens of Waterbury
Christensen of Weathersfield             Kimbell of Woodstock                      Sullivan of Dorset
Cina of Burlington *                     Kitzmiller of Montpelier                 Sullivan of Burlington
Colburn of Burlington *                  Krowinski of Burlington                   Toleno of Brattleboro
Condon of Colchester                     Lalonde of South Burlington              Townsend of South
Conlon of Cornwall                       Lefebvre of Newark *                      Burlington
Connor of Fairfield *                    Lippert of Hinesburg                     Trier of Rockingham
Conquest of Newbury                      Long of Newfane                           Troiano of Stannard *
Copeland-Hanzas of Bradford              Lucke of Hartford                         Walz of Barre City
Bradford                                 Macaig of Williston                       Webb of Shelburne
Rep. Cina of Burlington explained his vote as follows:

“Madam Speaker:

Substance use, in the absence of other violations of the law, ought to be treated as a health care issue, not a crime. The stigma that comes with prohibition creates barriers to treatment and intensifies the shame, guilt and pain that drives addiction. Instead of judging and punishing people for the way that they deal with their pain or even seek pleasure, let’s empower people to make healthier choices and to work towards health and recovery.”

Rep. Colburn of Burlington explainer her vote as follows:

“Madam Speaker:
I support H.170 as an act of harm reduction and criminal justice reform. While there is no doubt that the substances like marijuana can do real damage in the lives of many who find themselves struggling with dependence, collateral consequences such as fines, criminal record and incarceration can be a detriment, rather than an aid to recovery. Numerous studies have linked access to legal marijuana with reduced rates of opioid overdose and abuse. Legalization is a step toward more sensible and equitable drug policies.”

**Rep. Connor of Fairfield** explained his vote as follows:

“Madam Speaker:

I would like to explain my vote, however, before I do, I want to sincerely thank the member from West Rutland for his well-researched and from the heart remarks relative to H. 170.

Madame Speaker, I have given a good deal of thought about how to do the right thing with the H. 170 legislation and be respectful of my constituents. My constituents have asked me not to support a movement to a full tax and regulate model, even though I am aware that by next year that very system will exist just a few short miles from my home community when Canada opens up its retail system.

What has changed for me is that members of my constituency has reached out asking me to support H. 170. I have been convinced that maintaining a system of fines for small amounts of personal possession does nothing to keep our young people safe or help adults to be more responsible users of marijuana. I also have come to believe that responsible home cultivation can reduce illegal commercial activity, as recreational home cultivation can reduce illegal commercial activity, as recreational users will no longer have to buy from drug dealers, the real gateway.

Madame Speaker, I could not have supported the earlier version of H. 170 that almost came to a voice vote, but I can today because my constituents recognize the good work that was done by the Human Services Committee coupled with some of the friendly amendments which add important boundaries that will help prevent negative public impacts.

**Rep. Gardner of Richmond** explained her vote as follows:

“Madam Speaker:

While I do not object to adults having access to cannabis, I cannot vote for a bill that neither assures the safety of our children and highways, nor guarantees that the products sold are safe and untainted.”
Rep. Grad of Moretown explained her vote as follows:

“Madam Speaker:

I vote yes. H.170 is an incremental yet important step in criminal justice reform. It furthers my priority of workforce development through effective justice reform while enhancing public safety. It eliminates discrepancies in our current decrim system and helps address tension between Vermonters and law enforcement. In these turbulent political times, where community policing is so key, we need to remove the barriers to Vermonters ability to feel safe to work with law enforcement.

Additionally, H.170 furthers my goal to remove the barrier a criminal record has on employment, housing and military service. Education, not incarceration is often the better way to achieve public safety.”

Rep. Harrison of Chittenden explained his vote as follows:

“Madam Speaker:

With all the problems we have today with drug usage, legalizing marijuana is counterintuitive. I vote No.”

Rep. Lefebvre of Newark explained his vote as follows:

“Madam Speaker:

I voted yes. The best way to control how marijuana is used and who uses it is through legalization.”

Rep. Rachelson of Burlington explained her vote as follows:

“Madam Speaker:

I voted yes. Let’s give back civil rights to Vermonters who are not hurting anyone. Legalizing marijuana has been shown repeatedly to decrease opioid deaths in other places. Further, we’re saving tax payers dollars by using our law enforcement and criminal justice resources instead on serious crimes and safety issues.”

Rep. Till of Jericho explained his vote as follows:

“Madam Speaker:

I voted no. This legislation tells thousands of Vermonters they can legally possess marijuana, but they have to buy it on the black market or illegally transport it across state lines. The only comparable predictor of what will happen to youth utilization is the similar unregulated legalization in Washington D.C. where youth utilization has increased substantially. The best evaluation of the science, by the National Academy of Sciences, indicates that some of the things we can expect with legalization are 1) an increase in suicide
in Vermont, 2) an increase in Schizophrenia, bipolar disorder and other psychoses, 3) an increase in use of other illicit drugs, including opiates, 4) an increase in highway fatalities. I believe this approach is the wrong approach and the wrong time. What is the rush?"

**Rep. Troiano of Stannard** explained his vote as follows:

“Madam Speaker:

I stood behind the podium on opioid awareness day. I stand with those in the fight against addiction. What was absent from the words spoken by the Commissioner of Public Safety, Commissioner of Health and the Deputy Secretary of ADAP. What was absent was anything about cannabis. Instead, I recall all three of these officials talking about how a majority of addiction beginning with prescribed medication, readily available and legal.”

**Rep. Young of Glover** explained his vote as follows:

“Madam Speaker:

The war on drugs is a war on our own people. End the war on drugs.”

**Senate Proposal of Amendment Concurred in**

**With a Further Amendment Thereto**

**H. 506**

The Senate proposed to the House to amend House bill, entitled An act relating to professions and occupations regulated by the Office of Professional Regulation

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

**First:** By striking out in their entirety Secs. 22–24 (regarding real estate appraisers) and inserting in lieu thereof the following:

Sec. 22. 26 V.S.A. § 3314 is amended to read:

§ 3314. BOARD; POWERS AND DUTIES

* * *

(b) In addition to its other powers and duties under this chapter, the Board shall:

* * *

(5) Inquire of the Vermont Crime Information Center for any information on criminal records of any and all applicants, and the Center shall provide such information to the Board. The Board, through the Vermont Crime Information Center, shall also inquire of the appropriate state criminal
record repositories in all states in which it has reason to believe an applicant has resided or been employed, and it shall also inquire of the Federal Bureau of Investigation for any information on criminal records of applicants. The Board shall obtain fingerprints of the applicant, in digital form if practicable, and any appropriate identifying information for submission to the Federal Bureau of Investigation in connection with a state and national background check. Applicants shall bear all costs associated with background screening. The Board may also make additional inquiries it deems necessary into the character, integrity, and reputation of the applicant.

(6) Perform other functions and duties as may be necessary to carry out the provisions of this chapter and to comply with the requirements of the Act, including by adopting rules defining and regulating appraisal management companies in a manner consistent with the Act.

Sec. 23. 26 V.S.A. § 3320a is amended to read:

§ 3320a. APPRAISAL MANAGEMENT COMPANIES

(a) An appraisal management company acts as a broker in acquiring finished appraisals from real estate appraisers and supplying the appraisals to third parties, but appraisal management companies are not licensed to perform real estate appraisals under this chapter. Acting as an appraisal management company includes:

(1) administering or assigning work to licensed real estate appraisers;
(2) receiving requests for real estate appraisals from clients;
(3) receiving a fee paid by clients for acquiring real estate appraisals; or
(4) entering into an agreement with one or more real estate appraisers to perform appraisals.

(b) An appraisal management company does not include:

(1) a government agency;
(2) a bank, credit union, licensed lender, or savings institution;
(3) a person or entity that has as its primary business the performance of appraisals in accordance with this chapter but who or which, in the normal course of business, engages the services of a licensed appraiser to perform appraisals or related services that the person or entity cannot perform because of the location or type of property in question, workload, scope of practice required by an assignment, or to otherwise maintain professional responsibility to clients.

(c) An appraisal management company shall register with the Board prior
to conducting business in this State. An application shall include a registration fee and information required by the Board that is necessary to determine eligibility for registration.

(d) When contracting for the performance of real estate appraisal services, an appraisal management company shall only engage the professional services of an appraiser licensed and in good standing to practice pursuant to this chapter.

(e) A registrant’s employee reviewing finished appraisals shall be certified or licensed in good standing in one or more states and shall be certified at a level that corresponds with or is higher than the level of licensure required to perform the appraisal. [Repealed.]

Sec. 24. BOARD OF REAL ESTATE APPRAISERS, RULEMAKING AUTHORITY; GENERAL ASSEMBLY, INTENT; OFFICE OF PROFESSIONAL REGULATION, PRELIMINARY ASSESSMENT AND REPORT

(a) Rulemaking authority. The Board of Real Estate Appraisers may adopt the rules described in Sec. 22 of this act, (26 V.S.A. § 3314(b)(6)) prior to the effective date of that section.

(b) Intent. The amendments regarding real estate appraisers set forth in Secs. 22 and 23 of this act are intended to facilitate an informed decision by the General Assembly regarding whether the State should opt in or out of appraisal management company regulation in accordance with federal law permitting such state discretion and to allow Board rulemaking in preparation for that legislative decision.

(c) Preliminary assessment. The Director of the Office of Professional Regulation shall conduct a preliminary assessment of appraisal management company regulation in accordance with 26 V.S.A. chapter 57 and report his or her findings and recommendations to the Senate and House Committees on Government Operations on or before January 1, 2018.

Second: By striking out in its entirety Sec. 35 (effective dates) and its reader assistance heading and inserting in lieu thereof the following:

* * * Professional Regulation Report * * *

Sec. 35. PROFESSIONAL REGULATION REPORT

(a) The Director of the Office of Professional Regulation (Office) and leaders of the relevant agencies and departments shall cooperate in analyzing the professional regulation reports and other information gathered as a result of the professional regulation survey required by 2016 Acts and Resolves No. 156, Secs. 20 and 21.
(b) On or before December 15, 2017, the Office shall recommend to the Senate and House Committees on Government Operations any opportunities discovered as a result of the analysis described in subsection (a) of this section that would allow State government to operate in a more effective and efficient manner by consolidating the licensing functions or otherwise by reforming licensing practices in conformity with the policies set forth in 26 V.S.A. chapter 57 (review of regulatory laws).

* * * Effective Dates * * *

Sec. 36. EFFECTIVE DATES

This act shall take effect on July 1, 2017, except:

(1) Sec. 23, 26 V.S.A. § 3320a (appraisal management companies), shall take effect on August 10, 2018; and

(2) this section and the following sections shall take effect on passage:

(A) Sec. 24 (Board of Real Estate Appraisers, rulemaking authority; General Assembly, intent; Office of Professional Regulation, preliminary assessment and report);

(B) Secs. 33 and 34 (regarding APRN services in nursing homes); and

(C) Sec. 35 (professional regulation report).

Pending the question Will the House concur in the Senate proposal of amendment? Rep. LaClair of Barre Town, moved to concur in the Senate proposal of amendment with a further amendment thereto as follows:

By striking out Sec. 35 (professional regulation report) in its entirety and inserting in lieu thereof the following:

Sec. 35. PROFESSIONAL REGULATION REPORT

The Director of the Office of Professional Regulation and leaders of the relevant agencies and departments shall continue to analyze the professional regulation reports and other information gathered as a result of the professional regulation survey required by 2016 Acts and Resolves No. 156, Secs. 20 and 21 in order to recommend how the State can operate in a more effective and efficient manner.

Which was agreed to.

Senate Proposal of Amendment Concurred in
With a Further Amendment Thereto

H. 512
The Senate proposed to the House to amend House bill, entitled
An act relating to the procedure for conducting recounts

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

* * * Primary and General Election Recounts * * *

Sec. 1. 17 V.S.A. chapter 51, subchapter 9 is amended to read:

Subchapter 9. Recounts and Contest of Elections

§ 2601. RECOUNTS RECOUNT THRESHOLD

(a) (1) In an election for statewide office, county office, or State Senator, if
the difference between the number of votes cast for a winning candidate and
the number of votes cast for a losing candidate is less than two percent or less
of the total votes cast for all the candidates for an office, divided by the
number of persons to be elected, that losing candidate shall have the right to
have the votes for that office recounted.

(b) (2) In an election for all other offices State Representative, if the
difference between the number of votes cast for a winning candidate and the
number of votes cast for a losing candidate is less than five percent or less of
the total votes cast for all the candidates for an office, divided by the number
of persons to be elected, that losing candidate shall have the right to have the
votes for that office recounted.

(b) In the case of a recount for a local election, the threshold and
procedures for conducting the recount shall be as provided in chapter 55,
subchapter 3 of this title.

§ 2602. PETITIONS FOR RECOUNTS; SETTING DATE OF RECOUNT

(a) In the case of recounts for local elections and recounts for the office of
justice of the peace, the procedures for conducting the recount shall be as
provided in subchapter 3 of chapter 55 of this title. [Repealed.]

(b) In the case of recounts other than specified described in subsection
2601(a) of this section subchapter, the following procedure shall apply.

(1) A petition for a recount shall be filed within seven calendar days
after the election.

(2) The petition shall be filed with:

(A) the Civil Division of the Superior Court, Washington County, in
the case of candidates for State or congressional office, or for a presidential
election, the petition shall be filed with or
(B) the Superior Court in any county in which votes were cast for the office to be recounted, in the case of any other office.

(3) The petition shall be supported, if possible, by a certified copy of the certificate of election prepared by the canvassing committee, verifying the total number of votes cast and the number of votes cast for each candidate.

(c)(1) The Superior Court shall:

(A) set the date of the recount to be:

(i) five business days after the Court receives the petition for, in the case of a primary recount; or

(ii) 10 business days after the Court receives the petition, in the case of a general election recount; and shall

(B) notify all candidates of that the recount date no later than the next business day after the petition is received.

(2)(A) The Superior Court shall forward a copy of the petition to the county clerk.

(B) The Court shall order the town clerk or clerks having custody of the ballots to be recounted or their designees to transport them the ballots and a copy of the entrance checklist from the election to be recounted to the county clerks of their respective counties before the day set for the recount.

(C) County clerks. The county clerk shall store all ballots, still in their sealed containers, in their vaults his or her vault until the day of the recount.

(d)-(h) [Repealed.]

(i) The Secretary of State shall bear the costs of recounts covered under this chapter. [Repealed.]

§ 2602a. APPOINTMENT OF RECOUNT COMMITTEE; SETTING DATE OF RECOUNT

(a)(1) Upon receipt of a petition, the county clerk shall notify the chairs of the relevant county political committees that a petition has been filed requesting a recount and advising them to submit immediately a list of nominees for individuals to serve on a recount committee.

(2) In the case of a recount in a primary election, the county clerk shall notify all candidates for the office which is the subject of the recount, advising them to each submit immediately a list of a minimum of 10 nominees for individuals to serve on a recount committee.

(3) If a candidate for an office which is the subject of a recount is from a party which does not have a county committee, the county clerk shall send a
copy of the notice to the State committee of the party advising them to submit immediately a list of nominees for individuals to serve on a recount committee.

(4) If a candidate for an office which is the subject of a recount is independent, the county clerk shall send that candidate a copy of the notice and request him or her to submit immediately a similar list of nominees for individuals to serve on a recount committee.

(5)(2)(A) If a list of nominees is not delivered to the county clerk within two business days, the clerk shall notify the appropriate candidates that they have 24 hours to submit lists of nominees for individuals to serve on the recount committee.

(B) If the petitioning candidate fails to submit a complete list of nominees by this deadline, the recount shall not move forward.

(C) If any other candidate fails to submit a complete list of nominees, the county clerk shall request additional nominees from the other candidates.

(b)(1) The Superior Court shall make a minimum of 12 appointments to the recount committee from among those nominated under this section, with the number of appointments based on the number of votes to be recounted and a goal of completing the recount within one day.

(2) In making these appointments, the court shall appoint an equal number of persons from each party and from those persons representing an independent each candidate, to the extent practicable.

§ 2602b. ASSIGNMENT OF DUTIES; RECOUNT MATERIALS

(a)(1) The county clerk, with the support of the Secretary of State, shall supervise the recount and may appoint a sufficient number of impartial assistants to perform appropriate tasks which have not been assigned to recount committee members. The county clerk shall recruit town clerks or their designees to serve as impartial assistants to the county clerk for operating the vote tabulators, and shall consult with the Secretary of State to identify any vote tabulators to be used.

(2) The county clerk shall store all ballots, still in their sealed containers, in his or her vault until the day of the recount may appoint a sufficient number of additional impartial assistants to perform tasks that have not been assigned to recount committee members.

(3) On each day of the recount, the town clerk of any town subject to the recount shall be available to the county clerk in person or by telephone to answer any questions the county clerk may have regarding that town’s election.
(b)(1) The county clerk shall assign committee members to the following teams of at least four persons, consisting of one caller and one observer, representing different candidates, and one tally person and one double-check person, representing different candidates:

(A) Counting teams comprising at least four persons each, consisting of an equal number of persons representing each candidate, to the extent possible;

(B) One vote tabulator team, comprising two persons, each of whom represents a different candidate; and

(C) One clerk observer team, comprising two persons, one of whom is from the list of the petitioning candidate and one of whom, if possible, is from the list of the winning candidate who received the lowest number of votes.

(2) Any additional team members shall be additional observers and double-check persons, who shall be assigned to ensure that each candidate has one person assigned as either a caller or an observer and one person assigned as either a tally person or a double-check person. One team shall be designated as the clerk observer team, which shall perform only the functions established under this subchapter for that team remain unassigned and shall be used as necessary on the day of the recount.

c (c) The recount committee shall use Secretary of State shall provide to the recount committee:

(1) fresh seals, manila tags, tally sheets, double-check sheets, summary sheets for each polling place town, master lists for the entire election to be recounted, and other appropriate material provided deemed appropriate by the Secretary of State; and

(2) the official return of votes for each town subject to the recount.

§ 2602c. PREPARATION FOR RECOUNT; GENERAL RULES

(a) Recount area; preserving order.

(1)(A) The county clerk shall designate an area within which the recount shall take place.

(B) Persons who are not committee members or who have not been designated as impartial assistants by the county clerk shall be permitted to view the recount in progress, but shall not be permitted within the recount area.

(2) The county clerk shall preserve order. If a person, after notice, is persistently disorderly and refuses to withdraw from the premises, the county
clerk may cause the person to be removed from the premises.

(b) Preliminary requirements. Before the recount begins, the county clerk shall explain the recount procedures that are to be followed and shall answer questions relating to such procedures. The county clerk shall use volunteer town clerks to operate and instruct on the use of vote tabulators.

(2) Blank ballots; vote tabulator test.

(A) The county clerk shall obtain blank ballots from the town clerks of the towns subject to the recount. These blank ballots shall be used as test ballots to perform the vote tabulator test described in this subdivision (2).

(B)(i) The vote tabulator team shall perform a test of the vote tabulators that will be used by marking and feeding into each tabulator a minimum of 10 test ballots. The test ballots shall be marked with various votes for each candidate for the office subject to the recount.

(ii) If more than one memory card is to be used, such a test shall be performed for each memory card.

(C) If a vote tabulator does not tabulate these votes accurately, it shall not be used.

(D) Once the test is completed, these ballots and the tabulator tape containing the results of the test shall be sealed in an envelope that shall be dated and marked “TEST BALLOTS—DO NOT COUNT.” This envelope shall then be kept separate from the rest of the containers.

(c) Tables. Each team shall have a separate table and the county clerk shall have a separate table, and all of these tables shall be spaced apart.

(d) Separating containers, polling places, and towns. Each recount team shall:

(1) recount the contents of one container before opening another container at its table;

(2) recount the contents of all the containers relating to one polling place before moving to those of another polling place;

(3) complete the recount for one town before moving to material relating to another town.

(e) Recording containers. For each polling place town, the number of containers shall be counted and recorded on the master list summary sheet for that town.
Inspecting containers and seals.

(1) Containers. Before opening, each container shall be inspected, and if no tag is present, replacement manila tags shall be affixed, specifying date of election and name of town and polling place.

(2) Seals.

(A) Likewise, each seal shall be examined inspected to see if it is intact, and the county clerk shall attach to any bag container with a defective seal a tag stating that the seal was defective and containing the information which it contained.

(B) If a seal number does not match the seal number reported by the town clerk on the official return of votes, the county clerk shall contact the town clerk to request an explanation for that difference. The county clerk shall record any explanation on the summary sheet for that town.

Uncounted containers. Uncounted containers shall be kept in one part of the room and moved to the other side as they are counted; each team shall have a separate table and the county clerk shall have a separate table, all of which tables shall be spaced apart.

Checklist container. If there is more than one container from a polling place, the county clerk shall open first the container which is identified as containing the checklist, if applicable.

Opening containers. Upon opening the first container in the presence of the clerk observer team, the county clerk shall empty the contents of each container onto the clerk’s his or her table in the presence of the clerk observer team.

Materials not to be distributed. The county clerk shall ensure that teams are not given, and the teams shall not count:

(1) ballots marked defective or contained in a defective ballot envelope;

(2) unused ballots, early or absentee ballots which arrived after the close of polls, that were not distributed to voters; or

(3) ballots spoiled returned by voters and turned in by voters requesting fresh who requested replacement ballots, or ballots contained in a replaced ballot envelope.

Recording defective ballots. In the presence of the clerk observer team, the county clerk shall mark the number of defective ballots from the official return of votes for each town on the summary sheet for that town.
OF CHECKLISTS CHECKLIST

(a)(1) The county clerk shall review the official return of votes for each town, record on the summary sheet for each town the number of ballots counted and the number of voters checked off the checklist on the town’s return, and if those two numbers are the same, the checklist for that town shall not be examined.

(2) If those two numbers for a town are not the same, the checklist may be examined in accordance with the following provisions of this section, if requested by one of the candidates subject to the recount.

(b) The checklist from the first bag container shall be assigned to a team. The caller and observer Two persons who represent different candidates, each acting independently, shall examine the checklist and determine how many voters voted at the polling place, repeating the process until they agree on a number or until they agree to disagree on a number.

(b)(c) Then the checklist shall be examined by the tally person and the double check person the remaining members of the team, repeating the process until they agree on a number or they agree to disagree on the number.

(e)(d) The results obtained from the two subgroups will be compared and if they do not match, the process shall be repeated until there is agreement among all the members of the team or until team members agree to disagree.

(d)(e) The number finally determined by a majority of team members shall be submitted to the county clerk in the presence of the clerk observer team, together with an indication of the nature and extent of the disagreement.

(f) If one or more team members do not agree with the number submitted, the county clerk shall note on the master list the fact summary sheet for the town the number finally determined, together with a note indicating that the number of people appearing as having voted on a specified the checklist was subject to dispute, if one or more team members did not agree with the number submitted.

§ 2602e. SORTING BALLOTS; BALLOT REVIEW; RECOUNT OF REMOVED BALLOTS BY HAND

(a) Sorting ballots.

(1) While the checklist is being examined, if applicable under subsection 2602d of this subchapter, after emptying a container onto his or her table, the county clerk shall separate ballots from the container into a number of batches equal to the number of counting teams, with each batch being of approximately equal size.
(2) Each counting team shall take a batch of ballots from the county clerk’s table to the counting team’s table.

(3) Two persons who represent different candidates on a counting team shall sort that batch into stacks of 50 ballots, and the remaining members of the team shall recount each stack to ensure that there are 50 ballots in it.

(4)(A) The counting teams shall combine any ballots not placed into a stack of 50, and one of those counting teams shall separate those combined ballots into stacks of 50 and recount them in accordance with subdivision (3) of this subsection.

(B) For any final stack that contains fewer than 50 ballots, the county clerk shall affix to the top of that stack a note indicating how many ballots are contained in it.

(b) Ballot review and removal.

(1)(A) For each stack, a counting team shall review each ballot within the stack and remove from that stack each ballot upon which, for the office in question, the voter recorded his or her vote or votes in that race in any manner other than completely filling in the oval to the right of a preprinted candidate’s name.

(B) Each counting team shall also remove any plain paper or damaged ballots.

(2) A ballot shall be removed only if at least two members of the counting team agree to its removal.

(3) A ballot without markings for the office in question shall not be removed.

(4) A ballot that is not removed upon this first review shall not be reviewed again.

(c) Delivery of remaining ballots.

(1) Each counting team shall then attach to that stack a note indicating the number of ballots remaining in the stack.

(2) The county clerk shall deliver those remaining ballots to the vote tabulator team.

(d) Hand count of removed ballots; questionable votes.

(1) Each counting team shall then separate the removed ballots into stacks of 50 in accordance with the process set forth in subdivision (a)(3) of this section.

(2) The counting team shall then hand count the votes for the office in
question on the removed ballots, and mark the results on a tally sheet for each
stack of 50 removed ballots and any remaining stack with less than 50.

(3)(A) This hand count shall be in accordance with the rules for
counting ballots set forth in section 2587 of this chapter, except that if two
persons on the counting team do not agree on how to count a vote, the ballot
shall be set aside as containing a questionable vote.

(B)(i) For any questionable vote, a copy of the ballot shall be made,
and this copy shall be clearly marked on its face identifying it as a copy. Once
the recount of a container is completed, any such copies shall be placed on the
top of the other ballots and shall remain together with the other ballots.

(ii) Each original ballot with a questionable vote shall be attached
to a note that identifies it by town, county, polling place, and container seal
number. The originals of these ballots with questionable votes shall be clipped
to the summary sheet for that town, along with a copy of the official return of
votes, and submitted to the court for a final decision.

(iii) The county clerk shall record the number of ballots
containing questionable votes to be submitted to the court on the summary
sheet for the town.

(C) At the end of the hand count for a container, two persons from
each counting team who represent different candidates shall deliver any tally
sheets from their table to the county clerk in the presence of the clerk observer
team.

(D) The county clerk, in the presence of the clerk observer team,
shall record the totals from each tally sheet onto the summary sheet for the
town.

(e) This process shall be completed for as many containers as there are for
each town.

§ 2602f. RECOUNT OF REMAINING BALLOTS BY VOTE TABULATOR

(a) The vote tabulator team shall operate any vote tabulator used in the
recount, with the assistance of the recruited town clerks or designees.

(b) The vote tabulator memory card or cards shall be programmed to read
only the votes for the election that is the subject of the recount.

(c)(1) Vote tabulator-readable At the same time as any removed ballots are
being hand counted, the vote tabulator team shall take any ballots from each
container shall be fed delivered to them, and feed them through a vote
tabulator by one team until all vote tabulator-readable ballots from the
container have been entered. For ballots unable to be read by a vote tabulator,
such as damaged or plain paper ballots, a second team shall collect these ballots from the pile and transfer the voter’s choices on those ballots to blank ballots provided by the Secretary of State. After all of the vote tabulator-readable ballots have been fed through the vote tabulator, the first team shall feed through the vote tabulator any transfer ballots created by the second team.

(2) The recount teams shall switch roles for each subsequent container of ballots of a polling place that are to be fed through the vote tabulator, if there is more than one container per polling place. The vote tabulator team shall attempt to feed ballots into the vote tabulator in the same direction.

(3)(A) If the tabulator refuses a ballot, the vote tabulator team shall announce that occurrence and whether the ballot was counted, and may override that refusal.

(B) If the tabulator continues to refuse the ballot, the vote tabulator team shall announce that occurrence and return it to a counting team for hand counting.

(4) This process shall be used until all ballots from a polling place container have been tabulated by a vote tabulator or otherwise returned to a counting team for hand counting.

(b)(d)(1) This process shall be repeated until all ballots from a town have been fed through a vote tabulator.

(2) If there is more than one container for a town, the tabulator tape shall not be printed until ballots from all containers for that town have been tabulated.

(e)(1) After all ballots from a polling place town have been tabulated by a vote tabulator, a recount team shall print the tabulator tape containing the unofficial results and document those results on a tally sheet for that town, and deliver that tabulator tape to the county clerk in the presence of the clerk observer team.

(2) The county clerk shall then record the totals from the tabulator tape onto the summary sheet for the town in the same manner that he or she recorded the individual tally sheet totals from the hand-counted ballots. Another recount team shall then open the tabulator’s ballot box and remove all ballots. The ballots shall then be divided among the recount teams to be examined to find write-in names and markings of voter intent that were not vote tabulator-readable as outlined in the Secretary of State’s vote tabulator guide and most recent elections procedures manual. A caller, tally person, and double-check person shall be used to examine the ballots removed from the ballot box. If the caller and the observer or observers do not agree on how a ballot should be counted, the entire team shall review the ballot and if all
members agree, it shall be counted that way.

(c) If one person does not agree, that ballot shall be set aside as a questioned ballot and a copy shall be made, which copy shall be clearly marked on its face identifying it as a copy. Any copies shall be placed on the top of the other ballots and shall remain together with the other ballots. Each original ballot deemed questionable shall be attached to a note which identifies it by town, county, polling place, and bag seal number. The originals of these questionable ballots shall be clipped to the summary sheet for that polling place and returned to the court for a final decision.

(d) After the court has rendered a final decision on a given questionable ballot, it shall be returned to the county clerk who shall keep it in a sealed container for a period of two years.

(e) Write-in votes for preprinted candidates shall be counted as votes for that candidate.

(f) If the tally persons do not agree on the number of votes for a candidate on ballots not able to be read by the vote tabulator, the ballots shall be retallied until they do agree. Then the team shall notify the clerk that it has completed its recount.

§ 2602h. COMPLETING THE TALLY

(a) The county clerk shall return all ballots to their container, seal the container, record the seal number on the summary sheet, and write “recounted” and specify the date of the recount on the tag.

(b) After In the presence of the clerk observer team, the county clerk shall add together the hand count and vote tabulator totals for a polling place have been listed each town, as recorded on the tally sheets and vote tabulator tape submitted to him or her, the county clerk shall add them up in the presence of the clerk observer team, and record those totals on the summary sheet for that town, and affix his or her seal to that summary sheet.

(c) (1) The county clerk shall compare the number of ballots recounted for that town with the number of voters who voted at that ballots counted at the polling place, according to the number obtained from the team that examined the certified checklist town as reported on the official return of votes, and with the number of voters who voted at that town according to the checklist examination, as applicable under section 2602d of this subchapter and recorded by the county clerk on the summary sheet in accordance with that section.

(2) If these numbers differ, the county clerk shall note the amount of the difference on the summary sheets for that polling place town.
(d) If there is more than one town subject to the recount:

   (1) this process shall be repeated for each town; and

   (2) once all towns have been recounted, the county clerk shall add
   together the totals from each town and record the total for all towns on a
   master summary sheet and affix his or her seal to that sheet.

   (b) The county clerk shall return all ballots to the container, seal it, record
   the seal number on the summary sheet, write “recounted” and specify the date
   of the recount on the tag, and move it to the other side of the room, making
   sure that there is never more than one bag open at any one time.

   (c) This procedure shall be repeated for each container, until the results
   from a polling place have been recounted, and then it shall be repeated until
   the results from all polling places in a town have been recounted, and then
   until the results from all towns have been recounted.

   (d) The county clerk shall add the totals on each summary sheet, affix the
   clerk’s seal, and

   (e) The county clerk shall send the summary sheets for all polling places
   towns together with the any master list summary sheet, the ballots marked
   defective or contained in a defective ballot envelope, and any questionable
   original ballots containing questionable votes to the court by certified mail,
   return and obtain a receipt requested, for that delivery or shall certify the
   results to the judge.

§ 2602i. COSTS

(a) Recount committee members and assistants designated by the county
clerk shall be paid by the State at the same per diem and mileage rates and
according to the same procedures by which jurors are paid.

(b)(1) These and other necessary expenses, as approved by the court, shall
be paid by the State through the Court Administrator’s Office.

   (2) The Secretary of State shall bear the costs of recounts conducted
under this subchapter and shall reimburse the Court Administrator’s Office.

§ 2602j. OTHER RULES FOR CONDUCTING THE RECOUNT COURT
HEARING AND JUDGMENT

(a) The county clerk shall preserve order. If a person, after notice, is
persistently disorderly and refuses to withdraw from the premises, the county
clerk may cause the person to be removed from the premises. [Repealed.]

(b) The county clerk shall designate an area within which the recount shall
take place. Persons who are not committee members shall be permitted to view
a recount in progress, but persons not authorized by the county clerk shall not be permitted within the area designated by the county clerk. [Repealed.]

(c) Candidates and their attorneys shall be given the opportunity to present evidence to the court relating to the conduct of the recount, how to count questionable votes, and the marking of any ballot as defective in accordance with section 2547 of this title.

(d) On the day of the hearing, the town clerk of any town subject to the recount shall be available in person or by telephone to answer any questions regarding the town’s election.

(e) If the court determines that any violations of recount procedures have occurred and that they may have affected the outcome of the recount, a new recount shall be ordered.

(f) After such hearings or arguments as may be indicated under the circumstances and after it has made a final decision on any questionable votes, the Superior Court, within five working days, shall:

1. issue a judgment, which shall supersede any certificate of election previously issued;
2. send a certified copy of the judgment to the Secretary of State; and shall
3. return to the county clerk any ballots containing questionable ballots which votes and defective ballots that had been forwarded to the court.

§ 2602k. AFTER THE RECOUNT TIES

(a) If the recount results in a tie, the court shall order a recessed runoff election to be held, within three weeks of the recount, on a date set by the court.

(b) The only candidates who shall appear on the ballot at the recessed runoff election shall be those who tied in the previous election.

(c) The recessed runoff election shall be considered a separate election for the purpose of voter registration under chapter 43 of this title.

(d) If the recount confirms a tie as to any public question, no recessed runoff election shall not be held, and the question shall be certified not to have passed.

(e) Warnings for a recessed runoff election shall be posted as required by subchapter 5 of this chapter, except that the warnings shall be posted not less than 10 days before the recessed runoff election.

(f) The conduct of a recessed runoff election shall be as provided in this
(b) After the recount, the county clerk shall seal the ballots and other materials back in the containers and store them in the county clerk’s vault until returned to the towns. The county clerk shall return all ballots to the respective town clerks after issuance of the court’s judgment, together with a copy of the judgment. The respective town clerks or their designees shall transport the ballots to the towns from which they came.

(c) The court shall send a certified copy of the judgment to the Secretary of State.

§ 2602m. STORAGE AND RETURN OF ELECTION MATERIALS

(a)(1) After the recount, the county clerk shall store the sealed containers and any other recount materials in the county clerk’s vault until returned to the towns.

(2) The county clerk shall release all containers to the respective town clerks after issuance of the court’s judgment, together with a copy of the judgment.

(3) The respective town clerks or their designees shall transport the containers to the towns from which they came.

(b) Upon receiving from the court any ballots containing questionable votes and defective ballots, the county clerk shall keep them in a sealed container for a period of two years.

* * *

* * * Definitions * * *

Sec. 2. 17 V.S.A. § 2103 is amended to read:

§ 2103. DEFINITIONS

As used in this title, unless the context or a specific definition requires a different reading:

* * *

(10) “County officer” means judge of Probate, assistant judge of the Superior Court, State’s Attorney, sheriff, and high bailiff, and justice of the peace.

* * *

(18)(A) “Local election” means any election which deals with the selection of persons to fill public office or the settling of public questions solely within a single municipality.
(B) “Local election” also means an election to settle a public question in several municipalities, in which the municipalities must unanimously concur if the question is to be approved.

(C) The election of a representative to the General Assembly is not a “local election.”

* * *

** Registration of Voters **

Sec. 3. 17 V.S.A. § 2141 is amended to read:

§ 2141. POSTING OF CHECKLIST

(a) At least 30 days before any local, primary, or general election, the town clerk shall cause copies of the most recent checklist of the persons qualified to vote to be posted in two or more public places in the municipality in addition to being posted at the town clerk’s office; however, in a municipality having a population of less than 5,000 qualified registered voters, only one checklist in addition to the one posted in the town clerk’s office need be posted.

* * *

Sec. 4. 17 V.S.A. § 2154 is amended to read:

§ 2154. STATEWIDE VOTER CHECKLIST

* * *

(b) A registered voter’s month and day of birth, driver’s license or nondriver identification number, e-mail address, and the last four digits of the applicant’s Social Security number shall be kept confidential and are exempt from public copying and inspection under the Public Records Act.

(c) Any person wishing to obtain a copy of all of the statewide voter checklist must swear or affirm, under penalty of perjury pursuant to 13 V.S.A. chapter 65, that the person will not use the checklist for commercial purposes. The affirmation shall be filed with the Secretary of State.

* * *

(c)(d) No An elections official may shall not access the portion of the statewide voter checklist that is exempt from public inspection pursuant to 1 V.S.A. § 317(c)(31), except for elections purposes.

Sec. 5. 1 V.S.A. § 317(c) is amended to read:

(c) The following public records are exempt from public inspection and copying:
(31) Records of a registered voter’s month and day of birth, motor vehicle operator’s driver’s license or nondriver identification number, e-mail address, and the last four digits of the applicant’s Social Security number contained in an application to the statewide voter checklist or the statewide voter checklist established under 17 V.S.A. § 2154 or the failure to register to vote under 17 V.S.A. § 2145a.

** Political Parties **

Sec. 6. 17 V.S.A. § 2303 is amended to read:

§ 2303. TOWN CHAIR TO GIVE NOTICE

(a) The town chair or, if unavailable or if the records of the Secretary of State show there is no chair, any three voters of the town shall arrange to hold a caucus on the day designated by the State chair, in some public place within the town, and shall set the hour of the caucus.

(b)(1) At least five days before the day of the caucus, the town chair shall post a notice of the date, purpose, time, and place of the caucus in the town clerk’s office and in at least one other public place in town.

(2) In towns of 3,000 or more population, he or she shall also publish the notice:

(A) in a newspaper having general circulation in the town; or

(B) in a nonpartisan electronic news media website that specializes in news of the State or the community.

(c) If three voters arrange to call the caucus, the voters shall designate one of their number person among them to perform the duties prescribed above in subsection (b) of this section for the town chair.

** Primary Elections **

Sec. 7. 17 V.S.A. § 2353 is amended to read:

§ 2353. PETITIONS TO PLACE NAMES ON BALLOT

(a) The name of any person shall be printed upon the primary ballot as a candidate for nomination by any major political party for any office indicated, if petitions containing the requisite number of signatures made by legal registered voters, in substantially the following form, are filed with the proper official, together with the person’s written consent to having his or her name printed on the ballot:
I join in a petition to place on the primary ballot of the .....................
party the name of ........................., whose residence is in the (city),
(town) of .................... in the county of ..................., for the office of
......................... to be voted for on Tuesday, the ................ day of August, 20
.......; and I certify that I am at the present time a registered voter and am
qualified to vote for a candidate for this office.

(b)(1) A person’s name shall not be listed as a candidate on the primary
ballot of more than one party in the same election.

(2) A person shall file a separate petition for each office for which he or
she seeks to be a candidate.

Sec. 8. 17 V.S.A. § 2354 is amended to read:

§ 2354. SIGNING PETITIONS

(a) Any number of voters may sign the same petition.

(b)(1) A voter’s signature shall not be valid unless at the time he or she
signs, the voter is registered and qualified to vote for the candidate whose
petition he or she signs.

(2) Each voter shall indicate his or her town of residence next to his or
her signature.

(c) The signature of a voter on a candidate's petition does not necessarily
indicate that the voter supports the candidate. A voter shall not sign more than
one petition for the same office, unless more than one nomination is to be
made, in which case he or she may sign as many petitions as there are
nominations to be made for the same office.

(d) A petition shall contain the name of only one candidate.

Sec. 9. 17 V.S.A. § 2356 is amended to read:

§ 2356. TIME FOR FILING PETITIONS AND STATEMENTS OF
NOMINATION

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

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

Sec. 10. 17 V.S.A. § 2361 is amended to read:
§ 2361. CONSENT OF CANDIDATE

(a) A candidate for whom petitions containing sufficient valid signatures have been filed shall file with the official with whom the petitions were filed a consent to the printing of the candidate’s name on the ballot. The Secretary of State shall prepare and furnish forms for this purpose.

(b)(1) The consent shall set forth the name of the candidate, as the candidate wishes to have it printed on the ballot, the candidate’s town of residence, and correct mailing address.

(2) If a candidate wishes to use a nickname, the format on the ballot shall be the candidate’s first name, the nickname set off in quotations, and the candidate’s last name.

(3) Professional titles such as “Dr.,” “Esq.,” or “CPA” shall not be used as part of a candidate’s name on the ballot.

(c) The consent shall be filed on or before the day petitions are due. Unless a consent is filed, the candidate’s name shall not be printed on the primary ballot.

Sec. 11. 17 V.S.A. § 2362 is amended to read:

§ 2362. PRIMARY BALLOTS

(a) The ballots shall be printed and furnished to the towns by the Secretary of State and shall contain the names of all candidates for nomination by that party at the primary. Ballots shall be printed on index stock and configured to be readable by vote tabulators.

OFFICIAL VERMONT PRIMARY ELECTION BALLOT
VOTE ON ONE PARTY BALLOT ONLY AND PLACE IN BALLOT BOX OR VOTE TABULATOR
ALL OTHER PARTY BALLOTS MUST BE PLACED IN UNVOTED BALLOT BOX

[MAJOR POLITICAL PARTY NAME]

Instructions to voters: Use black pen or pencil to fill in the oval. To vote for a candidate whose name is printed on the ballot, fill in the oval at the right of that person’s name. To vote for a candidate
person whose name is not printed on the ballot, write the person’s or stick his or her name on in the blank line in the appropriate block and space provided and fill in the oval to the right of that blank line the write-in space. Do not vote for more candidates than the “Vote for Not More Than” number for an office. If you make a mistake, tear, or deface the ballot, return it to an election official and obtain another ballot. Do not erase. When there are two or more persons to be elected to one office, you may vote for any number of candidates up to and including the maximum number.

* * *

Sec. 12. 17 V.S.A. § 2363 is amended to read:

§ 2363. SEPARATE PARTY BALLOTS VOTER’S CHOICE OF PARTY

(a) The names of all candidates of a party shall be printed upon one ballot. Each section shall bear in print larger than any other print on the ballot the words VOTE IN ONE PARTY ONLY OR YOUR BALLOT WILL BE VOID in a prominent place on the ballot. The voter shall vote for the candidates of one party only. A person voting at the primary shall not be required to indicate his or her party choice to any election official.

(b) [Repealed.]

Sec. 13. 17 V.S.A. § 2369 is amended to read:

§ 2369. DETERMINING WINNER; TIE VOTES

(a) A person who receives a plurality of all the votes cast by a party in a primary shall be a candidate of that party for the office designated on the ballot.

(b)(1) If, after the period for requesting a recount under section 2602 of this title has expired, no candidate has requested a recount and two or more candidates of the same party are tied for the same office, the choice among those tied shall be determined upon five days’ notice and not later than 10 days following the primary election by the committee of that party, which shall meet to nominate a candidate from among the tied candidates. The committee that nominates a candidate shall be as follows:

(1)(A) the State committee of a party for a State or congressional office;
(2)(B) the senatorial district committee for State Senate;
(3)(C) the county committee for county office; or
(4)(D) the representative district committee for a Representative to the General Assembly.

(c)(2) The committee chair shall certify the candidate nomination for the
general election to the Secretary of State within 48 hours of the nomination.

* * * Nominations by Party Committee * * *

Sec. 14. 17 V.S.A. § 2381 is amended to read:

§ 2381. APPLICABILITY OF SUBCHAPTER

(a) A candidate may also be nominated and have the candidate’s name printed on the general election ballot in accordance with the provisions set forth in this subchapter, in the following instances:

   (1) In case of a vacancy on the general election ballot occasioned by death, removal, or withdrawal of a candidate, or the failure of a major political party to nominate a candidate by primary;

   (2) In case a minor political party desires to nominate a candidate for any office for which major political parties nominate candidates by primary or for the offices of President and Vice President of the United States;

   (3) In case of nomination for the office of justice of the peace, in the event that such nomination has not already been made by caucus as provided in section 2413 of this chapter.

* * *

Sec. 15. 17 V.S.A. § 2382 is amended to read:

§ 2382. WHICH COMMITTEE TO NOMINATE

Nominations of party candidates pursuant to this subchapter shall be made by the following political committee of the party:

   (1) By the state State committee in the case of state President and Vice President of the United States or State or congressional officers;

* * *

Sec. 16. 17 V.S.A. § 2386 is amended to read:

§ 2386. TIME FOR FILING STATEMENTS

(a) In the case of the failure of a major political party to nominate a candidate by primary, a statement shall be filed not later than 5:00 p.m. on the sixth day following the primary.

(b) In the case of the death or withdrawal of a candidate after the primary election, the party committee shall have seven days from the date of the death or withdrawal to nominate a candidate. In no event, shall a statement be filed later than 60 days prior to the general election.

(c)(1) In the case of a nomination by a minor political party, a statement
shall be filed as set forth in section 2356 of this chapter not earlier than the fourth Monday in April and not later than 5:00 p.m. on the Thursday preceding the primary election described in section 2351 of this chapter and not later than 5:00 p.m. on the third day prior to the day of a special primary election.

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

(d) In the case of a nomination for the office of justice of the peace, a statement shall be filed as set forth in section 2413 of this chapter.

* * * Independent Candidate Nominations * * *

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

§ 2402. REQUISITES OF STATEMENT

(a) A statement of nomination shall contain:

(1) The name of the office for which the nomination is made.

(2) The candidate’s name and residence.

(3) If desired, a name, or other identification (in not more than three words) to be printed on the ballot following the candidate’s name.

(4) In the case of nomination for President or Vice President of the United States, the:

(A) The name and state of residence of each candidate for such office, together with the name, town of residence, and correct mailing address of each nominee for the office of elector.

(B)(i) The original statement of nomination shall include a certification by the town clerk of each town where the signers appear to be voters that the persons whose names appear as signers of the statement are registered voters in the town and of the total number of valid signers from the town.

(ii) Only the number of signers certified as registered voters by each town clerk on the original statement of nomination forms shall count toward the required number of signatures.

(C) The statement shall also be accompanied by a consent form from each nominee for elector. The consent form shall be similar to the consent form prescribed in section 2361 of this title.

* * *

(d)(1) A statement of nomination and a completed and signed consent form shall be filed:
(A) in the case of nomination for President or Vice President of the United States, no sooner not earlier than the fourth Monday in April and not later than 5:00 p.m. on the August preceding the presidential general election;

(B) in the case of nomination for justice of the peace, no not earlier than the fourth Monday in April and not later than 5:00 p.m. on the third day following the primary election; or

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

(2) No public official receiving nominations shall not accept a petition unless a completed and signed consent form is filed at the same time.

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

(e) The Secretary of State shall prescribe and furnish forms for a statement of nomination.

(f) In the event that an independent vice presidential candidate withdraws in accordance with section 2412 of this chapter, the presidential candidate may submit to the Secretary of State on or before the ballot printing deadline a new consent form signed by the presidential candidate and his or her new vice presidential candidate.

Sec. 18. 17 V.S.A. § 2403 is amended to read:

§ 2403. NUMBER OF CANDIDATES; PARTY NAMES

(a) A statement of nomination shall contain the name of only one candidate, except in the case of presidential and vice-presidential candidates, who may be nominated by means of the same statement of nomination. A person shall not sign more than one statement of nomination for the same office.

(b)(1) The political or other name on a statement of nomination shall be substantially different from the name of any organized political party. It shall also be substantially different from the political or other name already appearing on any other statement of nomination for the same office then on file with the same officer for the same election; if

(2) If the Secretary of State determines that it is not substantially different, the candidate named on the statement shall select a
different political or other name; otherwise the Secretary may reject the statement of nomination. Secretary shall print the word “Independent” on the ballot for that candidate.

(c)(1) Except in the case of presidential and vice presidential candidates, the word “independent” may not be used as part of a party name; if

(2) If no party is indicated, the word “Independent” shall be printed on the ballot, and no

(3) A candidate appearing on the ballot as a candidate of a political party shall not also appear on the ballot as an “Independent.”

* * * Nominations; Miscellaneous * *

Sec. 19. 17 V.S.A. § 2412 is amended to read:

§ 2412. WITHDRAWAL OF CANDIDACY

(a)(1) A candidate who has been validly nominated by one of the methods prescribed in this chapter shall have a right to withdraw his or her candidacy up until 5:00 p.m. on the third tenth day following the primary by filing a written notice of withdrawal with the town clerk in the case of a candidate for justice of the peace, and with the Secretary of State in the case of all other offices.

(2) The name of a candidate who has withdrawn in accordance with the provisions of this subsection shall not be printed on the ballot.

(b) After that the date described in subdivision (a)(1) of this section, if the candidate has filed a written notice of withdrawal, the town clerk or Secretary of State may still remove the candidate’s name from the ballot up until the printing deadline.

* * * Election Officials * *

Sec. 20. 17 V.S.A. § 2455 is amended to read:

§ 2455. DUTIES OF ELECTION OFFICIALS; DUTIES; POLITICAL PARTY REPRESENTATION

(a) The assistant election officers, together with the presiding officer and the board of civil authority, shall constitute the election officials.

(b) Except as may be specifically provided in this title, the presiding officer shall notify each election official of the hours when he or she shall be present to work at the polls and of the duties assigned to each election official.

(c) When the provisions of this title require two or more election officials of different political parties to perform an act, that political party representation requirement shall not be required if attempts to conform to it
were not successful.

** General Election Ballots **

Sec. 21. 17 V.S.A. § 2472 is amended to read:

§ 2472. CONTENTS

* * *

(b)(1) Each office to be voted upon shall be separately indicated and preceded by the word “For,” as: “For United States Senator.” Beneath the office to be voted upon shall appear the instructions: “Vote for not more than (the number of candidates to be elected).”

(2) The names of the candidates for each office shall be listed in alphabetical order by surname, followed by the candidate’s town of residence, and the party or parties by which the candidate has been nominated, or in the case of independent candidates who have not chosen some other name or identification, by the word “Independent.” The word “party” shall not be printed on the ballot following a candidate’s party name.

* * *

* * * Vote Tabulators * * *

Sec. 22. 17 V.S.A. § 2491 is amended to read:

§ 2491. POLITICAL SUBDIVISION; VOTE TABULATORS

(a) Except as provided in subsection (b) of this section, a board of civil authority may, at a meeting held not less than 60 days prior to an election and warned pursuant to 24 V.S.A. § 801, vote to require the political subdivision for which it is elected to use vote tabulators for the registering and counting of votes in subsequent local, primary, or general elections, or any combination of those.

(b) A town with 1,000 or more registered voters as of December 31 in an even-numbered year shall use vote tabulators for the registering and counting of votes in subsequent general elections.

(c)(1) The Office of the Secretary of State shall pay the following costs associated with this section by using federal Help America Vote Act funds, as available:

(A) full purchase and warranty cost of vote tabulators, ballot boxes, and two memory cards for each tabulator;

(B) annual maintenance costs of vote tabulators for each town; and

(C) the first $500.00 of the first pair of a vote tabulator’s memory
cards’ configuration costs for each primary and general election.

(2) A town shall pay the remainder of any cost not covered by subdivision (1) of this subsection.

Sec. 23. 17 V.S.A. § 2493 is amended to read:

§ 2493. RULES FOR USE OF VOTE TABULATORS; AUDITS

(a) The Secretary of State shall adopt rules governing the use and the selection of any vote tabulator in the State. These rules shall include requirements that:

***

(4)(A) All vote tabulators shall be set to reject a ballot that contains an overvote and provide the voter shall be provided the opportunity to obtain another ballot and correct the overvote, have the ballot declared spoiled, and obtain another ballot. If an early voter absentee ballot contains an overvote, the elections official shall override the vote tabulator and count all races except any race that contains an overvote.

***

(b) Each vote tabulator shall be tested using official ballots that are marked clearly as “test ballots” at least 10 days prior to an election. This test shall be open to the public.

***

*** Polling Places ***

Sec. 24. 17 V.S.A. § 2508 is amended to read:

§ 2508. CAMPAIGNING DURING POLLING HOURS; VOTER ACCESS

(a)(1) The presiding officer shall ensure during polling hours on the day of the election that:

(1)(A) Within the building containing a polling place, no campaign literature, stickers, buttons, name stamps, information on write-in candidates, or other political materials are displayed, placed, handed out, or allowed to remain; and

(2)(B) Within the building containing a polling place, no candidate, election official, or other person distributes election materials, solicits voters regarding an item or candidate on the ballot, or otherwise campaigns; and

(3)(C) On the walks and driveways leading to a building in which a polling place is located, no candidate or other person may physically interfere with the progress of a voter to and from the polling place.
(2) The provisions of subdivision (1) of this subsection shall apply to the town clerk’s office during any period of early or absentee voting.

(b) During polling hours, the presiding officer shall control the placement of signs on the property of the polling place in a fair manner.

(c) The provisions of this section shall be posted in the notice required by section 2521 of this title.

**Voter Information**

Sec. 25. 17 V.S.A. § 2521 is amended to read:

§ 2521. WARNINGS AND NOTICES

(a) Not less than 30 days before the election, the town clerk shall cause a warning and notice to be posted informing the voters of the town about the election.

(1) The warning shall include the date and time of the election, location of the polling place or places, nature of the election, and offices or questions to be voted upon.

(2) The notice shall contain information on voter registration and early or absentee voting, on how to obtain ballots, mark them, get help marking them, and obtain new ballots in place of those accidentally spoiled if an error is made; information about offenses relating to elections; instructions on how to get help if there is a problem on election day; instructions for registrants by mail; instructions for first-time voters; instructions on who may cast a provisional ballot; instructions on how to cast a provisional ballot; information on federal and state laws prohibiting fraud and misrepresentation; instructions on how to contact the appropriate official if a person believes any of his or her rights to vote have been violated; and other appropriate information.

(3) The warning and notice shall be posted in at least two public places within each town and in or near the town clerk’s office. If a town has more than one polling place, the warning and notice shall be posted in at least two public places within each voting district and in or near the town clerk’s office.

(4) The checklist shall also be posted as required in section 2141 of this title.

**Early or Absentee Voters**

Sec. 26. 17 V.S.A. § 2531 is amended to read:

§ 2531. APPLICATION FOR EARLY VOTER ABSENTEE BALLOT
(a)(1) A voter who expects to be an early or absentee voter, or an authorized person on behalf of such voter, may apply for an early voter absentee ballot until 5:00 p.m. or the closing of the town clerk’s office on the day preceding the election.

(2) If a town clerk does not have regular office hours on the day before the election and his or her office will not otherwise be open on that day, an application may be filed until the closing of the clerk’s office on the last day that office has hours preceding the election.

(b) All applications shall be filed with the town clerk of the town in which the early or absentee voter is registered to vote. The town clerk shall file written applications and memoranda of verbal applications in his or her office, and shall retain the applications and memoranda for 90 days following the election, at which time they may be destroyed.

(c) Voting by early voter absentee ballot shall be allowed only in elections using the Australian ballot system.

Sec. 27. 17 V.S.A. § 2532 is amended to read:

§ 2532. APPLICATIONS; FORM

(a)(1) An early or absentee voter, or an authorized family member or health care provider acting in the voter’s behalf, may apply for an early voter absentee ballot by telephone, in person, or in writing. “Family member” here means a person’s spouse, children, brothers, sisters, parents, spouse’s parents, grandparents, and spouse’s grandparents. Any other authorized person may apply in writing or in person; provided, however, that voter authorization to such a person shall not be given by response to a robotic phone call.

(2) The application shall be in substantially the following form:

REQUEST FOR EARLY VOTER ABSENTEE BALLOT

Name of early or absentee voter: ________________________________

Voter’s Town of Residence: ____________________________________

Current physical address (address where you reside): ______________

Residence (if different): _______________________________________

Telephone Number: __________ E-mail Address: _________________

Date: ________________________________

I request early voter absentee ballot(s) for the election(s) checked below:

(1) Annual Town Meeting;

(2) All other local elections;
(3) August Primary Election;
(4) Presidential Primary (YOU MUST SELECT PARTY);
(5) November General Election
(6) All elections in this calendar year

Please deliver the ballot(s) as indicated below (check one):

(1) Mail to voter at:

Street or P.O. Box    Town/City    State    Zip Code

(2) Delivery by two Justices of the Peace (this may only be selected if you are ill or if you have a physical disability).

If applicant is other than early or absentee voter:

Name of applicant: ____________________________________________
Address of applicant: ____________________________________________
Relationship to early or absentee voter: ____________________________
Organization, if applicable: _______________________________________ 
Date: _______________    Signature of applicant: _______________________

(3) If the application is made by telephone or in writing, the information supplied must be in substantial conformance with the information requested on this form.

* * *

(d) An application for an early voter absentee ballot shall be valid for only one election, unless specific request is made by an early or absentee voter that the application be valid for both a primary election, excluding a presidential primary, and the general election next following the elections or the time frame specified by the applicant, as long as both ballots are to be mailed to the same address.

(e) A single application shall only be valid for any elections within the same calendar year.

* * *

Sec. 28. 17 V.S.A. § 2537 is amended to read:

§ 2537. EARLY OR ABSENTEE VOTING IN THE TOWN CLERK’S OFFICE

(a)(1) A voter may, if he or she chooses, apply in person to the town clerk for the early voter absentee ballots and envelopes rather than having them
mailed as required by section 2539 of this title subchapter.

(2) In this case, the clerk shall furnish the early voter absentee ballots and envelopes when a valid application has been made.

(3) The voter may mark his or her ballots, seal place them in the envelope, sign the certificate, and return the ballots in the sealed envelope containing the certificate to the town clerk or an assistant town clerk, without leaving the office of the town clerk, or the voter may take the ballots and return them to the town clerk in the same manner as if the ballots had been received by mail.

(b) No person, except justices of the peace as provided in section 2538 of this title subchapter, may take any ballot from the town clerk on behalf of any other person.

Sec. 29. 17 V.S.A. § 2540 is amended to read:

§ 2540. INSTRUCTIONS TO BE SENT WITH BALLOTS

(a) The town clerk shall send with all early voter absentee ballots and envelopes printed instructions, which may be included on the envelope, in substantially the following form:

INSTRUCTIONS FOR EARLY OR ABSENTEE VOTERS

1. Mark the ballots.
2. Seal Place them in this envelope.
3. Fill out and sign the certificate on the envelope.
4. Mail or deliver the sealed envelope containing the ballots to the town clerk of the town where you are a registered voter in time to arrive no not later than election day.

Note: If these ballots have been brought to you personally by two justices of the peace because of your illness or physical disability, just return them to the justices after you have sealed and signed the envelope. YOU HAVE THE RIGHT TO MARK YOUR BALLOTS IN PRIVATE - but if you ask for help in filling out the ballots, they will give it to you.

BE SURE TO FILL OUT AND SIGN THE CERTIFICATE ON THIS ENVELOPE OR YOUR VOTE WILL NOT COUNT!

* * *

Sec. 30. 17 V.S.A. § 2541 is amended to read:

§ 2541. MARKING OF BALLOTS

* * *
(c) If an early or absentee voter spoils a ballot, the voter may return the spoiled ballot by mail or in person to the town clerk and receive another ballot, consistent with the provisions of section 2568 of this title.

Sec. 31. 17 V.S.A. § 2543 is amended to read:

§ 2543. RETURN OF BALLOTS

(a) After marking the ballots and signing the certificate on the envelope, the early or absentee voter to whom the same are addressed shall return the ballots to the clerk of the town in which he or she is a voter, in the manner prescribed, except that in the case of a voter to whom ballots are delivered by justices, the ballots shall be returned to the justices calling upon him or her, and they shall deliver them to the town clerk.

(b) Once an early voter absentee ballot has been returned to the clerk in the sealed envelope with the signed certificate, it shall be stored in a secure place and shall not be returned to the voter for any reason.

(c) If a ballot includes more than one page, the early or absentee voter need only return the page upon which the voter has marked his or her vote.

(d)(1) All early voter absentee ballots returned to the clerk before the polls close on election day as follows shall be counted:

(A) by any means, to the town clerk’s office before the close of the polls on the day of the election; or

(B) by hand delivery to the presiding officer at the voter’s polling place.

(2) An early voter absentee ballot returned in a manner other than those set forth in subdivision (1) of this subsection shall not be counted.

Sec. 32. 17 V.S.A. § 2546 is amended to read:

§ 2546. DEPOSIT OF EARLY VOTER ABSENTEE BALLOTS IN BALLOT BOX OR VOTE TABULATOR

(a)(1)(A) No sooner Not earlier than 30 days before the opening of polls on election day, the town clerk of a municipality with at least 300 registered voters on its checklist may direct two election officials working together to do all of the following:

(1) open the outside envelope in order to and sort early voter absentee ballots by ward and district, may data enter the return of the ballots by the voter, may if necessary;

(2) determine that the certificate has been properly completed and
(3) check the name of the early voter off the entrance checklist; and may

(4) place the inside certificate envelopes in various secure containers into a secure container marked “checked in early voter absentee ballots” to be transported to the polling places on election day.

(B) No sooner than 48 hours before the opening of polls on election day, a town clerk in all other municipalities may direct two election officials working together to open the outside envelope and remove the certificate envelope in order to determine that an early voter absentee ballot certificate has been properly signed by the early voter, and that the name of the early voter appears on the checklist.

(2) The election officials shall check the name of the early voter off the entrance checklist and place the sealed envelope into a secure container marked “checked in early voter absentee ballots” to be transported to the polling place on election day.

(3) Upon opening of the polls on election day, ballots from this container shall be opened by election officials, who are not members of the same political party, and deposited either into the ballot box or into the vote tabulator.

(b) The town clerk or presiding officer shall deliver the unopened early voter absentee ballots to the election officials at the place where the entrance checklist is located. Upon the opening of the polls on election day:

(1) If the ballots are in a container marked “checked in early voter absentee ballots,” two one election officials from different political parties official shall open the certificate envelopes, turn the certificate side face down, and hand the envelope face down to a second election official from a different political party, who shall remove the ballots from the envelopes and deposit the ballots into them in the ballot box or into the vote tabulator.

(2) If the ballots have not been previously checked off the entrance checklist and if two election officials determine officials, from different political parties, determine that the certificate on the envelope is properly completed and signed by the early voter, the name of the early voter appears on the checklist, and the early voter is not a first-time voter in the municipality who registered by mail and is marked on the checklist as requiring additional documentation, the election official officials shall mark the checklist, open the envelope certificate envelope, turn the certificate side face down, and hand the envelope face down to a third election official who shall remove the ballots from the envelopes and deposit the ballot ballots in the proper ballot box or vote tabulator.
(3)(A) If the early voter is a first-time voter who registered by mail or online, the two election officials from different political parties shall determine whether the identification required under subdivision 2563(1) of this title has been submitted by the voter. Upon ascertaining that the proper identification has been submitted by the voter, the election officials shall mark the checklist, open the certificate envelope, turn the certificate side face down, and hand the envelope face down to a third election official who shall remove the ballots from the envelopes and deposit the ballot in the proper ballot box or vote tabulator.

(B) If the proper identification has not been submitted, the ballot shall be treated as a provisional ballot, as provided in subchapter 6A of this chapter.

(c) All early voter absentee ballots shall be commingled with the ballots of voters who have voted in person.

Sec. 33. 17 V.S.A. § 2546a is amended to read:

§ 2546a. DAY PRECEDING ELECTION; DEPOSIT OF EARLY VOTER ABSENTEE BALLOTS IN VOTE TABULATOR

* * *

(d) Count and inspection.

(1) On the day preceding the election, at least one hour prior to depositing the ballots in the vote tabulator, the town clerk and the election officials shall:

   (4)(A) first open the secure container marked “checked in early voter absentee ballots,” count the sealed certificate envelopes containing those ballots, and record the number counted; and

   (2)(B) permit these sealed certificate envelopes to be inspected by members of the public.

(2) Any early voter absentee ballot that is returned after the expiration of the period for the count and inspection shall be processed on the day of the election in accordance with section 2546 of this subchapter.

(e) Processing.

(1) Immediately after the expiration of the period for the count and inspection described in subsection (d) of this section, the town clerk and election officials shall open each sealed certificate envelope containing an early voter absentee ballot that was counted under subdivision (d)(1) of this section and deposit each ballot into a vote tabulator.
(2) The town clerk and the election officials shall ensure that all procedures for handling ballots are followed to the fullest extent practicable.

(3) At the end of the processing, the town clerk shall verify that the vote tabulator’s memory card is locked in place and shall sign a statement verifying how many early voter absentee ballots were counted by the vote tabulator and that the memory card is so locked. The town clerk shall compare the vote tabulator’s number of counted ballots to the original count of those ballots described in subsection (d) subdivision (d)(1) of this section.

* * *

Sec. 34. 17 V.S.A. § 2547 is amended to read:

§ 2547. DEFECTIVE BALLOTS

(a) If upon examination by the election officials it shall appear that any of the following defects is present, either the ballot or the unopened certificate envelope shall be marked “defective” and the ballot shall not be counted:

(1) the early or absentee voter is not legally qualified to vote, or;

(2) the early or absentee voter has voted in person, or that;

(3) the affidavit on any the certificate envelope is insufficient, not completed;

(4) the certificate is not signed, or;

(5) the voted ballot is not in the voted ballot certificate envelope, or,

(6) in the case of a primary vote, the early or absentee voter has failed to return the unvoted primary ballots, such envelope shall be marked “defective,” and the ballots inside shall not be counted and.

(b) Each defective ballot or unopened certificate envelope shall be:

(A) affixed with a note from the presiding officer indicating the reason it was determined to be defective;

(B) placed with other such defective ballots in an envelope marked “Defective Ballots – Voter Checked Off Checklist - Do Not Count”; and

(C) shall be returned in the unopened that envelope to the town clerk in the manner prescribed by section 2590 of this title.

(c) The provisions of this section shall be indicated prominently in the early or absentee voter material prepared by the Secretary of State.

Sec. 35. 17 V.S.A. § 2548 is amended to read:

§ 2548. VOTING IN PERSON
(b)(1) A person who in good faith has received early voter absentee ballots for his or her use but has not yet marked them, if he or she is able to vote in person, may cast the early voter absentee ballots as provided above, or may vote in person after returning the complete set of unmarked ballots, together with the envelope intended for their return, to the presiding officer at the time the voter appears to vote in person.

(2) If a person does not have his or her absentee ballots to return, the person shall be checked off the checklist and permitted to vote only after completing a sworn affidavit that he or she does not have his or her absentee ballots to return.

(3) The presiding officer shall return the unused early voter absentee ballots and envelope to the town clerk, who shall make a record of their return on the list of early or absentee voters and treat them as spoiled or unused replaced ballots, pursuant to section 2568 of this title.

**Provisional Voting**

Sec. 36. 17 V.S.A. § 2555 is amended to read:

§ 2555. PROVISIONAL BALLOT ENVELOPES

The clerk shall deliver to each polling place on the date of the election a sufficient number of provisional ballot envelopes printed with a voter attestation. The attestation shall include:

**Process of Voting**

Sec. 37. 17 V.S.A. § 2563 is amended to read:

§ 2563. ADMITTING VOTER

Before a person may be admitted to vote, he or she shall announce his or her name and, if requested, his or her place of residence in a clear and audible tone of voice, or present his or her name in writing, or otherwise identify
himself or herself by appropriate documentation. The election officials 
attending the entrance of the polling place shall then verify that the person’s 
name appears on the checklist for the polling place.

(1) If the name does appear, and if no one immediately challenges the 
person’s right to vote on grounds of identity or having previously voted in the 
same election, the election officials shall repeat the name of the person and:

(A)(i) If the checklist indicates that the person is a first-time voter in 
the municipality who registered by mail or online, whose driver’s license, 
nondriver identification number, or last four digits of his or her Social Security 
number provided by the applicant have not been verified by the Secretary of 
State, and who has not provided required identification before the opening 
of the polls, require the person to present any one of the following: a valid photo 
identification; a copy of a current utility bill; a copy of a current bank 
statement; or a copy of a government check, paycheck, or any other 
government document that shows the current name and address of the voter.

* * *

Sec. 38. 17 V.S.A. § 2564 is amended to read:

§ 2564. CHALLENGES

(a)(1)(A) Each organized political party, each candidate on the ballot not 
representing an organized political party, and each committee supporting or 
opposing any public question on the ballot shall have the right to have not 
more than two representatives for each voting district, in a polling place but 
outside the guardrail, for the purpose of observing the voting process and 
challenging the right of any person to vote.

(B) In no event shall such representatives be permitted to interfere 
with the orderly conduct of the election, and the presiding officer shall have 
authority to impose reasonable rules for the preservation of order.

(C) However, in all cases the representatives shall have the right to 
hear or see the name of a person seeking to vote, and they shall have the right 
to make an immediate challenge to a person’s right to vote.

(2) The grounds of challenge of a person whose name appears on the 
checklist shall be only:

(1)(A) that he or she is not, in fact, the person whose name appears on 
the checklist, or

(2)(B) that he or she has previously voted in the same election.

(b) If a challenge is issued, the members of the board of civil authority 
present in the polling place shall immediately convene, informally hear the
facts, and decide whether the challenge should be sustained.

(1) If the board overrules the challenge, the person shall immediately be admitted within the guardrail and permitted to vote.

(2) If the board sustains the challenge, the person shall not be admitted unless, before the polls close, he or she shall obtain a court order directing that he or she be permitted to vote.

Sec. 39. 17 V.S.A. § 2566 is amended to read:

§ 2566. MARKING BALLOTS

On receiving his or her ballots, the voter shall forthwith, and without leaving the polling place or going outside the guardrail, proceed to one of the booths not occupied by any other person and vote by filling in the appropriate square or oval opposite the name of the candidate of his or her choice for each office, or by filling writing in the name of the candidate of his or her choice in the blank space provided and filling in the square or oval to the right of that blank space.

Sec. 40. 17 V.S.A. § 2568 is amended to read:

§ 2568. SPOILED REMOVING BALLOTS FROM POLLING PLACE; REPLACEMENT, BLANK, AND UNUSED BALLOTS

(a) Removing ballots from polling place. A person shall not take or remove a ballot from the polling place before the close of the polls.

(b) Replacement ballots.

(1) If a voter spoils desires a replacement ballot, he or she may obtain others another, one at a time, not exceeding three in all, upon each time returning to an election official the spoiled one previous ballot he or she was provided.

(2) If a ballot is returned to an election official by a voter desiring a replacement ballot, the ballot returned by the voter shall be immediately delivered to the presiding officer or his or her designee, who shall tear it in half and place it in an envelope containing all ballots returned by the voters that is clearly marked “Do Not Count—Replaced Ballots.” At the close of the polls, this envelope shall be sealed and delivered to the clerk pursuant to section 2590 of this chapter. If a person fails to use a ballot, he or she shall deliver it to the presiding officer before going outside the guardrail.

(c) Spoiled and unused Unused ballots shall be immediately canceled and, together with those. Ballots originally delivered to the presiding officer which that remain undistributed to the voters, shall be preserved and returned to the town clerks, in the same manner provided for in section 2590 of this title, and
the clerk shall preserve them in such condition, unless called for by some authority entitled to demand and receive them. After 90 days from the date the election is held, they may be destroyed or distributed by the town clerk for educational purposes or for any other purpose the town clerk deems appropriate.

Sec. 41. 17 V.S.A. § 2570 is amended to read:

§ 2570. DEPOSITING BALLOTS

(a) In primary elections, the voter shall first hand any unvoted primary ballots to the appropriate election official, who shall deposit those ballots in a receptacle marked for unvoted primary ballots. The voter shall then deposit the voted ballot in the ballot box or vote tabulator, unless the voter requires assistance in depositing the ballot.

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*** Count and Return of Votes ***

Sec. 42. 17 V.S.A. § 2586 is amended to read:

§ 2586. SECRETARY OF STATE TO PREPARE FORMS TALLY SHEETS; SUMMARY SHEETS; RETURNS

The secretary of state Secretary of State shall design, prepare, and distribute a sufficient supply of the following forms, which shall may be used in each polling place during the counting process:

(1) Tally sheets.

(A) These sheets shall provide a place to identify the office or question for which the ballots are being counted, the name of each candidate for that office, and the signature of the pair of election officials actually counting the ballots.

(B) Votes for each candidate or question shall be recorded on the tally sheets by means of “tick” marks or some other convenient system, and the total shall then be written on the tally sheet.

(C) Blank votes (undervotes) and spoiled ballots overvotes shall be indicated.

(D) All In towns that count ballots by hand, all votes must be accounted for on the tally sheets.

***

Sec. 43. 17 V.S.A. § 2587 is amended to read:

§ 2587. RULES FOR COUNTING BALLOTS VOTES
(a)(1) In counting ballots votes, election officials shall attempt to ascertain the intent of the voter, as expressed by markings on the ballot which and in a manner that is consistent with guidance that shall be adopted by rule by the Secretary of State. The Secretary shall adopt, by rule, guidance on determining whether a ballot is spoiled.

(2) If it is impossible to determine the intent of the voter for any office or public question, the ballot vote shall be counted as a blank or spoiled overvote, as the case may be, for that office or question; but that determination shall not control any other office or question appearing on the ballot for which the voter’s intent can be determined.

(3) If they have any doubt about the intent of the voter or any other question about a ballot vote, the election officials counting the ballot vote shall bring it to the presiding officer, who shall present the question of how to treat the ballot vote to the assembled election officials. The decision of how to treat the ballot vote shall be made by majority vote of the election officials who are present.

(b) If the voter marks more names than there are persons to be elected to an office, or marks contradictory sides on any public question, his or her ballot shall not be counted for that office or public question overvotes equal to the number of candidates to be elected to the office must be recorded on the tally sheet for that office or question.

(c)(1) A write-in vote for a candidate whose name is preprinted on the ballot shall be counted as a vote for that candidate.

(2) A person who receives more than one vote for the same office on any ballot shall be entitled to one vote, and one vote only.

(d) If the board of civil authority decides by majority vote of those present that any markings on a ballot were made for the purpose of enabling it to be identified and the vote traced, so as to defeat the secrecy of the ballot:

(1) that ballot shall be:

(A) rejected;

(B) marked defective and affixed with a note from the presiding officer as to why it was marked defective; and

(C) placed in the defective ballot envelope in accordance with subsection 2547(b) of this chapter; and

(2) the election officials may edit the vote tabulator totals reported on the vote tabulator tape, as necessary. The board shall make a record of the rejection and the reason for it, and shall preserve the record with the ballot in
question.

(e)(1) In the case of “write-in” votes, the act of writing in the name of a candidate, or pasting a label containing a candidate’s name upon the ballot, without other indications of the voter’s intent, shall constitute a vote for that candidate, even though the voter did not fill in the square or oval after the name.

(2) The election officials counting ballots and tallying results shall list every person who receives a “write-in” vote and the number of votes received.

(A) On each tally sheet, the counters shall add together the names of candidates that are clearly the same person, even though a nickname or last name is used.

(B) Names of fictitious or deceased persons shall not be listed and shall be recorded on the tally sheet as a blank vote.

* * *

Sec. 44. 17 V.S.A. § 2588 is amended to read:

§ 2588. FILING RETURNS

For any primary or general election:

(a)(1)(A) In towns that count all ballots by hand, as the count of votes for each office or public question is completed, the presiding officer and at least one other election official shall collect the tally sheets, enter the totals shown on the tally sheets upon the summary sheets, add and enter the sum of the figures, and sign the summary sheets.

(B) As each summary sheet is completed, the presiding officer shall publicly announce the results.

(b)(2)(A) In towns that use vote tabulators, after the close of the polls and after all remaining absentee or transfer ballots have been fed into the vote tabulator, the presiding officer shall insert the ender card and the tabulator will print a tape of unofficial results. The presiding officer shall print at least two additional copies of the tabulator tape.

(B) The unofficial results from the tape may be publicly announced, and one copy of the printed tape may be posted in the polling place upon a placard that clearly states: “Unofficial incomplete results.”

(c) For any primary or general election:

(3) The town clerk shall report as soon as practicable on the day of the election the unofficial vote counts of all candidates whose names appeared on the ballot to the Secretary of State. The report shall be made by
electronically submitting the vote counts on the Secretary’s online elections reporting system or, if unable to submit electronically, by submitting those vote counts to the Secretary of State by telephone, facsimile, or e-mail.

(2)(4) The Secretary shall ensure that any vote counts submitted by telephone, facsimile, or e-mail are entered into his or her online elections reporting system as soon as practicable after he or she receives them.

(3)(5) The Secretary’s online elections reporting system shall cause the unofficial vote counts to be posted immediately on the Secretary’s official website as soon as those vote counts are submitted.

(4)(6)(A) The presiding officer and one other election official then shall proceed either to complete the return at once, or to store the summary sheets in a safe and secure place until their retrieval for completion of the return. In any event, no not later than 24 48 hours after the polls close, the presiding officer and at least one other election official shall transfer the totals from the summary sheets to the proper spaces on the return, and both shall sign the return.

(B) The town clerk shall store the summary sheets safely so that the public cannot reasonably have access to them for a period of 90 days without the town clerk’s consent.

(C) The original of the return shall be delivered to the town clerk. In a manner prescribed by the Secretary of State and within 48 hours of the close of the polls, the town clerk shall deliver to the Secretary of State, the senatorial district clerk, the county clerk, and the representative district clerk one certified copy each of the return. The town clerk shall also make a copy available to the public upon request.

Sec. 45. 17 V.S.A. § 2590 is amended to read:

§ 2590. SECURING AND STORING BALLOTS, TALLY SHEETS, AND CHECKLISTS

(a)(1) The following shall not be placed in a sealed container, but shall be delivered to the town clerk along with the sealed containers:

(A) ballots that were never distributed to voters;

(B) any vote tabulator memory card; and

(C) the original entrance checklist.

(2) The presiding officer shall collect and deliver to the town clerk, securely sealed in the containers described in subsection (c) of this section, the following:
(A) packages of voted ballots;
(B) envelopes containing ballots that have been replaced;
(C) envelopes containing defective ballots;
(D) the exit checklist, if present;
(E) tally sheets; and
(F) other election material shall be collected by the presiding officer and delivered to the town clerk, securely sealed in the containers provided for in subsection (b) of this section.

(3) A copy of the entrance checklist shall be placed in the outside pocket of the sealed container or otherwise stored along with but outside the sealed container for delivery to the court in the event of a recount.

(4) If the material collected from one polling place is sealed in more than one container, the presiding officer shall ensure that there shall be attached to the container in which the exit checklist or checklists are located, a tag stating that the checklist or checklists are in that container.

(5) The form of the seal shall be designated and furnished by the secretary of state in sufficient quantities to each town clerk. The secretary of state shall require that all seals be safely kept and fully accounted for. The entrance checklist shall also be forwarded to the town clerk.

(b) The secretary of state shall furnish to all town clerks sufficient quantities of uniform-style containers. The secretary of state shall establish a method by which the outside of each container shall indicate the contents of the container, the town to which it belongs, and such other pertinent information as may be required.

(c)(1) The presiding officer shall return all sealed containers to the town clerk, who shall safely store the sealed containers and shall not permit them to be removed from his or her custody or tampered with in any way.

(2)(A) In the event that a ballot bag or container breaks, splits, or opens through handling, or in the event the original entrance checklist or a vote tabulator memory card was inadvertently sealed in a ballot bag or container, the town clerk shall notify the secretary of state in writing, and the secretary of state shall order the town clerk in the presence of two other town election officials who are not members of the same political party to open the bag to remove the entrance checklist or vote tabulator memory card or to move the entire contents to new bags or containers, affix new seals, and transmit the new seal numbers.
(B) Ballot bags or containers. Containers shall not be removed or tampered with in any other way, except under court order, or by order of any authorized committee of the general assembly.

(C) If necessary for safe storage of the containers, the town clerk may store them in a bank vault or other secure place, within or without outside the town, provided that access to them cannot reasonably be had without the town clerk’s consent.

* * *

Sec. 46. 17 V.S.A. § 2592 is amended to read:

§ 2592. CANVASSING COMMITTEES; CANVASS OF VOTES IN GENERAL OR SPECIAL ELECTIONS

(a) For all State and national offices and statewide public questions, the secretary of state and the chair of the state committee of each major political party (or designee) shall constitute a canvassing committee to receive and tally returns and issue certificates.

(b) For all county offices (except justice of the peace) and countywide public questions, the county clerk and the chair of the county committee of each major political party (or designee) shall constitute a canvassing committee to receive and tally returns and issue certificates.

* * *

(k)(1) In the case of the State offices of governor, lieutenant governor, treasurer, secretary of state, attorney general, and auditor of accounts, the canvassing committee shall prepare a certificate of election but shall not sign it.

(2) The prepared certificate shall be presented to the official canvassing committee appointed by the general assembly, pursuant to Chapter II, § 47 of the Constitution of the State of Vermont, for their use if they desire.

(l)(1) In the case of a tie vote, the canvassing committee shall forthwith petition the appropriate superior court for a recount pursuant to section 2602 of this title.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, either of the candidates that is involved in a tie may notify the appropriate Superior Court that he or she is withdrawing, in which case the court shall certify the other candidate as the winner.

(m) Each canvassing committee shall file a report of its findings with the secretary of state, who shall preserve the reports as
permanent records.

*** Contested Legislative Elections ***

Sec. 47. 17 V.S.A. § 2605 is amended to read:

§ 2605. HOUSE OF REPRESENTATIVES

(a) A candidate for the office of Representative to the General Assembly in the general election, or any elected town officer in the representative district, or any 25 voters in the representative district may request the House of Representatives to exercise its constitutional authority to judge of the elections and qualifications of its own members, by filing a written request with the Secretary of State specifying the candidate or candidates whose election is being challenged. The request must be filed no not later than the latest of the following:

1. 20 days after the date of the election; or
2. 10 days after a final court judgment, if there is a recount under section 2602 of this title; or
3. 10 days after a final court judgment, if there is a contest under section 2603 of this title.

(b) The Secretary of State shall notify the Attorney General, who shall investigate the facts, take such depositions as may be necessary, prepare an opinion on the law and facts, and send his or her report and opinion to the Clerk of the House at least 10 days before the General Assembly convenes.

Sec. 48. 17 V.S.A. § 2606 is amended to read:

§ 2606. SENATE

(a) A candidate for the office of State Senator in the general election, or any 100 voters in the senatorial district may request the Senate to exercise its constitutional authority to judge of the elections and qualifications of its own members by filing a written request with the Secretary of State specifying the candidate or candidates whose election is being challenged. The request must be filed no not later than the latest of the following:
(1) 20 days after the date of the election; or
(2) 10 days after a final court judgment, if there is a recount under section 2602 of this title; or
(3) 10 days after a final court judgment, if there is a contest under section 2603 of this title.

(b)(1) The Secretary of State shall notify the Attorney General, who shall investigate the facts, take such depositions as may be necessary, prepare an opinion on the law and facts, and send his or her report and opinion to the Secretary of the Senate at least 10 days before the General Assembly convenes.

(2) If the Attorney General needs additional time to conduct the investigation or prepare the report and opinion required by this subsection, he or she shall alert the Secretary of the Senate of that need and the date by which he or she plans to submit the report and opinion.

* * * Local Elections; Generally * *

Sec. 49. 17 V.S.A. § 2640 is amended to read:

§ 2640. ANNUAL MEETINGS

(a) A meeting of the legal voters of each town shall be held annually on the first Tuesday of March for the election of officers and the transaction of other business, and it may be adjourned to another date. When a municipality fails to hold an annual meeting, a warning for a subsequent meeting shall be issued immediately, and at that meeting all the officers required by law may be elected and its business transacted.

(b) When a town so votes, it may thereafter start its annual meeting on any of the three days immediately preceding the first Tuesday in March at such time as it elects and may transact at that time any business not involving voting by Australian ballot or voting required by law to be by ballot and to be held on the first Tuesday in March. A meeting so started shall be adjourned until the first Tuesday in March.

(c)(1) Notwithstanding section 2508 of this title, public discussion of ballot issues and all other issues appearing in the warning, other than election of candidates, shall be permitted on that day at the annual meeting, regardless of the location of the polling place.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, a candidate for local office nominated from the floor at the annual meeting may introduce his or her candidacy to the extent permitted by the voters at the
Sec. 50. 17 V.S.A. § 2650 is amended to read:

§ 2650. ADDITIONAL SELECTMEN AND LISTERS AND SELECTBOARD MEMBERS

(a) Additional listers. A town may vote at a special or annual town meeting to elect not more than two additional listers for terms of one year each.

(b) Additional selectboard members.

(1)(A) A town may vote at a special or annual town meeting to elect not more than two additional selectmen for terms of either one or two years each.

(B) When the terms of the additional selectmen are to be for two years, the warning for the meeting shall so specify.

(2)(A) If two additional selectmen positions are created, they shall be for terms of the same length, but if the terms of the new positions are to be for two years, when the additional selectmen are first elected, one shall be elected for one year and the other selectman for two years.

(B) Terms of these additional selectmen shall end on annual meeting days. If the additional selectmen are elected at a special meeting, the term of those elected for one year shall expire on the next annual meeting day and those elected for two years shall expire on the second annual meeting day following their election.

(c) Discontinuing additional listers or selectboard members.

(1) A vote establishing additional selectmen or listers or selectboard members shall remain in effect until the town votes to discontinue the two additional positions at an annual or special meeting duly warned for that purpose.

(2) The term of office of any lister or selectboard member in office on the date a town votes to discontinue that office shall expire on the 31st day after the vote, unless a petition for reconsideration or rescission of that vote is filed with the clerk of the municipality in accordance with section 2661 of this chapter, in which case that section shall control.

Sec. 51. 17 V.S.A. § 2652 is amended to read:

§ 2652. ROAD AND WATER COMMISSIONERS

The board of selectmen may and, when requested by at least
five percent of the legal voters of a town at least 40-47 days prior to the annual town meeting, they [sic] shall insert in the warning for the annual town meeting an article on the question of whether or not the town shall elect a road commissioner or commissioners, or water commissioners, as provided in section 2651 of this title chapter.

Sec. 52. 17 V.S.A. § 2661 is amended to read:

§ 2661. RECONSIDERATION OR RESCISSION OF VOTE

* * *

(c) A question voted on shall not be presented for reconsideration or rescission at more than one subsequent meeting within the succeeding 12 months a one-year period, except with the approval of the legislative body.

(d) For a vote by Australian ballot:

(1) the form of the ballot shall be as follows: “Article 1: [cite the article to be reconsidered as lastly voted].”

(2) absentee ballots for the reconsideration or rescission vote shall be sent to any voter who requested an absentee ballot for the initial vote on the article to be reconsidered or rescinded, whether or not a separate request for an absentee ballot for the reconsideration or rescission vote is submitted by the voter.

* * *

(g) This section shall not apply to nonbinding advisory articles, which shall not be subject to reconsideration or rescission.

* * * Local Elections Using the Australian Ballot System * * *

Sec. 53. 24 V.S.A. § 1755 is amended to read:

§ 1755. SUBMISSION TO VOTERS

* * *

(b) A municipal corporation may not submit to the voters more than twice in the same calendar year or any 12-month period the proposition of incurring a bonded debt to pay for the same or a similar public improvement, except that a proposition voted on for the first time at an annual meeting that is reconsidered may be voted on in the subsequent annual meeting.

Sec. 54. 17 V.S.A. § 2680 is amended to read:

§ 2680. AUSTRALIAN BALLOT SYSTEM; GENERAL

(a) Application. Unless specifically required by statute, the provisions of
the Australian ballot system shall not apply to the annual or special meeting of a municipality unless that municipality, at its annual meeting or at a special meeting called for that purpose, votes to have them apply.

* * *

c) Budgets.

(1) A vote whether to use the Australian ballot system to establish the budget shall be in substantially the following form:

“Shall (name of municipality) adopt its (name of individual budget article) or (all budget articles) by Australian ballot?”

* * *

g) Hearing.

(1) Whenever a municipality has voted to adopt the Australian ballot system of voting on any public question or budget, except the budget revote as provided in subsection (c) of this section, the legislative body shall hold a public informational hearing on the question by posting warnings at least 10 days in advance of the hearing in at least two public places within the municipality and in the town clerk’s office.

(2)(A) The hearing shall be held within the 10 days preceding the meeting at which the Australian ballot system is to be used. The legislative body shall be responsible for the administration of this hearing, including the preparation of minutes.

(B) The In a town that has voted to start its annual meeting on any of the three days immediately preceding the first Tuesday in March in accordance with subsection 2640(b) of this title, the hearing under this subsection may be held in conjunction with the that meeting held under subsection 2640(c) of this title, in which case the moderator shall preside.

Sec. 55. 17 V.S.A. § 2681 is amended to read:

§ 2681. NOMINATIONS; PETITIONS; CONSENTS

(a)(1)(A) Nominations of the municipal officers shall be by petition. The petition shall be filed with the municipal clerk, together with the endorsement, if any, of any party or parties in accordance with the provisions of this title, no not later than 5:00 p.m. on the sixth Monday preceding the day of the election, which shall be the filing deadline.

(B) A candidate shall be registered to vote in the town he or she is seeking office at or before the time of filing the petition.

(2) The candidate shall also file a written consent to the printing of the
candidate’s name on the ballot on or before the filing deadline for petitions as set forth in subdivision (1) of this subsection.

(3) A petition shall contain the name of only one candidate, and the candidate’s name shall appear on the petition as it does on the voter checklist. A voter shall not sign more than one petition for the same office, unless more than one nomination is to be made, in which case the voter may sign as many petitions as there are nominations to be made for the same office.

***

*** Local Election Recounts ***

Sec. 56. 17 V.S.A. § 2681a is amended to read:

§ 2681a. LOCAL ELECTION BALLOTS

***

(e) Public questions shall be written in the form of a question, with boxes indicating a choice of “yes” and “no” directly under or to the right side of the public question. No public question shall pass unless a majority of the votes, excluding blank and spoiled votes overvotes, is cast in favor of the proposition.

Sec. 57. 17 V.S.A. § 2683 is amended to read:

§ 2683. REQUEST FOR A RECOUNT; CANDIDATES

(a) A candidate for local office may request a recount by filing a request in writing with the municipal clerk within 10 days after the election.

(b) If the difference between the number of votes cast for a winning candidate and the number of votes cast for a losing candidate is less than five percent or less of the total votes cast for all the candidates for an office, divided by the number of persons to be elected, that losing candidate shall have the right to have the votes for that office recounted.

Sec. 58. 17 V.S.A. § 2685 is amended to read:

§ 2685. CONDUCT OF RECOUNT

(a)(1) Except as provided in subdivision (2) of this subsection, at the time and place specified by the clerk, the board of civil authority shall break the seal, open the ballot container, and recount the votes pursuant to the procedure set forth in section 2685a of this subchapter and otherwise in the same manner as the votes were counted on the day of the election.

(2) When the ballot for the office is printed on index stock and configured to be readable by vote tabulator, the presiding officer town clerk and board of civil authority shall conduct the recount by vote tabulator,
pursuant to the procedure set forth in chapter 51, subchapter 9 of this title to
the greatest extent practicable, if:

(A) the candidate who petitions for a recount requests that it be
conducted by vote tabulator;

(B) the board of civil authority, at a meeting held not less than 60
days prior to a local election and warned pursuant to 24 V.S.A. § 801, has
voted to require the municipality for which it is elected to use vote tabulators
in subsequent recounts; or

(C) the municipality has voted to use vote tabulators in subsequent
recounts pursuant to a meeting warned for the purpose.

(b) The petitioner, the opposing candidates, and their designated
representatives may inspect the ballots and observe the recount under the
guidance of the board.

(c) The board shall certify the result to the town clerk, who shall declare
the result.

(d) After the recount, the board shall seal the ballots and other materials
back in the containers and the town clerk shall safely store them as provided in
section 2590 of this title.

Sec. 59. 17 V.S.A. § 2685a is amended to read:

§ 2685a. PROCEDURE FOR RECOUNT

(a) Storage of ballots; assignment of duties.

(1) The town clerk shall store all ballots, still in their sealed containers,
in his or her vault until the day of the recount.

(2)(A) The presiding officer town clerk shall supervise the recount.

(B) If the town clerk is unavailable or is a candidate for the office
subject to the recount, the board of civil authority shall appoint a voter of the
municipality to perform the duties of the town clerk under this section.

(3)(A) The board of civil authority shall appoint a sufficient number of
impartial assistant election officers to perform appropriate tasks that are not
practicable for the board of civil authority to perform to conduct the recount.

(B) Each assistant election officer shall be appointed and sworn as set
forth in section 2454 of this title.

(4) The presiding officer shall assign members of the board of civil
authority to teams of at least four persons, consisting of one caller and one
observer, representing different candidates, and one tally person and one
double-check person, representing different candidates. Any additional team
members shall be additional observers and double-check persons who shall be assigned to ensure that each candidate has one person assigned as either a caller or an observer and one person assigned as either a tally person or a double-check person. One team shall be designated as the presiding officer observer team, which shall perform only the functions established under this section for that team. [Repealed.]

(5) The board of civil authority shall use fresh seals, manila tags, tally sheets, double-check sheets, summary sheets for each polling place, master lists for the entire election to be recounted, and other appropriate material provided by the Secretary of State. [Repealed.]

(b) Preparation for recount.

(1) Before the recount begins, the presiding officer town clerk shall explain the recount procedures which are to be followed and shall answer questions relating to such procedures.

(2) The recount teams established election officials shall recount the contents of one container before another container is opened and shall recount the contents of all the containers relating to one polling place before moving to those of another polling place.

(3) For each polling place, the number of containers shall be counted and recorded on the master list.

(4) Before opening, each container shall be inspected, and if no tag is present, replacement manila tags shall be affixed, specifying the date of election and the name of town and polling place. Likewise, each seal shall be examined to see if it is intact, and the presiding officer shall attach to any bag with a defective seal a tag stating that the seal was defective and containing the information which was contained on the defective seal.

(5) Uncounted containers shall be kept in one part of the room and moved to the other side as they are counted. Each team shall have a separate table and the presiding officer shall have a separate table, all of which tables shall be spaced apart.

(6) If there is more than one container from a polling place, the presiding officer shall open first the container which is identified as containing the checklist. Upon opening the first container in the presence of the presiding officer observer team, the presiding officer shall empty the contents onto the presiding officer’s table. The presiding officer shall ensure that teams are not given unused ballots, early or absentee ballots which arrived after the close of polls, or ballots spoiled by voters and turned in by voters requesting fresh ballots.
(c) Examination of checklists.

(1) The checklist from the first bag shall be assigned to a team. The caller and observer, each acting independently, shall examine the checklist and determine how many voters voted at the polling place, repeating the process until they agree on a number or until they agree to disagree on a number.

(2) Then the checklist shall be examined by the tally person and the double-check person, repeating the process until they agree on a number or they agree to disagree on the number.

(3) The results obtained from the two subgroups will be compared and if they do not match, the process shall be repeated until there is agreement among all the members of the team or until team members agree to disagree.

(4) The number finally determined by a majority of team members shall be submitted to the presiding officer in the presence of the presiding officer observer team, together with an indication of the nature and extent of the disagreement. If one or more team members do not agree with the number submitted, the presiding officer shall note on the master list the fact that the number of people appearing as having voted on a specified checklist was subject to dispute. [Repealed.]

(d) Sorting of ballots.

(1) Ballots from the first container shall be counted by one team and placed into piles containing 50 ballots each, except where there is a final pile which contains fewer than 50, in which case, the counting team shall affix to the top of the pile a note indicating how many ballots are contained in the pile. All of these ballots then shall be transferred to another team which shall verify that they are in piles of 50 ballots each and that any remaining pile contains the designated number of ballots.

(2) The teams, except the presiding officer observer team and possibly the team which is processing the checklists, shall proceed to their tables and each team shall get from the presiding officer one pile of ballots, one tally sheet, and one double-check sheet per 50 ballots, unless there are more persons per team who serve as double-check persons, in which case, each such person shall be assigned a double-check sheet. If a team spoils a tally sheet or needs to retally, it must turn in the tally sheet in order to get another one. [Repealed.]

(e) First-tally Ballot review.

(1) The caller shall call the name of the person voted for and any blank or spoiled ballots. The tally person and the double-check person or persons each shall make a suitable mark for that candidate and any blank or spoiled ballots.
(2) If the caller and the observer or observers election officials examining a particular ballot do not agree on how the vote on that ballot should be counted, the entire team all of the board of civil authority members present shall all review the ballot vote, and if all members agree, the vote shall be counted that way as agreed upon by a majority of those board of civil authority members.

(3) If one member of the entire team does not agree, that ballot shall be set aside as a questioned ballot and a copy shall be made, which copy shall be clearly marked on its face identifying it as a copy. Such copies shall be placed on the top of the other ballots and shall remain together with the other ballots. Each original ballot deemed questionable shall be attached to a note which identifies it by town, polling place, and bag seal number. The originals of these questionable ballots shall be clipped to the summary sheet for that polling place and returned to the board of civil authority for a final decision by majority vote.

(4) After the board of civil authority has rendered a final decision on a given questionable ballot, it shall be returned to the town clerk who shall keep it in a sealed container for a period of two years.

(5)(2) Write-in votes A write-in vote for a preprinted candidate shall be counted as a vote for that candidate.

(6) If the tally persons do not agree on the number of votes for a candidate, the ballots shall be retallied until they do agree. Then the team shall notify the presiding officer that it has completed the first recount.

(f) Second tally.

(1) The presiding officer shall attach to the tally and double-check sheets a note which indicates which team members performed which functions in the first recount, and shall provide the team with a new tally sheet and an appropriate number of double-check sheets to match the number of people serving as double-check persons.

(2) The members of the team then shall switch roles, with callers and observers becoming tally persons and double-check persons, as designated by the presiding officer, and the team shall complete a second recount, following the procedures established for the first recount.

(3) When the results of the second recount match those of the first, a note shall be attached to the tally and double-check sheets, indicating which persons provided what functions during the second recount.

(4) Then the team shall take its tally sheets, double-check sheets, and ballots, plus a separate pile of questionable ballots, if any, to the presiding
officer.

(5) Team members, in the presence of the presiding officer observer team, shall read the totals to the presiding officer who, in the view of these observers, shall record the totals on the summary sheet for that polling place.

(6) After a team has presented its pile of ballots to the presiding officer, it shall be assigned another pile of ballots, until all of the piles from a particular polling place have been recounted two times. [Repealed.]

(g) Completing the tally.

(1) After the totals for a polling place have been listed, the presiding officer shall add them up in the presence of the presiding officer observer team, and shall compare the number with the number of voters who voted at that polling place, according to the number obtained from the team that examined the certified checklist. If these numbers differ, the presiding officer shall note the amount of the difference on the summary sheets for that polling place.

(2) The presiding officer shall return all ballots to the container, seal it, record the seal number on the summary sheet, write “recounted” and specify the date of the recount on the tag, and move it to the other side of the room, making sure that there is never more than one bag open at any one time.

(3) This procedure shall be repeated for each container, until the results from a polling place have been recounted, and then it shall be repeated until the results from all polling places in a town have been recounted.

(4) The presiding officer shall add the totals on each summary sheet, affix the presiding officer’s seal, and send the summary sheets for all polling places together with the master list and any questionable ballots to the board of civil authority. [Repealed.]

(h) Other rules for conducting the recount.

(1) The presiding officer town clerk shall preserve order. If a person, after notice, is persistently disorderly and refuses to withdraw from the premises, the presiding officer town clerk may cause the person to be removed from the premises.

(2) The presiding officer town clerk shall designate an area within which the recount shall take place. Persons who are not board of civil authority members or appointed impartial election officers shall be permitted to view a recount in progress, but persons not authorized by the presiding officer town clerk shall not be permitted within the area designated by the presiding officer town clerk.
(3) Candidates and their attorneys shall be given the opportunity to present evidence to the board of civil authority relating to the conduct of the recount. If the board determines that any violations of recount procedures have occurred and that they may have affected the outcome of the recount, a new recount shall be ordered. After such hearings or arguments as may be indicated under the circumstances, the board, within five working days, shall issue a judgment, which shall supersede any certificate of election previously issued and shall return to the town clerk questionable ballots which had been forwarded to the board.

(i) After the recount.

(1)(A) Except as provided in subdivision (B) of this subdivision (1), if the recount results in a tie, the board of civil authority shall order a recessed election to be held, within three weeks of the recount, on a date set by the board. The only candidates who shall appear on the ballot at the recessed election shall be those who tied in the previous election. The recessed election shall be considered a separate election for the purpose of voter registration under chapter 43 of this title a runoff election shall be conducted in accordance with section 2682b of this chapter.

(B) If the recount confirms a tie, as to any public question, no recessed election shall not be held, and the question shall be certified not to have passed.

(C) Warnings for a recessed election shall be posted as required by this chapter, except that the warnings shall be posted not less than 10 days before the recessed election. The conduct of a recessed election shall be as provided in this chapter for local elections.

(2) The town clerk shall send a certified copy of the judgment to the Secretary of State.

* * * Local Office Vacancies * * *

Sec. 60. 24 V.S.A. § 963 is amended to read:

§ 963. DUTIES OF SELECTPERSONS SELECTBOARD; SPECIAL MEETING

(a) When a vacancy occurs in any town office, the selectpersons selectboard forthwith by appointment in writing shall fill such vacancy until an election is had; except that in the event of vacancies in a majority of the selectboard at the same time, such vacancies shall be filled by a special town meeting called for that purpose.

(b) Such The selectboard shall file an appointment shall be filed by them made under this section in the office of the town clerk and the town clerk shall
duly recorded by the town clerk record it in the book of town records.

(c) If there are no selectpersons selectboard members in office, the Secretary of State shall call a special election to fill any vacancies and for that interim shall appoint and authorize the town clerk or another qualified person to draw orders for payment of continuing obligations and necessary expenses until the vacancies are filled.

* * * Town or Village Reports * * *

Sec. 61. 24 V.S.A. § 1173 is amended to read:

§ 1173. TOWN OR VILLAGE REPORTS

The clerk of a municipality shall supply annually each library in such municipality with two copies of the municipal report, upon its publication. The clerk shall also send to the State Library Vermont State Archives and Records Administration one copy thereof, and one copy each to the Secretary of State, Commissioner of Taxes, State Board of Health, Commissioner for Children and Families, Commissioner of Vermont Health Access, Auditor of Accounts, and Board of Education in a manner prescribed by the State Archivist. Officers making these reports shall supply the clerk of the municipality with the copies necessary for him or her to comply with the provisions of this section and section 1174 of this title.

* * * Presidential Elections * * *

Sec. 62. 17 V.S.A. § 2702 is amended to read:

§ 2702. NOMINATING PETITION

(a) The name of any person shall be printed upon the primary ballot as a candidate for nomination by any major political party if petitions signed by at least 1,000 voters in accordance with sections 2353, 2354, and 2358 of this title are filed with the Secretary of State, together with the written consent of the person to the printing of the person’s name on the ballot.

(b) Petitions shall be filed not later than 5:00 p.m. on the first Monday after the first Tuesday 15th day of January December preceding the primary election.

(c) The petition shall be in a form prescribed by the Secretary of State.

(d) A person’s name shall not be listed as a candidate on the primary ballot of more than one party in the same election.

(e) Each petition shall be accompanied by a filing fee of $2,000.00 to be paid to the Secretary of State. However, if the petition of a candidate is accompanied by the affidavit of the candidate, which shall be available for
public inspection, that the candidate and the candidate’s campaign committee are without sufficient funds to pay the filing fee, the Secretary of State shall waive all but $300.00 of the payment of the filing fee by that candidate.

Sec. 63. 17 V.S.A. § 2716 is amended to read:

§ 2716. NOTIFICATION TO SECRETARY OF STATE

Not later than 5:00 p.m. on the 55th 65th day before the day of the general election, the chair of the State committee of each major political party shall certify in writing to the Secretary of State the names of the presidential and vice presidential nominees selected at the party’s national convention.

**Campaign Finance**

Sec. 64. 17 V.S.A. § 2904 is amended to read:

§ 2904. CIVIL INVESTIGATION

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

**

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

**

Sec. 65. 17 V.S.A. § 2944 is amended to read:

§ 2944. ACCOUNTABILITY FOR RELATED EXPENDITURES

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

(b) As used in this section, a “related campaign expenditure made on the candidate’s behalf” means any expenditure intended to promote the election of a specific candidate or group of candidates or the defeat of an opposing candidate or group of candidates, if intentionally facilitated by, solicited by, or approved by the candidate or the candidate’s committee.

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

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

(d)(4) As used in this section, an expenditure by a person shall not be considered a “related expenditure made on the candidate’s behalf” if all:

(1)(A) All of the following apply:

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

(B)(ii) the expenditure was made for:

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

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

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

(2)(B) For the purposes of this subsection subdivision (1):

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

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

(2) All of the following apply:

(A) the expenditure is for an electioneering communication that promotes or supports all of the candidates who are named or pictured in it and
no other candidates, and those candidates named or pictured:

(i) have filed or been nominated as described in subdivision 2901(1)(B) of this chapter for a legislative, county, or local office;

(ii) are on the same ballot for the same election; and

(iii) each make an expenditure for the electioneering communication of an equal amount in order to share the cost of the electioneering communication equally; and

(B) no other person has made an expenditure for the electioneering communication.

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

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

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

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

Sec. 67. 17 V.S.A. § 2973 is amended to read:

§ 2973. SPECIFIC IDENTIFICATION REQUIREMENTS FOR RADIO, TELEVISION, OR INTERNET COMMUNICATIONS

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

(b) If the person who paid for the communication is not a natural person, the audio statement required by this section shall include the name of that non-natural person and the name and title of the treasurer, in the case of a candidate’s committee, political committee or political party, or the principal
officer, in the case of any other non-natural person.

*** Effective Date ***

Sec. 68. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to miscellaneous amendments to election law.

Pending the question Will the House concur in the Senate proposal of amendment? Rep. Hubert of Milton, moved to concur in the Senate proposal of amendment with a further amendment thereto as follows:

First: In Sec. 1, in 17 V.S.A. chapter 51, subchapter 9, in section 2602j (court hearing and judgment), in subsection (c), following “the marking of any ballot as defective in accordance with section 2547” by inserting “or subsection 2587(d)”

Second: In Sec. 1, in section 2602j (court hearing and judgment), in subsection (f), following “and after it has made a final decision on any questionable votes” by inserting “or defective ballots”

Third: In Sec. 31, 17 V.S.A. § 2543 (return of ballots), by striking out subsection (d) in its entirety and inserting in lieu thereof:

(d)(1) All early voter absentee ballots returned to the clerk before the polls close on election day as follows shall be counted:

(A) by any means, to the town clerk’s office before the close of business on the day preceding the election;

(B) by mail, to the town clerk’s office before the close of the polls on the day of the election; and

(C) by hand delivery to the presiding officer at the voter’s polling place.

(2) An early voter absentee ballot returned in a manner other than those set forth in subdivision (1) of this subsection shall not be counted.

Which was agreed to.

Senate Proposal of Amendment Concurred in

S. 10

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

An act relating to liability for the contamination of potable water supplies
The Senate concurs in the House proposal of amendment with the following proposal of amendment thereto:

By striking out Sec. 9 in its entirety and renumbering the remaining section of the bill to be numerically correct.

Which proposal of amendment was considered and concurred in.

**Senate Proposal of Amendment Concurred in**

**S. 72**

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

An act relating to requiring telemarketers to provide accurate caller identification information

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

By striking out Sec. 2 and the accompanying reader assistance (data brokers) in their entirety and by inserting in lieu thereof a new Sec. 2 and reader assistance to read as follows:

**AG Recommendations; Data Brokers; Privacy Rules for Internet Service Providers and Edge Providers**

Sec. 2. ATTORNEY GENERAL; CONSUMER PROTECTION; RECOMMENDATIONS; DATA BROKERS; INTERNET SERVICE PROVIDERS AND EDGE PROVIDERS

(a)(1) Data broker findings. The General Assembly finds that:

(A) The data broker industry brings benefits to society by:

(i) providing data necessary for the operation of both the public and private sectors;

(ii) supporting the critical flow of information for interstate and intrastate commerce; and

(iii) aiding in securing and protecting consumer identities.

(B) Despite these benefits, concerns have arisen about the data broker industry, including:

(i) how the data broker industry or persons accessing the industry may directly or indirectly harm vulnerable populations;

(ii) the use of the data broker industry by those who harass, stalk, and otherwise harm others;

(iii) whether appropriate safeguards are in place to ensure that
our most sensitive information is not sold to identity thieves, scammers, and other criminals; and

(iv) the impact of the data broker industry on the privacy, dignity, and well-being of the people of Vermont.

(2) Data broker recommendation. On or before December 15, 2017, the Commissioner of Financial Regulation and the Attorney General, in consultation with industry and consumer stakeholders, shall submit a recommendation or draft legislation to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs reflecting:

(A) an appropriate definition of the term “data broker”;  
(B) whether and, if so, to what extent the data broker industry should be regulated by the Commissioner of Financial Regulation or the Attorney General;  
(C) additional consumer protections that data broker legislation should seek to include that are not addressed within the framework of existing federal and State consumer protection laws; and  
(D) proposed courses of action that balance the benefits to society that the data broker industry brings with actual and potential harms the industry may pose to consumers.

(b)(1) Telecommunications privacy rule recommendation. On or before December 15, 2018, the Attorney General, in consultation with the Commissioner of Public Service, and in consultation with industry and consumer stakeholders, shall submit a recommendation or draft legislation to the Senate Committees on Finance and on Economic Development, Housing and General Affairs and the House Committees on Commerce and Economic Development and on Energy and Technology reflecting whether and to what extent the State should adopt privacy and data security rules applicable to telecommunications service providers subject to the jurisdiction of the Public Service Board under 30 V.S.A. § 203(5), including

(A) broadband Internet access service providers; and  
(B) to the extent permitted by federal law, “edge providers,” which shall include any individual or entity that provides any content, application, or service over the Internet, and any individual or entity that provides a device used for accessing any content, application, or service over the Internet.

(2) In making the recommendation, the Attorney General shall consider the following:

(B) Whether any rules should include:

(i) disclosure requirements pertaining to a provider’s privacy policies;

(ii) opt-in or opt-out procedures for obtaining customer approval to use and share sensitive or nonsensitive customer proprietary information, respectively; and

(iii) data security and data breach notification requirements.

(C) Proposed courses of action that balance the benefits to society that the telecommunications industry brings with actual and potential harms the industry may pose to consumers.

(D) Such other factors and considerations the Attorney General deems relevant to making recommendations pursuant to this section.

(3) Working group coordination. The Attorney General in consultation with the Commissioner of Public Service, at their discretion, may consult with or otherwise incorporate this review into the working group process established in subsection (a) of this section.

Which proposal of amendment was considered and concurred in.

Recess

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

At seven o'clock and twenty-eight minutes in the evening, 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:

Madam 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. 74. An act relating to nonconsensual sexual conduct.

And has accepted and adopted the same on its part.
The Senate proposed to the House to amend House bill, entitled
An act relating to calculating statewide education tax rates

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

First: In Sec. 1, subdivision (1), by striking out “$10,077.00” and inserting in lieu thereof $10,015.00, and in subdivision (2), by striking out “$11,851.00” and inserting in lieu thereof $11,820.00

Second: In Sec. 2, by striking out “$1.555” and inserting in lieu thereof $1.563

Third: By striking out the reader assistance and Secs. 3 through 5 (unfunded mandates) in their entirety and inserting in lieu thereof new Secs. 3 through 5 to read:

Sec. 3. [Deleted.]
Sec. 4. [Deleted.]
Sec. 5. [Deleted.]

Fourth: By inserting a Sec. 6a to read as follows:

Sec. 6a. CALCULATION OF TAX RATES FOR MEMBER TOWNS IN VOLUNTARY SCHOOL GOVERNANCE MERGERS.

(a) Definitions. As used in this section:

(1) “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.


(3) “Education spending in the prior fiscal year” means the total education spending of all merging districts in the year prior to merger, divided
by the total number of equalized pupils of all the merging districts in the year prior to merger.

(4) “Tax rate of a member town” means collectively the equalized homestead property tax rate, and related household income percentage reductions, for the referenced town.

(b) Tax rate reduction review.

(1) In a fiscal year in which the tax rate reductions are applied to a new union school district, if the district’s education spending per equalized pupil increases by four percent or less over its education spending per equalized pupil in the prior fiscal year, then it shall be presumed to not trigger Tax Rate Reduction Review.

(2) In a fiscal year in which the tax rate reductions are applied to a new union school district, if the district’s education spending per equalized pupil increases by more than four percent over its education spending per equalized pupil in the prior fiscal year, then it shall be subject to a Tax Rate Reduction Review.

(3) Upon the request of the Secretary, a union school district shall submit its budget to Tax Rate Reduction Review to determine whether its increase in education spending per equalized pupil was beyond the school district’s control or for other good cause. In conducting the Review, the Secretary will select three business managers and three superintendents to serve in an advisory role in the Review. The Review shall consider at least the following factors:

(A) The extent to which the increase in education spending per equalized pupil is caused by declining enrollment in the union school district.

(B) The extent to which the increase in education spending per equalized pupil is caused by unifying employee contracts in the course of the union school district formation process.

(C) The extent to which the increase in education spending per equalized pupil is caused by increases in tuition paid by the union school district.

(4) If, at the conclusion of the Review, the Secretary determines that the union school district’s budget contains excessive increases in educational spending per equalized pupil that are within the district’s control and are not supported by good cause, then union school district rates for the fiscal year will be determined as follows:

(A) The tax rate of a member town that would otherwise be increased by no more than five percent shall be increased by no more than five percent
plus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district’s education spending per equalized pupil.

(B) The tax rate of a member town that would otherwise be decreased by no more than five percent shall be decreased by no more than five percent minus the difference between a four percent increase in education spending per equalized pupil and the actual increase in the union school district’s education spending per equalized pupil.

Fifth: By adding a new section, to be Sec. 7, with reader assistance, to read:

* * * Health Care Costs * * *

Sec. 7. HEALTH CARE COST K–12 EDUCATION WORKING GROUP

(a) Creation. There is created the Health Care Cost K–12 Education Working Group (Working Group) to consider and make recommendations on how to achieve maximum savings for negotiated teacher health care benefits in the public kindergarten through grade 12 educational system.

(b) Membership. The Working Group shall be composed of the following three members:

(1) the Executive Director of the Vermont-NEA or designee;

(2) the Executive Director of the School Boards' Association or designee; and

(3) the Executive Director of the Vermont Superintendents Association or designee.

(c) Report. On or before November 15, 2017, the Working Group shall submit a written report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance with its findings and any recommendations.

Sixth: By striking out Sec. 7 (effective dates) in its entirety and inserting in lieu thereof the following:

Sec. 8. EFFECTIVE DATES

This act shall take effect July 1, 2017 and apply to fiscal year 2018 and after, except Sec. 6a (calculation of rates in certain districts), which shall take effect on passage and shall apply to all budgets voted on by the electorate after the date of passage.

Pending the question Will the House concur in the Senate proposal of amendment? Rep. Ancel of Calais, moved to concur in the Senate proposal of
amendment with a further amendment thereto as follows:

First: By inserting two sections to be Secs. 2a and 2b to read as follows:

* * *Education Fund allocation; sales and use tax* * *

Sec. 2a. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) An The Education Fund is established to comprise the following:

* * *

(6) Thirty-five Thirty-seven percent of the revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233.

* * *

Sec. 2b. 32 V.S.A. § 435 is amended to read:

* * *

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(11) $\frac{65}{63}$ percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

* * *

Second: By striking Secs. 3–5 in their entirety, and inserting a reader assistance and inserting in lieu thereof three new sections to be Secs. 3–5 to read as follows:

* * * Unfunded Mandates* * *

Sec. 3. 32 V.S.A. § 305b is added to read:

§ 305b. UNFUNDED EDUCATION MANDATE AMOUNT TRANSFER

Not more than 30 days after the end of each annual legislative session of the General Assembly, the Joint Fiscal Office and the Secretary of Administration, in consultation with the Secretary of Education and with the Secretary of Human Services as appropriate, shall estimate the “unfunded education mandate amount.” This estimate shall equal the total dollar amount necessary for supervisory unions and school districts to perform any action that is required pursuant to legislation enacted during that annual legislative session that has a related direct cost but does not have a specifically identified appropriation for fulfilling that obligation. The estimate shall be for the fiscal year commencing on July 1 of the following year. The Joint Fiscal Office and
the Secretary of Administration shall present to the Emergency Board at its July meeting an estimate of the unfunded education mandate amount and the Emergency Board shall determine the unfunded education mandate amount. The Governor’s budget report required under section 306 of this title shall include a transfer of this amount from the General Fund pursuant to 16 V.S.A. § 4025(a)(2) for the fiscal year commencing on July 1 of the following year.

Sec. 4. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

* * *

(2) For each fiscal year, the amount of the general funds appropriated or transferred to the Education Fund shall be $305,900,000.00, to be:

(A) the total of $305,900,000.00 plus the unfunded education mandate amount, as defined in subsection (e) of this section;

(B) increased annually beginning for fiscal year 2018 by the 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;

(C) plus an additional one-tenth of one percent.

* * *

(e) As used in this section, “unfunded education mandate amount” shall mean the amount appropriated by the General Assembly in any fiscal year for the purpose of providing funding for supervisory unions and school districts to perform any action that is required pursuant to legislation and that has a related direct cost but does not otherwise have a specifically identified appropriation for fulfilling that obligation. The “unfunded education mandate amount” shall include the cumulative amount of these appropriations for all fiscal years in which they are made.

Sec. 5. 16 V.S.A. § 4028(d) is amended to read:

(d) Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall prepare a fiscal note for any legislation that requires a supervisory union or school district to perform any action with an associated direct cost, but does not otherwise have a specifically identified appropriation for fulfilling that obligation. Any fiscal note prepared under this subsection shall identify whether or not the estimated costs would
be considered part of the “unfunded education mandate amount” under 32 V.S.A. § 305b for the next fiscal year. Any fiscal note prepared under this subsection shall be completed no later than the date that the legislation is considered for a vote in the first committee to which it is referred.

Third: By striking Sec. 8, effective dates, and inserting in lieu thereof the following:

Sec. 8. EFFECTIVE DATES

(a) Secs. 2a and 2b (Education Fund allocation) shall take effect July 1, 2018 and apply to fiscal year 2019 and after.

(b) This section and Sec. 6a (calculation of rates in certain districts) shall take effect on passage.

(c) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

Pending the question, Will the House concur in the Senate proposal of amendment with further proposal of amendment as moved by Rep. Ancel of Calais? Rep. Beck of St. Johnsbury moved to amend the amendment offered by Rep. Ancel of Calais as follows:

First: In Sec. 1, subdivision (1), by striking out “$10,015.00” and inserting in lieu thereof “$10,077.00”, and in subdivision (2), by striking out “$11,820.00” and inserting in lieu thereof “$11,851.00”

Second: In Sec. 2, by striking out “$1.563” and inserting in lieu thereof “$1.555”

Third: By striking out Sec. 7, working group, and its reader assistance, and Sec. 8, effective date, and its reader assistance, in their entirety and inserting in lieu thereof reader assistance headings and Secs. 7–14 to read:

* * * Health Care Benefits and Coverage for School Employees * * *

Sec. 7. FINDINGS

(a) Vermont’s school employees receive health coverage through the Vermont Education Health Initiative (VEHI). Actuarial analysis of current VEHI plans indicates they have among the highest actuarial values of any health insurance plan offered in the State of Vermont. Premiums for VEHI plans are up to nine percent higher than those for a BlueCross BlueShield platinum plan offered through Vermont Health Connect.

(b) In response, the VEHI is replacing existing school employee health insurance plans with plans designed to be competitive with Vermont Health Connect.
(c) This change means that, as of January 1, 2018, all school employees will be on new health care plans.

(d) The new health plans cover the same health care services and networks, but they have lower premium costs. The savings associated with lower premiums is estimated to be as high as $75 million.

(e) The new plans also create higher out-of-pocket exposure through deductibles and co-payment requirements. However, because the premiums for these plans are markedly lower, there are opportunities to keep employees’ out-of-pocket costs at current levels while also realizing up to $26 million in savings.

(f) These new plans have made health insurance negotiations more complex. In at least 20 supervisory unions, the parties have declared impasse over the inability to negotiate the transition to new health insurance plans.

(g) The State of Vermont is uniquely positioned to bargain health care benefits and coverage with school employees in a manner that ensures fairness and equity for school employees and delivers savings for property taxpayers.

Sec. 8. 16 V.S.A. § 2004 is amended to read:

§ 2004. AGENDA

(a) The school board, through its negotiations council, shall, upon request, negotiate with representatives of the teachers’ or administrators’ organization negotiations council on matters of salary, related economic conditions of employment, the manner in which it will enforce an employee’s obligation to pay the agency service fee, procedures for processing complaints and grievances relating to employment, and any mutually agreed upon matters not in conflict with the statutes and laws of the State of Vermont.

(b) As used in this section, the terms “salary” and “related economic conditions of employment” shall not include health care benefits or coverage. Health care benefits and health coverage, including health reimbursement and health savings accounts, shall not be subject to collective bargaining pursuant to this section, but shall be determined on a statewide basis pursuant to section 2031 of this chapter.

Sec. 9. 16 V.S.A. chapter 57, subchapter 5 is added to read:

Subchapter 5: Negotiations for Health Care Benefits and Coverage

§ 2031. HEALTH CARE BENEFITS AND COVERAGE FOR SCHOOL EMPLOYEES; NEGOTIATION

(a)(1) The statewide labor organizations that represent teachers, administrators, and municipal school employees, as defined in 21 V.S.A.
§ 1722, shall jointly negotiate with the Governor or designee to determine the health care benefits and coverage, including contributions to health reimbursement and health savings accounts, the percentage of the premium to be paid by school employees and by the supervisory district, supervisory union, or school district, and other terms and conditions of health coverage that shall be available to school employees in Vermont.

(2) The labor organizations and the Governor or designee shall enter into a written agreement applicable to all teachers, administrators, and municipal school employees statewide that sets forth the health care benefits and coverage, including contributions to health reimbursement and health savings accounts, if any, the percentage of the premium to be paid by school employees and by the supervisory district, supervisory union, or school district, and all other terms and conditions of health coverage that are agreed to.

(b) Notwithstanding any provision of this chapter to the contrary, negotiations pursuant to this section shall be subject to the provisions of 3 V.S.A. chapter 27, subchapters 2 and 4 for the purposes of impasse resolution and the prevention and adjudication of unfair labor practices.

(c) An agreement pursuant to subsection (a) of this section shall be ratified by a statewide majority vote of the teachers, administrators, and municipal school employees who are represented for purposes of collective bargaining pursuant to this chapter or 21 V.S.A. chapter 22. A referendum on the agreement shall be conducted by secret ballot by each represented bargaining unit, and the results of the referendum shall be submitted to the Vermont Labor Relations Board for tabulation of the statewide results.

(d) All supervisory districts, supervisory unions, and school districts shall provide health care benefits and coverage to their teachers, administrators, and municipal school employees in accordance with the terms of the agreement between the State and the labor organizations entered into pursuant to subsection (a) of this section.

Sec. 10. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

* * *

(12) “Municipal employee” means any employee of a municipal employer, including a municipal school employee or a professional employee as defined in subdivision 1502(11) of this title, except: * * *
(17) “Wages, hours, and other conditions of employment” means any condition of employment directly affecting the economic circumstances, health, safety, or convenience of employees but excluding matters of managerial prerogative as defined in this section. For collective bargaining related to municipal school employees, “wages, hours, and other conditions of employment” shall not include health care benefits or coverage.

* * *

(21) “Municipal school employee” means an employee of a supervisory district, supervisory union, or school district that is not otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and administrators).

Sec. 11. 21 V.S.A. § 1725 is amended to read:

§ 1725. COLLECTIVE BARGAINING PROCEDURE

(a)(1) For the purpose of collective bargaining, the representatives of the municipal employer and the bargaining unit shall meet at any reasonable time and shall bargain in good faith with respect to wages, hours, and conditions of employment, and shall execute a written contract incorporating any agreement reached; provided, however, neither party shall be compelled to agree to a proposal nor to make a concession, nor to bargain over any issue of managerial prerogative.

(2) For purposes of collective bargaining related to municipal school employees, “wages, hours, and conditions of employment” shall not include health care benefits or coverage. Health care benefits and coverage, including health reimbursement and health savings accounts, shall not be subject to collective bargaining pursuant to this section, but shall be determined on a statewide basis pursuant to 16 V.S.A. § 2031.

* * *

Sec. 12. TRANSITIONAL PROVISIONS APPLICABLE TO PLAN YEARS 2018, 2019, AND 2020

Notwithstanding any provision of 16 V.S.A. chapter 57, subchapter 5 to the contrary, for plan years 2018, 2019, and 2020, the negotiations between the Governor or designee and the statewide labor organizations that represent teachers, administrators, and municipal school employees, as defined in 21 V.S.A. § 1722, to establish the terms of health care benefits and coverage for all school employees shall be limited to:

(1) the percentage of the premium to be paid by school employees and by the supervisory district, supervisory union, or school district for one or more of the health benefit plans offered by the Vermont Education Health Initiative for plan year 2018;
(2) the amounts of the supervisory districts’, supervisory unions’, and school districts’ contributions to school employees’ health reimbursement accounts, health savings accounts, or both; and

(3) other terms and conditions of health coverage.

Sec. 13. SAVINGS FROM HEALTH CARE TRANSITION

(a) After entering into an agreement for health care benefits and coverage pursuant to 16 V.S.A. § 2031, the Governor or designee shall notify each supervisory district, supervisory union, and school district of the required employer and employee contributions for single, two-person, parent-child, and family plans and for any health reimbursement or health savings account.

(b) On or before June 30, 2017 or 30 days after the adoption of its annual budget, whichever is later, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management a report documenting its actual health care costs for calendar years 2016 and 2017 and its budgeted health care costs for 2018. This report shall be on a form prescribed by the Commissioner of Finance and Management and shall specify the employee contribution and employer contribution totals for each calendar year.

(c) Notwithstanding any other provision of law, for fiscal year 2018 only, the State shall offset the amount of savings between budgeted and actual costs for health care benefits and coverage against the fiscal year 2018 payment to each supervisory district, supervisory union, or school district; provided, however, the State shall withhold any such payment until it has received the report required pursuant to subsection (b) of this section. The savings offset under this subsection shall be allocated to the Education Fund.

*** Effective Dates ***

Sec. 14. EFFECTIVE DATES

(a) This section and Secs. 7–13 shall take effect on passage and shall apply to negotiations for collective bargaining agreements that are entered into after the effective date of this act.

(b) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

Yeas, 74. Nays, 74.

Those who voted in the affirmative are:

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<thead>
<tr>
<th>Ainsworth of Royalton</th>
<th>Gage of Rutland City</th>
<th>Myers of Essex</th>
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<td>Bancroft of Westford</td>
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<td>Nolan of Morristown</td>
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<td>Baser of Bristol</td>
<td>Gannon of Wilmington</td>
<td>Norris of Shoreham</td>
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<td>Batchelor of Derby</td>
<td>Graham of Williamstown</td>
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<td>Beck of St. Johnsbury</td>
<td>Greshin of Warren</td>
<td>Parent of St. Albans Town</td>
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<td>Beyor of Highgate</td>
<td>Harrison of Chittenden</td>
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<td>Helm of Fair Haven</td>
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<td>Browning of Arlington</td>
<td>Hooper of Brookfield</td>
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<td>Brumsted of Shelburne</td>
<td>Hubert of Milton</td>
<td>Shaw of Pittsford</td>
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<td>Burditt of West Rutland</td>
<td>Jickling of Brookfield</td>
<td>Sibilia of Dover</td>
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<td>Canfield of Fair Haven</td>
<td>Juskiewicz of Cambridge</td>
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<td>Keefe of Manchester</td>
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<td>Connor of Fairfield</td>
<td>Keenan of St. Albans City</td>
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<td>Corcoran of Bennington</td>
<td>Kimbell of Woodstock</td>
<td>Sullivan of Dorset</td>
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<td>Cupoli of Rutland City</td>
<td>LaClair of Barre Town</td>
<td>Taylor of Colchester</td>
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<td>Dakin of Colchester</td>
<td>Lawrence of Lyndon</td>
<td>Terenzini of Rutland Town</td>
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<td>Devereux of Mount Holly</td>
<td>Lefebvre of Newark</td>
<td>Trieb of Rockingham</td>
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<td>Dickinson of St. Albans</td>
<td>Lewis of Berlin</td>
<td>Turner of Milton</td>
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<td>Marcotte of Coventry</td>
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<td>Donahue of Northfield</td>
<td>McCoy of Poultney</td>
<td>Viens of Newport City</td>
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<td>Fagan of Rutland City</td>
<td>McFaun of Barre Town</td>
<td>Willhoit of St. Johnsbury</td>
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<td>Feltus of Lyndon</td>
<td>Morrissey of Bennington</td>
<td>Wood of Waterbury</td>
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<tr>
<td>Frenier of Chelsea</td>
<td>Murphy of Fairfax</td>
<td>Wright of Burlington</td>
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Those who voted in the negative are:

| Ancel of Calais       | Grad of Moretown      | O'Sullivan of Burlington |
| Bartholomew of Hartland| Haas of Rochester     | Partridge of Windham    |
| Belaski of Windsor    | Head of South Burlington| Poirier of Barre City   |
| Botzow of Pownal      | Hill of Wolcott       | Potter of Clarendon    |
| Briglin of Thetford   | Hooper of Montpelier  | Pugh of South Burlington|
| Buckholz of Hartford  | Houghton of Essex     | Rachelson of Burlington |
| Burke of Brattleboro  | Howard of Rutland City| Scheu of Middlebury    |
| Carr of Brandon       | Jessup of Middlesex   | Sharpe of Bristol      |
| Chesnut-Tangerman of  | Johnson of South Hero  | Sheldon of Middlebury  |
| Middletown Springs    | Joseph of North Hero  | Squirrel of Underhill  |
| Christensen of Weathersfield | Kitzmiller of Montpelier | Stevens of Waterbury |
| Christie of Hartford  | Krowinski of Burlington| Stuart of Brattleboro  |
| Cina of Burlington    | Lalonde of South Burlington| Sullivan of Burlington |
| Colburn of Burlington | Lanpher of Vergennes  | Till of Jericho        |
| Conquest of Newbury   | Lippert of Hinesburg  | Toleno of Brattleboro  |
| Copeland-Hanzas of    | Long of Newfane       | Toll of Danville       |
| Bradford              | Lucke of Hartford     | Townsend of South      |
| Deen of Westminster   | Macaig of Williston   | Burlington             |
| Donovan of Burlington | Masland of Thetford   | Troiano of Stannard    |
| Dunn of Essex         | McCormack of Burlington| Walz of Barre City     |
Emmons of Springfield  McCullough of Williston  Webb of Shelburne
Fields of Bennington  Miller of Shaftsbury  Weed of Enosburgh
Forguites of Springfield  Morris of Bennington  Yacovone of Morristown
Gardner of Richmond  Mrowicki of Putney  Yantachka of Charlotte
Giambatista of Essex  Noyes of Wolcott  Young of Glover
Gonzalez of Winooski  Ode of Burlington

Those members absent with leave of the House and not voting are:
Condon of Colchester  Martel of Waterford

Speaker casts vote pursuant to House rule 76 in the negative creating a tie.

Pending the question, Will the House concur in the Senate proposal of amendment with further proposal as moved by Rep. Ancel of Calais? Rep. Webb of Shelburne moved to amend the amendment offered by Rep. Ancel of Calais as follows:

First: In Sec. 1, subdivision (1), by striking out “$10,015.00” and inserting in lieu thereof “$10,077.00”, and in subdivision (2), by striking out “$11,820.00” and inserting in lieu thereof “$11,851.00”

Second: In Sec. 2, by striking out “$1.563” and inserting in lieu thereof “$1.555”

Third: By striking out Sec. 7, working group, and its reader assistance, and Sec. 8, effective date, and its reader assistance, in their entireties and inserting in lieu thereof reader assistance headings and Secs. 7–8 to read:

** Health Care Transition **

**Sec. 7. SAVINGS FROM HEALTH CARE TRANSITION**

(a) As of January 1, 2018, all school employees will be on new health care plans. The new health plans cover the same health care services and networks, but they have lower premium costs. The new plans also create higher out-of-pocket exposure through deductibles and co-payment requirements. However, because the premiums for these plans are markedly lower, there are opportunities to keep employees’ out-of-pocket costs at current levels while also realizing up to $26 million in annual savings. Based on the data from finalized contracts to date, these savings may result in substantially fewer health care costs than districts have budgeted for fiscal year 2018.

(b) On or before June 30, 2017 or 30 days after the adoption of its annual budget, whichever is later, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management a report documenting its actual health care costs for calendar years 2016 and 2017 and its budgeted health care costs for 2018. This report shall be on a form prescribed by the Commissioner
of Finance and Management and shall specify the employee contribution and employer contribution totals for each calendar year.

(c) Not later than 60 days after the adoption of all collective bargaining agreements covering health care benefits for school employees for plan year 2018, each supervisory district, supervisory union, and school district shall submit to the Secretary of Education and the Commissioner of Finance and Management, a report documenting its anticipated health care costs for fiscal year 2018, based on the new collective bargaining agreements covering plan year 2018. This report shall be on a form prescribed by the Commissioner of Finance and Management and shall specify the actual employee contribution and employer contribution totals for plan year 2018.

(d) Notwithstanding any other provision of law, for fiscal year 2018 only, the State shall offset the amount of savings between budgeted and actual costs for health care benefits and coverage against the fiscal year 2018 payment to each supervisory district, supervisory union, or school district; provided, however, the State shall withhold any payment due to a supervisory district, supervisory union, or school district after January 1, 2018, until it has received the report required pursuant to subsections (b) and (c) of this section. The savings offset under this subsection shall remain in the Education Fund in an effort to lower property tax rates in fiscal year 2019.

(e) The Agency of Education shall develop a system for tracking the amount of savings offset for each school district under subsection (d) in fiscal year 2018. Notwithstanding any other provision of law, for each school district for which savings were offset under subsection (d), the Agency of Education shall pay a grant to that district in fiscal year 2019, in an amount equal to the offset savings. The grant shall be paid after the school district budget for fiscal year 2019 is approved by voters and reported to the Agency of Education, and the grant shall be reflected in the homestead property tax rate and income percentage used for that school district in fiscal year 2019.

*** Effective Dates ***

Sec. 8. EFFECTIVE DATES

(a) Sec. 2a and 2b (Education Fund allocation) shall take effect July 1, 2018 and apply to fiscal year 2019 and after.

(b) This section, Sec. 6a (calculation of rates in certain districts), and Sec. 7 (healthcare transition) shall take effect on passage.

(c) The remaining sections of this act shall take effect on July 1, 2017 and apply to fiscal year 2018 and after.

Pending the question, Will the House concur in the Senate proposal of
amendment with further proposal of amendment as moved by Rep. Ancel of Calais, Rep. Hubert of Milton moved to postpone action one legislative day which was disagreed to on a division of Yeas, 51 and Nays, 71.


Those who voted in the affirmative are:


Those who voted in the negative are:

Bancroft of Westford  Baser of Bristol  Batchelor of Derby  Beck of St. Johnsbury  Beyor of Highgate  Harrison of Chittenden  Hebaret of Vernon  Helm of Fair Haven  Higley of Lowell  Hill of Wolcott  Harrison of Chittenden  Myers of Essex  Nolan of Morristown  Parent of St. Albans Town  Pearce of Richford
Those members absent with leave of the House and not voting are:

Ainsworth of Royalton
Brennan of Colchester
Condon of Colchester
Dakin of Colchester
Fagan of Rutland City
Graham of Williamstown
Martel of Waterford
Norris of Shoreham

Rep. Scheuermann of Stowe explained her vote as follows:

“Madam Speaker:

I vote no because this is not a substantive proposal. It is a proposal that simply tells our local, hard-working volunteer school boards to just negotiate harder. I refuse to send a message to our school boards that they are just not doing a good enough job realizing the savings that Vermon ters want to see. School boards asked for help. Vermonters asked for tax relief. This proposal does neither.”

Rep. Wright of Burlington explained his vote as follows:

“Madam Speaker:

I voted no on this amendment. We missed an opportunity on the previous amendment to provide property tax relief and help our local school boards, all while holding teachers harmless and providing excellent health care benefits. Instead, we passed a status quo plus paperwork amendment that only adds to the burden on our local boards. A colossal missed opportunity.”

Thereupon the question Will the House concur in the Senate proposal of amendment with further proposal of amendment as moved by Rep. Ancel of Calais, as amended, was agreed to.

Senate Proposal of Amendment Not Concurred in;
Committee of Conference Requested and Appointed
H. 516
The Senate proposed to the House to amend House bill, entitled

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

First: By striking out the reader assistance heading before Sec. 1, and inserting in lieu thereof a new reader assistance heading to read as follows:

* * * Administrative and Technical Provisions * * *

And by striking the reader assistance heading between Sec. 1 and Sec. 2

Second: By striking out Sec. 11 in its entirety and inserting in lieu thereof a new Sec. 11 to read as follows:

Sec. 11. 3 V.S.A. chapter 10 is added to read:

CHAPTER 10. FEDERAL TAX INFORMATION

§ 241. BACKGROUND INVESTIGATIONS

(a) “Federal tax information” or “FTI” means returns and return information as defined in 26 U.S.C. § 6103(b) that are received directly from the Internal Revenue Service or obtained through an IRS-authorized secondary source, that are in the Recipient’s possession or control, and that are subject to the confidentiality protections and safeguarding requirements of the Internal Revenue Code and corresponding federal regulations and guidance.

(b) As used in this chapter, “Recipient” means the following authorities of the Executive Branch of State government that receive FTI:

(1) Agency of Human Services, including:

(A) Department for Children and Families;
(B) Department of Health;
(C) Department of Mental Health; and
(D) Department of Vermont Health Access.

(2) Department of Labor.

(3) Department of Motor Vehicles.

(4) Department of Taxes.

(c) The Recipient shall conduct an initial background investigation of any individual, including a current or prospective employee, volunteer, contractor, or subcontractor, to whom the Recipient permits access to FTI for the purpose of assessing the individual’s fitness to be permitted access to FTI. The Recipient shall conduct, every 10 years at a minimum, periodic background
investigations of employees or other individuals to whom the Recipient permits access to FTI.

(d) The Recipient shall request and obtain from the Vermont Crime Information Center (VCIC) the Federal Bureau of Investigation and State and local law enforcement criminal history records based on fingerprints for the purpose of conducting a background investigation under this section.

(e) The Recipient shall sign and keep a user agreement with the VCIC.

(f) A request made under subsection (d) of this section shall be accompanied by a release signed by the individual on a form provided by the VCIC, a set of the individual’s fingerprints, and a fee established by the VCIC that shall reflect the cost of obtaining the record. The fee for a current or prospective employee shall be paid by the Recipient. The release form to be signed by the individual shall include a statement informing the individual of:

(1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Recipient’s policy regarding background investigations and the maintenance and destruction of records.

(g) Upon completion of a criminal history record check under subsection (d) of this section, the VCIC shall send to the Recipient either a notice that no record exists or a copy of the record. If a copy of a criminal history record is received, the Recipient shall forward it to the individual and shall inform the individual in writing of:

(1) the right to challenge the accuracy of the record by appealing to the VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Recipient’s policy regarding background investigations and the maintenance and destruction of records.

(h) Criminal history records and information received under this chapter are exempt from public inspection and copying under the Public Records Act and shall be kept confidential by the Recipient, except to the extent that federal or State law authorizes disclosure of such records or information to specifically designated persons.

(i) The Recipient shall adopt policies in consultation with the Department of Human Resources to carry out this chapter and to guide decisions based on the results of any background investigation conducted under this chapter.

§ 242. RAP BACK PROGRAM

The Recipient may request the Vermont Crime Information Center (VCIC) to provide Federal Bureau of Investigation “Rap Back” background
investigation services based on fingerprints for the purpose of assessing the fitness of an individual with access to FTI, including a current employee, volunteer, contractor, or subcontractor, to continue to be permitted access to FTI. A Rap Back investigation authorized under this section may be requested upon:

(1) obtaining informed written consent from the individual to authorize the retention of fingerprints for future background investigation purposes;

(2) creating sufficient controls and processes to protect the confidentiality and privacy of the records and information received;

(3) notifying the individual in a timely manner of new records and information received; and

(4) notifying the individual of the background investigation policy established by the Recipient in consultation with the Department of Human Resources.

Third: In Sec. 13, 31 V.S.A. chapter 23, in subdivision 1201(5), by adding a third sentence to read as follows:

An organization shall be considered a nonprofit organization under this subdivision only if it certifies annually, on a form with whatever information is required by the Commissioner, how it meets the definition under this subdivision.

And in section 1203, by striking subsection (f) in its entirety, and inserting in lieu thereof a new subsection (f) to read as follows:

(f) A nonprofit organization that sells break-open tickets, other than a club as defined in 7 V.S.A. § 2(7), shall report to the Department of Liquor Control on a quarterly basis the number of tickets purchased and distributed, and the corresponding serial numbers of those tickets, the amount of revenue realized by the nonprofit organization, and the amounts accounted for under subdivisions (e)(2)(A)–(D) of this section. The nonprofit organization shall also identify an individual from the organization responsible for the reporting requirements under this subsection. If the Department of Liquor Control determines that a nonprofit organization has failed to comply with the requirements of this subsection, the Department of Liquor Control shall notify the nonprofit organization and any licensed distributors of this failure, and any licensed distributor that continues to sell break-open tickets to that nonprofit organization after notice shall be considered in violation of the requirements of this chapter, until the Department of Liquor Control has determined the nonprofit organization is back in compliance with this subsection.
Fourth: By striking out Sec. 15 (health information technology report) in its entirety, and inserting in lieu thereof a new Sec. 15 to read as follows:

Sec. 15. HEALTH INFORMATION TECHNOLOGY REPORT

(a) The Secretaries of Administration and of Human Services shall conduct a comprehensive review of the State’s Health-IT Fund established by 32 V.S.A. § 10301, Health Information Technology Plan established by 18 V.S.A. § 9351, and Vermont Information Technology Leaders administered pursuant to 18 V.S.A. § 9352.

(b) The report shall:

(1) review the need for a State-sponsored Health-IT Fund;

(2) review how past payments from the Fund have or have not promoted the advancement of health information technology adoption and utilization in Vermont;

(3) review the past development, approval process, and use of the Vermont Health Information Technology Plan;

(4) review the Vermont Information Technology Leaders (VITL) organization, including:

(A) its maintenance and operation of Vermont’s Health Information Exchange (VHIE);

(B) the organization’s ability to support current and future health care reform goals;

(C) defining VITL’s core mission;

(D) identifying the level of staffing necessary to support VITL in carrying out its core mission; and

(E) examining VITL’s use of its staff for activities outside its core mission;

(5) recommend whether to continue the Health-IT Fund, including with its current revenue source as set forth in 32 V.S.A § 10402;

(6) recommend any changes to the structure of VITL, including whether it should be a public or private entity, and any other proposed modifications to 18 V.S.A § 9352;

(7) review property and ownership of the VHIE, including identifying all specific tangible and intangible assets that comprise or support the VHIE (especially in regards to VITL’s current and previous agreements with the State), and the funding sources used to create this property;
(8) evaluate approaches to health information exchange in other states, including Maine and Michigan, in order to identify opportunities for reducing duplication in Vermont’s health information exchange infrastructure; and

(9) recommend any accounting or financial actions the State should take regarding State-owned tangible and intangible assets that comprise or support the VHIE.

(c) On or before November 15, 2017, the Secretaries of Administration and of Human Services shall submit this report to the House Committees on Health Care, on Appropriations, on Energy and Technology, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance.

Fifth: By striking out Sec. 18 in its entirety and inserting in lieu thereof a reader assistance and five new sections to be Secs. 18–18d to read as follows:

* * * Health Care Provisions; Home Health Agency Provider Tax * * *

Sec. 18. 33 V.S.A. § 1951 is amended to read:

§ 1951. DEFINITIONS

As used in this subchapter:

(1) “Assessment” means a tax levied on a health care provider pursuant to this chapter.

(2)(A) “Core home health care services” means any of the following:

(i) those medically necessary, intermittent, skilled nursing, home health aide, therapeutic, and personal care attendant services, provided exclusively in the home by home health agencies. Core home health services do not include private duty nursing, hospice, homemaker, or physician services, or services provided under early periodic screening, diagnosis, and treatment (EPSDT), traumatic brain injury (TBI), high technology programs, or services provided by a home for persons who are terminally ill as defined in subdivision 7102(3) of this title home health services provided by Medicare-certified home health agencies of the type covered under Title XVIII (Medicare) or XIX (Medicaid) of the Social Security Act;

(ii) services covered under the adult and pediatric High Technology Home Care programs as of January 1, 2015;

(iii) personal care, respite care, and companion care services provided through the Choices for Care program contained within Vermont’s Global Commitment to Health Section 1115 demonstration; and
(iv) hospice services.

(B) The term “home health services” shall not include any other service provided by a home health agency, including:

(i) private duty services;

(ii) case management services, except to the extent that such services are performed in order to establish an individual’s eligibility for services described in subdivision (A) of this subdivision (2);

(iii) homemaker services;

(iv) adult day services;

(v) group-directed attendant care services;

(vi) primary care services;

(vii) nursing home room and board when a hospice patient is in a nursing home; and

(viii) health clinics, including occupational health, travel, and flu clinics.

(C) The term “home health services” shall not include any services provided by a home health agency under any other program or initiative unless the services fall into one or more of the categories described in subdivision (A) of this subdivision (2). Other programs and initiatives include:

(i) the Flexible Choices or Assistive Devices options under the Choices for Care program contained within Vermont’s Global Commitment to Health Section 1115 demonstration;

(ii) services provided to children under the early and periodic screening, diagnostic, and treatment Medicaid benefit;

(iii) services provided pursuant to the Money Follows the Person demonstration project;

(iv) services provided pursuant to the Traumatic Brain Injury Program; and

(v) maternal-child wellness services, including services provided through the Nurse Family Partnership program.

* * *

(10) “Net operating patient revenues” means a provider’s gross charges related to patient care services less any deductions for bad debts, charity care, contractual allowances, and other payer discounts.
Sec. 18a. 33 V.S.A. § 1955a is amended to read:

§ 1955a. HOME HEALTH AGENCY ASSESSMENT

(a)(1) Beginning October 1, 2011, each home health agency’s assessment shall be 4.25 percent of its net operating patient revenues from core home health care services, excluding revenues for services provided under Title XVIII of the federal Social Security Act; provided, however, that each home health agency’s annual assessment shall be limited to no more than six percent of its annual net patient revenue provided exclusively in Vermont.

(2) On or before May 1 of each year, each home health agency shall provide to the Department a copy of its most recent audited financial statement prepared in accordance with generally accepted accounting principles. The amount of the tax shall be determined by the Commissioner based on the home health net patient revenue attributable to services reported on the agency’s most recent audited financial statements at the time of submission, a copy of which shall be provided on or before May 1 of each year to the Department.

(3) For providers who began operations as a home health agency after January 1, 2005, the tax shall be assessed as follows:

(A) Until such time as the home health agency submits audited financial statements for its first full year of operation as a home health agency, the Commissioner, in consultation with the home health agency, shall annually estimate the amount of tax payable and shall prescribe a schedule for interim payments.

(B) At such time as the full-year audited financial statement is filed, the final assessment shall be determined, and the home health agency shall pay any underpayment or the Department shall refund any overpayment. The assessment for the State fiscal year in which a provider commences operations as a home health agency shall be prorated for the proportion of the State fiscal year in which the new home health agency was in operation.

Sec. 18b. 2016 Acts and Resolves No. 134, Sec. 32 is amended to read:

Sec. 32. HOME HEALTH AGENCY ASSESSMENT FOR FISCAL YEARS YEAR 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. 18c. TRANSITIONAL PROVISION FOR FISCAL YEAR 2018

Notwithstanding any provision of 33 V.S.A. § 1955a(a)(2) to the contrary, for fiscal year 2018 only, the Commissioner of Vermont Health Access may determine the amount of a home health agency’s provider tax based on such documentation as the Commissioner deems acceptable.

Sec. 18d. REPEAL

33 V.S.A. § 1955a (home health agency assessment) is repealed on July 1, 2019.

Sixth: After Sec. 24, by adding a Sec. 24a to read as follows:

Sec. 24a. SMALL BUSINESS TAXPAYER OUTREACH AND EDUCATION WORKING GROUP

The Taxpayer Advocate at the Department of Taxes shall convene a working group of interested stakeholders to examine the ways the Department can improve outreach and education to small business taxpayers. On or before November 15, 2017, the Taxpayer Advocate shall report to the House Committee on Ways and Means and the Senate Committee on Finance recommendations to improve the relationship between the Department and small businesses. In considering the recommendations, the Taxpayer Advocate shall examine the following:

(1) identifying complex areas of the law that could be simplified to enhance voluntary compliance;

(2) compiling a list of common issues on which the Department may focus its outreach and education efforts;

(3) considering how the Department can maximize its existing resources to provide additional guidance targeted to small businesses;

(4) directing the Department to identify existing organizations and resources for small businesses and how to provide tax guidance through those organizations;

(5) providing for a plan to contact and provide direction to new small businesses in Vermont within one year of their operation in the State;

(6) recommending guidelines to forgive tax penalties and interest under certain circumstances; and

(7) making other recommendations as appropriate.

Seventh: By striking out Sec. 26 (clean water working group) in its entirety and inserting in lieu thereof a new Sec. 26 to read as follows:
Sec. 26. CLEAN WATER WORKING GROUP

(a) Creation. There is created the Working Group on Water Quality Funding (Working Group) to develop a recommended method of assessing a statewide impervious surface fee, per parcel fee, per acre fee, or some combination of the foregoing, in order to generate revenue to be deposited in the Clean Water Fund under 10 V.S.A. § 1388 to fund water quality restoration and conservation in the State.

(b) Membership. The Working Group shall be composed of the following 13 members:

(1) the Secretary of Natural Resources or designee;

(2) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(3) one current member of the Senate, who shall be appointed by the Committee on Committees;

(4) one member from the Vermont League of Cities and Towns, appointed by the Board of Directors of that organization;

(5) one member from the Vermont Municipal Clerks and Treasurers Association, appointed by the Executive Board of that organization;

(6) one member from the Vermont Mayors’ Coalition appointed by that organization;

(7) one member representing commercial or industrial business interests in the State, to be appointed by the Lake Champlain Regional Chamber of Commerce, after consultation with other business groups in the State;

(8) the Commissioner of Environmental Conservation or designee;

(9) the Commissioner of Forests, Parks and Recreation or designee;

(10) a representative of an environmental advocacy group, appointed by the Speaker of the House;

(11) a representative of the agricultural community appointed by the Vermont Farm Bureau;

(12) a representative of University of Vermont Extension, appointed by the President Pro Tempore of the Senate; and

(13) the Secretary of Agriculture, Food and Markets or designee.

(c) Powers and duties. The Working Group shall recommend to the General Assembly draft legislation to establish a statewide method of assessing an impervious surface fee, a per parcel fee, a per acre fee, or some
combination of the foregoing, in order to generate revenue to fund water quality restoration and conservation in the State. In developing the draft legislation, the Working Group shall address:

(1) whether the fee or fees shall be assessed on impervious surface, per parcel, per acre, or some combination of the foregoing;

(2) whether the fee or fees shall be tiered to reflect the amount of impervious surface, size of a parcel, acreage of a parcel, type of property, usage of the property, impact of the property on water quality, or other factors;

(3) the amount of fee or fees to be assessed;

(4) how the fee or fees shall be collected and remitted to the State;

(5) whether any property shall be exempt from the fee or fees;

(6) how an owner of property subject to a municipal stormwater utility fee or other revenue mechanism for funding water quality improvements shall receive a credit or reduced fee for payment of the municipal fee; and

(7) how to provide for abatement, delinquency, and enforcement of the required fee or fees.

(d) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Agency of Natural Resources and the Department of Taxes. The Working Group shall have the technical assistance of the Vermont Center for Geographic Information or designee.

(e) Report. On or before January 15, 2018, the Working Group shall submit to the General Assembly a summary of its activities and the draft legislation establishing a statewide method of assessing an impervious surface fee, per parcel fee, per acre fee, or some combination of the foregoing.

(f) Meetings.

(1) The Secretary of Natural Resources shall call the first meeting of the Working Group to occur on or before July 1, 2017.

(2) The Secretary of Natural Resources shall be the Chair of the Working Group.

(3) A majority of the membership shall constitute a quorum.

(4) The Working Group shall cease to exist on March 1, 2018.

Eighth: After Sec. 26, by inserting a Sec. 26a to read as follows:

Sec. 26a. 2015 Acts and Resolves No. 64, Sec. 39 is amended to read:

Sec. 39. REPEAL OF CLEAN WATER SURCHARGE
32 V.S.A. § 9602a (Clean Water Surcharge) shall be repealed on July 1, 2018.

Ninth: After Sec. 26a, by striking out Secs. 27 (repeals) and 28 (effective dates) in their entirety and inserting reader assistance headings and ten new sections to read as follows:

* * * Property Tax Appeals * * *

Sec. 27. 32 V.S.A. § 5412 is amended to read:

§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF EDUCATION TAX LIABILITY

(a)(1) If a listed value is reduced as the result of an appeal or court action, and if the municipality files a written request with the Commissioner within 30 days after the date of the determination, entry of the final order, or settlement agreement if the Commissioner determines that the settlement value is the fair market value of the parcel, the Commissioner made pursuant to section 4461 of this title, a municipality may submit a request for the Director of Property Valuation and Review to recalculate its education property tax liability for the education grand list value lost due to a determination, declaratory judgment, or settlement. The Director shall recalculate the municipality’s education property tax liability for the each year at issue, in accord with the reduced valuation, provided that:

(A) the The reduction in valuation is the result of an appeal under chapter 131 of this title to the Director of Property Valuation and Review or to a court, with no further appeal available with regard to that valuation, or any judicial decision with no further right of appeal, or a settlement of either an appeal or court action if the Commissioner Director determines that the settlement value is the fair market value of the parcel;

(B) the The municipality notified the Commissioner of the appeal or court action, in writing, within 10 days after notice of the appeal was filed under section 4461 of this title or after the complaint was served; and submits the request on or before January 15 for a request involving an appeal or court action resolved within the previous calendar year;

(C) as a result of the valuation reduction of the parcel, the value of the municipality’s grand list is reduced at least one percent. [Repealed.]

(D) The Director determines that the municipality’s actions were consistent with best practices published by the Property Valuation and Review in consultation with the Vermont Assessors and Listers Association. The municipality shall have the burden of showing that its actions were consistent with the Director’s best practices.
(2) A determination of the Director made under subdivision (1) of this subsection (a) may be appealed within 30 days by an aggrieved municipality to the Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–813. The Commissioner’s determination may be further appealed to Superior Court, which shall review the Commissioner’s determination using the record that was before the Commissioner. The Commissioner’s determination may only be overturned for abuse of discretion.

(3) The municipality’s Upon the Director’s request, a municipality submitting a request under subdivision (1) of this subsection (a) shall include a copy of the agreement, determination or final order, and any other documentation necessary to show the existence of these conditions.

(b) To the extent that the municipality has paid that liability, the Commissioner Director shall allow a credit for any reduction in education tax liability against the next ensuing year’s education tax liability or, at the request of the municipality, may refund to the municipality an amount equal to the reduction in education tax liability.

(c) If a listed value is increased as the result of an appeal under chapter 131 of this title or court action, whether adjudicated or settled and the Commissioner Director determines that the settlement value is the fair market value of the parcel, with no further appeal available with regard to that valuation, the Commissioner Director shall recalculate the municipality’s education property tax for each year at issue, in accord with the increased valuation, and shall assess the municipality for the additional tax at the same time the Commissioner Director assesses the municipality’s education tax liability for the next ensuing year, unless the resulting assessment would be less than $300.00. Payment under this section shall be due with the municipality’s education tax liability for the next ensuing year.

(d) Recalculation of education property tax under this section shall have no effect other than to reimburse or assess a municipality for education property tax changes which result from property revaluation.

(e) A reduction made under this section shall be an amount equal to the loss in education grand list value multiplied by the tax rate applicable to the subject property in the year the request is submitted. However, the total amount for all reductions made under this section in one year shall not exceed $1,000,000.00. If total reductions for a calendar year would exceed that amount, the Director shall instead prorate the reductions proportionally among all municipalities eligible for a reduction so that total reductions equal $1,000,000.00.

(f) Prior to the issuance of a final administrative determination or judicial
order, a municipality may request that the Director certify that best practices were followed for purposes of meeting the requirements of subdivision (a)(1)(D) of this section. The Director may choose to grant certification, deny certification, or refrain from a decision until a request is submitted under subdivision (a)(1) of this section. The Director shall consider the potential impact on the Education Fund, the unique character of the subject property or properties, and any extraordinary circumstances when deciding whether to grant certification under this subsection. The Director shall be bound by a decision to grant certification unless the municipality agrees to a settlement after such certification was made.

Sec. 28. GRAND LIST LITIGATION ASSISTANCE; STUDY

(a) The Attorney General, in consultation with the Vermont League of Cities and Towns, property owners, and other interested stakeholders, shall study approaches to assisting municipalities with expenses incurred during litigation pursuant to chapter 131 of this title, including assigning an Assistant Attorney General to the Division of Property Valuation and Review to support municipalities litigating complex matters.

(b) On or before December 1, 2017, the Attorney General shall submit a report to the Senate Committee on Finance and the House Committee on Ways and Means on the findings of the study described in subsection (a) of this section. The report shall include recommendations for legislative action based on the findings of the study.

Sec. 29. REIMBURSEMENT OF EDUCATION TAX LIABILITY; REPORT

(a) On or before December 1, 2019, the Director of Property Valuation and Review shall submit a report to the Senate Committee on Finance and the House Committee on Ways and Means on the reimbursement of education tax liabilities to municipalities pursuant to Sec. 26a of this act.

(b) The report shall include:

(1) the annual number of reductions to the education grand list;

(2) the annual amount reimbursed to municipalities from the Education Fund; and

(3) the annual increase, if any, to the education grand list.

Sec. 29a. COMPENSATION FOR OVERPAYMENT

Notwithstanding any other provision of law, the sum of $56,791.80 shall be transferred from the Education Fund to the Town of Georgia in fiscal year 2018 to compensate the town for an overpayment of education taxes in fiscal
year 2017 due to an erroneous classification of certain property.

* * * Premium Tax Credit; Captive Insurance Companies * * *

Sec. 30. 8 V.S.A. § 6014(k) is amended to read:

(k) A captive insurance company first licensed under this chapter on or after January 1, 2014 shall receive a nonrefundable credit of $7,500.00 applied against the aggregate taxes owed for the first two taxable years for which the company has liability under this section.

* * * Vermont Employment Growth Incentive Program * * *

Sec. 31. 32 V.S.A. chapter 105 is amended to read:

CHAPTER 105. VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

* * *

§ 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 would generate to the State exceeds would exceed the costs of the activity to the State.

(2) The host municipality welcomes the new business.

(3) Pursuant to a self-certification or other documentation the Council requires by rule or procedure, the business attests to the best of its knowledge:
(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree;

(B) the business complies with applicable State laws and regulations; and

(C) the proposed economic activity **conforms** would conform to applicable town and regional plans and with applicable State laws and regulations.

(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.

* * *

§ 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.

(f) The purpose of the enhanced incentive for a business in a qualifying labor market area is to increase job growth in economically disadvantaged regions of the State, as provided in subsection (a) of this section.

§ 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.

c The purpose of the enhanced incentive for an environmental technology business is to promote the growth of businesses in Vermont that both create and sustain high quality jobs and improve the natural environment.

§ 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:

(1) 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; and

(2) a self-certification or other documentation the Department requires by rule or procedure, by which the business attests to the best of its knowledge that:

(A) the business is not a named party to an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State, or if a named party, that the business is in compliance with the terms of such an order or decree; and

(B) the business complies with applicable State laws and regulations.

(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; or

(C) the Department determines that during the application or claims process the business knowingly made a false attestation that the business:

   (i) was not a named party to, or was in compliance with, an administrative order, consent decree, or judicial order issued by the State or a subdivision of the State; or

   (ii) was in compliance with State laws and regulations.

(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
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.

§ 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 Except for information required to be reported under section 3340 of this title or as provided in this section, 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 to the Vermont Economic Progress Council, or business-specific data generated by the Council as part of its consideration of an application under this subchapter, that is not otherwise publicly disclosed, is exempt from public inspection and copying under the Public Records Act and shall be kept confidential. Records related to incentive claims under this chapter that are produced or acquired by the Department of Taxes are confidential returns or return information and are subject to the provisions of section 3102 of this title.

(b)(1) The Council shall disclose information and materials described in subsection (a) of this section:

(A) 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; and

(B) to the Auditor of Accounts in connection with the performance of duties under section 163 of this title, provided, however, that the

(2) 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 materials received under this subsection except in accordance with a judicial order or as otherwise specifically provided unless authorized 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.

***

*** VEGI; Confidentiality ***

Sec. 32. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than $1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, he or she shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

***

(d) The Commissioner shall disclose a return or return information:

***

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B;

(6) to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably
necessary for the Council to perform its duties under that subchapter.

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

(11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the 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 that subchapter; to the Auditor of Accounts for the performance of duties under section 163 of this title; and 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 chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Council to perform its duties under that subchapter.

* * *

Sec. 33. THE GREEN MOUNTAIN SECURE RETIREMENT PLAN

(a) The State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the “Green Mountain Secure Retirement Plan.”

(b) The Plan shall be designed and implemented based upon the following guiding principles:

(1) Simplicity: the Plan should be easy for participants to understand.

(2) Affordability: the Plan should be administered to maximize cost effectiveness and efficiency.

(3) Ease of access: the Plan should be easy to join.

(4) Trustworthy oversight: the Plan should be administered by an organization with unimpeachable credentials.

(5) Protection from exploitation: the Plan should protect its participants, particularly the elderly, from unscrupulous business practices and
individuals.

(6) Portability: the Plan should not depend upon employment with a specific firm or organization.

(7) Choice: the Plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce analysis paralysis.

(8) Voluntary: the Plan should not be mandatory but autoenrollment should be used to increase participation.

(9) Financial education and financial literacy: the Plan should assist the individual in understanding their financial situation.

(10) Sufficient savings: the Plan should encourage adequate savings in retirement combined with existing pension savings and Social Security.

(11) Additive not duplicative: the Plan should not compete with existing private sector solutions.

(12) Use of pretax dollars: contributions to the Plan should be made using pretax dollars.

(c) The Plan shall:

(1) be available on a voluntary basis to:

(A) employers:

(i) with 50 employees or fewer; and

(ii) who do not currently offer a retirement plan to their employees; and

(B) self-employed individuals;

(2) automatically enroll all employees of employers who choose to participate in the MEP;

(3) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(4) be funded by employee contributions with an option for future voluntary employer contributions; and

(5) be overseen by a board:

(A) that shall:

(i) set program terms;

(ii) prepare and design plan documents; and
be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services; and

(B) that shall be composed of seven members as follows:

(i) an individual with investment experience, to be appointed by the Governor;

(ii) an individual with private sector retirement plan experience, to be appointed by the Governor;

(iii) an individual with investment experience, to be appointed by the State Treasurer;

(iv) an individual who is an employee or retiree, to be appointed by the State Treasurer;

(v) an individual who is an employee advocate or consumer advocate, to be appointed by the Speaker of the House;

(vi) an individual who is an employer, to be appointed by the Committee on Committees; and

(vii) the State Treasurer, who shall serve as chair.

(d) The State of Vermont shall implement the “Green Mountain Secure Retirement Plan” on or before January 15, 2019, based on the recommendations of the Public Retirement Plan Study Committee as set forth in Sec. 34 of this act.

Sec. 34. 2016 Acts and Resolves No. 157, Sec. F.1 is amended to read:

Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
ESTABLISHING A PUBLIC RETIREMENT PLAN

(a) Creation of Committee.

(1) There is created the 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, and to develop specific recommendations concerning the design, creation, and implementation of the Multiple Employer Plan (MEP), pursuant to in Sec. 33 of H.516 (2017) as enacted and as set forth in the January 6, 2017 report issued by the Committee.

(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 develop specific recommendations concerning the design, creation, and implementation time line of the Multiple Employer Plan (MEP) public retirement plan, including the following pursuant to Sec. 33 of H.516 (2017) as enacted, which shall:

(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 be available on a voluntary basis to:

(I) employers:

(aa) with 50 employees or fewer; and

(bb) who do not currently offer a retirement plan to their employees; and

(II) self-employed individuals;

(ii) automatically enroll all employees of employers who choose to participate in the MEP;

(iii) allow employees the option of withdrawing their enrollment and ending their participation in the MEP;

(iv) be funded by employee contributions with an option for future voluntary employer contributions; and

(v) be overseen by a board that shall:

(I) set programs terms;

(II) prepare and design plan documents; and

(III) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services.

(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; The Committee, and thereafter the board that will oversee the MEP, shall study and make specific recommendations concerning:

   (i) options to provide access to retirement plans to individuals who are not eligible to participate in, or choose not to participate in, the MEP public retirement plan, including alternative plans and options vetted by the board that shall oversee the MEP, and which plans and options shall be provided through a marketplace implemented no earlier than one year after the MEP begins;

   (ii) options for paying for the costs of administering the MEP for the period during which program costs may exceed revenues, including allowing financial service providers to subsidize costs in exchange for longer term contracts;

   (iii) the composition, membership, and powers of the board that shall oversee the MEP;

   (iv) if after three years there remain significant numbers of Vermonters who are not covered by a retirement plan, methods to increase participation in the MEP; 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 subdivisions (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 and (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.

Sec. 35. 21 V.S.A. § 210 is amended to read:

§ 210. PENALTIES

(a) Upon issuance of a citation under this chapter, the Review Board is authorized to assess civil penalties for grounds provided in this subsection. In assessing civil penalties, the Review Board shall follow to the degree practicable the federal procedures prescribed in rules promulgated adopted under the Act. The Review Board shall give due consideration to the appropriateness of the penalty with respect to the size of the business or operation of the employer being assessed, the gravity of the violation, the good faith of the employer, and the history of previous violations. Civil penalties shall be paid to the Commissioner for deposit with the State Treasurer, and may be recovered in a civil action in the name of the State of Vermont brought in any court of competent jurisdiction. The Commissioner shall not reduce the assessed penalties in any fiscal year by more than 50 percent.

(1) Any employer who willfully or repeatedly violates the requirements of this Code or any standard, or rule adopted, or order promulgated issued pursuant to this Code or regulations prescribed pursuant to this Code may be assessed a civil penalty of not more than $70,000.00 $126,749.00 for each violation, but not less than $5,000.00 for each willful violation.

(2) Any employer who has received a citation for a serious violation of
the requirements of this Code, or any standard, or rule adopted, or order promulgated issued pursuant to this Code, or of any regulations prescribed pursuant to this Code, shall be assessed a civil penalty of up to $7,000.00 $12,675.00 for each violation.

(3) Any employer who has received a citation for a violation of the requirements of this Code, or any standard, or rule adopted, or order promulgated issued pursuant to this Code or of regulations prescribed pursuant to this Code, and such violation if the violation is specifically determined not to be of a serious nature, may be assessed a civil penalty of up to $7,000.00 $12,675.00 for each such violation.

(4) Any employer who fails to correct a violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the date of the final order of the Review Board, in the case of any review proceeding under section 226 of this title initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a civil penalty of not more than $7,000.00 $12,675.00 for each day during which the failure or violation continues.

(5) Any employer who willfully violates any standard, or rule adopted, or order promulgated issued pursuant to this Code, and that violation caused death to any employee, shall, upon conviction, be punished by a fine of not more than $20,000.00 $126,749.00 or by imprisonment for not more than one year, or by both.

* * *

(8) Any employer who violates any of the posting requirements, as prescribed under the provisions of this Code, shall be assessed a civil penalty of up to $7,000.00 $12,675.00 for each violation.

(9)(A) As provided under the federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and the Act, the penalties provided in subdivisions (1), (2), (3), (4), (5), and (8) of this subsection shall annually, on January 1, be adjusted to reflect the increase in the Consumer Price Index, CPI-U, U.S. City Average, not seasonally adjusted, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous December 1.

(B) The Commissioner shall calculate and publish the adjustment to the penalties on or before January 1 of each year and the penalties shall apply to fines imposed on or after that date.

* * *

Sec. 36. 21 V.S.A. § 711 is amended to read:
§ 711. WORKERS’ COMPENSATION ADMINISTRATION FUND

(a) A Workers’ Compensation Administration Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the administration of the workers’ compensation and occupational disease programs. The Fund shall consist of contributions from employers made at a rate of \(1.75\) percent of the direct calendar year premium for workers’ compensation insurance, one percent of self-insured workers’ compensation losses, and one percent of workers’ compensation losses of corporations approved under this chapter. Disbursements from the Fund shall be on warrants drawn by the Commissioner of Finance and Management in anticipation of receipts authorized by this section.

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*** Workforce Development; Career and Technical Education ***

Sec. 37. 10 V.S.A. § 540 is amended to read:

§ 540. WORKFORCE EDUCATION AND TRAINING DEVELOPMENT LEADER

(a) The Commissioner of Labor shall be the leader of workforce education and training development 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 Development Board:

(A) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;

(B) create and maintain an inventory of all existing workforce education and training programs and activities in the State;

(C) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;

(D) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;

(E) ensure coordination and non-duplication of workforce education and training activities;

(F) identify best practices and gaps in the delivery of workforce
education and training programs;

(G) design and implement criteria and performance measures for workforce education and training activities; and

(H) establish goals for the integrated workforce education and training system.

(2) Require from each business, training provider, or program that receives State funding to conduct workforce education and training a report that evaluates the results of the training. Each recipient shall submit its report on a schedule determined by the Commissioner and shall include at least the following information:

(A) name of the person who receives funding;

(B) amount of funding;

(C) activities and training provided;

(D) number of trainees and their general description, including the gender of the trainees;

(E) employment status of trainees; and

(F) future needs for resources.

(3) Review reports submitted by each recipient of workforce education and training funding.

(4) Issue an annual report to the Governor and the General Assembly on or before December 1 that includes a systematic evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions.

(5) Coordinate public and private workforce programs to assure that information is easily accessible to students, employees, and employers, and that all information and necessary counseling is available through one contact.

(6) Facilitate effective communication between the business community and public and private educational institutions.

(7) Notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that in each State and State-funded workforce education and training program, the program administrator collects and reports data and results at the individual level by Social Security Number or an equivalent.

(8) Coordinate within and across State government a comprehensive workforce development strategy that grows the workforce, recruits new workers to the State, and meets employers’ workforce needs.
Sec. 38. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

(a) Creation. There is created a Workforce Education and Training Fund in the Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The Department shall use the Fund for the following purposes:

(1) training for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another;

(2) internships to provide students with work-based learning opportunities with Vermont employers;

(3) apprenticeship, preapprenticeship, and industry-recognized credential training; and

(4) other workforce development initiatives related to current and future job opportunities in Vermont as determined by the Commissioner of Labor.

(c) Administrative and other support. The Department of Labor shall provide administrative support for the grant award process. When appropriate and reasonable the State Workforce Investment Board and all other public entities involved in economic development and workforce education and training shall provide other support in the process.

(d) Eligible activities.

(1) The Department shall grant awards from the Fund to employers and entities, including private, public, and nonprofit entities, institutions of higher education, high schools, middle schools, technical centers, and workforce education and training programs that:

(A) create jobs, offer education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, career planning, or work-based learning activities, or any combination;

(B) employ student-oriented approaches to workforce education and training; and

(C) link workforce education and economic development strategies.

(2) The Department may fund programs or projects that demonstrate actual increased income and economic opportunity for employees and employers for more than one year.

(3) The Department may fund student internships and training programs
that involve the same employer in multiple years with approval of the Commissioner.

(e) [Repealed].

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Development Board, shall develop award criteria and may grant awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities, including employers and education and training providers, for existing or new training programs that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available training funded with public money;

(iii) provide a project timeline, including performance goals, and identify how the effectiveness and outcomes of the program will be measured, including for the individual participants, the employers, and the program as a whole; and

(iv) articulate the need for the training and the direct connection between the training and the job.

(B) The Department shall grant awards under this subdivision (1) to programs or projects that:

(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, preapprenticeship and industry-recognized credentials, mentoring, or any combination of these;

(ii) address the needs of workers who are unemployed, underemployed, or are at risk of becoming unemployed, and workers who are in transition from one job or career to another;

(iii) address the needs of employers to hire new employees, or retrain incumbent workers, when the employer has demonstrated a need not within the normal course of business, with priority to training that results in new or existing job openings for which the employer intends to hire; or

(iv) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.
(2) Vermont Strong Internship Program. Funding for eligible internship programs and activities under the Vermont Strong Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

(4) Career Focus and Planning programs. Funding for one or more programs that institute career training and planning for young Vermonters, beginning in middle school.

**Vermont Minimum Wage**

Sec. 39. MINIMUM WAGE STUDY

(a) Creation. There is created a Minimum Wage Study Committee.

(b) Membership. The Committee shall be composed of the following members:

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall study the following issues:

(1) the minimum wage in Vermont and livable wage in Vermont in relation to real cost of living;

(2) the economic effects of small to large increases in the Vermont minimum wage, including in relation to the minimum wage in neighboring states;

(3) how the potential for improving economic prosperity for Vermonters with low and middle income through the Vermont Earned Income Tax Credit might interact with raising the minimum wage;

(4) specific means of mitigating the “benefits cliff,” especially for those earning below the livable wage, to enhance work incentives;

(5) the effects of potential reductions in federal transfer payments as the minimum wage increases, and impacts of possible reductions in federal benefits due to changes in federal law;

(6) ways to offset losses in State and federal benefits through State benefit programs or State tax policy; and
(7) further research to better understand the maximum beneficial minimum wage level in Vermont.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Joint Fiscal Office, the Office of Legislative Council, the Department of Labor, the Department of Taxes, and the Agency of Human Services.

(e) Report. On or before December 1, 2017, the Committee shall submit a written report with its findings and any recommendations for legislative action to the Senate Committee on Economic Development, Housing and General Affairs, and the House Committee on General, Housing and Military Affairs.

(f) Meetings.

(1) The Joint Fiscal Office shall convene the first meeting of the Committee on or before July 1, 2017.

(2) A majority of the membership shall constitute a quorum.

(3) The members of the Committee shall select a chair at its first meeting.

(4) The Committee shall cease to exist on December 1, 2017.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than five meetings.

*** Financial Technology ***

Sec. 40. FINANCIAL TECHNOLOGY

(a) The General Assembly finds:

(1) The field of financial technology is rapidly expanding in scope and application.

(2) These developments present both opportunities and challenges.

(3) On the opportunity side, Vermont has been a leader in previous innovations in finance in contexts such as captive insurance.

(4) The existing Vermont legislation on blockchain technology and other aspects of e-finance have given Vermont the potential for leadership in this new era of innovation as well, with the possibility of expanded economic activity in the financial technology sector that would provide opportunities for employment, tax revenues, and other benefits.

(5) Furthermore, it is important for Vermonters that these developments
proceed in ways that do not create avoidable risks for individuals and enterprises in the new e-economy.

(6) The legislative and regulatory response in Vermont will be critical to our ability to embrace the benefits of financial technology and to avoid challenges it may create.

(b)(1) In order to permit the legislature to respond to these developing opportunities and concerns on an informed basis, on or before November 30, 2017 the Center for Legal Innovation at Vermont Law School, in consultation with the Commissioner of Financial Regulation, the Secretary of Commerce and Community Development, and the Attorney General, shall submit a report to the General Assembly that includes:

(A) findings and recommendations on the potential opportunities and risks presented by developments in financial technology;

(B) suggestions for an overall policy direction and proposals for legislative and regulatory action that would effectively implement that policy direction; and

(C) measurable goals and outcomes that would indicate success in the implementation of such a policy.

(2) In developing the background for this report, the Center, Commissioner, Secretary, and Attorney General may consult such other constituencies and stakeholders within and outside of the State as they may determine for information that will be helpful to their considerations.

* * * Municipal Outreach; Sewerage and Water Service Connections * * *

Sec. 41. AGENCY OF NATURAL RESOURCES; EDUCATION AND OUTREACH; DELEGATION; SEWERAGE AND WATER SERVICE CONNECTIONS

(a) The Secretary of Natural Resources, after consultation with the Vermont League of Cities and Towns, shall conduct outreach and education for municipalities regarding the ability of a municipality under 10 V.S.A. § 1976 to be delegated the authority to permit the connection of a municipal sewer or water service line to subdivided land, a building, or a campground.

(b) The education and outreach shall specify the conditions or requirements for delegation, how a municipality can seek delegation, and contact information or other resource to provide additional information regarding delegation. The education and outreach may include educational materials, workshops, or classes regarding the ability of a municipality to be delegated under 10 V.S.A. § 1976 the permitting of sewer and water service connection.
(c) On or before January 15, 2018, the Secretary of Natural Resources shall submit a report to the Senate Committees on Natural Resources and Energy and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife and on Commerce and Economic Development summarizing the education and outreach conducted or planned by the Secretary under the requirements of this section and whether any municipality has sought delegation of sewer and water service connection permitting under 10 V.S.A. § 1976 since the effective date of this act.

*** Municipal Land Use and Development; Affordable Housing ***

Sec. 42. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

(1) “Affordable housing” means either of the following:

(A) Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household’s gross annual income. Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(B) Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30
percent of the household’s gross annual income. Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

***

*** Act 250; Priority Housing Projects ***

Sec. 43. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

***

(3)(A) “Development” means each of the following:

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(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land, and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) 275 or more, in a municipality with a population of 15,000 or more; [Repealed.]

(bb) 150 or more, in a municipality with a population of 10,000 or more but less than 15,000; [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000;

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000.
(ee) 25 or more, in a municipality with a population of less than 3,000; and.

(ff) notwithstanding subdivisions (aa)(cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

(II) The determination of jurisdiction over a priority housing project shall count only the housing units included in that discrete project.

(III) Housing units in a priority housing project shall not count toward determining jurisdiction over any other project.

***

(D) The word “development” does not include:

***

(viii) The construction of a priority housing project in a municipality with a population of 10,000 or more. However, if the construction of the project involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

***

(27) “Mixed income housing” means a housing project in which the following apply:

(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:

(i) at least 15 percent of the housing units have a purchase price which at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or

(ii) at least 20 percent of the housing units have a purchase price
which at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency.

(B) Rental housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of no not less than 20 15 years.

(28) “Mixed use” means construction of both mixed income housing and construction of space for any combination of retail, office, services, artisan, and recreational and community facilities, provided at least 40 percent of the gross floor area of the buildings involved is mixed income housing. “Mixed use” does not include industrial use.

(29) “Affordable housing” means either of the following:

(A) Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household’s gross annual income. Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;  

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or  

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(B) Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household’s gross annual income. Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a
household at 80 percent of the highest of the following:

(i) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

(35) “Priority housing project” means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated village center that is also a designated neighborhood development area under 24 V.S.A. chapter 76A; or

(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.

* * *

Sec. 44. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

(a) No person shall sell or offer for sale any interest in any subdivision located in this State, or commence construction on a subdivision or development, or commence development without a permit. This section shall not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all, of a subdivision unless the sale, mortgage, or transfer is accomplished to circumvent the purposes of this chapter.

* * *

(o) If a downtown development district designation pursuant to 24 V.S.A. § 2793 chapter 76A is removed, subsection (a) of this section shall apply to any subsequent substantial change to a priority housing project that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the basis of that designation.

(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district
designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after the effective date of this subsection, remain below the any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

* * *

Sec. 45. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS, COMMENCEMENT OF REVIEW

* * *

(f) This subsection concerns an application for a permit amendment to change the conditions of an existing permit or permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.

(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the permit or permit amendment or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party retained party status.

(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings under subsection 6086(a) and are authorized under subsection 6086(c) of this title.

Sec. 46. 30 V.S.A. § 55 is added to read:

§ 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

A priority housing project as defined in 10 V.S.A. § 6001 shall meet or
exceed the stretch codes established under this subchapter by the Department of Public Service.

* * * ACCD; Publication of Median Household Income and Qualifying Costs for Affordable Housing * * *

Sec. 47. 3 V.S.A. § 2472 is amended to read:

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

(a) The Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The Department shall:

* * *

(5) In conjunction with the Vermont Housing Finance Agency, annually publish data and information to enable the public to determine income levels and costs for owner-occupied and rental housing to qualify as affordable housing, as defined in 24 V.S.A. § 4303 and 10 V.S.A. § 6001(29), including:

(A) the median income for each Vermont county, as defined by the U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income for each municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

* * * Downtown Tax Credits * * *

Sec. 48. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed $2,200,000.00;

$2,400,000.00;

* * *

* * * Tax Credit for Affordable Housing; Captive Insurance Companies * * *

Sec. 49. 32 V.S.A. § 5930u is amended to read:
§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

* * *

(5) “Credit certificate” means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer’s individual or corporate income tax, or franchise, captive insurance premium, or insurance premium tax liability as provided in this subchapter.

* * *

(c) Amount of credit. A taxpayer who makes an eligible cash contribution shall be entitled to claim against the taxpayer’s individual income, corporate, franchise, captive insurance premium, or insurance premium tax liability a credit in an amount specified on the taxpayer’s credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

* * *

* * * Vermont State Housing Authority; Powers * * *

Sec. 50. 24 V.S.A. § 4005 is amended to read:

§ 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT, MEMBERS, POWERS

* * *

(e) Notwithstanding any provision of law, no person, domestic or foreign, shall be authorized to administer allocations of money under 42 U.S.C.A. § 1437a or 1437f or other federal statute authorizing rental subsidies for the benefit of persons of low or moderate income, except:

(1) a subcontractor of the State Authority; or

(2) a State public body authorized by law to administer such allocations;

(3) a person authorized to administer such allocations pursuant to an agreement with the State Authority; or

(4) an organization, of which the State Authority is a promoter, member, associate, owner, or manager, that is authorized by a federal agency to administer such allocations in this State.

(f) In addition to the powers granted by this chapter, the State Authority shall have all the powers necessary or convenient for the administration of federal monies pursuant to subsection (e) of this section, including the power:
(1) to enter into one or more agreements for the administration of federal monies;

(2) to be a promoter, partner, member, associate, owner, or manager of any partnership, limited liability company, joint venture, association, trust, or other organization;

(3) to conduct its activities, locate offices, and exercise the powers granted by this title within or outside this State;

(4) to carry on a business in the furtherance of its purposes; and

(5) to do all things necessary or convenient, consistent with law, to further the activities and affairs of the Authority.

* * * Tax Increment Financing Districts * * *

Sec. 51. 24 V.S.A. chapter 53, subchapter 5 is amended to read:

Subchapter 5. Tax Increment Financing

* * *

§ 1892. CREATION OF DISTRICT

* * *

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

(1) the City of Burlington, Downtown;
(2) the City of Burlington, Waterfront;
(3) the Town of Milton, North and South;
(4) the City of Newport;
(5) the City of Winooski;
(6) the Town of Colchester;
(7) the Town of Hartford;
(8) the City of St. Albans;
(9) the City of Barre; and
(10) the Town of Milton, Town Core; and
(11) the City of South Burlington, New Town Center.
§ 1894. POWER AND LIFE OF DISTRICT

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

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

Sec. 52. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT FINANCING DISTRICTS

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply up to 75 percent of the State education property tax increment, and not less than an equal share plus five percent of the municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than two districts in a single county, and not more than an additional 14 districts in the State, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order
they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council’s discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the 14-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the 14-district limit.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (3)(A) of this subsection, the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall not approve any additional districts on or after July 1, 2024.

** Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

(1) Review each application to determine that the new real property proposed infrastructure improvements and the proposed development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(B) how the proposed development components and size would differ, if at all, without education property tax increment financing, including, if applicable to the development, the number of units of affordable housing, as defined in 24 V.S.A. § 4303; and

(C) the amount of additional revenue expected to be generated as a
result of the proposed development; the percentage of that revenue that shall be paid to the education fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.

(2) Process requirements. Determine that each application meets all of the following four requirements:

(A) The municipality held public hearings and established a tax increment financing district in accordance with 24 V.S.A. §§ 1891-1900.

(B) The municipality has developed a tax increment financing district plan, including: a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements.

(C) The municipality has approved or pledged the utilization of incremental municipal tax revenues for purposes of the district in the same proportion as the utilization of education property tax revenues approved by the Vermont Economic Progress Council for the tax increment financing district.

(D) The proposed infrastructure improvements and the projected development or redevelopment are compatible with approved municipal and regional development plans, and the project has clear local and regional significance for employment, housing, and transportation improvements.

(3) Location criteria. Determine that each application meets one of the following criteria:

(A) The development or redevelopment is compact, high density, and located in or near existing industrial areas.

(B) The proposed district is within an approved growth center, designated downtown, designated village center, or new town center, or neighborhood development area.

(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values in the municipality in which the area is located has at least one of the following:
(i) a median family income that is 80 percent or less of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data is available;

(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or

(iii) a median sales price for residential properties under six acres that is 80 percent or less than the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three of the following four criteria:

(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.

(B) The development includes new or rehabilitated affordable housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. “Affordable” has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

(D) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the department of labor.

(E) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

***

*** Effective Dates ***

Sec. 53. EFFECTIVE DATES

This act shall take effect on passage except:
Notwithstanding 1 V.S.A. § 214, Sec. 7 (annual update of income tax link to the IRC) shall take effect retroactively on January 1, 2016 and apply to taxable years beginning on and after January 1, 2016.

(2) Notwithstanding 1 V.S.A. § 214, Sec. 8 (estate tax) shall take effect retroactively on January 1, 2016.

(3) Sec. 11 (3 V.S.A. chapter 10) shall take effect on passage, except for 3 V.S.A. § 242, which shall take effect when the VCIC has been authorized in statute to subscribe to the FBI Rap Back program.

(4) Secs. 12–13 (break-open tickets) shall take effect on September 1, 2017, except the first quarter for which nonprofit organizations shall be required to comply with 31 V.S.A. § 1203(f) shall be the fourth quarter of 2017.

(5) Secs. 16–17 (transferring employer assessment from the Department of Labor to the Department of Taxes) and 27(5) shall take effect on January 1, 2018 with the return of the fourth quarter of 2017 being due on January 25, 2018.

(6) Sec. 19 (sales tax exemption for aircraft) shall take effect on July 1, 2017.

(7) Notwithstanding 1 V.S.A. § 214, Sec. 20 (use tax reporting) shall take effect retroactively on January 1, 2017 and apply to returns filed for tax year 2017 and after.

(8) Notwithstanding 1 V.S.A. § 214, Sec. 22 (third party settlement network reporting requirements) shall take effect retroactively on January 1, 2017 and apply to taxable year 2017 and after.

(9) Sec. 23 (additional noncollecting vendor reporting requirements) shall take effect on July 1, 2017.

(10) Secs. 27–29 (property tax appeals) and 30 (premium tax credit) shall take effect on July 1, 2017.

(11) Secs. 31–50 (economic development provisions) shall take effect on July 1, 2017.

(12) Secs. 51 and 52 (tax increment financing districts) shall take effect on passage and shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.

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

Orders of the Day Interrupted

Rep. Turner of Milton moved to interrupt orders of the day for the purposes of a bill introduction which was agreed to.

Senate Bill Referred

S. 100

Senate bill, entitled
An act relating to promoting affordable and sustainable housing
Was read and referred to the committee on Ways and Means.

Committee of Conference Appointed

S. 16

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled
An act relating to expanding patient access to the Medical Marijuana Registry
The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Pugh of South Burlington  
Rep. Haas of Rochester  
Rep. McFaun of Barre Town

Rules Suspended; Bills Messaged to Senate Forthwith

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

H. 506

House bill, entitled
An act relating to professions and occupations regulated by the Office of Professional Regulation

H. 509

House bill, entitled
An act relating to calculating statewide education tax rates

H. 512
House bill, entitled
An act relating to the procedure for conducting recounts

H. 516

House bill, entitled
An act relating to miscellaneous tax changes

S. 10

Senate bill, entitled
An act relating to liability for the contamination of potable water supplies

S. 72

Senate bill, entitled
An act relating to requiring telemarketers to provide accurate caller identification information

Adjournment

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